

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

June 19, 2008

RECEIVED

AUG 11 2009

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30 025 39241

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Lucky Penny 10 State

8. Well Number # 1

9. OGRID Number

249099

10. Pool name or Wildcat

Caprock Upper Penn, East

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☒

2. Name of Operator

Caza Operating, LLC

3. Address of Operator

200 N. Loraine, Suite 1550, Midland, Texas 79701

4. Well Location

Unit Letter P : 660 feet from the South line and 990 feet from the East line

Section 10 Township 12S Range 32E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4384 GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☒ P AND A ☐
 CASING/CEMENT JOB ☒

OTHER: ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

5/16/09 MIRU JW Rig # 1. Spud Well @ 04:00 hrs CDT 5/18/09. Drilled 17 1/2" hole from Surface to 1430 ft.

5/19/09 TD Surface @ 16:30 hrs 5/19/09. Ran 34 jts 13 3/8" 54.5# J-55 STC casing to 1430 ft. OTex cemented casing with 900 sks 65:35:6 class "C" w/ 2% cacl2 mixed @ 12.5 ppg. Tailed w/ 150 sks "C" w/ 2% cacl2 mixed @ 14.8 ppg. Plug down @ 08:30 hrs CDT 5/20/09. Circulated 400 sks excess to transport.

5/21/09 Tested Casing & BOP's to 1400 psi. Casing test for 30 minutes. BOP's tested okay.

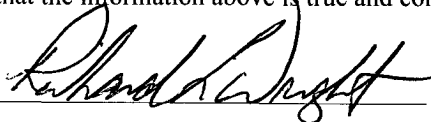
Spud Date:

5/18/09

Rig Release Date:

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

SIGNATURE



TITLE Operations Manager

DATE June 1, 2009

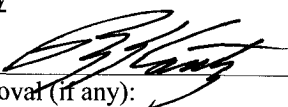
Type or print name Richard L. Wright

E-mail address: rwright@cazapetro.com

PHONE: 432 682 7424

For State Use Only

APPROVED BY:



TITLE

PETROLEUM ENGINEER

DATE

AUG 12 2009

Conditions of Approval (if any):