

State of New Mexico
Energy, Minerals and Natural Resources

RECEIVED

OCT 01 2009

HOBBSD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30 025 39508

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

VB-1488

7. Lease Name or Unit Agreement Name

Bada Bing 23 State

8. Well Number #1H

9. OGRID Number

249099

10. Pool name or Wildcat

Permo Penn

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 M

330
660

feet from the South

line and 660

feet from the West

line

Section 23

Township 10 South

Range 33 East

NMPM Lea

County

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

4208 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.

Caza Operating Respectfully request revising the casing program for the subject well. Shown below is the alternate plan for the Surface Casing.

Surface Casing: 1970 ft. 17.5" hole 13.375" Csg 54.5# J-55 STC Cmt Circulated w/ 1150 sks. Rustler Top 1970 ft.

Attached is the Corrected Surface Casing Design

Spud Date:

Rig Release Date:

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

SIGNATURE

Richard L. Wright

TITLE Operations Manager

DATE Sept 28, 2009

Type or print name Richard L. Wright

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

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

OCT 05 2009

Conditions of Approval (if any):

Well name:

Bada Bing 23 State # 1Operator: **Caza Operating,LLC**String type: **Surface**Location: **Sec 23,T10S, R33E, NM****Design parameters:****Collapse**Mud weight: 9.500 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.10

Environment:H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 87 °F
Temperature gradient: 0.60 °F/100ft
Minimum section length: 1,500 ft
Minimum Drift: 2.250 in
Cement top: Surface**Burst**Max anticipated surface pressure: 889 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,126 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.
Neutral point: 1,693 ft**Re subsequent strings:**Next setting depth: 5,000 ft
Next mud weight: 10.000 ppg
Next setting BHP: 2,597 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 1,970 ft
Injection pressure 1,126 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1970	13.375	54.50	J-55	ST&C	1970	1970	12.49	1709.9
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	972	1130	1.162	1126	2730	2.43	92	514	5.57 J

Phillips

Date: September 23,2009
Midland, Texas**Remarks:**

Collapse is based on a vertical depth of 1970 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Job Information**Surface Casing**

Well Name: Bada Bing 23 State

Well #: 1

17-1/2" Hole

0 - 1970 ft (MD)

Inner Diameter

17.500 in

Job Excess

50 %

Surface Casing

0 - 1970 ft (MD)

Outer Diameter

13.375 in

Inner Diameter

12.615 in

Linear Weight

54.50 lbm/ft

Thread

STC

Casing Grade

J-55

Calculations**Surface Casing**

Cement : (1745.00 ft fill)

 $1745.00 \text{ ft} * 0.6946 \text{ ft}^3/\text{ft} * 50 \%$ $= 1818.21 \text{ ft}^3$

Total Lead Cement

 $= 1818.21 \text{ ft}^3$ $= 323.84 \text{ bbl}$

Sacks of Cement

 $= 990 \text{ sks}$

Cement : (225.00 ft fill)

 $225.00 \text{ ft} * 0.6946 \text{ ft}^3/\text{ft} * 50 \%$ $= 234.44 \text{ ft}^3$

Tail Cement

 $= 234.44 \text{ ft}^3$ $= 41.76 \text{ bbl}$

Shoe Joint Volume: (40.00 ft fill)

 $40.00 \text{ ft} * 0.868 \text{ ft}^3/\text{ft}$ $= 34.72 \text{ ft}^3$ $= 6.18 \text{ bbl}$

Tail plus shoe joint

 $= 269.16 \text{ ft}^3$ $= 47.94 \text{ bbl}$

Total Tail

 $= 200 \text{ sks}$

Job Recommendation

Surface Casing

Install floating equipment, run casing to bottom, and circulate minimum of 2-3 hole volumes prior to cementing as follows:

Fluid Instructions

Fluid 1: Precede cement with 20 bbl
Fresh Water

Fluid Volume: 20 bbl

Fluid 2: Lead with 990 sks
EconoCem - HLTRRC

Fluid Weight 12.90 lbm/gal
Slurry Yield: 1.84 ft³/sk
Total Mixing Fluid: 9.92 Gal/sk
Top of Fluid: 0 ft
Calculated Fill: 1745 ft
Volume: 323.79 bbl
Calculated Sacks: 989.64 sks
Proposed Sacks: 990 sks

Fluid 3: Tail-in with 200 sks
HalCem - C
2 % Calcium Chloride (Accelerator)

Fluid Weight 14.80 lbm/gal
Slurry Yield: 1.35 ft³/sk
Total Mixing Fluid: 6.39 Gal/sk
Top of Fluid: 1745 ft
Calculated Fill: 225 ft
Volume: 47.98 bbl
Calculated Sacks: 200 sks
Proposed Sacks: 200 sks