

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

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**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING**

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

Case No 15,700

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

Attention John E Brown
(281) 363 4442

APPLICANT S ATTORNEY

James Bruce
P O Box 1056
Santa Fe, New Mexico 87504
(505) 982 2043
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OPPONENT

OPPONENT S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

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.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

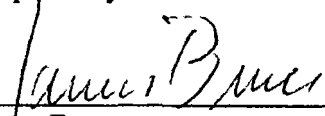
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jay Brown (landman)	15 min	Approx 6
Richard Carroll (geologist)	20 min	Approx 6
Tony Sam (engineer)	15 min	

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted



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Attorney for Caza Petroleum LLC