

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 13, 2017

Caza Operating, LLC
Attn: Mr. Jim Bruce

ADMINISTRATIVE NON-STANDARD PRORATION UNIT

Administrative Order NSP-2066

Caza Operating, LLC
OGRID 249099
Forehand Ranch 22 State Well No. 7H, 8H, 9H
API No. 30-015-42994, No. 30-015-43555, No. 30-015-44063

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 Section 22 W/2 Section 27	480	Purple Sage; Wolfcamp (Gas)	98220

Township 23 South, Range 27 East, Eddy County, New Mexico.

Proposed Non-Standard Spacing and Proration Unit(s):
SW/4 Section 22 160 Acres 50 % of Standard

Reference is made to your application received on May 31, 2017.

You have requested to dedicate these wells to a non-standard gas spacing unit described above in the referenced pool or formation. This gas spacing unit is governed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool, which provide for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

You have made application and provided notice as required in 19.15.15.11B. NMAC and 19.15.4.12.A(3) NMAC.

You have requested approval of a non-standard gas spacing unit described above. First, In order to maximize the length of the laterals in the wells. Second, to make the wells more economic.

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Pursuant to the authority conferred by Division Rule 19.15.15.13 B (4) NMAC, the above-described non-standard spacing unit is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DAVID R. CATANACH
Director

DRC/lrl

cc: New Mexico Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division