

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



*Eeyore 27 28 HEL Fed Com 2H Well
Eeyore 27 28 ILL Fed Com 3H Well*

For Hearing on April 10, 2025

CORRECTED EXHIBITS

EXHIBIT INDEX

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Tab 1

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

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

Case No. 25227

AFFIRMATION OF LANDMAN MITCH KRAKAUSKAS

I, Mitch Krakauskas, being first duly sworn, do hereby depose and attest as follows:

1. I am over the age of eighteen and have personal knowledge of the matters stated herein.
2. I am employed as the Land Manager for Strata Production Company (“Strata” or “Applicant”), and I am familiar with the subject applications and the lands involved.
3. This affirmation is submitted pursuant to Rule 1-011(B) NMRA in connection with the filing by Strata of the above-referenced applications under 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record. My education and work experience are as follows: I graduated from New Mexico State University with a bachelor’s degree in Agricultural Business and Economics in December 2005. After graduation, I worked as an independent petroleum landman from January 2006 to March 2009, working throughout New Mexico, Texas, Colorado and Arizona. I have worked for Strata since April 2009. I have worked on New Mexico

EXHIBIT A

land matters for approximately sixteen years. I am a Certified Professional Landman through the American Association of Professional Landmen.

5. 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.

6. 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.

7. The applications in both cases were filed February 11, 2025. The deadlines for drilling expired March 27, 2025. The applications are attached hereto as **Exhibits A-1 and A-2**.

8. Order No. R-23121, previously issued in Case No. 24130, is attached hereto as **Exhibit A-3**.

9. Order No. R-23122, previously issued in Case No. 24131, is attached hereto as **Exhibit A-4**.

10. 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.

11. 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.

12. Strata is in good standing under the statewide rules and regulations.

13. Strata provided notice of this application herein to all parties previously pooled under Order Nos. R-23121 and R-23122. A sample notice letter is attached hereto as **Exhibit A-5**.

14. Strata incorporates all exhibits admitted into the record at the hearing for the original Case Nos. 24130 and 24131.


15. Strata is not requesting changes to any provisions in Order Nos. R-23121 and R-23122, other than the changes requested herein, and asks that all other rights and privileges granted to the operator in the Order remain the same.

16. The granting of the applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

17. The exhibits to this affirmation were prepared by me or compiled from Strata's business records.

18. The foregoing is correct and complete to the best of my knowledge and belief.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.



Mitch Krakauskas

April 2, 2025

Date

**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

Strata Production Company, OGRID No. 21712 (“Strata”) files this application with the Oil Conservation Division (“Division”) to extend the drilling deadline under compulsory pooling Order No. R-23121. In support of its application, Strata states as follows:

1. On March 27, 2024, the Division entered Order No. R-23121 (“Order”) 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 S/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico.
2. The HSU is dedicated to the 2-mile **Eeyore 27 28 HEL Fed Com 2H** (API No. 30-015-54350) 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 2240’ FSL and 100’ FWL of Section 28, T23S-R30E (“Well”).
3. The deadline for drilling expires March 27, 2025.
4. Due to unforeseen surface facility and takeaway issues Strata had to push the drilling of this well into 2025. These issues have since been resolved.

5. Strata anticipates drilling the Well in the spring of 2025 but may not spud the Well until after March 27, 2025.

6. Good cause exists to extend the deadline to commence drilling the Well because Strata has long term drilling plans in the area and this well is part of those plans. Strata has drilled 21 wells in this area over the last two years and anticipates continuing this development.

WHEREFORE, Strata requests that this application be set for hearing before an examiner of the Division on March 13, 2025, and that, after notice and hearing as required by law, the Division enter an order extending until March 27, 2026, the deadline to commence drilling the Well under the Order.

Respectfully submitted,

SPENCER FANE LLP

/s/ Sharon T. Shaheen

Sharon T. Shaheen
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Attorneys for Strata Production Company

Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-23121, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 23121 entered in Case No. 24130 to extend by one year, through March 27, 2026, the time to commence drilling the **Eeyore 27 28 HEL 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 comprised of the S/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East, in Eddy County, New Mexico. The well and lands are located approximately 13 miles East of Loving, New Mexico.

**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-23122,
EDDY COUNTY, NEW MEXICO**

Case No. 25227

APPLICATION

Strata Production Company, OGRID No. 21712 (“Strata”) files this application with the Oil Conservation Division (“Division”) to extend the drilling deadline under compulsory pooling Order No. R-23122. In support of its application, Strata states as follows:

1. On March 27, 2024, the Division entered Order No. R-23122 (“Order”) 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, horizontal spacing and proration unit (“HSU”) comprised of the N/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico.
2. The HSU is dedicated to the 2-mile **Eeyore 27 28 ILL Fed Com 3H** (API No. 30-015-54351) well, to be horizontally drilled from an approximate surface hole location 1720’ FSL and 330’ FEL of Section 27, T23S-R30E, to an approximate bottom hole location 1720’ FSL and 100’ FWL of Section 28, T23S-R30E (“Well”).
3. The deadline for drilling expires March 27, 2025.
4. Due to unforeseen surface facility and takeaway issues Strata had to push the drilling of this well into 2025. These issues have since been resolved.

5. Strata anticipates drilling the Well in the spring of 2025, but may not spud the Well until after March 27, 2025.

6. Good cause exists to extend the deadline to commence drilling the Well because Strata has long term drilling plans in the area and this well is part of those plans. Strata has drilled 21 wells in this area over the last two years and anticipates continuing this development.

WHEREFORE, Strata requests that this application be set for hearing before an examiner of the Division on March 13, 2025, and that, after notice and hearing as required by law, the Division enter an order extending until March 27, 2026 the deadline to commence drilling the Well under the Order.

Respectfully submitted,

SPENCER FANE LLP

/s/ Sharon T. Shaheen

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Attorneys for Strata Production Company

Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-23122, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 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. The well and lands are located approximately 13 miles East of Loving, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
STRATA PRODUCTION COMPANY**

**CASE NO. 24130
ORDER NO. R-23121**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 1, 2024, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Strata Production Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

EXHIBIT A-3

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 24130
ORDER NO. R-23121

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Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 30 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M FUGE
DIRECTOR (ACTING)
DMF/hat

Date: 3/27/2024

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24130	APPLICANT'S RESPONSE
Date	February 1, 2024
Applicant	Strata Production Company
Designated Operator & OGRID (affiliation if applicable)	21712
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & Samantha H. Catalano)
Case Title:	Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None at this time
Well Family	Eeyore 27 28 Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Delaware Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Delaware Formation
Pool Name and Pool Code:	Forty Niner Ridge; Delaware [24750]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	East-West
Description: TRS/County	S/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	n/a

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27	Proximity Defining Well: if yes, description	n/a
28		
29	Applicant's Ownership in Each Tract	Tract 1: 64.90%; Tract 2: 49.84%; <i>see</i> Exhibits A-2 and A-4
30		
31	Well(s)	
32	Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation,	
33	Well #1	Eeyore 27 28 HEL Fed Com 2H, API No. 30-015-54350 SHL: 2310' FNL and 1905' FWL of Section 23, T23S-R30E BHL: 2240' FSL and 100' FWL of Section 28, T23S-R30E Completion Target: Brushy Canyon at approx. 7674' Well Orientation: East to West Completion location expected to be standard
34	Horizontal Well First and Last Take Points	FTP (~2240' FNL and 330' FEL of Section 27, T23S-R30E) LTP (~2240' FNL and 100' FWL of Section 28, T23S-R30E)
35	Completion Target (Formation, TVD and MD)	Brushy Canyon - TVD (~7,674'), MD (~17,540')
36		
37	APE Capex and Operating Costs	
38		
39	Drilling Supervision/Month \$	\$8000; <i>see</i> Exhibit A, ¶ 21
40	Production Supervision/Month \$	\$800; <i>see</i> Exhibit A, ¶ 21
41	Justification for Supervision Costs	Please <i>see</i> AFE at Exhibit A-7
42	Requested Risk Charge	200%; <i>see</i> Exhibit A, ¶ 22
43		
44	Notice of Hearing	
45		
46	Proposed Notice of Hearing	Submitted with online filing of Application
47	Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; Exhibit A-8
48	Proof of Published Notice of Hearing (10 days before hearing)	Publication was not required because the only interested parties required to be noticed received notice by certified mail. <i>See</i> Exhibit C.
49		
50	Ownership Determination	
51		
52	Land Ownership Schematic of the Spacing Unit	<i>See</i> Exhibits A-2 and A-3
53	Tract List (including lease numbers and owners)	<i>See</i> Exhibits A-2 and A-4
54	If approval of Non-Standard Spacing Unit is requested, Tract	N/A
55	Pooled Parties (including ownership type)	<i>See</i> Exhibit A-4
56	Unlocatable Parties to be Pooled	None
57	Ownership Depth Severance (including percentage above & below)	None
58		
59	Joinder	
60		
61	Sample Copy of Proposal Letter	Exhibit A-7

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53	List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
54	Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
55	Overhead Rates In Proposal Letter	n/a
56	Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
57	Cost Estimate to Equip Well	See AFE at Exhibit A-7
58	Cost Estimate for Production Facilities	See AFE at Exhibit A-7
59	Geology	
60	Summary (including special considerations)	Exhibit B, ¶¶ 5-13; see Exhibits B-1 through B-6
61	Spacing Unit Schematic	Exhibit B-3
62	Well Orientation (with rationale)	Exhibit B, ¶ 13(d)
63	Target Formation	Exhibits B-2 and B-4
64	HSU Cross Section	Exhibit B-6
65	Depth Severance Discussion	n/a; see Exhibit A, ¶ 12
66	Forms, Figures and Tables	
67	C-102	Exhibit A-6
68	Tracts	Exhibits A-2 and A-4
69	Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
70	General Location Map (including basin)	Exhibits A-1 and B-1
71	Well Bore Location Map	Exhibit A-3; Exhibit A-6
72	Structure Contour Map - Subsea Depth	Exhibit B-3
73	Cross Section Location Map (including wells)	Exhibit B-5
74	Cross Section (including Landing Zone)	Exhibits B-5 and B-6
75	Additional Information	
76	Special Provisions/Stipulations	None
77	CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
78	Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
79	Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen
80	Date:	1/30/2024

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
STRATA PRODUCTION COMPANY**

**CASE NO. 24131
ORDER NO. R-23122**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 1, 2024, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Strata Production Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

EXHIBIT A-4

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 24131
ORDER NO. R-23122

Page 2 of 7

Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 30 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/hat

Date: 3/27/2024

CASE NO. 24131
ORDER NO. R-23122

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Exhibit A

Received by OCD: 1/30/2024 5:43:30 PM

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24131	APPLICANT'S RESPONSE
Date	February 1, 2024
Applicant	Strata Production Company
Designated Operator & OGRID (affiliation if applicable)	21712
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & Samantha H. Catalano)
Case Title:	Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None at this time
Well Family	Eeyore 27 28 Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Delaware Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Delaware Formation
Pool Name and Pool Code:	Forty Niner Ridge; Delaware [24750]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	East-West
Description: TRS/County	N/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	n/a

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ORDER NO. R-23122

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27	Proximity Defining Well: if yes, description	n/a
28		
29	Applicant's Ownership in Each Tract	Tract 1: 64.90%; Tract 2: 49.84%; <i>see</i> Exhibits A-2 and A-4
30		
31	Well(s)	
32	Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation,	
33	Well #1	Eeyore 27 28 ILL Fed Com 3H, API No. 30-015-54351 SHL: 1720' FSL and 330' FEL of Section 27, T23S-R30E BHL: 1720' FSL and 100' FWL of Section 28, T23S-R30E Completion Target: Brushy Canyon at approx. 7677' Well Orientation: East to West Completion location expected to be standard
34	Horizontal Well First and Last Take Points	FTP (~1720' FSL and 330' FEL of Section 27, T23S-R30E) LTP (~1720' FSL and 100' FWL of Section 28, T23S-R30E)
35	Completion Target (Formation, TVD and MD)	Brushy Canyon - TVD (~7,677'), MD (~17,540')
36		
37	APE Capex and Operating Costs	
38		
39	Drilling Supervision/Month \$	\$8000; <i>see</i> Exhibit A, ¶ 21
40	Production Supervision/Month \$	\$800; <i>see</i> Exhibit A, ¶ 21
41	Justification for Supervision Costs	Please <i>see</i> AFE at Exhibit A-7
42	Requested Risk Charge	200%; <i>see</i> Exhibit A, ¶ 22
43		
44	Notice of Hearing	
45	Proposed Notice of Hearing	Submitted with online filing of Application
46	Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; Exhibit A-8
47	Proof of Published Notice of Hearing (10 days before hearing)	Publication was not required because the only interested parties required to be noticed received notice by certified mail. <i>See</i> Exhibit C.
48		
49	Ownership Determination	
50	Land Ownership Schematic of the Spacing Unit	<i>See</i> Exhibits A-2 and A-3
51	Tract List (including lease numbers and owners)	<i>See</i> Exhibits A-2 and A-4
52	If approval of Non-Standard Spacing Unit is requested, Tract	N/A
53	Pooled Parties (including ownership type)	<i>See</i> Exhibit A-4
54	Unlocatable Parties to be Pooled	None
55	Ownership Depth Severance (including percentage above & below)	None
56		
57	Joinder	
58		
59	Sample Copy of Proposal Letter	Exhibit A-7

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53	List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
54	Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
55	Overhead Rates In Proposal Letter	n/a
56	Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
57	Cost Estimate to Equip Well	See AFE at Exhibit A-7
58	Cost Estimate for Production Facilities	See AFE at Exhibit A-7
59	Geology	
60	Summary (including special considerations)	Exhibit B, ¶¶ 5-13; see Exhibits B-1 through B-6
61	Spacing Unit Schematic	Exhibit B-3
62	Well Orientation (with rationale)	Exhibit B, ¶ 13(d)
63	Target Formation	Exhibits B-2 and B-4
64	HSU Cross Section	Exhibit B-6
65	Depth Severance Discussion	n/a; see Exhibit A, ¶ 12
66	Forms, Figures and Tables	
67	C-102	Exhibit A-6
68	Tracts	Exhibits A-2 and A-4
69	Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
70	General Location Map (including basin)	Exhibits A-1 and B-1
71	Well Bore Location Map	Exhibit A-3; Exhibit A-6
72	Structure Contour Map - Subsea Depth	Exhibit B-3
73	Cross Section Location Map (including wells)	Exhibit B-5
74	Cross Section (including Landing Zone)	Exhibits B-5 and B-6
75	Additional Information	
76	Special Provisions/Stipulations	None
77	CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
78	Printed Name (Attorney or Party Representative):	Sharon T. Shaheen
79	Signed Name (Attorney or Party Representative):	/s/ Sharon T. Shaheen
80	Date:	1/30/2024

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CASE NO. 24131
ORDER NO. R-23122

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Tab 2

**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

AFFIRMATION OF NOTICE

I, Sharon T. Shaheen, attorney for STRATA PRODUCTION COMPANY (“Strata”), the Applicant in the above-captioned matter, state and affirm the following:

I caused notice of the applications to be sent by certified mail through the United States Postal Service on February 20, 2025, to all interest owners sought to be pooled in these proceedings. A sample notice letter to all interested parties is attached hereto as Exhibit B-1. A chart showing the results of certified mailing of the notice letter to all interested parties is attached as Exhibit B-2. All interested parties in this matter received notice by certified mail, which is reflected in the attached Exhibit B-3. Nonetheless, in an abundance of caution, notice was also directed to all such owners by publication in the Carlsbad Current Argus on February 22, 2025, as shown in the Affidavit of Publication attached hereto as Exhibit B-4. The attached exhibits demonstrate to my satisfaction that all owners sought to be pooled were properly served.

Strata has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Applications filed herein.

EXHIBIT B

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.

/s/ Sharon T. Shaheen
SHARON T. SHAHEEN

April 3, 2025
Date



Sharon T. Shaheen
Direct Dial: 505-986-2678
sshahen@spencerfane.com

February 20, 2025

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 25226 – Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-23121, Eddy County, New Mexico – **Eeyore 27 28 HEL Fed Com 2H**

Re: Case No. 25227 – Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-23122, Eddy County, New Mexico – **Eeyore 27 28 ILL Fed Com 3H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Strata Production Company (“Strata”) has filed applications with the New Mexico Oil Conservation Division for orders pooling all uncommitted interests in the proposed wells described below (“Applications”). You are receiving this notice because you may have an interest in one or more of these wells.

Case No. 25226. Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-23121, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 23121 entered in Case No. 24130 to extend by one year, through March 27, 2026, the time to commence drilling the **Eeyore 27 28 HEL 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 comprised of the S/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East, in Eddy County, New Mexico. The well and lands are located approximately 13 miles East of Loving, New Mexico.

Case No. 25227. Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-23122, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 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. The well and lands are located approximately 13 miles East of Loving, New Mexico.

The attached applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. Hearings are currently conducted remotely. The hearing will be conducted on

All Interest Owners
February 20, 2025
Page 2



March 13, 2025, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearing-info>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

Failure to appear at that time and become a party of record will preclude you from challenging these applications at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by **March 5, 2025**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 6, 2025**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these applications.

Very truly yours,

/s/ Sharon T. Shaheen
Sharon T. Shaheen

Enclosure

cc: Strata Production Co., *via email*

EXHIBIT A

INTEREST OWNERS

Working Interest Party(ies):

WPX Energy Permian LLC
c/o Devon Energy – Regulatory
333 West Sheridan Ave.,
Oklahoma City, OK 73102

Additional Interested Party(ies):

Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220

STRATA PRODUCTION COMPANY**No. 25226 - Eeyore 27 28 HEL Fed Com 2H Well****No. 25227 - Eeyore 27 28 ILL Fed Com 3H Well****April 10, 2025 Hearing**

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
WORKING INTEREST PARTY(IES)				
WPX Energy Permian LLC c/o Devon Energy – Regulatory 333 West Sheridan Ave., Oklahoma City, OK 73102	February 20, 2025	9314 7699 0430 0131 6732 31	Delivered	February 24, 2025
ADDITIONAL PARTY(IES)				
Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220	February 20, 2025	9314 7699 0430 0131 6732 48	Delivered	February 27, 2025

EXHIBIT B-2

Transaction Details

Recipient:	Date Created:	02/17/2025 4:38 PM
Bureau of Land Management	Date Mail Delivered:	02/27/2025 2:54 PM
620 East Greene Street	USPS Article Number:	9314769904300131673248
Carlsbad, NM 88220	Return Receipt Article Number:	9590969904300131673240
Sender:	Service Options:	Return Receipt
Sharon T. Shaheen		Certified Mail
Strata (9015271.2202) Eeyore Wells	Mail Service:	Certified
Spencer Fane, LLP	Reference #:	002
325 Paseo de Peralta	Postage:	\$1.77
Santa Fe, NM 87501-1860	Certified Mail Fees:	\$8.95
Transaction created by: Dortiz	Status:	Delivered
User ID: 32565	Sender:	S. Shaheen
Firm Mailing Book ID: None	Contents:	Notice Letter
Batch ID: 302923	Custom Field 2:	Strata
	Custom Field 3:	Eeyore Wells

Transaction History

Event Description	Event Date	Details
USPS® Return Receipt	02-17-2025 05:11 PM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
USPS® Certified Mail	02-17-2025 07:40 PM	[USPS] - PRESHPMENT INFO SENT USPS AWAITS ITEM at SANTA FE,NM
USPS® Certified Mail	02-22-2025 02:30 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at OKLAHOMA CITY OK DISTRIBUTION C
USPS® Certified Mail	02-25-2025 11:03 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at OKLAHOMA CITY OK DISTRIBUTION C
USPS® Certified Mail	02-26-2025 08:55 AM	[USPS] - DEPARTED USPS REGIONAL FACILITY at OKLAHOMA CITY OK DISTRIBUTION C
USPS® Certified Mail	02-26-2025 07:18 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK TX DISTRIBUTION CENTER
USPS® Certified Mail	02-26-2025 07:43 PM	[USPS] - DEPARTED USPS REGIONAL FACILITY at LUBBOCK TX DISTRIBUTION CENTER
USPS® Certified Mail	02-26-2025 08:11 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at LUBBOCK TX DISTRIBUTION CENTER
USPS® Certified Mail	02-27-2025 02:54 PM	[USPS] - CERTIFIED MAIL DELIVERED FRONT DESKRECEPTIONMAIL ROOM at CARLSBAD,NM

Return Receipt (Form 3811) Barcode		COMPLETE THIS SECTION ON DELIVERY	
 9590 9699 0430 0131 6732 40		A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee 	
		B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery _____	
1. Article Addressed to: Bureau of Land Management 620 East Greene Street Carlsbad, NM 88220		D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: _____	
		3. Service Type: <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery	
2. Certified Mail (Form 3800) Article Number 9314 7699 0430 0131 6732 48		Reference Information _____	

PS Form 3811, Facsimile, July 2015

Domestic Return Receipt

EXHIBIT B-3

Transaction Details

Recipient:

WPX Energy Permian LLC
c/o Devon Energy-Regulatory
333 West Sheridan Avenue
Oklahoma City, OK 73102

Date Created:

02/17/2025 4:38 PM

Date Mail Delivered:

02/24/2025 1:00 PM

USPS Article Number:

9314769904300131673231

Return Receipt Article Number:

9590969904300131673233

Sender:

Sharon T. Shaheen
Strata (9015271,2202) Eeyore Wells
Spencer Fane, LLP
325 Paseo de Peralta
Santa Fe, NM 87501-1860

Service Options:

Return Receipt

Certified Mail

Mail Service:

Certified

Reference #:

001

Postage:

\$1.77

Certified Mail Fees:

\$8.95

Status:

Delivered

Sender:

S. Shaheen

Contents:

Notice Letter

Custom Field 2:

Strata

Custom Field 3:

Eeyore Wells

Transaction created by: Dortiz

User ID: 32565

Firm Mailing Book ID: None

Batch ID: 302923


Transaction History

Event Description

Event Date

Details

USPS® Return Receipt	02-17-2025 05:11 PM	[USPS] - RETURN RECEIPT ASSOCIATED at SANTA FE,NM
USPS® Certified Mail	02-17-2025 07:40 PM	[USPS] - PRESHPMENT INFO SENT USPS AWAITS ITEM at SANTA FE,NM
USPS® Certified Mail	02-20-2025 10:17 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS® Certified Mail	02-20-2025 11:32 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	02-21-2025 11:06 AM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	02-22-2025 02:30 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at OKLAHOMA CITY OK DISTRIBUTION C
USPS® Certified Mail	02-24-2025 03:02 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at OKLAHOMA CITY OK DISTRIBUTION C
USPS® Certified Mail	02-24-2025 11:04 AM	[USPS] - ARRIVAL AT UNIT at OKLAHOMA CITY,OK
USPS® Certified Mail	02-24-2025 11:15 AM	[USPS] - OUT FOR DELIVERY at OKLAHOMA CITY,OK
USPS® Certified Mail	02-24-2025 01:00 PM	[USPS] - CERTIFIED MAIL DELIVERED PO BOX at OKLAHOMA CITY,OK

Return Receipt (Form 3811) Barcode		COMPLETE THIS SECTION ON DELIVERY	
 9590 9699 0430 0131 6732 33		A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
		B. Received by (Printed Name) <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
		C. Date of Delivery	
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No	
1. Article Addressed to: WPX Energy Permian LLC c/o Devon Energy-Regulatory 333 West Sheridan Avenue Oklahoma City, OK 73102		3. Service Type: <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery Reference Information	
Certified Mail (Form 3800) Article Number 9314 7699 0430 0131 6732 31			

Form 3811, Facsimile, July 2015

Domestic Return Receipt

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted mineral owners:

WPX Energy Permian LLC, c/o Devon Energy -Regulatory, and Bureau of Land Management

Strata Production Company has filed applications with the New Mexico Oil Conservation Division as follows:

Case No. 25226. Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-23121, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 23121 entered in Case No. 24130 to extend by one year, through March 27, 2026, the time to commence drilling the **Eeyore 27 28 HEL 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 comprised of the S/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East, in Eddy County, New Mexico. The well and lands are located approximately 13 miles East of Loving, New Mexico.

Case No. 25227. Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-23122, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 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. The well and lands are located approximately 13 miles East of Loving, New Mexico.

These applications will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on **March 13, 2025**, beginning at 8:30 a.m. Hearings are currently conducted in a hybrid fashion, both in-person and at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe NM 87505 and via the Web Ex virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging these applications at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by **March 5, 2025**, eight (8) days before the hearing, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 6, 2025**, seven days before the hearing in accordance with Division Rule 19.15.4.13 NMAC. For further information, contact the applicant's attorney, Sharon T. Shaheen, Spencer Fane, LLC, 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 986-2678.

Published in the Carlsbad Current-Argus February 22, 2025.
#36080

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 1006
Ad Number: 36080
Description: Eeyore 25226 & 25227
Ad Cost: \$145.20

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

February 22, 2025

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Sherry Groves

Agent

Subscribed to and sworn to me this 22th day of February 2025.

Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County
Minnesota

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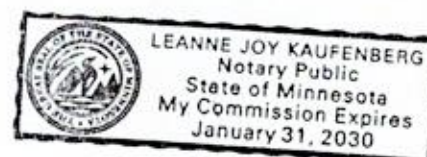


EXHIBIT B-4