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December 19, 2016

David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 15437 *de novo*
Application of Caza Petroleum

Dear Mr. Catanach:

Caza feels compelled to respond to the "Comments by the Commissioner of Public Lands," which were apparently submitted to the Commission a number of days ago.

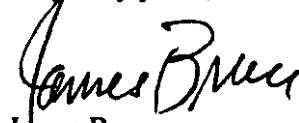
The cited regulation is not relevant. NMAC 19.15.4.12 states in part that:

Applicants for ... compulsory pooling and statutory unitization ... shall give notice to an owner of an interest ... the applicant proposes to be pooled or unitized.

Under the regulation an applicant gives notice only to parties being pooled. For example, if there are ten working interest owners in a well unit, but nine of them have voluntarily joined in the well and have signed an operating agreement, those nine persons are not notified. Caza is only required to give notice to the one person who has not voluntarily joined in the well.

In this case Caza Petroleum is not seeking to force pool the interests of the Commissioner of Public Lands. Thus, the Commissioner was not entitled to receive notice of the application filed herein.

Very truly yours,


James Bruce

Attorney for Caza Petroleum