

Caza Oil & Gas Provides Operational Update

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HOUSTON, TEXAS--(Marketwired - Jan 29, 2015) - Caza Oil & Gas, Inc. ("Caza" or the "Company") (TSX:CAZ) (AIM:CAZA) is pleased to provide an operational update for the Marathon Road and East Marathon Road properties along with future drilling plans for the Company's Bone Spring program.

Marathon Road Property, Lea County, New Mexico: On December 18, 2014, the Company announced the results of the non-operated Marathon Road 15 OB Fed #1H horizontal Bone Spring development well (the "15OB-1H"). The initial 30 day average for the 15OB-1H was 1,160 barrels (bbls) of oil equivalent per day (Boe/d) gross, which consisted of 1,022 bbls/d of oil and 826 Mcf/d of natural gas.

Additionally, the Marathon Road 15 NC #1H horizontal Bone Spring development well (the "15NC-1H") commenced drilling operations on January 10, 2015. The 15NC-1H is a direct offset to the 15OB-1H and is currently drilling ahead in the vertical section at approximately 5,388 feet. This will be the third well drilled on the Marathon Road property, which also includes the Marathon Road 15 PA Fed #1H well.

Caza currently has a 14.7% working interest (approximate 12.5% net revenue interest) in the Marathon Road wells.

East Marathon Road Property, Lea County, New Mexico: On December 18, 2014, the Company also announced the results of the operated Igloo 19 State #2H well (the "19-2H"), which was the initial horizontal Bone Spring test well on this property. The initial 30 day average for the 19-2H was 931 Boe/d gross, which consisted of 801 bbls/d of oil and 785 Mcf/d of natural gas.

The 19-2H well earned Caza a 30% working interest (approximate 24% net revenue interest) in the well and the East Marathon Road Property.

Future Bone Spring Drilling Program: Marathon Road and East Marathon Road are held by production (HBP) with no further drilling obligations. Each property has significant development upside across as many as six stacked pay zones. Although management expects these properties to be economic even in the current oil price environment, with no further drilling obligations the Company will postpone developing them further until oil prices recover and/or operational costs come down enough to justify drilling. These are prolific wells that would be better developed once the oil price recovers in order to maximize profits for the Company and its shareholders. In that regard, a significant majority of the Company's Bone Spring properties are also HBP with no further drilling obligations and the Company is adopting this approach across its portfolio of operated Bone Spring properties. Therefore, in the near term only obligation wells will be considered for drilling. The currently drilling Marathon Road 15NC-1H well was proposed and scheduled by the operator prior to the falloff in prices.

The Company continues to actively review its drilling obligations for the year and, having regard to cashflows from production, available financing and the prevailing oil price, will continue to scale back capital expenditures and overhead line items as necessary.

W. Michael Ford, Chief Executive Officer commented:

"These are both very strong wells that should provide a good return on investment even at current West Texas Intermediate price levels. With regards to the development of the rest of our Bone Spring portfolio, we believe that continued development in the near term would result in lost profits for the Company and its shareholders, and that it is prudent to manage capital expenditures and other costs during this period of low oil prices. We have already made significant cuts to our general and administrative expenses and will continue to do so as necessary. Our intent is to be poised to react quickly once the environment is right for

further exploration and development drilling and to be in a position to act on good opportunities when presented in this market."

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" and similar expressions. In particular, information regarding the economics or profitability of future wells, the Company's return on investment, and the timing, location and success of drilling, development or completion operations 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 Marathon Road 15 OB Fed #1H and Igloo 19 State #2H horizontal Bone Spring wells are 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.

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