

**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 TO
RE-OPEN CASE NO. 16360 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
jamesbruc@aol.com

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 a 640 acre horizontal spacing unit comprised of the N/2 of Section 22 and the N/2 of Section 21, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to (i) the Forehand Ranch 22-21 State Well No. 2H, and (ii) the Forehand Ranch 22-21 State Well No. 4H, horizontal wells drilled from surface locations in the SE/4NE/4 of Section 22 and last take points in the SW/4NW/4 of Section 21. Also to be considered will be the cost of drilling and completing the wells 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 wells, and a 200% charge for risk involved in drilling the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Jay Brown
(landman)

10 min.

Approx. 6

Richard Carroll
(geologist)

10 min.

Approx. 4

OPPONENT

WITNESSES

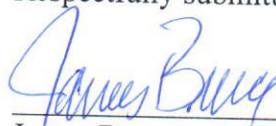
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

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

Respectfully submitted,



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Attorney for Caza Petroleum, LLC