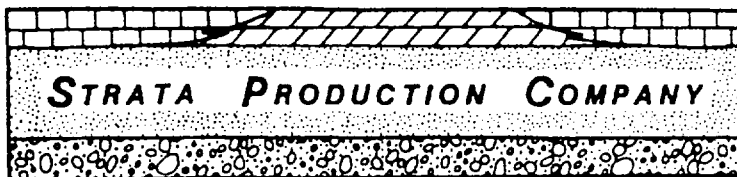


AMEND SWD

4/9/99

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

March 23, 1999

Oil Conservation Division
ATTN: David Catanach
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Stivason Federal #1
Administrative Order SWD-635
A-Section 33-19S-34E
Lea County, New Mexico

Dear David:

In accordance with our discussions, Strata Production Company hereby requests an Amendment to the above referenced Order to include the Seven Rivers formation with the Queen formation. The formations are similar and of the same geological age. The top of the Seven Rivers formation is at approximately 3806'. The packer is set at 3816'.

The perforations at 3908' to 4100' were cement squeezed. When the wellbore was drilled out, the packer was inadvertently set at the depth used to squeeze the perms. The open perforations are at 4511' to 4532' and 5022' to 5028' in the Queen formation.

No adverse effect is evident in disposing at an interval of 3816' to 5028'. At this time of low oil prices, it is not cost effective to move the packer to a depth of 4411'. Therefore, we respectfully request approval of said Amendment. Should you require additional information, please contact this office.

Sincerely,

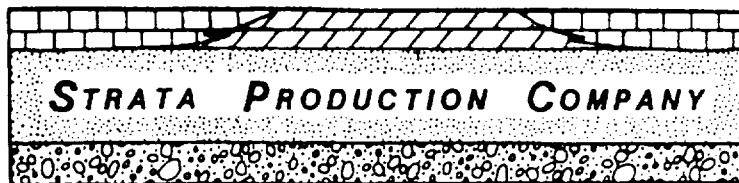
STRATA PRODUCTION COMPANY

A handwritten signature in cursive script that reads "Carol J. Garcia".

Carol J. Garcia
Production Records Manager

CJG:ms

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

May 28, 1999

Oil Conservation Division
ATTN: Mike Ashley
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Administrative Order SWD-635
Amendment
SPC - Stivason Federal #1
330' FNL & 330' FEL
Section 33-19S-34E
Lea County, New Mexico

Dear Mr. Ashley:

Enclosed herewith please find a copy of the Legal Notice, letters of notice and certified receipts to the offset operators and no objection letters from Devon Energy Corporation and Manzano Oil Corporation for the above referenced.

Should you have any questions regarding this matter, please contact this office.

Sincerely,

STRATA PRODUCTION COMPANY

A handwritten signature in cursive script that reads "Carol J. Garcia".

Carol J. Garcia
Production Records Manager

CJG:ms

Enclosures

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I,

Publisher

of the Hobbs Daily News-Sun, a
daily newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of _____
_____ weeks.

Beginning with the issue dated

May 15 1999

and ending with the issue dated

May 15 1999



Publisher

Sworn and subscribed to before

me this 14th day of

May 1999



Notary Public.

My Commission expires
October 18, 2000
(Seal)

This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

LEGAL NOTICE

May 15, 1999

PUBLIC NOTICE

AMENDMENT OF ADMINISTRATIVE
ORDER FOR WATER DISPOSAL

Strata Production Company, P.O. Box 1030, Roswell, New Mexico 88202-1030, (Contact: Frank S. Morgan, 505-622-1127), has filed an Amendment to Administrative Order SWD-635 with the Oil Conservation Division, Energy, Minerals and Natural Resources Department, State of New Mexico, for Administrative Approval and authority to inject salt water into the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, NMMP, Lea County, New Mexico.

The purpose of the water injection well is to dispose of salt water produced from the Queen and Penrose formations as currently designated by the Oil Conservation Division and as may be extended by additional drilling.

Water to be disposed will be injected into the Yates Seven Rivers and Upper Queen formations at an interval between 3816 feet to 5028 feet beneath the surface.

The minimum injection rate is expected to be approximately 350 barrels of water per day. The maximum injection rate is expected to be approximately 650 barrels of water per day.

Minimum injection pressure is expected to be approximately 650 PSI. The maximum injection pressure is expected to be approximately 880 PSI.

Any interested party may file an objection to the Amendment or may request a public hearing. Any objection or request for hearing must be filed with the Oil Conservation Division, 2040 South Pacheco Street, Santa Fe, New Mexico 87505 within 15 days from the date of publication.

STRATA PRODUCTION COMPANY

By: Carol J. Garcia

#16617

02103504000

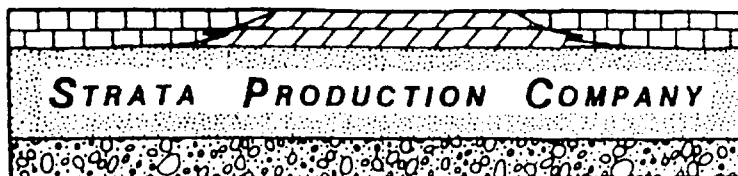
02527167

Strata Production Company

P.O. Box 1030

Roswell, NM 88202-1030

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

May 7, 1999

RECEIVED

MAY 10 1999

NEW MEXICO DEPARTMENT OF REVENUE

CERTIFIED/RETURN RECEIPT REQUESTED

Devon Energy Corporation (Nevada)
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Re: Salt Water Disposal Well
Stivason Federal #1
Section 33-19S-34E
Lea County, New Mexico

Gentlemen:

As an operator of an oil and gas lease within one-half mile of the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, Lea County, New Mexico, please note the following.

Strata Production Company has filed an Amendment to Administrative Order SWD-635 with the New Mexico Oil Conservation Division for authority to re-inject water produced from the Pearl Queen field into porous zones in the Yates Seven Rivers and Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the Amendment Letter Request, NMOCD Form C-103 and Administrative Order SWD-635.

If you have an objection to the Amendment or feel that a public hearing is necessary, please contact the NMOCD, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. You may also contact Mr. Frank S. Morgan, Strata Production Company, P. O. Box 1030, Roswell, New Mexico 88202-1030, telephone 505-622-1127.

If you do not have an objection to the aforementioned Amendment, please sign one copy of this letter in the space provided and return to the undersigned.

Sincerely,

STRATA PRODUCTION COMPANY

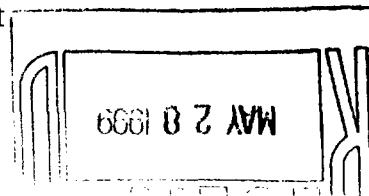
Carol J. Garcia
Carol J. Garcia
Production Records Manager

(NEVADA)

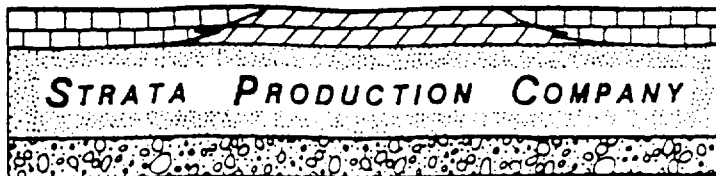
DEVON ENERGY CORPORATION/does not object to the subject Amendment

By: *Karin Bellamy*
Dated: *5/24/99*

WF



POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

May 7, 1999

CERTIFIED/RETURN RECEIPT REQUESTED

Mallon Resources Corporation
999 18th Street, Suite 1700
Denver, Colorado 80202

Re: Salt Water Disposal Well
Stivason Federal #1
Section 33-19S-34E
Lea County, New Mexico

Gentlemen:

As an operator of an oil and gas lease within one-half mile of the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, Lea County, New Mexico, please note the following.

Strata Production Company has filed an Amendment to Administrative Order SWD-635 with the New Mexico Oil Conservation Division for authority to re-inject water produced from the Pearl Queen field into porous zones in the Yates Seven Rivers and Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the Amendment Letter Request, NMOCD Form C-103 and Administrative Order SWD-635.

If you have an objection to the Amendment or feel that a public hearing is necessary, please contact the NMOCD, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. You may also contact Mr. Frank S. Morgan, Strata Production Company, P. O. Box 1030, Roswell, New Mexico 88202-1030, telephone 505-622-1127.

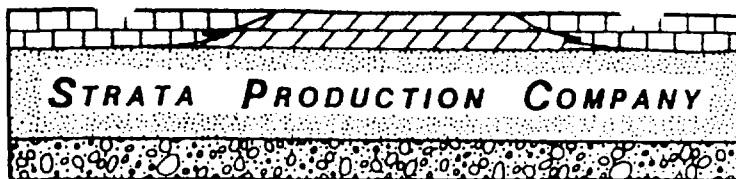
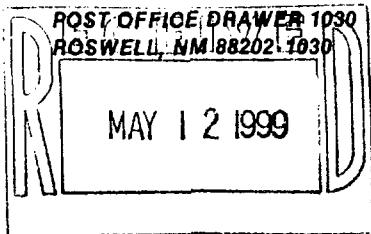
If you do not have an objection to the aforementioned Amendment, please sign one copy of this letter in the space provided and return to the undersigned.

Sincerely,

STRATA PRODUCTION COMPANY
Carol J. Garcia
Carol J. Garcia
Production Records Manager

MALLON RESOURCES CORPORATION does not object to the subject Amendment.

By: _____
Dated: _____



200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

May 7, 1999

Ref

CERTIFIED/RETURN RECEIPT REQUESTED

Manzano Oil Corporation
P. O. Box 2107
Roswell, New Mexico 88202-2107

Re: Salt Water Disposal Well
Stivason Federal #1
Section 33-19S-34E
Lea County, New Mexico

Gentlemen:

As an operator of an oil and gas lease within one-half mile of the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, Lea County, New Mexico, please note the following.

Strata Production Company has filed an Amendment to Administrative Order SWD-635 with the New Mexico Oil Conservation Division for authority to re-inject water produced from the Pearl Queen field into porous zones in the Yates Seven Rivers and Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the Amendment Letter Request, NMOCD Form C-103 and Administrative Order SWD-635.

If you have an objection to the Amendment or feel that a public hearing is necessary, please contact the NMOCD, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. You may also contact Mr. Frank S. Morgan, Strata Production Company, P. O. Box 1030, Roswell, New Mexico 88202-1030, telephone 505-622-1127.

If you do not have an objection to the aforementioned Amendment, please sign one copy of this letter in the space provided and return to the undersigned.

Sincerely,

STRATA PRODUCTION COMPANY

Carol J. Garcia
Carol J. Garcia
Production Records Manager

MANZANO OIL CORPORATION does not object to the subject Amendment.

By: *Donnie L. Brown*
Dated: *5/11/99*

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Devon Energy Corporation	
Street & Number 20 N. Broadway, Suite 1500	
Post Office, State, & ZIP Code Oklahoma City, OK 73102-8260	
Postage	\$.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

Z 263 896 181

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Mallon Resources Corporation	
Street & Number 999 18th Street, Suite 1700	
Post Office, State, & ZIP Code Denver, CO 80202	
Postage	\$.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

Z 263 896 180

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to Manzano Oil Corporation	
Street & Number P. O. Box 2107	
Post Office, State, & ZIP Code Roswell, NM 88202-2107	
Postage	\$.55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.20
Postmark or Date	

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Devon Energy Corporation 20 N. Broadway, Suite 1500 Oklahoma City, OK 73102-8260	4a. Article Number Z 263 896 182
5. Received By: (Print Name)	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
	7. Date of Delivery 5-10
6. Signature: (Addressee or Agent) X [Signature]	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Mallon Resources Corporation 999 18th Street, Suite 1700 Denver, CO 80202	4a. Article Number Z 263 896 181
5. Received By: (Print Name)	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
	7. Date of Delivery
6. Signature: (Addressee or Agent) X [Signature]	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Manzano Oil Corporation P. O. Box 2107 Roswell, NM 88202-2107	4a. Article Number Z 263 896 180
5. Received By: (Print Name)	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
	7. Date of Delivery 5/10/99
6. Signature: (Addressee or Agent) X [Signature]	8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

