

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

AUG 25 2014

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM99048
2. Name of Operator CAZA OPERATING LLC Contact: RICHARD WRIGHT E-Mail: rwright@cazapetro.com		6. If Indian, Allottee or Tribe Name
3a. Address 200 LORAIN STREET #1500 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-682-7424 Ext: 1006 Fx: 432-682-7425	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 15 T20S R34E Mer NMP SENW 1980FNL 1980FWL 32.574818 N Lat, 103.549746 W Lon		8. Well Name and No. MUD SLIDE SLIM 15 FEDERAL 1
		9. API Well No. 30-025-38469
		10. Field and Pool, or Exploratory LEA, DELAWARE NE
		11. County or Parish, and State LEA COUNTY, NM

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 type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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	

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 Respectfully request to be allowed to commingle the existing Delaware Perfs 8291-8306 ft with the Temporarily abandoned Bone Springs intervals 10,910 ft to 10,925 ft & 9488-9536'. Attached is a letter outlining our request for current operations as well as explanations for incorrect plugging procedure leaving the Morrow Interval. We've also attached a Delaware schematic which is currently producing and a future schematic showing the Delaware Bone Springs commingled down hole. Attached is Mr Swartz's INC signed 3/13/14. NMOCD should not have a problem with this request as long as they approve the allocation formula. This Sundry should satisfy INC # 1403PS01L which was signed & issued by Mr Paul Swartz.

Returned - Commingling request has insufficient information. Inc # 1403PS01L has not been satisfied. Operations have been without BLM approval historically.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #254382 verified by the BLM Well Information System
For CAZA OPERATING LLC, sent to the Hobbs

Name (Printed/Typed) RICHARD WRIGHT	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 07/23/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>Paul R Swartz</i>	Title <i>PET</i>	Date <i>8/28/14</i>
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.		Office <i>CFD</i>

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Accepted for Record Only

AUG 29 2014

W



Caza Operating, LLC
OGRID #249099
200 N. Loraine Suite 1550
Midland, Texas 79701
Ph: 432 682 7424
Fax: 432 682 7425

Subject:

**Mud Slide Slim 15 Fed # 1
Lease NMNM 99048
API 30 025 38469
1980 FNL & 1980 FWL,
Sec 15, T20S, R34E.
Lea; Bone Sprgs 37570 80 ac
Lea; Delaware NE 37584 40 ac**

Explanation of Plug back & Casing failure:

Caza Operating, LLC acknowledges that it inadvertently abandoned the Morrow interval 13,395-13,047' without the proper BLM notification and proper BLM plugging procedure. Upon review of the subject well file I've determined that Caza Operating, LLC cannot plug the Penn / Wolfcamp interval in subject well as per BLM request due to a catastrophic casing failure in the interval starting at 9722. The 5-1/2" production casing collapsed shortly after or during a fracture stimulation procedure on the 3rd Bone Springs interval 10,910-25. This job was done through tubing with the active 2nd Bone spring, 9836-54, being isolated by a packer set at 10838. A one week long fishing job using 2 cut rite dressed shoes & wash pipe failed to recover the 36-1/2 jts of 2-7/8 inch 7.9 lb N-80 tubing as well as the arrow set isolation packer. We did recover excessive metal, cement and formation shale which is proof that the casing had parted or collapsed. It was decided to leave the jts of tubing as a conduit to the 3rd Bone Spring sand 10,910 ft – 10,925 ft. Fish length was ± 1132 ft which included 36-1/2 jts of tubing + an arrow set production packer.

Repair Operation Request Long Term:

Caza Operating, LLC respectfully request that BLM allow us to leave the well in its current condition below the tubing stub at 9722 ft. In the future, when the 2nd & 3rd Bone Springs ceases to produce, the operator will plug the well using a cement retainer set above the stub at ± 9700 ft. Cement will then be squeezed below the retainer in order to seal off the 3rd Bone Perfs at 10,910 ft to 10,925 ft. We will then set a balanced cement plug in the 5-1/2" casing using 144 sks class "H" 16.4 ppg cement with coverage from 9722 ft to 8400 ft. This ± 1322 ft cement plug will isolate all intervals above the retainer set at 9700 ft. The well should then be plugged sufficient using this retainer & cement

plug along with the existing plugs set @ 11420,11500 & 13,025. This request, assuming approval, would negate the need for the operator to spend unnecessary capital in a project that is sure to fail.

Current Immediate Plan Request:

Caza Operating, upon receiving approval from both the BLM & the NMOCD, plan to commingle the currently producing Delaware perforations 8291-8306 with the Bone Spring interval that was producing prior to November of 2013. The difference in the proration unit sizes should not have a bearing on OCD's permission based on our attorney's opinion quoting rule 19.15.16.15 which allows for horizontal intervals of 160 acres to be combined with 40 acre units in the vertical section.

Sincerely,

Richard L. Wright

Richard Wright 432 682 7424 Ext 1006.
Email: rwright@cazapetro.com

Revisions to Operator-Submitted EC Data for Sundry Notice #254382

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	RESUME NOI	RESUME NOI
Lease:	NMNM99048	NMNM99048
Agreement:		
Operator:	CAZA OPERATING LLC 200 LORRAINE STREET #1500 MIDLAND, TX 79701 Ph: 432-682-7424	CAZA OPERATING LLC 200 NORTH LORRAINE SUITE 1550 MIDLAND, TX 79701 Ph: 432.638.8475
Admin Contact:	RICHARD WRIGHT AUTHORIZED REPRESENTATIVE E-Mail: rwright@cazapetro.com Cell: 432-556-7595 Ph: 432-682-7424 Ext: 1006 Fx: 432-682-7425	RICHARD WRIGHT AUTHORIZED REPRESENTATIVE E-Mail: rwright@cazapetro.com Cell: 432-556-7595 Ph: 432-682-7424 Ext: 1006 Fx: 432-682-7425
Tech Contact:	RICHARD WRIGHT AUTHORIZED REPRESENTATIVE E-Mail: rwright@cazapetro.com Cell: 432-556-7595 Ph: 432-682-7424 Ext: 1006 Fx: 432-682-7425	RICHARD WRIGHT AUTHORIZED REPRESENTATIVE E-Mail: rwright@cazapetro.com Cell: 432-556-7595 Ph: 432-682-7424 Ext: 1006 Fx: 432-682-7425
Location:		
State:	NM	NM
County:	LEA	LEA
Field/Pool:	LEA;DELAWARE NE	LEA ⁰ UNKNOWN
Well/Facility:	MUD SLIDE SLIM 15 FEDERAL 1 Sec 15 T20S R34E Mer NMP SENW 1980FNL 1980FWL 32.574818 N Lat, 103.549746 W Lon	MUD SLIDE SLIM 15 FEDERAL 01 Sec 15 T20S R34E SENW Tract F 1980FNL 1980FWL 32.574818 N Lat, 103.549746 W Lon