

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

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
FEB 11 2017
RECEIVED

5. Lease Serial No. **NM NM 132 076**
6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit of CA/Agreement, Name and/or No.
8. Well Name and No. **Desert Rose Federal 001H** ✓

1. Type of Well
 Oil Well Gas Well Other

9. API Well No. **30-025-42972**

2. Name of Operator **Caza Operating, LLC** ✓

3a. Address **200 N Loraine, STE 150 Midland TX 79701**
3b. Phone No. (include area code) **(432) 682-7424**

10. Field and Pool or Exploratory Area
Wolfcamp

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Surface - 190' FSL & 467' FWL - Sec 17 20S 35E ✓

11. Country or Parish, State
Lea County, NM

12. CHECK THE 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 type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 checked="" 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Operator change from SDX Resources Inc. to Caza Operating, LLC

* *Caza Operating will assume operations of this well and certifies that it is authorized by the proper lease interest owners to conduct lease operations and is responsible under the terms and conditions of the lease associated with this well*
BLM Bond No. NMB000471

CHANGE OF OPERATOR HAS NOT BEEN APPROVED BY NMOCD
SEE ATTACHED FOR CONDITIONS OF APPROVAL
KZ

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) **Brian Wood**
Title **Consultant - Permits West**
Signature *[Signature]* Date **10-21-16**

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Charles Nimmer** Title **PETROLEUM ENGINEER**
Date **JAN 25 2017**
Office **BUREAU OF LAND MANAGEMENT**

APPROVED
JAN 25 2017
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office

301 Dinosaur Trail

P.O. Box 27115

Santa Fe, New Mexico 87502-0115

www.blm.gov/nm

IN REPLY REFER TO:

3104 (NM92200-lortiz)

NMB000471 SW/NM bond

JAN 10 2017

DECISION

Principal:	:	BLM Bond No. : NMB000471
Caza Operating, LLC	:	
200 N. Loraine Street, Suite 1550	:	Surety Bond No.: RLB0010286
Midland, TX 79701	:	
	:	Bond Type: Surety (Oil & Gas)
Surety:	:	
RLI Insurance Company	:	Bond Amount: \$35,000
8 Greenway Plaza, Suite 400	:	
Houston, TX 77046	:	Execution Date: April 11, 2007

Bond Rider Accepted

Bond Increased

On December 15, 2016, the Bureau of Land Management (BLM), received a rider to the above described bond. The rider increased the current bond from \$25,000.00 to \$35,000.00. The additional \$10,000.00 covers the cost of Federal leases located within the Pecos District Office jurisdiction (Carlsbad, Roswell, and Hobbs Field Offices).

The rider is satisfactory and accepted effective December 15, 2016, the date received in this office. All other terms and conditions remain as originally written.

If you have any questions, you may reach me at (505) 954-2146 or e-mail at lortiz@blm.gov.

Gloria S Baca

Gloria S. Baca
Supervisory, Land Law Examiner
Branch of Adjudication

✓
cc. Charles Nimmer

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. Greene St
Carlsbad, NM 88220
Ph: (575) 234-5972

Conditions of Approval for Change of Operator

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method within 60 days, if changes have been made from previously approved disposal method.
3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.