

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

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APPLICATION OF CAZA PETROLEUM,
INC. FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

Case No. 15437

**LEGACY RESERVES LP'S
PRE-HEARING STATEMENT**

Legacy Reserves LP ("Legacy") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Caza Petroleum, Inc.

APPLICANT'S ATTORNEY

James Bruce
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Santa Fe, NM 87504
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OPPONENTS/OTHER PARTIES

Legacy Reserves LP

OPPONENTS' ATTORNEYS

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COG Operating LLC

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STATEMENT OF THE CASE

Caza Petroleum, Inc.'s ("Caza's") application requests an order (i) approving a non-standard 160-acre oil spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 19, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the proposed non-standard unit. Caza proposes to dedicate the W/2 W/2 of Section 19 to its Igloo 19 State Well No. 7H, which is to be drilled horizontally from a surface location in the SW/4 SW/4, to a standard bottomhole location in NW/4 NW/4, of Section 19.

Legacy owns 100% of the interest in the NW/4 of Section 19, which is acreage that is included in the federal Lea Unit. Legacy is the operator of the Lea Unit. Legacy opposes Caza's application because Caza's proposed horizontal well would impede Legacy's ongoing drilling program for the Lea Unit and approval of Caza's application would impair the correlative rights of Legacy and the other owners of interests in the Lea Unit.

PROPOSED EVIDENCE

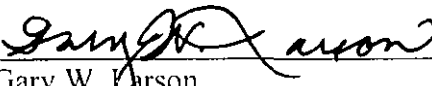
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Clay Roberts (Landman)	10 minutes	Approx. 5
Keith McKamey (Geologist)	10 minutes	Approx. 5
Craig Sparkman (Engincer)	10 minutes	

Legacy reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Legacy is not aware of any procedural matters to be resolved prior to or at the hearing.

HINKLE SHANOR, LLP


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Counsel for Legacy Reserves LP

CERTIFICATE OF SERVICE


I hereby certify that on this 25th day of February, 2016, I served a true and correct copy of the foregoing *Legacy Reserves LP's Pre-Hearing Statement* via email to:

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