

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

HAROLD D. STRATTON, JR.†**
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STEPHEN D. INGRAM†
BRIAN J. PEZZILLO

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SUITE 610

ALBUQUERQUE, NEW MEXICO 87102

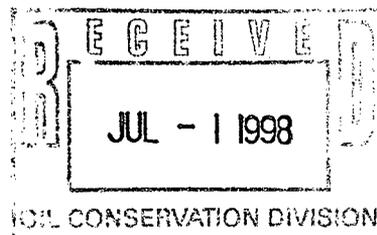
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*ALSO ADMITTED IN OKLAHOMA
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**ALSO ADMITTED IN COLORADO
***NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES - OIL AND GAS LAW

June 30, 1998



**FACSIMILE TRANSMISSION TO (505)827-8177
AND FEDERAL EXPRESS**

Lori Wrotenbery, Director
Oil Conversation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505

Case 12011

**Re: *Application of Strata Production Company for Compulsory Pooling, Lea
County, New Mexico***

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Strata Production Company in the above-referenced case as well as a copy of a legal advertisement. Strata Production Company respectfully requests that this matter be placed on the docket for the Thursday, July 23, 1998 Examiner hearings.

Very truly yours,

Sealy H. Cavin, Jr.
Sealy H. Cavin, Jr.

SHC/skc

Enclosures

cc: Jo McInerney, Landman, Strata Production Company

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

**IN THE MATTER OF THE APPLICATION OF
STRATA PRODUCTION COMPANY FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

CASE NO. 12011

APPLICATION

STRATA PRODUCTION COMPANY ("Strata"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. §70-2-17, (1978), for an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2 of Section 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

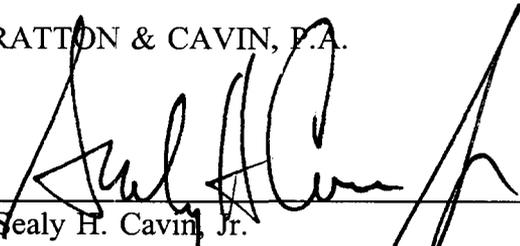
1. Strata is a working interest owner in the W/2 of Section 22 and has the right to drill thereon.
2. Strata proposes to dedicate the above-described spacing or proration unit to its Hill Federal No. 1 Well to be drilled at a standard location 1980 feet from the west line and 1980 feet from the south line of Section 22, to a depth sufficient to test any and all formations down to the base of the Morrow Formation.
3. Strata has sought and has been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the spacing unit identified at Exhibit A to this Application.
4. The pooling of interest will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Strata to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Strata should be designated the operator of the well to be drilled.

WHEREFORE, Strata prays that this Application be set for hearing before an Examiner of the Oil Conservation Division on July 23, 1998, and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Strata to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, and its overhead charges, provisions imposing a risk factor for the risk assumed by Strata in drilling, completing and equipping the well, provisions for a Joint Operating Agreement for future operations, and such other provisions as the Division deems appropriate.

RESPECTFULLY SUBMITTED,

STRATTON & CAVIN, P.A.

By: 

Sealy H. Cavin, Jr.

Attorneys for Strata Production Company
Post Office Box 1216
Albuquerque, New Mexico 87103-1216
Telephone: (505) 243-5400

EXHIBIT A

NOTIFICATION LIST

TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.

Section 22: NW/4NW/4, SE/4NW/4

Royalty Interest:

Bureau of Land Management P.O. Box 27115 Santa Fe, New Mexico 87504-1449	12.500000%
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Working Interest Owners:

Exxon Company USA Post Office Box 4697 Houston, Texas 77210-4697 Attn: Bob Matthew	100.000000%
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TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.

Section 22: NE/4NW/4, SW/4NW/4, SW/4

Royalty Interest:

Bureau of Land Management P.O. Box 27115 Santa Fe, New Mexico 87504-1449	12.500000%
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Overriding Royalty Interest Owners:

Energex Company 100 N. Pennsylvania Roswell, New Mexico 88201	.500000%
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Mitchell Exploration, Inc. P.O. Box 2415 Midland, Texas 79702-2415	.500000%
--	----------

George L. Scott, Jr. 200 West First Street, Suite 648 Roswell, New Mexico 88201	.500000%
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Worrall Investment Corporation 200 West First Street, Suite 648 Roswell, New Mexico 88201	.500000%
---	----------

Exxon Company USA 5.000000%
P.O. Box 4697
Houston, Texas 77210-4697
Attn: Bob Matthew

Working Interest Owners:

Duane Brown 1.904762%
1315 Marquette Place NE
Albuquerque, New Mexico 87106-4611

Wade P. Carrigan 3.809524%
P.O. Box 1908
Gilbert, Arizona 85299-1908

S. H. Cavin 1.904762%
P.O. Box 1125
Roswell, New Mexico 88202-1125

Mordka Enterprises, Inc. 1.904762%
1800 N. Grady
Tucson, Arizona 85715-4510

Winn Investments 3.809524%
706 West Brazos
Roswell, New Mexico 88202-3047

J. E. Cieszinski .952381%
P.O. Box 3047
Roswell, New Mexico 88202-3047

Burlington Resources Oil & Gas Co. Intoil, Inc. 50.000000%
P.O. Box 4239 P.O. Box 3438
Houston, Texas 77210-4239 Englewood, Colorado 80155-3438
Attn: Anthony M. Gatti, Land Advisor Attn: Joseph R. Mazzola, Executive VP

Strata Production Company 35.714285%
P.O. Box 1030
Roswell, New Mexico 88202-1030

CASE 12011

Application of Strata Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled case, seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2 of Section 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Strata Production Company proposes to dedicate the above-described spacing or proration unit to its Hill Federal No. 1 Well to be drilled at a standard location 1980 feet from the west line and 1980 feet from the south line of Section 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico, to a depth sufficient to test any and all formations down to the base of the Morrow Formation.

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

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RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES - OIL AND GAS LAW

June 30, 1998

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Addressees listed at Exhibit A hereto.

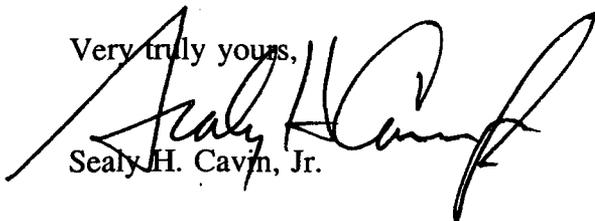
Re: *Application of Strata Production Company for Compulsory Pooling, Lea County, New Mexico*

Gentlemen:

This letter is to advise you that Strata Production Company has filed the enclosed Application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2 of Section 22, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Strata Production Company proposes to dedicate the above-described spacing or proration unit to its Hill Federal No. 1 Well to be drilled at a standard location 1980 feet from the west line and 1980 feet from the south line of Section 22, to a depth sufficient to test any and all formations down to the base of the Morrow Formation. Our records indicate that you are an interest owner in the above-described lands.

The Application has been set for hearing before a division examiner on **Thursday, July 23, 1998**. The Application was filed with the New Mexico Oil Conservation Division on June 30, 1998 and notice of the case by publication was properly made. We are enclosing for your information a copy of the Application.

Very truly yours,


Sealy H. Cavin, Jr.

SHC/skc
Enclosures

cc: Lori Wrotenbery, Oil Conservation Division (w/o encl.) ✓
Jo McInerney, Strata Production Company (w/encl.)

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