

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

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

Case No. 15,700

AFFIDAVIT OF JOHN BROWN

COUNTY OF HARRIS)
) ss.
STATE OF TEXAS)

John E. Brown, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am the Land Manager for Caza Petroleum, LLC (“Caza”).
3. In Case No. 15,700 Caza seeks to form a non-standard 281.10-acre oil spacing and proration unit in the Bone Spring formation underlying Lot 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$, and W $\frac{1}{2}$ SW $\frac{1}{4}$ (the W $\frac{1}{2}$ W $\frac{1}{2}$) of Section 5 and the W $\frac{1}{2}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 20 South, Range 35 East, N.M.P.M., in Lea County, New Mexico.
4. Caza originally sought to force pool several working interest owners in the well unit. However, Caza has reached voluntary agreements with all working interest owners, and the pooling portion of the case can be dismissed.
5. Attached as Exhibit A is a land plat outlining the proposed well unit and highlighting Caza’s acreage in Sections 5, 8, and 17. Caza requests a 1-3/4 mile long non-standard well unit for the following reasons:
 - (a) Caza prefers laterals longer than a mile in this area because well economics are better than for shorter laterals.
 - (b) Caza had originally planned on drilling a 1-1/2 mile lateral for the subject well, and another 1-1/2 mile lateral in the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 8 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 17. However, the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 8 is unleased federal land. If the BLM does not issue a lease on that acreage, the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 8 would be stranded by drilling a 1-1/2 mile lateral.

EXHIBIT **J**

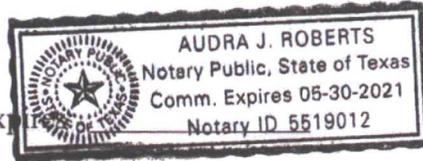
(c) Caza intends to drill a well in the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 17, and if a lease has then been issued on the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 8, Caza will seek the joinder of the lessee in its well, so that the acreage would not be stranded.

6. Exhibit B identifies all offsetting operators, working interest owners, and unleased mineral owners to its proposed non-standard unit. Notice has been given to them, and no one has objected.


John E. Brown

SUBSCRIBED AND SWORN TO before me this 19 day of July, 2017 by John Brown.

My Commission Expires




Notary Public

EXHIBIT A

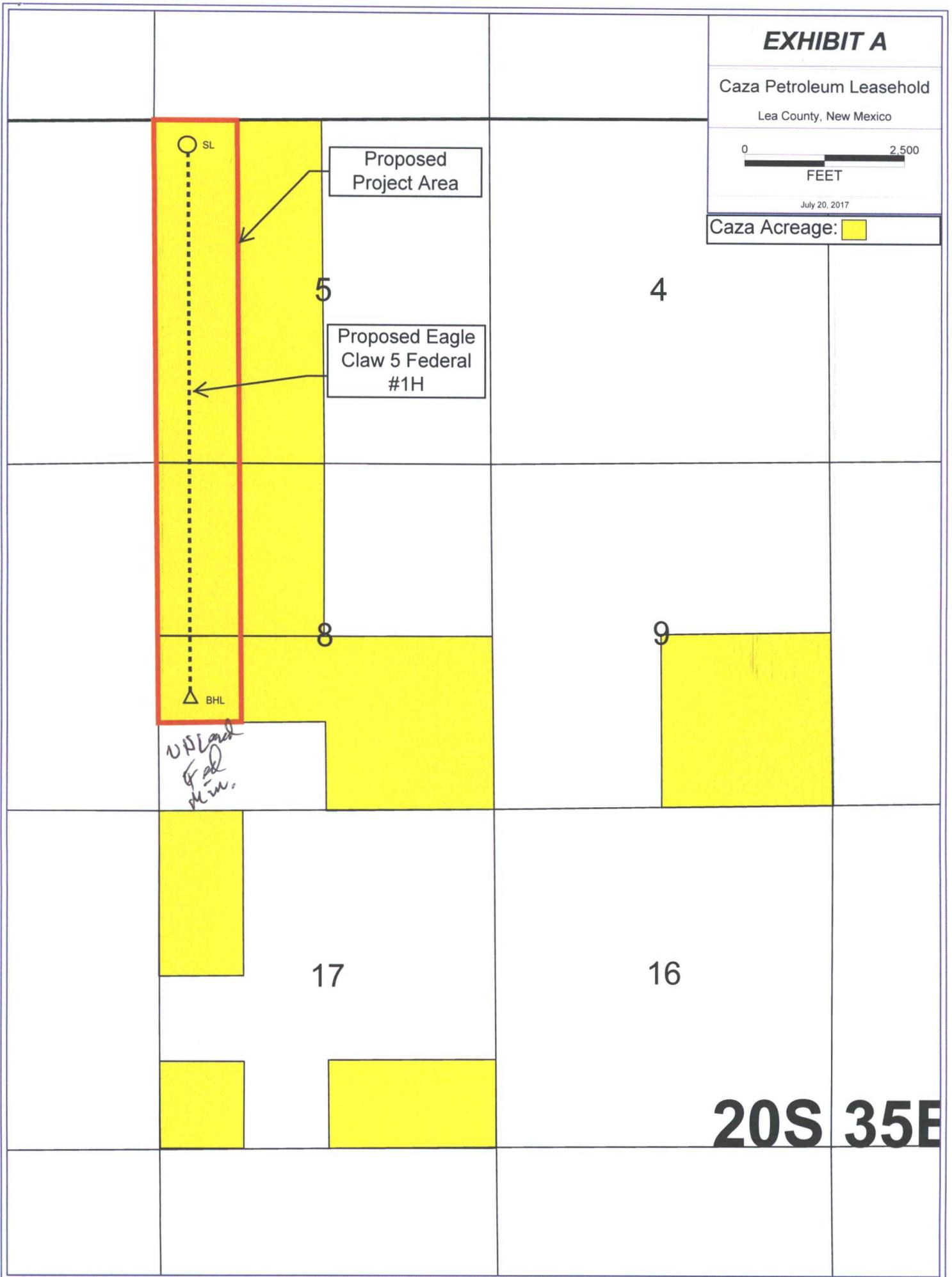
Caza Petroleum Leasehold

Lea County, New Mexico



July 20, 2017

Caza Acreage:



OFFSETS TO EAGLE CLAW 5 FED. WELL NO. 1H

XTO Energy Inc.
810 Houston Street
Fort Worth, Texas 76102

ConocoPhillips Company
Post Office Box 2197
Houston, Texas 77252-2197

Bureau of Land Management
620 East Greene Street
Carlsbad, New Mexico 88220

Matador Production Company
MRC Permian Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

COG Operating LLC
600 West Illinois
Midland, Texas 79701

EXHIBIT

B

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

May 2, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

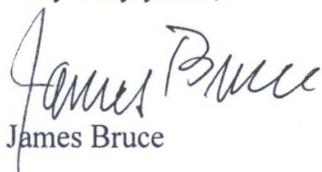
Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit, *etc.*, filed with the New Mexico Oil Conservation Division by Caza Petroleum, LLC, regarding a Bone Spring well the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 5 and the W $\frac{1}{2}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, May 25, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but **as an offset operator or interest owner** that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 18, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Caza Petroleum, LLC

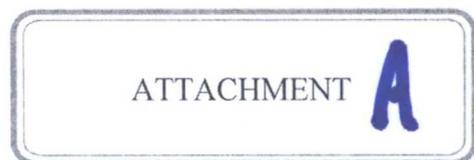


EXHIBIT A

XTO Energy Inc.
810 Houston Street
Fort Worth, Texas 76102

ConocoPhillips Company
Post Office Box 2197
Houston, Texas 77252-2197

Bureau of Land Management
620 East Greene Street
Carlsbad, New Mexico 88220

Matador Production Company
MRC Permian Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

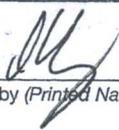
COG Operating LLC
600 West Illinois
Midland, Texas 79701

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery MAY 05 2017</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>1. Article Addressed to:</p> <p style="text-align: center;">XTO Energy Inc. 810 Houston Street Fort Worth, Texas 76102</p>		<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery	
<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">7016 2070 0000 2473 0085</p>		<p>5950 9402 2691 6351 8767 29</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p><i>Carra</i> Domestic Return Receipt</p>	

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<p>Sent To</p> <p style="text-align: center;">ConocoPhillips Company Post Office Box 2197 Houston, Texas 77252-2197</p>	
<p>Street and Apt. No., or PO Box _____ City, State, ZIP+4® _____</p>	
<p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

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<p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

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<p>1. Article Addressed to:</p> <p style="text-align: center;">ConocoPhillips Company Post Office Box 2197 Houston, Texas 77252-2197</p>		<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery	
<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">7016 2070 0000 2473 0078</p>		<p>9590 9402 2691 6351 8767 12</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>		<p><i>Carra</i> Domestic Return Receipt</p>	

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<p>1. Article Addressed to:</p> <p>Bureau of Land Management 620 East Greene Street Carlsbad, New Mexico 88220</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>9590 9402 2691 6351 8767 05</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>2. Article Number <u>7016 2070 0000 2473 1280</u></p>		<p>3. Service Type</p> <p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <i>CaJa</i> Domestic Return Receipt</p>			

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<p>Sent To _____</p> <p>Street, Apt. No., or PO Box No. _____</p> <p>City, State, ZIP+4 _____</p>	
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<p>Postage \$ _____</p> <p>Total Postage and Fees \$ _____</p>	
<p>Sent To Bureau of Land Management 620 East Greene Street Carlsbad, New Mexico 88220</p>	
<p>Street and Apt. No., or P.O. Box No. _____</p> <p>City, State, ZIP+4® _____</p>	
<p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

7016 2070 0000 2473 1280

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<p>1. Article Addressed to:</p> <p>Matador Production Company MRC Permian Company Suite 1500 5400 LBJ Freeway Dallas, Texas 75240</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>	
<p>9590 9402 2691 6351 8766 99</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>2. Article Number (Transfer from service label) <u>7014 0510 0000 9535 2507</u></p>		<p>3. Service Type</p> <p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
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<p>1. Article Addressed to:</p> <p style="text-align: center;">COG Operating LLC 600 West Illinois Midland, Texas 79701</p> <p style="text-align: center;">9590 9402 2691 6351 8766 82</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">7014 0510 0000 9535 2491</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
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