

Caza Oil & Gas Announces Farmin and Provides Operational Update

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HOUSTON, TEXAS--(Marketwired - Oct 9, 2014) - Caza Oil & Gas, Inc. ("Caza" or the "Company") (TSX:CAZ)(AIM:CAZA) is pleased to announce the acquisition of additional acreage in the heart of the Bone Spring Play and to provide an operational update on the following properties and wells.

East Marathon Road Property, Lea County, New Mexico: Caza has entered into an exploration and development agreement (the "Agreement") with a large independent company (the "Participant") to acquire a lease comprising 480 gross acres in the heart of the Bone Spring Play. The property, which will be referred to as East Marathon Road because of its close proximity to the Company's Marathon Road Property, is on trend with some of Caza's very prolific producing wells including: Marathon Road 15 PA Fed #1H, West Copperline 29 Fed #4H and Broadcaster 29 Fed #3H wells. Caza was able to utilize its contracted rig on short notice to prevent the lease from expiring, thereby securing the transaction and assuming operatorship over the entire property. The initial well will be named the Igloo 19 State #2H (the "19-2H well") and is planned as a horizontal 3rd Bone Spring test well. The rig used to drill the Company's Lennox 32-4H well is currently being moved to the location. Caza should commence drilling operations within the week. The 19-2H well has been slotted ahead of the Gramma Ridge 27 State #4H horizontal Bone Spring development well with the intention of saving the expiring lease.

Under the terms of the Agreement, Caza is providing one hundred percent (100%) of the costs attributable to the Participant's sixty percent (60%) working interest in the property for drilling, completing and equipping the well through production facilities to earn a thirty percent (30%) working interest in the lease and property. All costs and expenses thereafter will be borne on a heads-up basis (Caza 30% and Participant 30%). The remaining forty percent (40%) interest in the lease and property is owned by participating third parties. Caza will maintain operations on all subsequent wells drilled on the property. The anticipated cost to carry the Participant's interest through production facilities in the 19-2H well is equivalent to the fair market value for leases in the immediate area. After the initial carry, Caza will have a 30% working interest (24% net revenue interest) in the 19-2H well and the East Marathon Road Property.

Broadcaster Property, Lea County, New Mexico: As previously announced, the Broadcaster 29 Fed #3H horizontal 3rd Bone Spring well (the "29-3H well") produced at a 24 hour gross rate of 2,621 barrels (bbls) of oil equivalent, which is comprised of 2,062 bbls of oil and 3.36 million cubic feet of natural gas, on September 16, 2014. The gross 24 hour peak rate occurred on September 17, 2014, and was 2,830 bbls of oil equivalent, which is comprised of 2,345 bbls of oil and 2.91 million cubic feet of natural gas. The well was producing on a 46/64ths adjustable choke at 1,520 pounds per square inch flowing casing pressure. The well has since produced at a 25 day average gross rate of 1,696 bbls of oil equivalent, which is comprised of 1,364 bbls of oil and 1.99 million cubic feet of natural gas. This remains a very strong well. Caza currently has a 25% working interest (approximate 17.63% net revenue interest) in the 29-3H well and the Broadcaster Property.

The Broadcaster Property is a 320 acre tract adjacent to the Company's West Copperline Property, which also comprises 320 acres. In addition to the producing 3rd Bone Spring pay interval, log data from the 29-3H well indicates the presence of oil and natural gas across the same potential pay intervals present at West Copperline, which include: the Brushy Canyon, Avalon Shale and 1st and 2nd Bone Spring Sand intervals. This is favorable for future development across the Broadcaster Property. Management believes the deeper Wolfcamp formation on the property is also prospective for oil and natural gas.

Lennox Property, Lea County, New Mexico: The Lennox 32 State Unit #4H horizontal Bone Spring well (the "32-4H well") reached the intended total measured depth of approximately 15,545 feet on September 18, 2014. Due to unusually high levels of rainfall across New Mexico, all field operations in the area are running behind schedule. Therefore, the originally scheduled fracture stimulation date of October 6, 2014, has been rescheduled for October 16, 2014. Caza currently has a 50.00% working interest (approximate 38.98% net revenue interest) in the 32-4H well and the Lennox Property.

Marathon Road/Lynch Property, Lea County, New Mexico: The operator commenced operations on the Marathon Road 15 OB Fed #1H horizontal Bone Spring well on October 6, 2014. The well is currently drilling ahead at approximately 2,000 feet vertical depth. This well is a direct offset to the very successful Marathon Road 15 PA Fed #1H horizontal Bone Spring well, which had an initial 30 day average of 1,974 Boe/d gross, consisting of 1,721 bbls of oil and 1.52 MMcf of natural gas. Caza currently has a 14.7% working interest (approximate 12.5% net revenue interest) in these wells and the Marathon Road Property.

Forehand Ranch Property, Eddy County, New Mexico: On May 29, 2014, the Company announced that it had begun a shallow pool development program on this property and provided an update on August 14, 2014. The program is targeting the Bell Canyon and Cherry Canyon Sand formations in the Delaware Mountain Group, which also contains the Brushy Canyon formation in that order. The Bell Canyon and Cherry Canyon are shallow oil intervals that occur from approximately 2,500 feet to 6,000 feet vertical depth across the Delaware Basin in Southeast New Mexico.

Three shallow vertical wells, the Forehand Ranch 22 State #1 (the "FR 22-1 well"), the Forehand Ranch 27 State #4 (the "FR 27-4 well") and the Forehand Ranch 27 State #5 (the "FR 27-5 well"), have been drilled to date and were subsequently fracture stimulated. The Company's FR 27-5 well, which was drilled earlier on the property as a salt water disposal well, actually started producing oil from the Ramsey Sand (Bell Canyon) and was the initial catalyst for the shallow pool program. The FR 22-1 is in early stages of its initial flowback and is currently cutting oil from the Ramsey Sand, which is the same shallow oil sand that has been producing from the FR 27-5 well. The FR 27-4 well is being completed as a pressure maintenance well, which will significantly reduce lease operating expenses for all Forehand Ranch wells. The pressure maintenance permitting process for the FR 27-4 well is in its final stages, and the well should be operational soon. The Company has four additional Bell Canyon/Cherry Canyon locations permitted for drilling on the property.

While these wells are not considered significant to the Company's overall production in the Bone Spring Play, they are important to the overall strategy. These shallow vertical oil producers are much cheaper to drill than the deeper horizontal Bone Spring wells, and any established production from them holds the leases to all depths. Management believes that in addition to the producing Bone Spring Sands, the even deeper Wolfcamp formations are also prospective for oil and liquids-rich natural gas on this property, as indicated by recent drilling activity in the general area. Caza currently has a 63% working interest (approximate 47.25% net revenue interest) in the FR 22-1, FR 27-4, FR 27-5 and the other four permitted Bell Canyon/Cherry Canyon locations.

Wharton County Texas Properties: The Company completed a sale of its historical Wharton County Texas production on September 19, 2014 for US\$1.6 million to be effective May 1, 2014. The relevant PDP and PDNP reserve value associated with the sale in the Company's reserve report dated April 30, 2014, amounted to US\$1.52 million with a total discounted 1P value of US\$4.27 million. Management viewed the projects as too risky to put forth the necessary capital expenditures required to realize the full value of the reserves. The Company plans to reinvest the proceeds of this sale toward its oil and liquids-rich Bone Spring drilling program in New Mexico, and expects to quickly replace any lost reserve value associated with the Wharton County properties, which were mostly producing dry natural gas.

W. Michael Ford, Chief Executive Officer commented:

"We are very pleased to announce the recent acquisition of the East Marathon Road lease and anticipate drilling operations to commence soon on the property. This is a highly active area in the Bone Spring Play that will hopefully generate good results for the Company and our shareholders.

"We are also happy to report that the actual peak rate on the Broadcaster well was higher than the rate previously announced, and we are equally pleased with the excellent performance of the well through the first month of production. We anticipate drilling of the second Broadcaster well to commence in late Q4 2014.

"Over the past two years, Caza has continued to hone its focus on the Permian Basin's oil and liquids-rich plays. The Company has primarily been focused in the Delaware Basin portion of the Permian targeting the Bone Spring Play. Currently, there are other plays garnering lots of attention for good reason throughout the Permian Basin. Management is continually looking for creative ways to acquire additional acreage in the

Bone Spring Play, such as the East Marathon Road acquisition, as well as other areas and plays within the basin that fit the Company strategy. The decision to sell our historical natural gas production in Wharton County, Texas, was simply an efficient way to shift additional capital toward the Bone Spring Play and to consolidate our current operations in the Permian Basin.

As stated, the Company's next operated well to be drilled is now the Igloo 19-2H well on the East Marathon Road Property. We currently plan to move the rig from there to the Gramma Ridge 27 State #4H horizontal Bone Spring development well. Additionally, we are pleased to see that drilling operations have commenced on the second Marathon Road well and look forward to beginning the fracture stimulation on the Lennox 32-4H in the coming week."

About Caza

Caza is engaged in the acquisition, exploration, development and production of hydrocarbons in the following regions of the United States of America through its subsidiary, Caza Petroleum, Inc.: Permian Basin (Southeast New Mexico and West Texas) and Texas and Louisiana Gulf Coast (on-shore).

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

In accordance with AIM Rules - Guidance Note for Mining, Oil and Gas Companies, the information contained in this announcement has been reviewed and approved by Anthony B. Sam, Vice President Operations of Caza who is a Petroleum Engineer and a member of The Society of Petroleum Engineers.

ADVISORY STATEMENT

Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Such information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "schedule", "continue", "estimate", "expect", "excellent", "may", "will", "hope", "project", "predict", "potential", "intend", "could", "might", "should", "believe", "develop", "test", "anticipation", "looks to be", "suggests", "can be impressive", "exceptional", "excellent", "very strong" and similar expressions. In particular, information regarding the potential or future development of any property, the timing of future sales, or the timing, depth, scope or success of, and information to be obtained from, future drilling or completion operations, reserves, anticipated drilling locations, future operating expenses, future flow rates, future sales and potential pay zones contained in this news release constitutes forward-looking information within the meaning of securities laws.

Implicit in this information, are assumptions regarding the success and timing of drilling operations, rig availability, projected production, projected revenue and expenses and well performance. These assumptions, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Readers are cautioned that actual future operations, operating results and economic performance of the Company are subject to a number of risks and uncertainties, including general economic, market and business conditions, well performance and operating risks and could differ materially from what is currently expected as set out above. The Broadcaster 29 Fed #3H horizontal 3rd Bone Spring well is in early stages of production. Future flow rates may vary, perhaps materially, and the tests disclosed herein are not necessarily indicative of long-term performance or of ultimate recovery.

For more exhaustive information on these risks and uncertainties you should refer to the Company's most recently filed annual information form which is available at www.sedar.com and the Company's website at www.cazapetro.com. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time except as may be required by securities laws.

Boe or barrel of oil equivalent may be misleading, particularly if used in isolation. A boe conversion of six thousand cubic feet: 1 barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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