

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF CAZA PETROLEUM, LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 20404

APPLICATION

Caza Petroleum, LLC applies for an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 15, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the S/2 of Section 15, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to a depth sufficient to test the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool):

(a) The Alisa Ogden Well No. 1H; and

(b) The Alisa Ogden Well No. 4H.

The wells are horizontal wells with surface locations in the SE/4SE/4 of Section 22. The last take point for Well No. 1H is in the NW/4SW/4 of Section 15, and the last take point for Well No. 4H is in the SW/4SW/4 of Section 15.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S/2 of Section 15 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests.

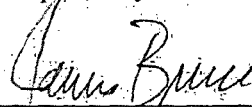
Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the S/2 of Section 15 pursuant to NMSA 1978 §70-2-17.

5. Pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 15 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 15;
- B. Designating Caza Operating, LLC as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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Attorney for Caza Petroleum, LLC

Proposed Advertisement

Case No. 20464):

Application of Caza Petroleum, LLC for compulsory pooling, Eddy County, New Mexico.

Caza Petroleum, LLC seeks an order and pooling all mineral interests in the Wolfcamp formation underlying a 320 acre horizontal spacing unit comprised of the S/2 of Section 15, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. The unit will be dedicated to (i) the Alisa Ogden Well No. 1H, and (ii) the Alisa Ogden Well No. 4H, horizontal wells drilled from surface locations in the SE/4SE/4 of Section 15. The last take point for Well No. 1H is in the NW/4SW/4 of Section 15, and the last take point for Well No. 4H is in the SW/4SW/4 of Section 15. Also to be considered will be the cost of drilling and completing 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 the wells. The unit is located approximately 7-1/2 miles north-northwest of Black River Village, New Mexico.

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