

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Lordsburg, NM 87411
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☒ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,
PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address Caza Operating LLC 200 N. Loraine, Suite 1550 Midland, Texas 79701		² OGRID Number 24099-249099
		³ API Number 30-025-39241 ✓
³ Property Code 37457	⁵ Property Name Lucky Penny 10 State	⁶ Well No # 1 H
⁹ Proposed Pool 1 Caprock Wolfcamp, East (9310) ✓		¹⁰ Proposed Pool 2 Caprock Upper Moore-Permo Penn (47310) East (9120)

7 Surface Location

UL or lot no. P	Section 10	Township 12 S	Range 32 E	Lot Idn	Feet from the 660	North/South SOUTH line	Feet from the 990	East/West EAST line	County LEA ✓
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8 Proposed Bottom Hole Location If Different From Surface

UL or lot no. A	Section 10	Township 12 S	Range 32 E	Lot Idn	Feet from the 660	North/South NORTH line	Feet from the 660	East/West EAST line	County LEA
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S ✓	¹⁵ Ground Level Elevation 4384 ft GR
¹⁶ Multiple NO	¹⁷ Proposed Depth 12,121 MD / 8750 TVD	¹⁸ Formation WOLFCAMP	¹⁹ Contractor	²⁰ Spud Date IN PROGRESS

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26	20	52.73	40 FT GL	Grout 1.5 yds	Surface
17.5	13.375	48	400	500 Sks	Surface
12.25	9.625	40 & 36	5000	1575	Surface
8.5 / 7.875	5.5	17	12,121 MD	2300	4500 FS

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any Use additional sheets if necessary.

Caza Operating LLC request OCD's permission to alter the original APD for drilling this well from an Atoka Vertical Test to a Horizontal Wolfcamp oil test. The well will be drilled according to the original APD with the following exceptions The TVD will be changed to 8750 ft Zone of interest is located ± 8350 ft We will drill an 8 5 inch hole to 8750 ft. Log the well to determine the exact location of our zone of interest Run a Gyro Plug back to KOP of ± 7875 ft Drill the curve with an 8.5 inch bit. Drill the lateral with a 7.875 inch bit Run 5 5 inch casing centralized with rigid units per 120 ft All other aspects of the original APD will be used.

Attachments:

C102 Revised
Csg design Revised
Cmt design Revised for lateral
Simplified Directional plan

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**
Horizontal

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief

Signature

Richard L. Wright

Printed name
Richard L. Wright

Title
Operations Manager

E-mail Address.
rwwright@cazapetro.com

Date. 11/30/08

Phone 432 682 7424

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title.
PETROLEUM ENGINEER

Approval Date: DEC 01 2008

Expiration Date:

Conditions of Approval Attached ☐