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

**APPLICATION OF CAZA PETROLEUM,
INC. FOR COMPULSORY POOLING AND
APPROVAL OF AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO.**

Case No. 15491

PRE-HEARING STATEMENT

Caza Petroleum, Inc., ("Caza"), provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT:

CAZA PETROLEUM, INC.'s ATTORNEY

CAZA PETROLEUM, INC.

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OPPONENT/OTHER PARTIES

OPPONENT'S ATTORNEY

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STATEMENT OF THE CASE

Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 13, Township 24 South, Range 27 East, N.M.P.M., for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to Applicant's proposed Mad River 13 State Well No. 1H to be drilled at an unorthodox location approximately 330 feet from the south line and 2310 feet from the west line (surface) to 330 feet from the north line and 1980 feet from the west line (terminus) of Section 13. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Caza Petroleum, Inc. as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately four miles west of Malaga, New Mexico.

PROPOSED EVIDENCE

<u>APPLICANT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
John E. Brown, Land Manager	20 min.	6
Randy Nickerson, Geologist	20 min.	5
Steve Morris, Petroleum Engineer	20 min.	4
<u>OPPONENT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>

PROCEDURAL MATTERS

Matador Production Company has filed a conflicting compulsory pooling application in Case No. 15498 and has requested that the Division set its application for hearing on June 9, 2016. Setting both applications for hearing on June 9th is agreeable to Caza. Matador has instead proposed scheduling the applications for a special Examiner hearing docket, but it has not agreed to the several alternative dates proposed by Caza. Due to a lease expiration issue, among other matters, Caza seeks to avoid delaying the hearing beyond June 9th. For the reason that Matador has been unable to resolve its scheduling conflicts, Caza provisionally plans to proceed with the hearing on its application on May 26, 2016.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

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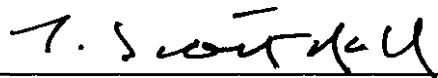
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on May 19, 2016:

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