

**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:**

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

Case No. 21554

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

Case No. 21555

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

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

Attention: David Gibson
(281) 363-4442

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case No.21554: Caza Petroleum, LLC seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2 of Section 25 and the E/2 of Section 36, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico,

for the following wells: (a) The Comanche 25-36 Federal State #3H to a depth sufficient to test the Bone Spring with the first take point in the NW/4NE/4 of Section 25 and the last take point in the SW/4SE/4 of Section 36; and (b) The Comanche 25-36 Federal State #4H to a depth sufficient to test the Bone Spring with the first take point in the NE/4NE/4 of Section 25 and the last take point in the SE/4SE/4 of Section 36.

Case 21555: Caza Petroleum, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2 of Section 25 and the E/2 of Section 36, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico, for the following wells: (a) The Comanche 25-36 Federal State #1H to a depth sufficient to test the Wolfcamp with the first take point in the NW/4NE/4 of Section 25 and the last take point in the SW/4SE/4 of Section 36; and (b) The Comanche 25-36 Federal State #2H to a depth sufficient to test the Wolfcamp with the first take point in the NE/4NE/4 of Section 25 and the last take point in the SE/4SE/4 of Section 36.

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 well, and a 200% charge for risk involved in drilling, completing, and equipping the wells.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
David Gibson (landman)	15 min.	Approx. 8
Richard Carroll (geologist)	15 min.	Approx. 8
Randy Nickerson (engineer)	10 min.	Approx. 4

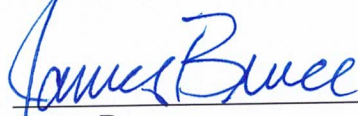
OPPONENT

<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.

Respectfully submitted,



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Attorney for Caza Petroleum, LLC