

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

**APPLICATION OF STRATA PRODUCTION CO.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 23563

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FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 23564

PRE-HEARING STATEMENT

Applicant STRATA PRODUCTION COMPANY ("Strata") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

STRATA PRODUCTION COMPANY

APPLICANT'S ATTORNEY:

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OTHER PARTY

None at this time.

STATEMENT OF THE CASE

Case No. 23563. *Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order from the Division

pooling all uncommitted mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 400-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 NW/4 of Section 23 and the W/2 W/2 of Sections 14 and 11, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following 2.5-mile wells in the HSU: (1) **Oscar 23 11 EDL Fed Com #1H** well, to be horizontally drilled from an approximate surface hole location 2110' FNL and 385' FWL of Section 23, T23S-R30E, to an approximate bottom hole location 100' FNL and 330' FWL of Section 11, T23S-R30E; and (2) **Oscar 23 11 EDI Fed Com #11H** well, to be horizontally drilled from an approximate surface hole location 2110' FNL and 460' FWL of Section 23, T23S-R30E, to an approximate bottom hole location 100' FNL and 990' FWL of Section 11, T23S-R30E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles East of Loving, New Mexico.

Case No. 23564. Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 400-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 NW/4 of Section 23 and the E/2 W/2 of Sections 14 and 11, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following 2.5-mile wells in the HSU: (1) **Oscar 23 11 FCL Fed Com #2H** well, to be horizontally drilled from an approximate surface hole location 2310' FNL and 1905' FWL of Section 23, T23S-

R30E, to an approximate bottom hole location 100' FNL and 1650' FWL of Section 11, T23S-R30E; and (2) **Oscar 23 11 FCI Fed Com #12H** well, to be horizontally drilled from an approximate surface hole location 2310' FNL and 1980' FWL of Section 23, T23S-R30E, to an approximate bottom hole location 100' FNL and 2310' FWL of Section 11, T23S-R30E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles East of Loving, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

Landman Mitch Krakauskas

Geologist Scott Kelley

EXHIBITS

12-14 for both cases

12-14 for both cases

PROCEDURAL MATTERS

Assuming no opposition at the time of hearing, these cases will be presented by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, PA.

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 220868

QUESTIONS

Operator: STRATA PRODUCTION CO P.O. Box 1030 Roswell, NM 882021030	OGRID: 21712
	Action Number: 220868
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.