

June 19, 2008

District I

1625 N. French Dr., Hobbs, NM 88201

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

87505

RECEIVED

AUG 11 2009

HOBBS

OIL CONSERVATION DIVISION

220 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 H

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.)

4384ft 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.

6/11/09 _ Reach total depth of 8710 ft @ 13:00 hrs CDT 6/10/09. Ran Gyro. POH to log.

6/12/09 _ Logs failed to reach bottom. Logged 7567 - 5008 ft. Schlumberger's Platform Express.

6/13/09 _ Condition hole and Attempt to log. Failed.

6/14/09 _ Lay down DP & Run 7" 26# P-110 LTC casing to 8710 ft.

6/15/09 _ OTex Cemented casing w/ 400 sks 50:50 poz "H" mixed @ 11.5 ppg. Tailed w/ 300 sks "H" mixed @ 15.6 ppg. Schlumberger ran CBL and found cmt top @ 5580.

6/16/09 _ Set CIBP @ 8179 ft. TIH w/ Window Whipstock Assembly

6/17/09 _ Cut Window for lateral 8166 - 8176 ft. Window is oriented 2.34° azimuth.

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 22, 2009

Type or print name Richard L. Wright

E-mail address: rwright@cazapetro.comPHONE: 432 682 7424

For State Use Only

APPROVED BY:



TITLE

PETROLEUM ENGINEER

DATE

AUG 12 2009