

**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  
Four Greenspoint Place  
Suite 1430  
16945 Northchase Drive  
Houston, Texas 77060

Attention: Rich Albro  
(281) 363-4442

**APPLICANT'S ATTORNEY**

James Bruce  
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Santa Fe, New Mexico 87504  
(505) 982-2043  
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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

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

#### OPPONENT

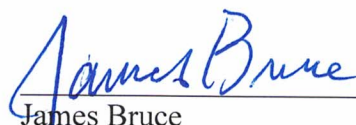
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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### **PROCEDURAL MATTERS**

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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Attorney for Caza Petroleum, LLC

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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 80809

QUESTIONS

Operator:  CIMAREX ENERGY CO. 600 N. Marienfeld Street Midland, TX 79701	OGRID:  215099
	Action Number:  80809
	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.