

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM199048
2. Name of Operator Caza Operating, LLC		6. If Indian, Allottee or Tribe Name
3a. Address 200 N. Loraine, Suite 1550, Midland, Texas 79701	3b. Phone No. (include area code) 432 682 7424	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980 FNL & 1980 FWL, Sec 15, T-28S, R-34-E		8. Well Name and No. Mud Slide Slim 15 Federal # 1
		9. API Well No. 30 025 38469
		10. Field and Pool, or Exploratory Area Lea, Bone Springs
		11. County or Parish, State Lea, New Mexico

HOBBS OCD
JUN 02 2014
RECEIVED

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>Test & Combine</u> Zones

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Caza Operating request permission to shut in the currently productive Bone Springs well & take a static BHP. We will then Temporarily abandon the current zone 9488' to 10,925' with a RBP. We will test the Lower Delaware zone 8150-8306 via perf, acid & swab. If zone proves to be productive a fracture stimulation will be executed with the zone being tested for 60 days. We will obtain oil, water & gas samples and compare the results with the current producing zone. We will file a C-107A with the State/Federal agencies requesting a commingle order. Once the order is obtained we will combine all perfs & produce via rod pump.

NOI is not approved

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Richard L. Wright	Title Operations Manager, Caza Operating, LLC
Signature <i>Richard L. Wright</i>	Date 07/24/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Title <i>KZ</i>	Date MAY 28 2014
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	Office <i>KZ</i>	<i>Paul R. Smith</i>

(Instructions on page 2)

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

JUN 03 2014

Rate/Time Graph

Project: U:\My Documents\IHS\PowerTools\Projects v9.2\Caza_PDP plus 26 Well TOTAL PDP.mdb

Date: 7/25/2013

Time: 11:37 AM

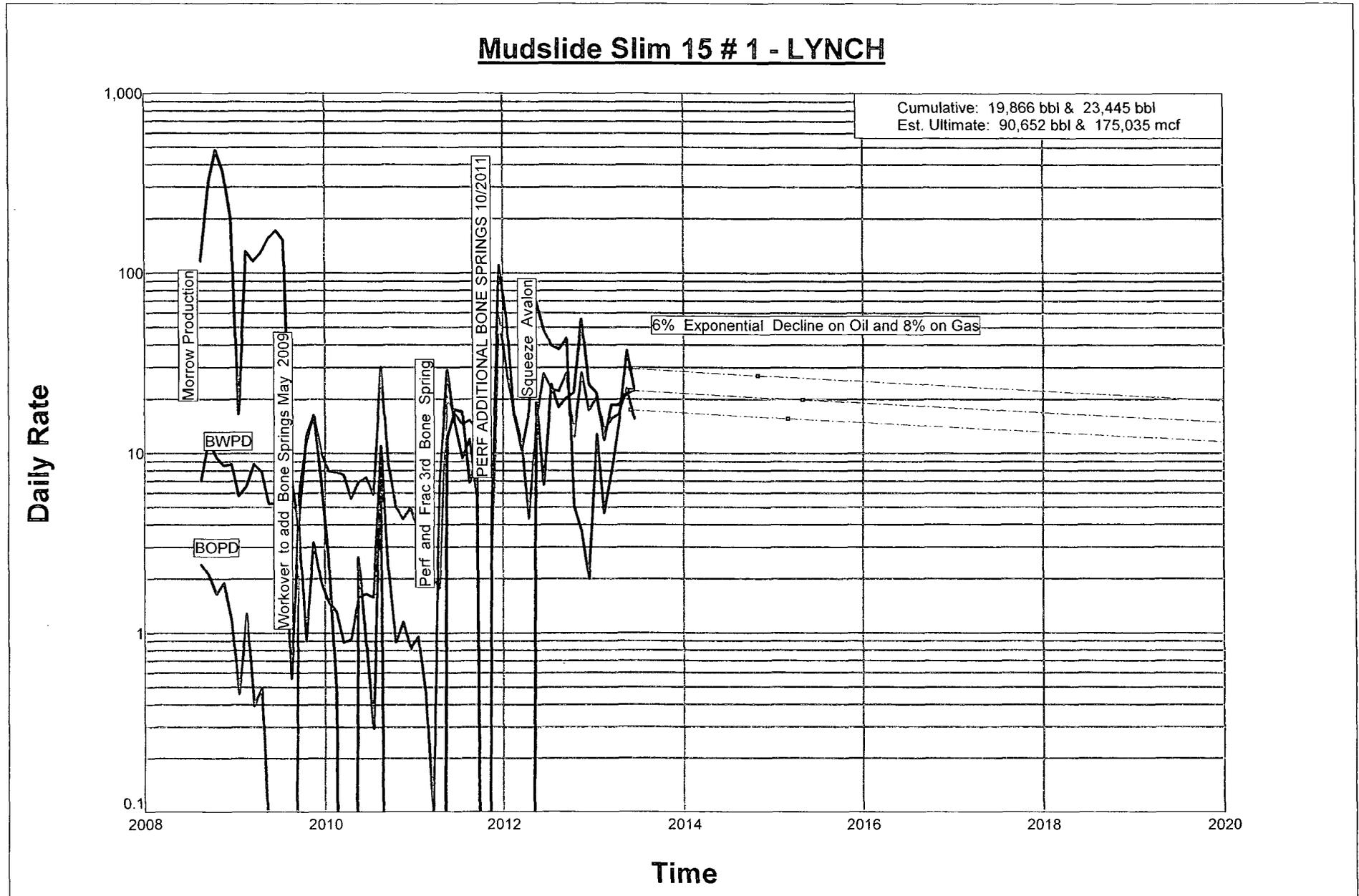
Lease Name: Mudslide Slim 15 (1)

County, ST: LEA, NM

Location: 0-0-0

Operator: Caza Petroleum, Inc.

Field Name: LYNCH



Monthly CashFlow Report

Project: U:\My Documents\HS\PowerTools\Projects v9.2\Caza_PDP plus 26 Well TOTAL PDP.mdb

Lease Name: Mudslide Slim 15 (1)
 County, ST: LEA, NM
 Location: 0-0-0

Operator: Caza Petroleum, Inc.
 Field Name: LYNCH
 Reserve Type/Class: Proved/

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
08/2013	1	524	672	191	245	92.85	5.27	19,047
09/2013	1	521	669	190	244	92.85	5.27	18,949
10/2013	1	518	665	189	243	92.85	5.27	18,851
11/2013	1	516	662	188	242	92.85	5.27	18,754
12/2013	1	513	658	187	240	92.85	5.27	18,658
01/2014	1	511	655	186	239	92.85	5.27	18,562
02/2014	1	508	652	185	238	92.85	5.27	18,466
03/2014	1	505	648	184	237	92.85	5.27	18,371
04/2014	1	503	645	183	235	92.85	5.27	18,277
05/2014	1	500	642	183	234	92.85	5.27	18,183
06/2014	1	498	638	182	233	92.85	5.27	18,089
07/2014	1	495	635	181	232	92.85	5.27	17,996
08/2014	1	492	632	180	231	93.08	5.28	17,949
09/2014	1	490	629	179	229	93.32	5.30	17,902
10/2014	1	487	625	178	228	93.55	5.31	17,855
Remainder:		62,679	80,425	22,878	29,355	113.12	6.46	2,777,636
Grand Total:		70,260	90,153	25,645	32,906	110.94	6.34	3,053,546

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10% Cash Flow (\$)
08/2013	6,527	1,621	10,899	0	10,899	10,899	10,813
09/2013	6,519	1,612	10,818	0	10,818	21,717	10,647
10/2013	6,511	1,604	10,736	0	10,736	32,453	10,484
11/2013	6,503	1,596	10,656	0	10,656	43,109	10,322
12/2013	6,495	1,588	10,575	0	10,575	53,684	10,164
01/2014	6,487	1,579	10,495	0	10,495	64,180	10,007
02/2014	6,479	1,571	10,416	0	10,416	74,595	9,852
03/2014	6,472	1,563	10,337	0	10,337	84,932	9,700
04/2014	6,464	1,555	10,258	0	10,258	95,190	9,550
05/2014	6,456	1,547	10,179	0	10,179	105,369	9,402
06/2014	6,449	1,539	10,102	0	10,102	115,471	9,256
07/2014	6,441	1,531	10,024	0	10,024	125,495	9,113
08/2014	6,450	1,527	9,972	0	9,972	135,467	8,994
09/2014	6,458	1,523	9,921	0	9,921	145,388	8,877
10/2014	6,466	1,519	9,870	0	9,870	155,258	8,761
Remainder:	1,547,409	236,347	993,880	0	993,880	1,149,138	549,100
Grand Total:	1,644,586	259,823	1,149,138	0	1,149,138	1,149,138	695,043

Discount Present Worth:

0.00 %	1,149,138
10.00 %	695,043
20.00 %	489,982
30.00 %	379,563
40.00 %	312,136
50.00 %	267,096
60.00 %	234,984
70.00 %	210,948
80.00 %	192,278
90.00 %	177,345
100.00 %	165,118

Economic Dates:

Effective Date	08/2013
Calculated Limit	06/2032
Economic Life	227 Months
	18 Years 11 Months

Economics Information:

Net Payout Date:	08/2013
Rate of Return:	>100 %
Return on Investment:	0.00
Disc Return on Invest:	0.00
Initial Division of Interest:	

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	90,652	175,035
Historic Gross	19,866	84,207
Gross at Eff Date	20,393	84,883
Remaining Gross	70,260	90,153
Remaining Net	25,645	32,906

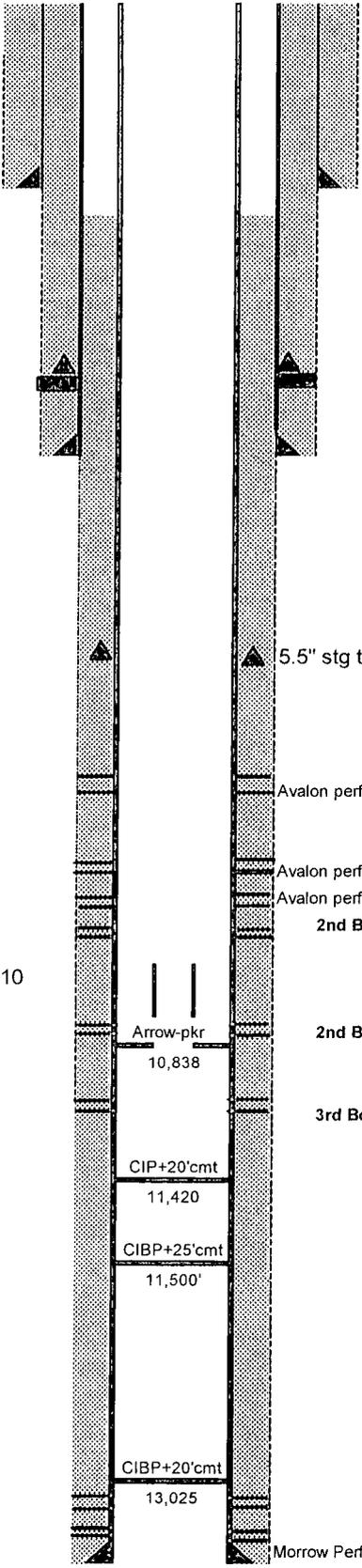
BTU Content: 1.400 mmbtu/mcf
 Gravity: Oil: 39.00 Gas: 0.800

	NRI	ORI
Oil:	36.500000	0.000000
Gas:	36.500000	0.000000
Injection:	0.000000	0.000000

Reversion Date: None

Mud Slide Slim 15 Fed # 1-Well Bore Schematic 3-2013

API # 30 025 38469-Lea County, New Mexico



KB=20'. GR=3642'

Surface Hole 17.5'-1621'
Mud=WB-9.2 ppg

Inter Hole=12.25'-5525'
Mud = WB Brine-10.1 ppg

Tbg stub above pkr @ 9710

Prod Hole=8.5'-12,496'
Prod Hole=7.875'-13,514'
Mud = WBM-10.35 ppg

Surface Csg: 1621'
Cement Data:

13-3/8" 54.5 J-55
Lead: 1050 Sks 35:65:6 Poz-C + additives
Tail: 1200 sks "C" + 2% Cacl2
Circulated 383 sks.

Intermediate Csg: 5525'
Cement Data:
Stg tool 3546'-CP@3591'

9-5/8: 40.0# N-80 & P-110
1st stg: Lead-330 "C" 35:65:6+
Tail w/ 200 sks "C" + 1% cacl2
2nd stg: Lead-1245 sks "C" 35:65:6
Tail w/ 100 sks "C" + 1% cacl2
Circulate 75 sks to surface

5.5" stg tool @ 8512'

Avalon perms 8802-8964-Squeezed

Avalon perms 9164-9037' Squeezed

Avalon perms 9302-9242' Squeezed

2nd Bone perf 9488-9536' Open

2nd Bone perf 9,836-9,854 Open "Csg Collapse"

3rd Bone perf 10,910-10,925 Open

Arrow-pkr
10,838

CIP+20'cmt
11,420

CIBP+25'cmt
11,500'

CIBP+20'cmt
13,025

TD 13,514'

Prod Csg: 13,514'
Cement Data: **Stg tool @ 8512'**

Morrow Perfs: 13,395-13,047'

5-1/2" 20#L & 17#P
1st stg: 1600 sks "H" 15.7ppg+
additives. **Circ 248 sks**
2nd stg: 1200 sks "C" 14.1ppg+
8 pps Gilsonite
TOC 2955 CBL