

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

**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**

**AFFIDAVIT OF JOHN BROWN**

COUNTY OF HARRIS       )  
                                      ) ss.  
STATE OF TEXAS        )

John E. Brown, being duly sworn upon his oath, deposes and states:

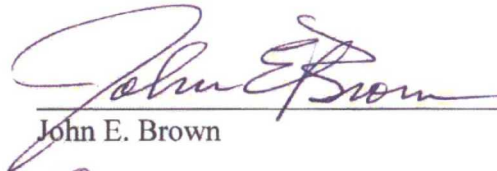
1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am the Land Manager for Caza Petroleum, LLC ("Caza").
3. In Case No. 15,700 Caza seeks to form a non-standard 281.10-acre oil spacing and proration unit in the Bone Spring formation underlying Lot 4, SW $\frac{1}{4}$ 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., in Lea County, New Mexico.
4. Caza originally sought to force pool several working interest owners in the well unit. However, Caza has reached voluntary agreements with all working interest owners, and the pooling portion of the case can be dismissed.
5. Attached as Exhibit A is a land plat outlining the proposed well unit and highlighting Caza's acreage in Sections 5, 8, and 17. Caza requests a 1-3/4 mile long non-standard well unit for the following reasons:
  - (a) Caza prefers laterals longer than a mile in this area because well economics are better than for shorter laterals.
  - (b) Caza had originally planned on drilling a 1-1/2 mile lateral for the subject well, and another 1-1/2 mile lateral in the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 8 and the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 17. However, the S $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 8 is unleased federal land. If the BLM does not issue a lease on that acreage, the N $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 8 would be stranded by drilling a 1-1/2 mile lateral.

EXHIBIT

1

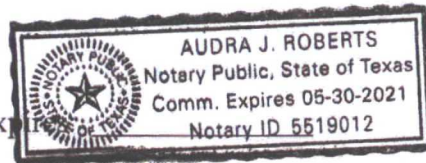
(c) Caza intends to drill a well in the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 17, and if a lease has then been issued on the S $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 8, Caza will seek the joinder of the lessee in its well, so that the acreage would not be stranded.

6. Exhibit B identifies all offsetting operators, working interest owners, and unleased mineral owners to its proposed non-standard unit. Notice has been given to them, and no one has objected.

  
John E. Brown

SUBSCRIBED AND SWORN TO before me this 19 day of July, 2017 by John Brown.

My Commission Expires



  
Notary Public

# EXHIBIT A

Caza Petroleum Leasehold

Lea County, New Mexico



July 20, 2017

Caza Acreage:

Proposed  
Project Area

Proposed Eagle  
Claw 5 Federal  
#1H

SL

BHL

*US Land  
Fed  
min.*

5

4

8

9

17

16

**20S 35E**

OFFSETS TO EAGLE CLAW 5 FED. WELL NO. 1H

XTO Energy Inc.  
810 Houston Street  
Fort Worth, Texas 76102

ConocoPhillips Company  
Post Office Box 2197  
Houston, Texas 77252-2197

Bureau of Land Management  
620 East Greene Street  
Carlsbad, New Mexico 88220

Matador Production Company  
MRC Permian Company  
Suite 1500  
5400 LBJ Freeway  
Dallas, Texas 75240

COG Operating LLC  
600 West Illinois  
Midland, Texas 79701

EXHIBIT

**B**



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

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

**Case 15,700**

**AFFIDAVIT OF NOTICE**

COUNTY OF SANTA FE    )  
                                  ) ss.  
STATE OF NEW MEXICO    )

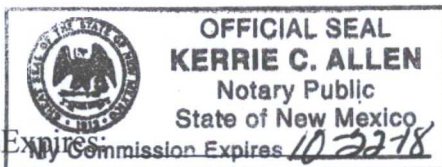
James Bruce, being duly sworn upon his oath, deposes and states:

1.     I am over the age of 18, and have personal knowledge of the matters stated herein.
2.     I am an attorney for Caza Petroleum, LLC.
3.     Caza Petroleum, LLC has conducted a good faith, diligent effort to find the names and correct addresses of the offset operators, mineral interest owners, or working interest owners entitled to receive notice of the application filed herein.
4.     Notice of the application was provided to the offsets by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5.     Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

  
\_\_\_\_\_  
James Bruce

SUBSCRIBED AND SWORN TO before me this 18th day of July, 2017 by James Bruce.

My Commission Expires



  
\_\_\_\_\_  
Notary Public

EXHIBIT

**2**

JAMES BRUCE  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

May 2, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

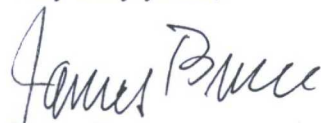
Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard unit, *etc.*, filed with the New Mexico Oil Conservation Division by Caza Petroleum, LLC, regarding a Bone Spring well 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.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, May 25, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but **as an offset operator or interest owner** that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, May 18, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for Caza Petroleum, LLC

ATTACHMENT

**A**

EXHIBIT A

XTO Energy Inc.  
810 Houston Street  
Fort Worth, Texas 76102

ConocoPhillips Company  
Post Office Box 2197  
Houston, Texas 77252-2197

Bureau of Land Management  
620 East Greene Street  
Carlsbad, New Mexico 88220

Matador Production Company  
MRC Permian Company  
Suite 1500  
5400 LBJ Freeway  
Dallas, Texas 75240

COG Operating LLC  
600 West Illinois  
Midland, Texas 79701



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

XTO Energy Inc.  
810 Houston Street  
Fort Worth, Texas 76102

9590 9402 2691 6351 8767 29

## 2. Article Number (Transfer from service label)

7016 2070 0000 2473 0085

icted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Ca2a

Domestic Return Receipt

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

MAY 05 2017

## D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☐ No

## 3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

## Certified Mail Fee

\$

## Extra Services &amp; Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

## Postage

\$

## Total Postage and Fees

\$

## Sent To

XTO Energy Inc.  
810 Houston Street  
Fort Worth, Texas 76102

## Street and Apt. No., or PO Box

## City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Postmark  
Here

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

ConocoPhillips Company  
Post Office Box 2197  
Houston, Texas 77252-2197

9590 9402 2691 6351 8767 12

## 2. Article Number (Transfer from service label)

7016 2070 0000 2473 0078

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

## D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☐ No

## 3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

7016 2070 0000 2473 0078

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
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OFFICIAL USE

## Certified Mail Fee

\$

## Extra Services &amp; Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$☐ Return Receipt (electronic) \$☐ Certified Mail Restricted Delivery \$☐ Adult Signature Required \$☐ Adult Signature Restricted Delivery \$

## Postage

\$

## Total Postage and Fees

\$

## Sent To

ConocoPhillips Company

Post Office Box 2197

## Street and Apt. No., or PO Box

Houston, Texas 77252-2197

## City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

Postmark  
Here

7016 2070 0000 2473 0085

Ca2a

Domestic Return Receipt



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Bureau of Land Management  
 620 East Greene Street  
 Carlsbad, New Mexico 88220

9590 9402 2691 6351 8767 05

## 2. Article

7016 2070 0000 2473 1280

icted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent☒ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

5/8/17

## D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

## 3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

U.S. Postal Service™

## CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

Postage

\$

Certified Fee

Return Receipt Fee  
(Endorsement Required)Restricted Delivery Fee  
(Endorsement Required)

Total Postage &amp; Fees

Postmark  
Here

Sent To

Street, Apt. No.,  
or PO Box No.

City, State, ZIP+4

Matador Production Company

MRC Permian Company

Suite 1500

5400 LBJ Freeway

Dallas, Texas 75240

PS Form 3800, August 2006

See Reverse for Instructions

7014 0510 0000 9535 2507

U.S. Postal Service™  
CERTIFIED MAIL® RECEIPT  
Domestic Mail OnlyFor delivery information, visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

Certified Mail Fee

\$

Extra Services &amp; Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy)☐ Return Receipt (electronic)☐ Certified Mail Restricted Delivery☐ Adult Signature Required☐ Adult Signature Restricted DeliveryPostmark  
Here

Postage

\$

Total Postage and Fees

\$

Sent To

Bureau of Land Management

620 East Greene Street

Street and Apt. No., or P.O. Box No.

Carlsbad, New Mexico 88220

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Matador Production Company  
 MRC Permian Company  
 Suite 1500  
 5400 LBJ Freeway  
 Dallas, Texas 75240

9590 9402 2691 6351 8766 99

## 2. Article Number (Transfer from service label)

7014 0510 0000 9535 2507

stricted Delivery

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent☐ Addressee

## B. Received by (Printed Name)

Diane Burns

## C. Date of Delivery

5/8/17

## D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

## 3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

7016 2070 0000 2473 1280

Caja

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Operating LLC  
600 West Illinois  
Midland, Texas 79701

9590 9402 2691 6351 8766 82

2. Article Number (Transfer from service label)

7014 0510 0000 9535 2491

Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Carra

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

Amirah

5/5/17

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery
- ☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

(over 500)

Restricted Delivery

7014 0510 0000 9535 2491

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage \$

Certified Fee

Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

Total Postage & Fees \$

Postmark  
Here

Sent To

COG Operating LLC  
600 West Illinois  
Midland, Texas 79701

Street, Apt. No.,  
or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions