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April 25 2017

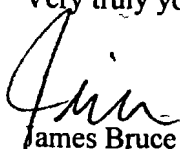
Case 15700

Florene Davidson
Oil Conservation Division
1220 South St Francis Drive
Santa Fe New Mexico 87505

Dear Florene

Enclosed for filing on behalf of Caza Petroleum LLC, are an application for a non standard oil spacing and proration unit and compulsory pooling together with a proposed advertisement. Please set the application for the May 25 2017 Examiner hearing. Thank you

Very truly yours



James Bruce

Attorney for Caza Petroleum LLC

Exhibit A

EOG Resources, Inc
P O Box 2267
Midland Texas 79702

Chevron U S A Inc
6301 Deauville Boulevard
Midland, Texas 79706

Attention Permitting Team

Devon Energy Production Company, L P
333 West Sheridan Avenue
Oklahoma City Oklahoma 73102

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

2017 1 25 - 1 30

Case No 15700

APPLICATION

Caza Petroleum LLC applies for an order (i) creating 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 Lea County New Mexico and (ii) pooling all mineral interests in the Bone Spring formation underlying the non standard unit and in support thereof states

1 Applicant is an interest owner in portions of 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 and has the right to drill a well thereon

2 Applicant proposes to drill its Eagleclaw 5 Fed Well No 1H to a depth sufficient to test the Bone Spring formation Applicant seeks to dedicate the well to 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 to form a non standard 281 10 acre oil spacing and proration unit in the Bone Spring formation The well is a horizontal well with a surface location in Lot 4 of Section 5 and a terminus in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8 The producing interval will be orthodox

3 Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in 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 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 well or to otherwise commit their interests to the well 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 $W\frac{1}{2}W\frac{1}{2}$ 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 pursuant to NMSA 1978 §§70-2-17-18

5 Approval of the non standard spacing and proration unit and the pooling of all mineral interests underlying 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 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 Approving a non standard oil spacing and formation unit in the Bone Spring formation comprised of 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

B Pooling all mineral interests in the Bone Spring formation underlying 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

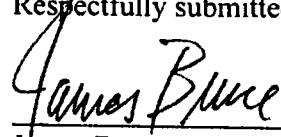
C Designating Caza Operating LLC as operator of the well

D Considering the cost of drilling and completing the well and allocating the cost among the well's working interest owners

E Approving actual operating charges and costs charged for supervision together with a provision adjusting the rates pursuant to the COPAS accounting procedure and

F Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well

Respectfully submitted

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982 2043

Attorney for Caza Petroleum LLC

Proposed Advertisement

Case 15700

Application of Caza Petroleum, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico Caza Petroleum LLC seeks an order approving a non standard 281 10 acre spacing and proration unit in the Bone Spring formation comprised of Lot 4 SW/4NW/4 and W/2SW/4 (the W/2W/2) of Section 5 and the W/2NW/4 and NW/4SW/4 of Section 8 Township 20 South Range 35 East NMPM Lea County New Mexico and pooling all mineral interests in the Bone Spring formation underlying the non standard unit The non standard unit is to be dedicated to applicant s Eagleclaw 5 Fed Well No 1H to be horizontally drilled from a surface location in Lot 4 of Section 5 to a bottom hole location in the NW/4SW/4 of Section 8 The producing interval will be orthodox Also to be considered will be the cost of drilling and completing the well 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 the well The unit is located approximately 13 miles west-southwest of Monument New Mexico

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V.L.J.