#### 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. 25487

#### **NOTICE OF AMENDED EXHIBITS**

STRATA PRODUCTION COMPANY'S, is providing the attached amended exhibit package which includes the following revised exhibits:

- Cover Page rescheduled date of hearing
- Exhibit B-3

Respectfully submitted,

SPENCER FANE, LLP

By: /s/Sharon T. Shaheen Sharon T. Shaheen Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 986-2678 sshaheen@spencerfane.com ec: dortiz@spencerfane.com

Attorney for STRATA PRODUCTION COMPANY

#### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record, by electronic mail on September 11, 2025:

Elizabeth Ryan Keri L. Hatley **CONOCOPHILLIPS** 1048 Paseo de Peralta Santa Fe, NM 87501 beth.ryan@conocophillips.com keri.hatley@conocophillips.com Attorneys for CONOCOPHILLIPS COMPANY

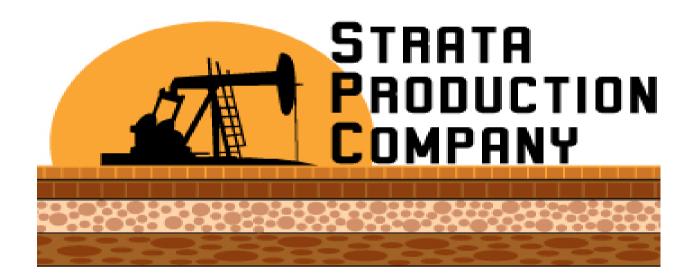
/s/ Sharon S. Shaheen

Sharon T. Shaheen

## 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. 25487



Eeyore 27 28 ADL Fed Com #1H Well

**AMENDED EXHIBITS** 

for hearing on September 30, 2025

### **EXHIBIT INDEX**

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Exhibit A-1 – C-102
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Exhibit A-3 – Unit Recap, Pooled Parties Highlighted, and Applicable Leases
Exhibit A-4 – Sample Well Proposal Letter and AFEs
Exhibit A-5 – Detailed Summary of Chronology of Contacts
Exhibit B – Self-Affirmed Statement of Geologist Scott Kelley
Exhibit B-1 – Location Map
Exhibit B-2 – Subsea Structure Map
Exhibit B-3 – Stratigraphical Cross Section
Exhibit B-4 – Gunbarrel Diagram
Exhibit B-5 – Gross Isopach Map
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Exhibit C-1 – Sample Notice Letter to All Interested Parties, mailed July 18, 2025
Exhibit C-2 – Chart of Notice to All Interested Parties
Exhibit C-3 – Copies of Certified Mail Receipts and Returns
Exhibit C-4 – Affidavit of Publication, published July 19, 2025

### Tab 1

## **COMPULSORY POOLING APPLICATION CHECKLIST**

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS					
Case: 25487	APPLICANT'S RESPONSE				
Date	September 11, 2025				
Applicant	Strata Production Company				
Designated Operator & OGRID (affiliation if applicable)	Strata Production Company, 21712				
Applicant's Counsel:	Spencer Fane, LLP (Sharon T. Shaheen)				
Case Title:	Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico				
Entries of Appearance/Intervenors:	Conoco Phillips Co. (Elizabeth Ryan and Keri Hatley)				
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 (Only if NSP is requested):					
Well Location Setback Rules (Only if NSP is Requested):					
Spacing Unit					
Type (Horizontal/Vertical)	Horizontal				
Size (Acres)	320 acres				
Building Blocks:	Quarter-quarter section (40 ac)				
Orientation:	East-West				
Description: TRS/County	N/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				
Proximity Defining Well: if yes, description	n/a				
Applicant's Ownership in Each Tract	Tract 1: 64.90%; Tract 2: 0.00%; Tract 3: 0.00%				
Well(s)					
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed				
Well #1	Eeyore 27 28 ADL Fed Com #1H, API No. 30-015-54348 SHL: 920' FNL & 450' FEL of Section 27, T23S-R30E BHL: 920' FNL & 100' FWL of Section 28, T23S-R30E Completion Target: Brushy Canyon at ~7626' Well Orientation: East to West Completion location expected to be standard				

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Horizontal Well First and Last Take Points	FTP: ~920' FNL and 450' FEL of Section 27, T23S-30E LTP: ~920' FNL and 10' FWL of Section 28, T23S-30E
Completion Target (Formation, TVD and MD)	Brushy Canyon - TVD (~7626'), MD (~17338')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000; <i>see</i> Exhibit A, ¶ 16
Production Supervision/Month \$	\$800; <i>see</i> Exhibit A, ¶ 16
Justification for Supervision Costs	See AFE at Exhibit A-4
Requested Risk Charge	200%; see Exhibit A, ¶ 17
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C, C-1, C-2, and C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners) If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibits A-2 and A-3 n/a
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled  Ownership Depth Severance (including percentage above & below)	n/a n/a
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	See AFE at Exhibit A-4
Cost Estimate to Equip Well	See AFE at Exhibit A-4
Cost Estimate for Production Facilities	n/a
Geology	
Summary (including special considerations)	See Exhibit B, ¶ 11
Spacing Unit Schematic	Exhibit A-2(b)
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B, ¶ 11(d)
Target Formation	Exhibits B-3 & B-4
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	n/a
Forms, Figures and Tables	

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C-102	Exhibit A-1		
Tracts	Exhibit A-2(b), A-2(c), A-3		
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3		
General Location Map (including basin)	Exhibit B-1		
Well Bore Location Map	Exhibits A-1, A-2(a), & A-2(b)		
Structure Contour Map - Subsea Depth	Exhibit B-2, Exhibit B-5		
Cross Section Location Map (including wells)	Exhibit B-2(a)		
Cross Section (including Landing Zone)	Exhibit B-3		
Additional Information			
Special Provisions/Stipulations	n/a		
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen		
Signed Name (Attorney or Party Representative):	Sharon T. Shaheen		
Date:	Sept. 4, 2025		

### Tab 2

# 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. 25487

#### **APPLICATION**

Strata Production Company, OGRID No. 21712 ("Strata"), through its undersigned counsel Spencer Fane LLP (Sharon T. Shaheen), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order 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 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. In support of its application, Strata states as follows:

- 1. Strata is a working interest owner in the proposed HSU and has the right to drill thereon.
- 2. Strata proposes to drill the following 2-mile well in the proposed HSU: **Eeyore 27 28 ADL Fed Com #1H** well, to be horizontally drilled from an approximate surface hole location 920' FNL & 450' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 920' FNL & 100' FWL of Section 28, T23S-R30E ("Well").
- 3. The first and last take points for the proposed well will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The completed lateral for the Well complies with the standard setbacks.

- 4. Strata has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.
- 5. Approval of the HSU and the pooling of all mineral interest owners in the Delaware formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. In order to permit Strata to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Strata should be designated the operator of the HSU.

WHEREFORE, Strata requests that this application be set for hearing before an examiner of the Oil Conservation Division on August 7, 2025, and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 320-acre, more or less, HSU comprised of the N/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico;
  - B. Pooling all mineral interests in the Delaware formation underlying the HSU;
- C. Allowing the drilling of the following 2-mile well in the proposed HSU: Eeyore27 28 ADL Fed Com #1H;
  - D. Designating Strata as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Strata to recover its costs of drilling, equipping and completing the well;
- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Strata in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted, SPENCER FANE LLP

/s/ Sharon T. Shaheen
Sharon T. Shaheen
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 986-2678
sshaheen@montand.com

ec: dortiz@montand.com Attorneys for Strata Production Company 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 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following well: Eeyore 27 28 ADL Fed Com #1H well, to be horizontally drilled from an approximate surface hole location 920' FNL & 450' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 920' FNL & 100' FWL of Section 28, T23S-R30E. The first and last take points and completed interval 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 well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 13 miles East of Loving, New Mexico.

### Tab 3

#### 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. 25487

#### SELF-AFFIRMED STATEMENT OF LANDMAN MITCH KRAKAUSKAS

- I, Mitch Krakauskas, so hereby affirm the following statements:
- 1. I am over the age of 18, and have the capacity to execute this Affirmation, which is based on my personal knowledge.
- 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 in connection with the filing by Strata of the abovereferenced compulsory pooling application pursuant to 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 land matters for approximately sixteen years. I am a Certified Professional Landman through the American Association of Professional Landmen.
- 5. The purpose of this application is to force pool working interest owners into the horizontal spacing units ("HSU") described below and in the wells to be drilled in the HSUs.

- 6. In this case, Applicant seeks an order from the Division pooling all uncommitted 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 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to dedicate the HSU to the **Eeyore 27 28 ADL Fed Com #1H** well (API No. 30-015-54348), to be horizontally drilled from an approximate surface hole location 920' FNL & 450' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 920' FNL & 100' FWL of Section 28, T23S-R30E ("Well"). The first take point will be located at approximately 920' FNL and 450' FEL of Section 27, T23S-R30E. The last take point will be located at approximately 920' FNL and 10' FWL of Section 28, T23S-R30E.
- 7. The first and last take points and completed intervals for all proposed wells will meet the setback requirements set forth in the statewide rules for horizontal oil wells.
- 8. The location of the proposed well within the HSU is depicted in the C-102 form attached as **Exhibit A-1**. The C-102 form also indicates the locations of the surface hole, bottom hole, and first and last take points.
- 9. A map illustrating the tracts in the proposed HSU and the ownership of each individual tract is attached as **Exhibit A-2**.
- 10. **Exhibit A-3** shows the unit ownership, with pooled parties highlighted, and applicable leases.
- 11. **Exhibit A-4** includes a sample well proposal letter and authority for expenditure ("AFE"). The estimated costs of the well set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.
  - 12. A detailed summary of chronology of contacts is attached as **Exhibit A-5**.

- 13. There are no depth severances.
- 14. Strata conducted a diligent search of the public records in Eddy County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. Strata mailed all parties well proposals, including an AFE.
- 15. Strata has made a good faith effort to obtain voluntary joinder of WPX in the proposed wells.
- 16. Strata requests the Division to approve operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures.
- 17. Strata requests the maximum cost, plus 200% risk charge, be assessed against nonconsenting working interest owners.
  - 18. Strata requests that it be designated operator of the wells.
- 19. The Exhibits hereto were prepared by me, or compiled from Strata's business records.
- 20. The granting of the Applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
  - 21. 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

<u>September 3, 2025</u>

DATE

State of New N C-102 Energy, Minerals & Natural R Submit Electronically OIL CONSERVATIO Via OCD Permitting

Eeyore 27 28 ADL Fed Com #1H NM OCD Case No. 25487 Exhibit A-1

#### WELL LOCATION INFORMATION

API Number	15-54348	Pool Code	24750	Pool Name	FODTV	NINED	DIDCE	DELAWARE	י
30-0	110-04040		24730		TUNII	MINER	KIDGE	DELAWARE	<b>.</b>
Property Code	334837	Property Name	EEYO	RE 27/28	FED CO	M	Well Nu		Н
OGRID No.	21712	Operator Name	STRATA	PRODUCTIO	N COMP	ANY	Ground	Level Elevation	3304
Surface Owner:	□State □Fee □	Tribal 🛚 Federal	leral Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☐ Federal						

#### Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
A	27	23S	30E		920 FNL	450 FEL	32.28067	42°N	103.8617266°W	EDDY
					Bottom H	Iole Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		Longitude	County
D	28	23S	30E		920 FNL	100 FWL	32.28072	29°N	103.8946126°W	EDDY
Dedicat	ed Acres	Infill or Defin	ning Well	Defining	Well API	Overlapping Spa	cing Unit (Y/N)	Consoli	dation Code	
3	320	INF	ILL			N				
Order N	er Numbers. Well setbacks are under Common Ownership: 🗆 Yes 🖾 No									

#### Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	27	23S	30E		920 FNL	450 FEL	32.2806742°N	103.8617266°W	EDDY
					First Take	e Point (FTP)			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	27	23S	30E		920 FNL	450 FEL	32.2806742°N	103.8617266°W	EDDY
	Last Take Point (LTP)								
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	28	23S	30E		920 FNL	10 FWL	32.2807229°N	103.8946126°W	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type ☑ Horizontal ☐ Vertical	Ground Floor Elevation:	3304'
-------------------------------------------	-------------------------------------------	-------------------------	-------

my belief.

#### OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and , if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

09/04/2024

Jerry Elgin, VP of Operations

jelgin@stratanm.com

Email Address

Date of Survey

I hereby certify that the well location shown on this plat was plotted from field notes of actual

surveys made by me under my supervision, and that the same is true and correct to the best of

14400

Signature and Seal of Professional Surveyor

SURVEYOR CERTIFICATIONS

03/27/2023

S/ONAL

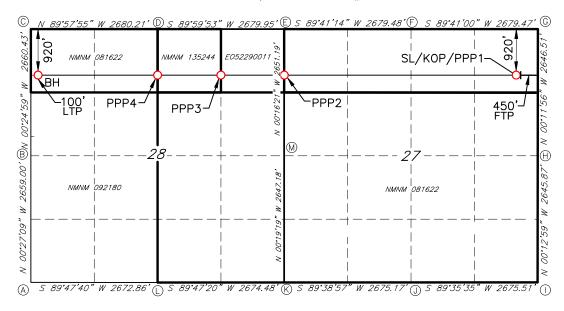
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

#### ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

#### EEYORE 27/28 FED COM #1H



<u>GEODETIC DATA</u> NAD 83 GRID — NM EAST

SURFACE LOCATION (SL)/ KICK OFF POINT (KOP) PROPOSED PENETRATION POINT 1 (PPP1) N: 466162.5 – E: 687083.6 LAT: 32.2806742' N LONG: 103.8617266' W

PROPOSED PENETRATION POINT 2 (PPP2)

920' FNL - 0' FEL SEC.28

N: 466135.6 - E: 682177.0

LAT: 32.2806586' N

LONG: 103.8776033' W

PROPOSED PENETRATION POINT 3 (PPP3)
920' FNL - 1340' FEL SEC.28
N: 466135.5 - E: 680837.3
LAT: 32.2806740' N
LONG: 103.8819382' W

PROPOSED PENETRATION POINT 4 (PPP4)
920' FNL - 2680' FEL SEC.28
N: 466135.5 - E: 679497.6
LAT: 32.2806893' N
LONG: 103.8862732' W

BOTTOM HOLE (BH)
N: 466137.1 - E: 676920.3
LAT: 32.2807229\* N
LONG: 103.8946126\* W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1942" N: 461738.8 - E: 676853.9

B: FOUND BRASS CAP "1942" N: 464397.1 - E: 676833.0 C: FOUND BRASS CAP "1942"

N: 467056.9 - E: 676813.6 D: FOUND BRASS CAP "1942"

N: 467055.3 - E: 679493.2

E: FOUND BRASS CAP "1942" N: 467055.4 - E: 682172.6

F: FOUND BRASS CAP "1942" N: 467070.0 - E: 684851.5

G: FOUND BRASS CAP "1942" N: 467084.8 - E: 687530.3

H: FOUND BRASS CAP "1942" N: 464438.9 - E: 687539.5

I: FOUND BRASS CAP "1942" N: 461793.6 - E: 687549.5

J: FOUND BRASS CAP "1942" N: 461774.6 - E: 684874.6

K: FOUND BRASS CAP "1942" N: 461758.2 - E: 682200.1

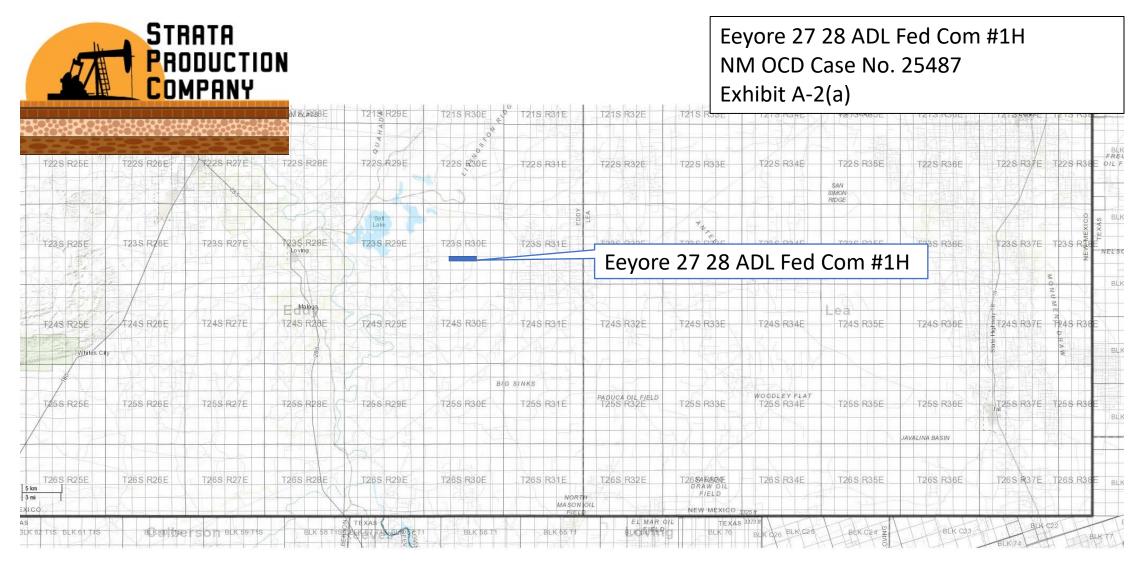
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M: FOUND BRASS CAP "1942' N: 464404.8 - E: 682185.2

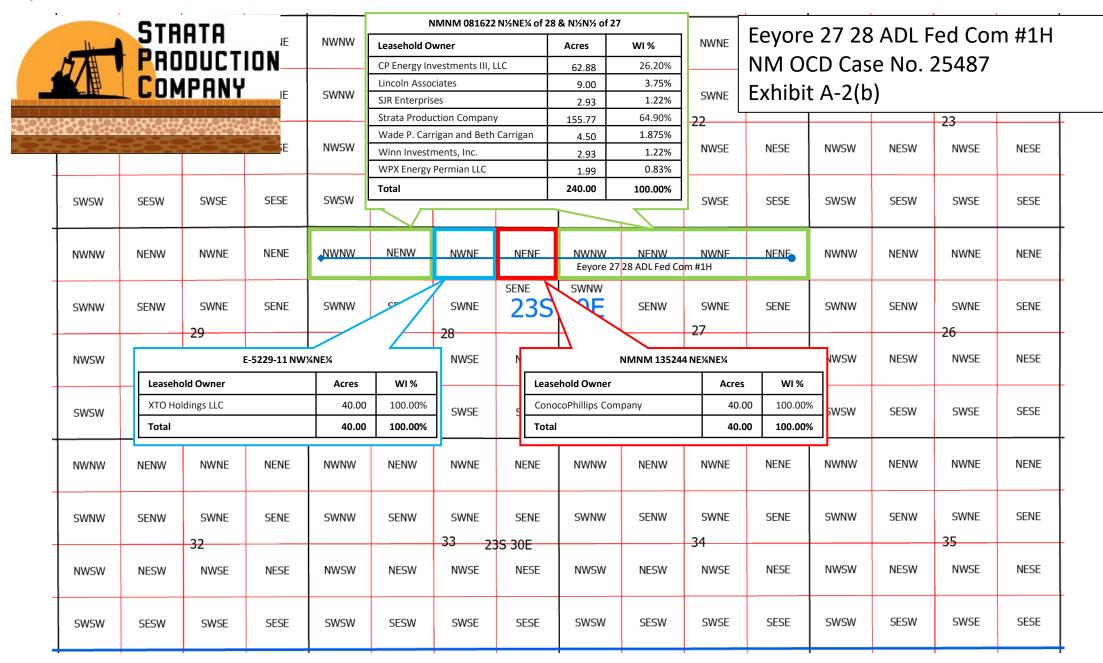


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SWNW   SENW   SESW	
SWSW   SESW   SWSE   SESE   SWSW   SESW   SWSE   SESW   SWSW   SESW   SWSW   SESW   SWSW   SESW   SESW   SWSW   SESW   SWSW   SESW   SWSW   SESW   SESW   SWSW   SESW	enw swne sene swnw senw swne Exhibit A-2(c)
SWSW   SESW   SWSE   SESE   SWSW   SESW   SWSE   SESW   SWSE   SESW   SWSE   SESW   SWSE   SESW   SWSW   SESW   SESW   SWSW   SESW   SESW   SWSW   SESW   SWSW   SESW   SWSW   SESW   SWSW   SESW   SESW   SWSW   SESW   SWSW   SESW   SWSW   SESW   SWSW   SESW   SESW   SWSW   SESW   SESW   SWSW   SESW   SWSW   SESW   SWSW   SESW   SESW   SWSW   SESW	21 22 23
NW/NW   NENW   NESW   SENE   SWNW   SENW   SENE   SWNW   SENW   SESW   SWSE   SESE   SWSW   SESW   SENW	ESW NWSE NESE NWSW NESW NWSE NESE NWSW NESW NWSE NESE
SWNW   SENW   SWNE   SENE   SWNW   SENW	ESW SWSE SESE SWSW SESW SWSE SESE SWSW SESW SWSE SESE
SWNW   SENW   SWNE   SENE   SWNW   SENW   SENW   SWNE   23S   30E   SENW   SESW   SE	
NWSW   NESW   NWSE   NESE   NWSW   NESW   NWSE   NESE   NWSW   NESW   NESW   NWSE   NESE   NWSW   NESW   NWSE   NWSE   NWSW   NWSW   NWSE   NWSW	ENW SWNE 23S 30E SENW SENE SENE SWNW SENW SWNE SENE
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NWNW NENW NENW NENW NENW NENW NENW NENW	ESW SWSE SESE SWSW SESW Leasehold Owner Acres WI %
NWNW NENW NENW NENW NENW NENW NENW NENW	
NWNW         NENW         NENE         NWNW         NENE         NWNW         NENE         NWNW         NENW         NENW         SIR Enterprises         2.93         0.92%         FIRST         SIR Enterprises         SIR Enterprises <td>Lincoln Associates 9.00 2.81%</td>	Lincoln Associates 9.00 2.81%
SWNW SENW SWNE SENE SWNW SENW SENW SENE SWNW SENW SE	FNW NWNE NENE NWNW NENW L
SWNW         SENW         SWNE         SENW         SWNE         SENE         SWNW         SENW         Winn Investments, Inc.         2.93         0.92%           NWSW         NESW         NWSW         NWSW         NESW         NWSW         NESW         NESW         NESW         XTO Holdings LLC         40.00         12.50%           ConocoPhillips Company         40.00         12.50%         Total         320.00         100.00%	Strata Production Company 155.77 48.68%
NWSW	ENW SWNE SENE SWNW SENW Wade P. Carrigan and Beth Carrigan 4.50 1.41% ENE
NWSW         NESW         NESE         NWSW         NESW         NESW         NESE         NWSW         NESE         NWSW         NESE         NWSW         NESW         XTO Holdings LLC         40.00         12.50%         ESW           Total         320.00         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00%         100.00% <td< td=""><td>Winn Investments, Inc. 2.93 0.92%</td></td<>	Winn Investments, Inc. 2.93 0.92%
NWSW         NESE         NWSW         NESW         NWSE         NESE         NWSW         NESW         NESW         NESW         NESW         NESW         NESW         NESW         ConocoPhillips Company         40.00         12.50%           Total         320.00         100.00%	2.55 30L 1.99 0.62%
Total 320.00 100.00%	ESW NWSE NESE NWSW NESW ESE
SWSW SESW SWSE SESE SWSW SESW SWSE SESE SWSW SESW S	
	ESW SWSE SESE SWSW SESW SESW SESE SWSE SESE SWSW SESW



Eeyore 27 28 ADL Fed Com #1H NM OCD Case No. 25487 Exhibit A-3

#### CONTRACT AREA Eeyore 27 28 ADL Fed Com #1H- Case No. 25487:

 $N\frac{1}{2}N\frac{1}{2}$  of Sec. 27-23S-30E and  $N\frac{1}{2}N\frac{1}{2}$  of Sec. 28-23S-30E, Eddy County, New Mexico, 320.00 acres, more or less

#### UNIT INTEREST OF THE PARTIES:

<b>Interest Owners:</b>	<b>Net Acres</b>	WI %
CP Energy Investments III, LLC	62.88	19.65%
Lincoln Associates	9.00	2.81%
SJR Enterprises	2.93	0.92%
Strata Production Company	155.77	48.68%
Wade P. Carrigan and Beth Carrigan	4.50	1.41%
Winn Investments, Inc.	2.93	0.92%
WPX Energy Permian LLC	1.99	0.62%
XTO Holdings LLC	40.00	12.50%
ConocoPhillips Company	40.00	12.50%
Total	320.00	100.000%

#### TRACT INTEREST OF THE PARTIES:

Tract 1 ( $N\frac{1}{2}N\frac{1}{2}$  of Sec. 27 &  $N\frac{1}{2}NW\frac{1}{4}$  of Sec. 28, T23S-R30E 240.00 acres, more or less)

<b>Interest Owners:</b>	<b>Net Acres</b>	WI %
CP Energy Investments III, LLC	62.88	26.20%
Lincoln Associates	9.00	3.75%
SJR Enterprises	2.93	1.22%
Strata Production Company	155.77	64.90%
Wade P. Carrigan and Beth Carrigan	4.50	1.875%
Winn Investments, Inc.	2.93	1.22%
WPX Energy Permian LLC	1.99	0.83%
Total	240.00	100.000%

<b>Record Title Owners:</b>	%
record file owners.	/0

XTO Holdings, LLC	37.500000%
Devon Energy Production Co.	20.833300%
ConocoPhillips Company	20.833400%
Aquila Energy Resources	20.000000%
WPX Energy Permian, LLC	0.8333000%

Total 100.00%

Interest Owners:	<b>Net Acres</b>	WI %					
XTO Holdings LLC	40.00	100.00%					
Total	40.00	100.00%					
Record Title Owners:		%					
XTO Holdings LLC		100.00%					
Total		100.00%					
Tract 3 (NE½ NE½ of Sec. 28, T23S-R30E, 40.00 acres, more or less)							
Interest Owners:	<b>Net Acres</b>	WI %					
ConocoPhillips Company	40.00	100.00%					

Record Title Owners: %
ConocoPhillips Company 100.00%
Total 100.00%

40.00

100.00%

#### OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:

Tract 1:

**Total** 

Lessor: United State of America Lessee: Bettis Brothers Inc. Serial No.: NMNM 081622 Date: July 1, 1989

Description: S½N½ of Sec. 27 & S½NE¼ of Sec. 28, T23S-R30E 240.00 acres, more

or less

Tract 2:

Lessor: State of New Mexico Lessee: Malco Refineries, Inc.

Serial No.: E-5229-11 Date: May 10, 1951

Description: NW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> of Sec. 28, T23S-R30E, 40.00 acres, more or less

Tract 3:

Lessor: United State of America Lessee: Roy G. Barton, Jr. Serial No.: NMNM 135244 Date: June 1, 2016

Description: NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> of Sec. 28, T23S-R30E, 40.00 acres, more or less

\* Those Parties Highlighted are the only parties Strata Production Company is seeking to pool at

this time.

POST OFFICE DRAWER 1030 ROSWELL, NM 88202-1030



Eeyore 27 28 ADL Fed Com #1H NM OCD Case No. 25487 Exhibit A-4

ROSWELL, NEW MEXICO 88201 www.stratanm.com

June 6, 2025

To:

Subject:

Eeyore 27 28 ADL Fed Com #1H

Dear Sir/Madam:

Strata Production Company ("Strata") proposes the drilling and completion of the Eeyore 27 28 ADL Federal Com #1H (the "Well") located in Sections 27 & 28, Township 23 South, Range 30 East, Eddy County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of the Well is itemized on the enclosed Authority for Expenditure ("AFE") dated March 11, 2025.

**Eeyore 27 28 ADL Fed Com #1H:** To be drilled from the legal location with a proposed surface hole location 920' FNL & 450' FEL of Section 27 and a proposed bottom hole location of 400' FSL & 100' FWL of Section 28, Township 23 South, Range 30 East. The well will have a targeted interval within the Brushy Canyon (7626' TVD) and will be drilled horizontally to a measured depth of approximately 17338'.

Strata reserves the right to modify the locations and drilling plans described above in order to address regulatory requirements. Strata will advise you of any such modifications.

Strata is proposing to drill the Wells under the terms of the modified 1989 AAPL form Operating Agreement ("JOA"). The JOA dated June 1, 2025, by and between Strata Production Company, as Operator and WPX Energy Permian LLC, etal as Non-Operator, covers Section 27: N½N½ and Section 28: N½N½, Township 23 South, Range 30 East, Eaddy County, New Mexico, being 320 acres, more or less, with the following general provisions:

- 100%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Strata Production Company named as Operator from the surface to base of the Delaware Formation.

Strata requests that you indicate your election in the drilling and completion of the Wells on each AFE, sign and return one copy of each AFE to the undersigned within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Strata is offering the following terms for divesting your interest:

• \$500 per net acre

La Le

NRI delivered equal to the difference between 20% and existing lease burdens

If you are interested in divesting of your interest or wish to discuss this proposal further, please contact myself at (575) 622-1127 ext. 23 or by email mitch@stratamm.com.

Sincerely,

Mitch Krakauska Vice President

Enclosures: as stated

### Received by OCD: 9/11/2025 2:13:57 PM STRATA PRODUCTION COMPANY

### AUTHORITY FOR EXPENDITURE ESTIMATED WELL COSTS

	IE AND NUMBER 27 20 LIET AT	N. Com #1L	ı			AFE NUMBER		DATE Moroh 11, 202	5	
Eeyore 27 28 HEL ADL Com #1H								March 11, 202	3	
SL: 920' FNL & 450' FEL of Section 27 BHL: 920' FNL & 100' FWL of Section 28					<b>1</b> 0	FIELD  Fourty Nimon Didos Dolovione				
API NUMBI	ER		2 100° F W L	of Section .	28	Forty Niner Ridge Delawar		STATE		
	30-015	5-54348				Eddy		New Mexico		
	DESCRIPTION AND I					SECTION	TOWNSHIP	RANGE		
	033' lateral at ~7,6		st the Brushy (	Canyon Formati	ion. Construct	27	23S	30E		
separate ta	ank battery for wel	II.				PROPOSED FORM  Delaware	ATION	PROPOSED DEPTH 17,338	7,626	
						Delaware	I	17,556	7,020	
ACCT			INTA	NGIBLES						
CODE						_	DRY HOLE	RUN CSG	TOTAL	
	Drilling - Footage	. DCD	20	Ft. @ \$	27000	/Ft.	\$540,000		\$540,000	
	Drilling - Day Work Drilling - Day Work		2	, 0	27000		\$340,000	\$54,000	\$54,000	
	Completion Rig, Po			, , ,	27000	/Day		\$128,000	\$128,000	
	Mobilization & Der						\$189,000	\$120,000	\$189,000	
	Location, Roads, Pi	ts, Survey, Perm	its, Cleanup, Da	mages & Title Op	pinion		\$222,000	\$500	\$222,500	
	Drill Bits, Coring &	DST					\$56,000	\$8,000	\$64,000	
	Transportation and	Hauling					\$27,500	\$28,000	\$55,500	
	Drilling Mud, Chen	nicals & Complet	tion Fluids				\$122,000	\$12,000	\$134,000	
	Fuel, Power, Water						\$150,000	\$269,000	\$419,000	
	Cementing Services	s, Cementing Equ	ipment, Hanger	s; Packers			\$82,050	\$146,600	\$228,650	
	Mud Logging	10:1 *** 11.0					\$63,900		\$63,900	
	Open Hole Logging						\$108,400	\$405,000	\$108,400 \$405,000	
	Cased Hole Logging Equipment Rental I	-		Loop & Direction	nal Services		\$643,200	\$403,000	\$684,869	
	Insurance	uamg bollus (	John Oi, Closed	Zoop & Direction	561 11665		\$32,075	ψτ1,009	\$32,075	
	Other Well Services	s, NU/BOP, Casi	ng Inspection				\$52,000	\$49,000	\$101,000	
	Overhead	<del>, , , , , , , , , , , , , , , , , , , </del>	5 1				\$10,000	\$5,000	\$15,000	
	Supervision: Wellsi	te, Engineering,	Geological, Con	sultants			\$128,600	\$32,250	\$160,850	
	Contract Services									
	Fluids & Cuttings D	Disposal					\$264,000	\$261,100	\$525,100	
	Environmental Char	rges								
	Stimulation Treatme	ent	5.	3 Stages				\$2,606,000	\$2,606,000	
	Plugging Costs						P467.265	¢1 004 <b>2</b> 10	¢1 471 502	
	Miscellaneous Cost	s, Tax and Conti	ngencies	TOTAL DY	TANCIDI EC		\$467,365 \$3,158,091	\$1,004,218 \$5,050,337	\$1,471,583 \$8,208,428	
				TOTAL IN	TANGIBLES		\$5,156,091	\$3,030,337	\$6,206,426	
ACCT			TANO	GIBLES			DRY HOLE	COMPLETION	TOTAL	
CODE	CASING	FOOTAGE	SIZE	WEIGHT	GRADE	COST/FT				
	Conductor	100	20"	94#	H40	\$300.00	\$30,000		\$30,000	
	Surface	500	133/8"	48#	H40	\$31.79	\$15,895		\$15,895	
	Surface	4.200	0.7/011	42.5	N: 00	026.60	\$1.52.520		Ø1.52.520	
	Intermediate	4,200	9 5/8"	43.5	N-80	\$36.60	\$153,720		\$153,720	
	Intermediate									
	Liner Production	10,338	5-1/2"	20#	HCP110	\$16.90		\$174,712	\$174,712	
	Production	7,000		29#	HCP110	\$24.75		\$173,250	\$173,250	
	Tubing	7,000		9.3	L80	\$8.54		\$59,780	\$59,780	
	Subsurface Well Eq	uipment (Packer	s/Bottom Hole l	Pump)				,	-	
	Rods, etc							\$500	\$500	
	Wellhead Equipmen	nt (Casing Head/	Christmas Tree)				\$30,750	\$99,000	\$129,750	
	Pumping Equipmen	t (Pumping Unit	or Sub Pump)					\$356,000	\$356,000	
	Flowlines							\$76,000	\$76,000	
	Tanks							\$465,000	\$465,000	
	Sales Line Equipme							\$50,000 \$315,000	\$50,000 \$315,000	
	Separator-Prod. Equ Valves, Fittings etc.	uip.						\$315,000	\$315,000	
	Installation of Surfa	ice Lease Fauiro	nent (extend ele	etric grid - to be r	prorated to all Eas	vore wells)		\$248,000	\$248,000	
	Other Lease & Wel		ient (extend ele	eure grid - to be p	noraced to air Ley	rote wells)		Ψ213,000	Ψ213,000	
	Leade & Wel	r.			TOTAL TA	NGIBLES	\$230,365	\$2,230,242	\$2,460,607	
	TOTAL WELL COST						\$3,388,456	\$7,280,579	\$10,669,035	
Stuata Du	aduation Compa	ny Waukina I	ntanast	Stuata Duada	ıction Co DF	DV HOLF	Stuata Duaduatio	on Co COMPLETED		
Su ata Pr	oduction Compa	ny working i	nterest	Su ata r rout	icuvii Cu DF	A HOLE	SU ALA FIOUUCUO	II CU COMIT LE I ED		
PREPAR	ED BY: Jerry Elg	gin, VP Operat	ions	DATE:	3/11/2025					
	ED BY: Mitch K		e President	DATE:			SIGNED:	/hhe-		
							rsigned agrees that this AFE is valid for 180 days from execution.			
COMPANY NAME: SIGNATURE: DATE:								WORKING INTEREST:		
By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance,										
neither of	which is guarante	ed as sufficient	t by Operator.	In order to dec	line coverage b	y Operator's well	control insurance,	you must sign below and provide a C	Certificate of	
				and agree to ho	ld Operator har	mless for any loss	s to your interest no	ot covered by your insurance or as oth	nerwise set forth in	
Exhibit D	of the Joint Opera	ating Agreemei	nt.							
Agree to decline coverage, provide proof, and hold harmless:										
	2 / 1	• 1								
By:					Date:					



Eeyore 27 28 ADL Fed Com #1H NM OCD Case No. 25487 Exhibit A-5

**Interest Owner:** WPX Energy Permian LLC

**Contact Type:** Email, USPS

**Notes:** I mailed the proposals on November 29, 2023, with no response. The wells were delayed so we mailed them again on June 6, 2025, with no response. I followed up with an email to Aaron Young on July 15, 2025, with no response, although we have exchanged emails regarding other wells since this date.

**Interest Owner:** XTO Holdings LLC

**Contact Type:** Email, USPS

**Notes:** I mailed the proposals on June 6, 2025, with no response. I followed up with an email to Chad Smith on July 14, 2025, with no response. On August 8, 2025, I received executed AFEs from Glenn Harris, showing XTO's intent to participate in the well when drilled after compulsory pooling.

**Interest Owner:** ConocoPhillips Company

**Contact Type:** Email, USPS

**Notes:** I mailed the proposals on June 6, 2025, with no response. I followed up with an email to Valeria Gomez on July 14, 2025, where she responded with some more questions regarding the well and completions, which I answered and then I did not receive any further response.

### Tab 4

#### 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. 25487

#### SELF-AFFIRMED STATEMENT OF GEOLOGIST SCOTT KELLEY

- I, Scott Kelley, do hereby affirm the following statements:
- 1. I am over the age of eighteen and have personal knowledge of the matters stated herein.
- 2. I am employed as the geologist for Strata Production Company ("Strata" or "Applicant"), and I am familiar with the subject applications and the lands involved.
- 3. This affidavit is submitted in connection with the filing by Strata of the abovereferenced compulsory pooling applications pursuant to 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 geologist have been accepted by the Division and made a matter of record. My education and work experience are as follows: I have a bachelor's degree in geology from the University of Oklahoma and a master's degree in geology from the University of Texas at Arlington. I have been working continuously as a professional geologist since 2009. I worked for two years at Geosite Inc., two years at Panther Energy Company, six Years at Pioneer Natural Resources and have been at Strata Production Company for six years.
  - 5. **Exhibit B-1** is a location map showing the regional setting for the proposed well.
- 6. **Exhibit B-2** is a regional Brushy Canyon structure map with 50' contour intervals, which illustrates the location of the HSU in a yellow-highlighted rectangle.

- 7. **Exhibit B-3** is a Brushy Canyon stratigraphical cross section, indicating that the horizontal section of this well is being placed in a zone that has an estimated gross interval thickness of 263'. This gross thickness is being calculated from the top of the lower Brushy Canyon formation to the Base of the lower Brushy Canyon formation (top of Bone Spring formation). Perforations and completions are planned where reservoir quality sands are present through the vertical portion of the wellbore within the greater Brushy Canyon formation.
  - 8. **Exhibit B-4** is a gunbarrel diagram.
  - 9. **Exhibit B-5** is a gross isopach map.
- 10. The measured depth and true vertical depth for the well is approximately 17338' and 7626', respectively.
  - 11. Based on my geologic study of the area, I conclude the following:
    - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
    - b. There are no structural impediments or faulting that will interfere with horizontal development.
    - c. Each quarter-quarter section in the HSU will contribute more or less equally to production.
    - d. The most efficient way to develop the pertinent acreage is as proposed because of drilling island locations due to Potash limitations. There is no known and generally accepted preferential drilling orientation based on present-day stress regime or other geological factors that would counter the proposed East-West well orientation. Successfully developed Brushy Canyon formation horizontal wells oriented East-West have been drilled in the region, so an established trend is present. This orientation also fits our lease boundaries and aligns with the remainder

- of Strata's planned development in the adjoining tracts. Therefore, the preferred well orientation does not strand any acreage or reserves.
- 12. The exhibits attached hereto were prepared by me or compiled from Strata's business records.
- 13. The granting of the Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.
  - 14. The foregoing is correct and complete to the best of my knowledge and belief.

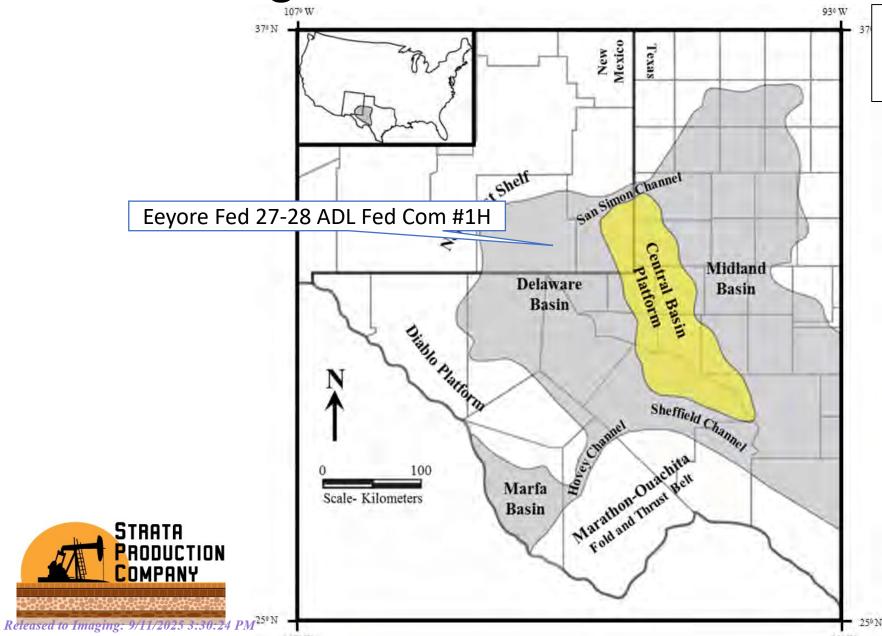
I affirm under penalty of perjury under the laws of the State of New Mexico that this

statement is true and correct.

September 3, 2025

DATE

## Regional View of the Delaware Basin

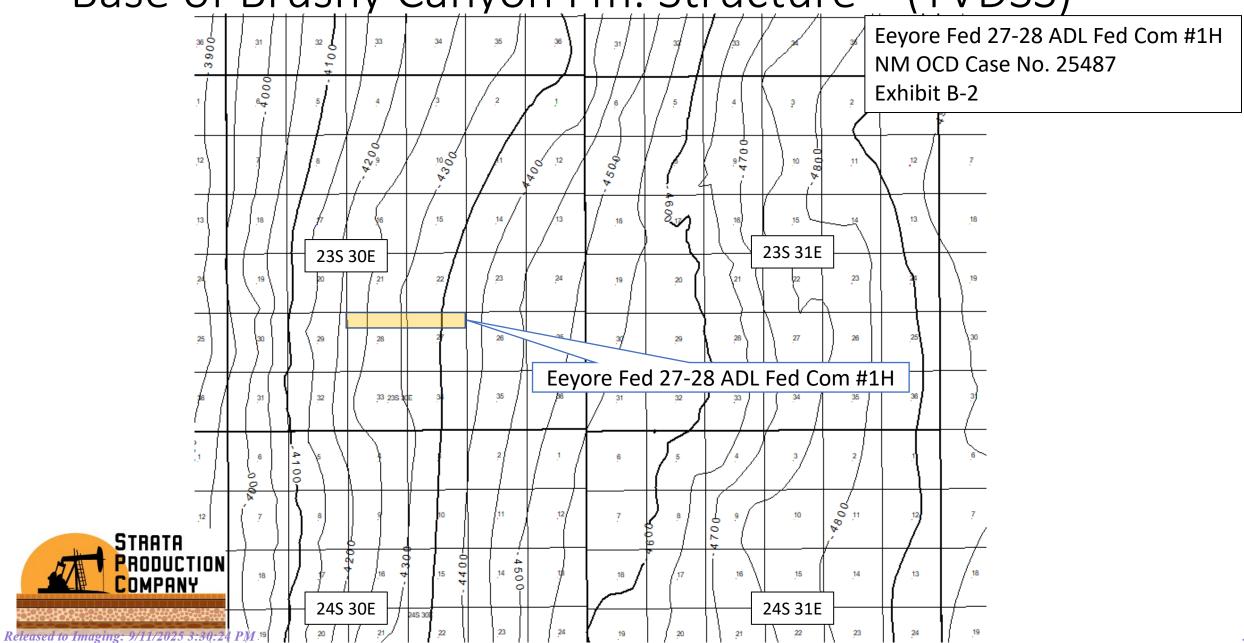


107º W

Eeyore Fed 27-28 ADL Fed Com #1H NM OCD Case No. 25487 Exhibit B-1

93° W

Base of Brushy Canyon Fm. Structure (TVDSS)



### **Cross Section Line**

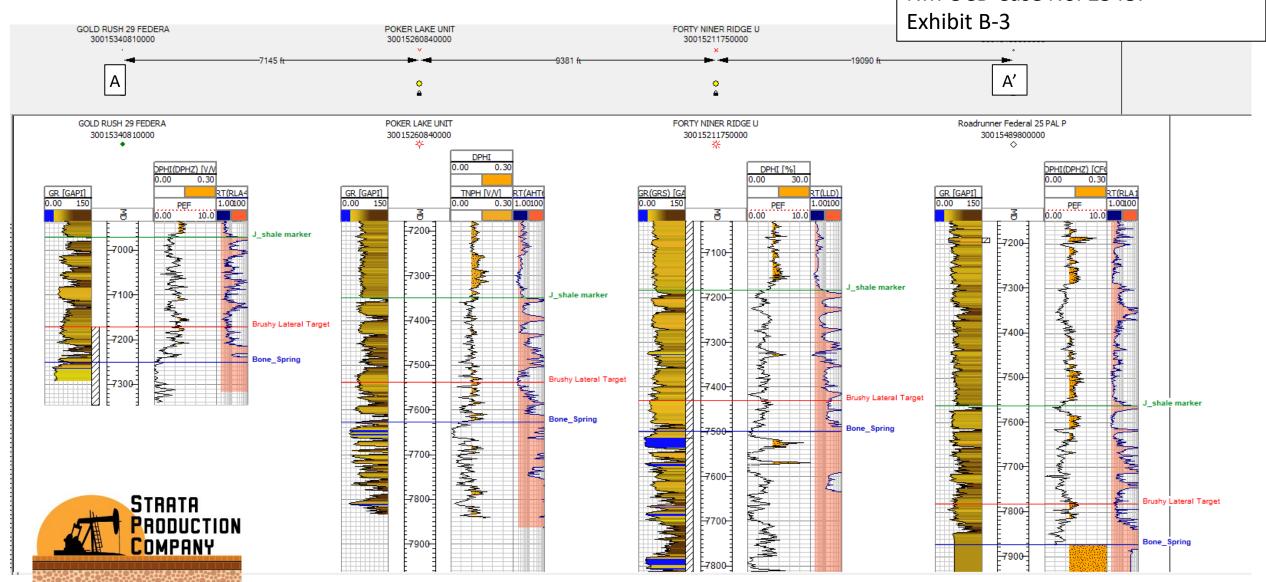
Eeyore Fed 27-28 ADL Fed Com #1H NM OCD Case No. 25487 Exhibit B-2(a) Α Α' 23S 31E 23S 30E 



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## Structural Cross Section Eeyore Fed 27-28 ADL Fed Com #1H

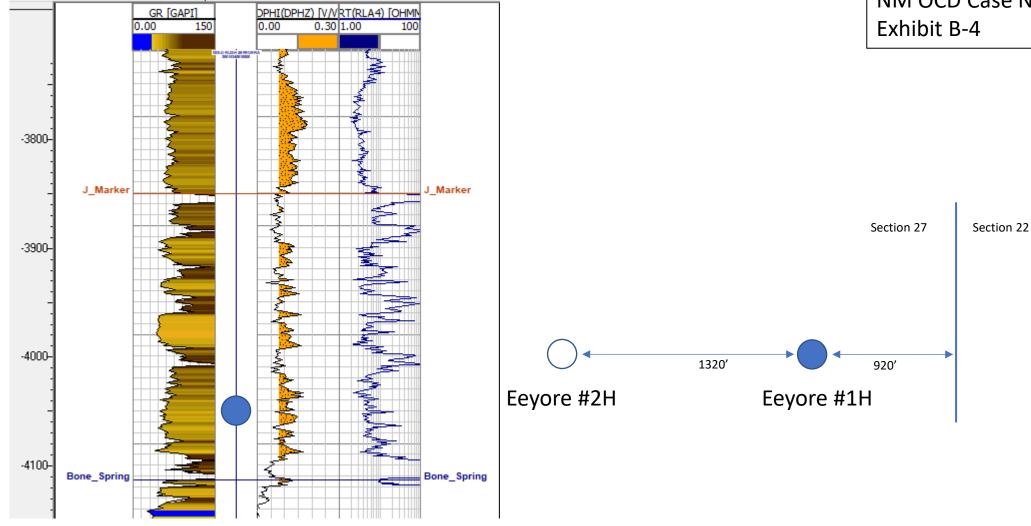
Eeyore Fed 27-28 ADL Fed Com #1F NM OCD Case No. 25487 Exhibit B-3



# Gunbarrel Diagram



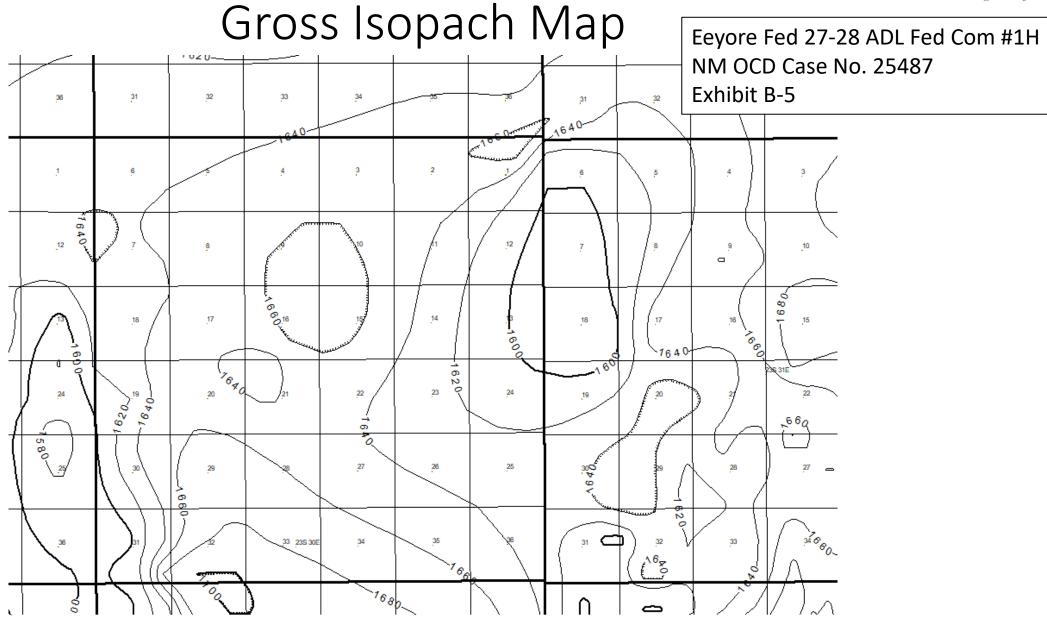
Eeyore Fed 27-28 ADL Fed Com #1H NM OCD Case No. 25487





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Received by OCD: 9/11/2025 2:13:57 PM



# Tab 5

# 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. 25487

## **AFFIRMATION OF NOTICE**

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

I caused notice of the application to be sent by certified mail through the United States Postal Service on July 15, 2025, to all interest owners sought to be pooled in these proceedings, and to the New Mexico State Land Office on July 29, 2025. Sample notice letters to all interested parties are attached hereto as Exhibit C-1. A chart showing the results of certified mailing is attached as Exhibit C-2. All interested parties in this matter received notice by certified mail, which is reflected in the attached Exhibit C-3. Nonetheless, in an abundance of caution, notice was also directed to all such owners by publication in the Carlsbad Current Argus on July 19, 2025, as shown in the Affidavit of Publication attached hereto as Exhibit C-4. The attached exhibits demonstrate to my satisfaction that all owners entitled to notice 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.

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

September 4, 2025 Date



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

July 15, 2025

Via U.S. Certified Mail, return receipt requested

#### TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 25487 – Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico - Eeyore 27 28 ADL Fed Com #1H

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, STRATA PRODUCTION COMPANY ("Strata") has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all uncommitted interests in the proposed well described below. You are receiving this notice because you may have an interest in this well.

Case No. 25487. 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 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following well: **Eeyore 27 28 ADL Fed Com #1H** well, to be horizontally drilled from an approximate surface hole location 920' FNL & 450' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 920' FNL & 100' FWL of Section 28, T23S-R30E. The first and last take points and completed interval 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 well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 13 miles East of Loving, New Mexico.

The attached application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on August 7, 2025, beginning at 9:00 a.m. Hearings are currently conducted in a hybrid fashion, both in-person 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 a virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date at 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

SPENCER FANE LLP | 325 PASEO DE PERALTA, SANTA FE, NM 87501 | 505.982.3873 | FAX 505.982.4289 | spencerfane.com

All Interest Owners July 15, 2025 Page 2



your appearance **eight days prior to the hearing**, no later than **July 30, 2025**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement **seven days prior to the hearing**, no later than **July 31, 2025**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about this application.

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 333 West Sheridan Avenue Oklahoma City, OK 73102

ConocoPhillips 600 West Illinois Avenue Midland, TX 79701 XTO Holdings, LLC 22777 Springwoods Village Parkway Spring, TX 77389

# **Additional Interested Party(ies):**

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



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

July 29, 2025

Via U.S. Certified Mail, return receipt requested

#### TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 25487 – Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico - Eevore 27 28 ADL Fed Com #1H

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, STRATA PRODUCTION COMPANY ("Strata") has filed an application with the New Mexico Oil Conservation Division seeking an order pooling all uncommitted interests in the proposed well described below. You are receiving this notice because you may have an interest in this well.

Case No. 25487. 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 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following well: Eeyore 27 28 ADL Fed Com #1H well, to be horizontally drilled from an approximate surface hole location 920' FNL & 450' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 920' FNL & 100' FWL of Section 28, T23S-R30E. The first and last take points and completed interval 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 well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 13 miles East of Loving, New Mexico.

The attached application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on September 11, 2025, beginning at 9:00 a.m. Hearings are currently conducted in a hybrid fashion, both in-person 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 a virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date at 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

SPENCER FANE LLP | 325 PASEO DE PERALTA, SANTA FE, NM 87501 | 505.982.3873 | FAX 505.982.4289 | spencerfane.com

All Interest Owners July 29, 2025 Page 2



your appearance eight days prior to the hearing, no later than September 3, 2025, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement seven days prior to the hearing, no later than September 4, 2025, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about this application.

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 333 West Sheridan Avenue Oklahoma City, OK 73102

ConocoPhillips 600 West Illinois Avenue Midland, TX 79701 22777 Springwoods Village Parkway Spring, TX 77389

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

XTO Holdings, LLC

# **Additional Interested Party(ies):**

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

# STRATA PRODUCTION COMPANY

# No. 25487 - Eeyore 27 28 ADL Fed Com #1H

# September 11, 2025 Hearing

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received			
WORKING INTEREST PARTY(IES)							
WPX Energy Permian LLC 333 West Sheridan Avenue Oklahoma City, OK 73102	July 15, 2025	9314 7699 0430 0137 3581 25	Delivered	July 18, 2025			
XTO Holdings, LLC 22777 Springwoods Village Parkway Spring, TX 77389	July 15, 2025	9314 7699 0430 0137 3581 32	Delivered	July 18, 2025			
ConocoPhillips 600 West Illinois Avenue Midland, TX 79701	July 15, 2025	9314 7699 0430 0137 3581 49	Delivered	July 21, 2025			
New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	July 29, 2025	9314 7699 0430 0137 9873 25	Delivered	August 5, 2025			
	ADDIT	TIONAL PARTY(IES)					
Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220	July 15, 2025	9314 7699 0430 0137 3581 56	Delivered	July 18, 2025			

#### Recipient:

WPX Energy Permian LLC 333 West Sheridan Avenue Oklahoma City, OK 73102

#### Sender:

Sharon T. Shaheen

Strata (9015271,2202) Eayore Wells

Spencer Fane, LLP 325 Paseo de Peralta Santa Fe, NM 87501-1860

Transaction created by: Dortiz User ID: 32565 Firm Mailing Book ID: None 313640

Batch ID:

Date Created: 07/14/2025 12:24 PM Date Mail Delivered: 07/18/2025 8 11 AM USPS Article Number: 9314769904300137358125 Return Receipt Article Number: 9590969904300137358127

Service Options:

Return Receipt Certified Mail

Certified

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\$1.90

\$9.70

Mail Service: Reference #: Postage: Certified Mail Fees:

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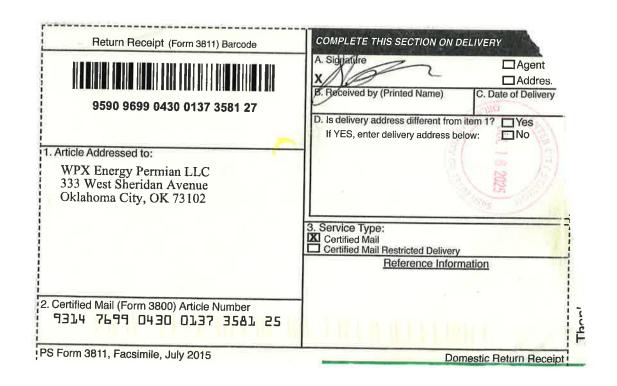
Status:

Delivered S. Shaheen Notice Letter Strata Eeyore Well

No. 25487

# **Transaction History**

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USPS® Certified Mail	07-15-2025 10:46 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS® Certified Mail	07-16-2025 12:01 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	07-16-2025 08:47 AM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	07-17-2025 01:40 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at OKLAHOMA CITY OK DISTRIBUTION C
USPS® Certified Mail	07-17-2025 09:59 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at OKLAHOMA CITY OK DISTRIBUTION C
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Recipient:

XTO Holdings, LLC

22777 Springwoods Village Parkway

Spring, TX 77389

Sender:

Sharon T. Shaheen

Strata (9015271,2202) Eeyore Wells

Spencer Fane, LLP 325 Paseo de Peralta Santa Fe, NM 87501-1860

Transaction created by: Dortiz User ID: Firm Mailing Book ID: None

Batch ID:

313640

Date Created: 07/14/2025 12:24 PM Date Mail Delivered: 07/18/2025 10:04 AM USPS Article Number: 9314769904300137358132 Return Receipt Article Number: 9590969904300137358134

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Return Receipt Certified Mail

Mail Service: Certified Reference #: 002 Postage: \$1.90

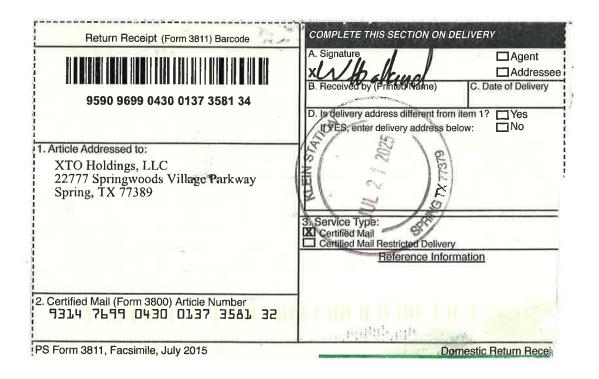
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Strata Eeyore Well Custom Field 2:

Custom Field 3: No. 25487

# **Transaction History**

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USPS® Certified Mail	07-16-2025 12:01 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
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### Recipient:

ConocoPhillips 600 West Illinois Avenue Midland, TX 79701

#### Sender:

Sharon T. Shaheen

Strata (9015271 2202) Eeyore Wells

Spencer Fane, LLP 325 Paseo de Peralta Santa Fe, NM 87501-1860

Transaction created by: Dortiz User ID: Firm Mailing Book ID: None Batch ID: 313640

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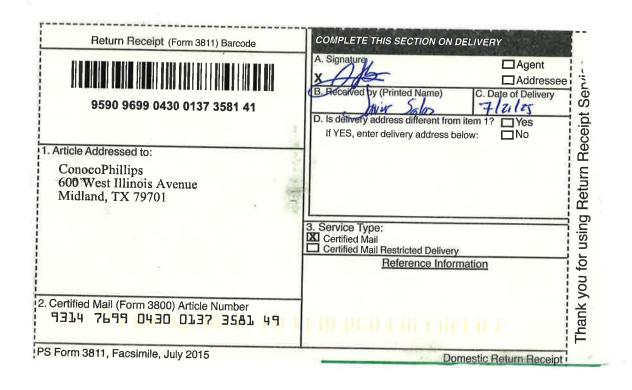
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Return Receipt Certified Mail

Mail Service: Certified Reference #: 003 Postage: \$1.90 Certified Mail Fees: \$9.70 Status: Delivered Sender: S. Shaheen Contents: Notice Letter Custom Field 2: Strata Eeyore Well Custom Field 3: No-25487

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USPS® Certified Mail	07-15-2025 10:46 PM	[USPS] - ORIGIN ACCEPTANCE at SANTA FE,NM
USPS® Certified Mail	07-16-2025 12:01 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	07-16-2025 08:47 AM	[USPS] - DEPARTED USPS REGIONAL FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	07-17-2025 02:08 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND TX DISTRIBUTION CENTER
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USPS® Certified Mail	07-21-2025 08:16 AM	[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT USPS at MIDLAND, TX



Recipient:

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501

Sender:

Sharon T. Shaheen

Strata (9015271, 2202) Eeyore Wells Spencer Fane, LLP

325 Paseo de Peralta Santa Fe, NM 87501-1860

Transaction created by: Dortiz User ID: 32565 Firm Mailing Book ID: None

Batch ID:

07/29/2025 4:06 PM Date Created: Date Mail Delivered: 08/05/2025 8:48 AM 9314769904300137987325 USPS Article Number: Return Receipt Article Number: 9590969904300137987327

Service Options:

Return Receipt

Certified Mail

Mail Service:

Certified

Reference #: Postage:

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Certified Mail Fees: \$9.70 Status:

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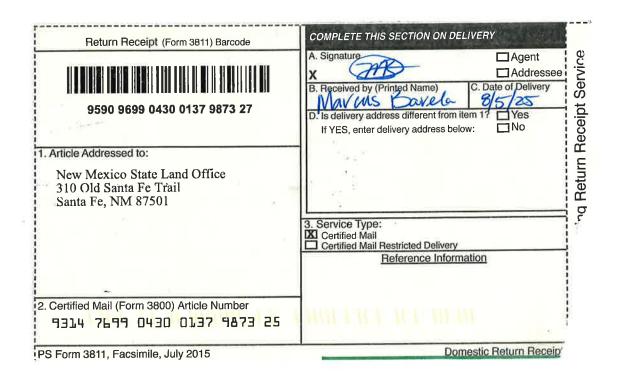
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[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at SANTA FE,NM

[USPS] - CERTIFIED MAIL DELIVERED INDIVIDUAL PICKED UP AT USPS at SANTA FE,NM



#### Recipient:

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

#### Sender:

Sharon T, Shaheen

Strata (9015271.2202) Eeÿore Wells

Spencer Fane, LLP 325 Paseo de Peralta Santa Fe, NM 87501-1860

Transaction created by: Dortiz 32565 User ID: Firm Mailing Book ID: None Batch ID: 313640

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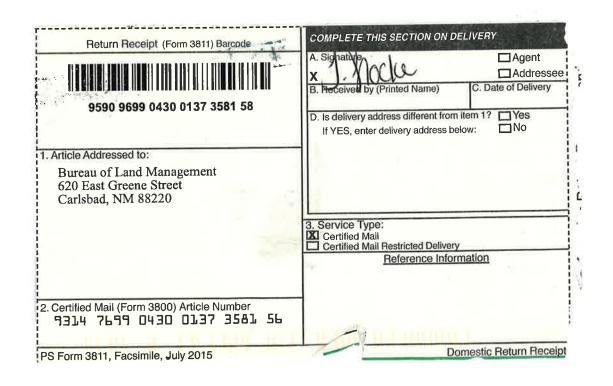
Service Options: Return Receipt

Certified Mail Certified

Mail Service: Reference #: 004 Postage: \$1.90 Certified Mail Fees: \$9.70 Status: Sender: S. Shaheen Contents: Notice Letter Custom Field 2: Strata Eeyore Well Custom Field 3: No. 25487

# **Transaction History**

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#### AFFIDAVIT OF PUBLICATION

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

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 1006 Ad Number: 55550

Description: Case 25487 Eeyore Well

Ad Cost:

\$134.03

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:

July 19, 2025

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

SIGNED:

Sherry Genes

Agent

Subscribed to and sworn to me this 19th day of July 2025.

Leanne Kaufenberg, Notary Public, Redwood County
Minnesota

#### NOTICE

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

WPX Energy Permian LLC, ConocoPhillips, XTO Holdings, LLC, and Bureau of Land Management.

Strata Production Company has filed the following application with the New Mexico Oil Conservation Division:

Case No. 25487. 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 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 N/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following well: Eeyore 27 28 ADL Fed Com #1H well, to be horizontally drilled from an approximate surface hole location 920' FNL & 450' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 920' FNL & 100' FWL of Section 28, T23S-R30E. The first and last take points and completed interval 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 well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. 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 August 7, 2025, beginning at 9:00 a.m. Hearings are currently conducted in a hybrid fashion, both in-person 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 a virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <a href="https://www.emard.nm.gov/ocd/hearing-info/">https://www.emard.nm.gov/ocd/hearing-info/</a>. 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 July 30, 2025, eight (8) days before the hearing, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by July 31, 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 July 19, 2025. #55550

DAVID ORTIZ SPENCER FANE LLP 325 PASEO DE PERALTA SANTA FE, NM 87501-1860 dortiz@spencerfane.com

