

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

**APPLICATION OF STRATA PRODUCTION CO.
TO EXTEND THE DRILLING DEADLINE
UNDER ORDER NO. R-23121
EDDY COUNTY, NEW MEXICO**

Case No. 25226

**APPLICATION OF STRATA PRODUCTION CO.
TO EXTEND THE DRILLING DEADLINE
UNDER ORDER NO. R-23122
EDDY COUNTY, NEW MEXICO**

Case No. 25227

PRE-HEARING STATEMENT

STRATA PRODUCTION COMPANY 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 PARTIES

None at this time.

STATEMENT OF THE CASE

In **Case No. 25226**, Applicant seeks to amend Order No. R-23121 entered in Case No. 24130 to extend by one year, through March 27, 2026, the time to commence drilling the **Eeyore 27 28 ILL Fed Com 2H** well, API No. 30-015-54350, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, horizontal

spacing and proration unit (“HSU”) comprised of the S/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East, in Eddy County, New Mexico. On March 27, 2024, the Division entered Order No. R-23121 in Case No. 24130 pooling all mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the NE/4 NE/4 of Section 31, the E/2 E/2 of Section 30, and the E/2 SE/4 and SE/4 NE/4 of Section 19, Township 23 South, Range 31 East in Eddy County, New Mexico.

In **Case No. 25227**, Applicant seeks to amend Order No. R-23122 entered in Case No. 24131 to extend by one year, through March 27, 2026, the time to commence drilling the **Eeyore 27 28 ILL Fed Com 3H** well, API No. 30-015-54351, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the N/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East, in Eddy County, New Mexico. On March 27, 2024, the Division entered Order No. R-23122 in Case No. 24131 pooling all mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, HSU comprised of the N/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico.

The applications in both cases were filed February 11, 2025, prior to expiration of the time to drill specified in Order Nos. R-23121 and R-23122.

Good cause exists to extend the deadline to commence drilling the wells. Due to unforeseen surface facility and takeaway issues Strata had to push the drilling of these wells into 2025. These issues have since been resolved.

Strata has drilled 24 wells in this area over the last two years and anticipates continuing this development. Strata anticipates drilling the subject wells in mid to late-2025.

PROPOSED EVIDENCE**APPLICANT:**

WITNESSES	EST. TIME	EXHIBITS
Mitch Krakauskas, Landman	By affidavit	5

PROCEDURAL MATTERS

These applications are set for hearing on April 10, 2025. Assuming no opposition at the time of hearing, these cases will be presented by affidavit.

Respectfully submitted,

SPENCER FANE, LLP

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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 448584

QUESTIONS

Operator: STRATA PRODUCTION CO P.O. Box 1030 Roswell, NM 882021030	OGRID: 21712
	Action Number: 448584
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	1
Testimony time (in minutes)	Not answered.