

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF CAZA PETROLEUM, LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 16360

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Caza Petroleum, LLC
Four Greenspoint Place
Suite 1430
16945 Northchase Drive
Houston, Texas 77060

Attention: John E. Brown
(281) 363-4442

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
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OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Caza Petroleum, LLC seeks an order and pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 22 and the N/2 of Section 21, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, comprising a 640-acre horizontal spacing unit in the Wolfcamp formation. The unit will be dedicated to applicant's Forehand Ranch 22-21 State Well No. 2H, to be horizontally drilled from a surface location in the SE/4NE/4 of Section 22 to a last take point in the SW/4NW/4 of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating

costs and charges for supervision, designation of Caza Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jay Brown (landman)	10 min.	Approx. 6
Richard Carroll (geologist)	10 min.	Approx. 4

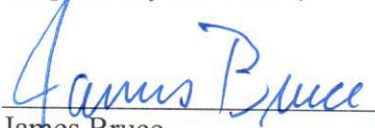
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

If this matter is uncontested, it may ne presented by affidavit.

Respectfully submitted,



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Attorney for Caza Petroleum, LLC