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:

APPLICATIONS OF CAZA PETROLEUM, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 22042 - 22047

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT
Caza Petroleum, LLC
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Houston, Texas 77060

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OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case 22042: Application of Caza Petroleum, LLC for compulsory pooling, Lea County, New Mexico. Caza Petroleum, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 17 and the E/2SE/4 of Section 8, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Desert Rose 17-8 Fed. Com. Well Nos. 8H and 10H, with first take points in the SE/4SE/4 of Section 17 and last take points in the NE/4SE/4 of Section 8. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the wells. The unit is located approximately 13-1/2 miles northwest of Oil Center, New Mexico.

Case 22043: Application of Caza Petroleum, LLC for compulsory pooling, Lea County, New Mexico. Caza Petroleum, LLC seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2E/2 of Section 17 and the E/2SE/4 of Section 8, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Desert Rose 17-8 Fed. Com. Well No. 16H with first take points in the SE/4SE/4 of Section 17 and last take points in the NE/4SE/4 of Section 8. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the wells. The unit is located approximately 13-1/2 miles northwest of Oil Center, New Mexico.

Case 22044: Application of Caza Petroleum, LLC for compulsory pooling, Lea County, New Mexico. Caza Petroleum, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 17 and the W/2SE/4 of Section 8, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Desert Rose 17-8 Fed. Com. Well Nos. 5H and 7H, with first take points in the SW/4SE/4 of Section 17 and last take points in the NW/4SE/4 of Section 8. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the wells. The unit is located approximately 13-1/2 miles northwest of Oil Center, New Mexico.

Case 22045: Application of Caza Petroleum, LLC for compulsory pooling, Lea County, New Mexico. Caza Petroleum, LLC seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2E/2 of Section 17 and the W/2SE/4 of Section 8, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Desert Rose 17-8 Fed. Com. Well No. 15H with first take points in the SW/4SE/4 of Section 17 and last take points in the NW/4SE/4 of Section 8. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the wells. The unit is located approximately 13-1/2 miles northwest of Oil Center, New Mexico.

Case 22046: Application of Caza Petroleum, LLC for compulsory pooling, Lea County, New Mexico. Caza Petroleum, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2SW/4 of Section 8, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Desert Rose 17-8 Fed. Com. Well Nos. 11H and 13H,

with first take points in the SE/4SW/4 of Section 17 and last take points in the NE/4SW/4 of Section 8. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the wells. The unit is located approximately 13-1/2 miles northwest of Oil Center, New Mexico.

Case 22047: Application of Caza Petroleum, LLC for compulsory pooling, Lea County, New Mexico. Caza Petroleum, LLC seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 17 and the E/2SW/4 of Section 8, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. The unit will be dedicated to the Desert Rose 17-8 Fed. Com. Well No. 14H with first take points in the SE/4SW/4 of Section 17 and last take points in the NE/4SW/4 of Section 8. Also to be considered will be the cost of drilling, completing, and equipping 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, completing, and equipping the charges for supervision, designation of Caza Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling, completing, and equipping the wells. The unit is located approximately 13-1/2 miles northwest of Oil Center, New Mexico.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
David Gibson (landman)	20 min.	Approx. 8
Richard Carroll (geologist)	20 min.	Approx. 8

OPPONENT

WITNESSES	EST. TIME	EXHIBITS

PROCEDURAL MATTERS

If the cases are unopposed they will be submitted by affidavit.

Applicant requests that the cases be consolidated for hearing.

Respectfully submitted,

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 80808

QUESTIONS

Operator: CIMAREX ENERGY CO. 600 N. Marienfeld Street Midland, TX 79701	OGRID: 215099
	Action Number: 80808
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony *Please assist us by provide the following information about your testimony.*	
Number of witnesses	*Not answered.*
Testimony time (in minutes)	*Not answered.*