

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

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION FOR THE PURPOSE
OF CONSIDERING:

CASE NO. 11295

APPLICATION OF STRATA PRODUCTION COMPANY
FOR APPROVAL OF A HORIZONTAL WELL,
NONSTANDARD SPACING AND PRORATION UNIT
AND INCREASED ALLOWABLE, ROOSEVELT
COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCES BY PARTIES

APPLICANT

Strata Production Company
Attn: Mark B. Murphy, President
200 West First Street
Roswell Petroleum Building, #700
Roswell, New Mexico 88201

ATTORNEY

Stratton & Cavin, P.A.
Sealy H. Cavin, Jr.
Post Office Box 1216
Albuquerque, New Mexico 87103-1216
Telephone: (505) 243-5400

OPPOSITION OR OTHER PARTY

ATTORNEY

Applicant is not aware of any opposition as of May 24, 1995.

STATEMENT OF CASE

APPLICANT

Applicant seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Chaveroo-San Andres Pool underlying the SE/4NE/4 of Section 21 and the S/2NW/2 of Section 22, Township 7 South, Range 34 East, to form a nonstandard 120-acre oil spacing and proration unit for said pool. The applicant proposes to re-complete the existing Murphy Operating Corporation Sunrise Federal Well No. 1, located at an orthodox surface location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 21, by kicking-off from vertical in an easterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to any boundary of the project area, and for a special project allowable. Said area is located approximately 8 miles west-northwest of Milnesand, New Mexico.

OPPOSITION OR OTHER PARTY

Applicant does not anticipate any opposition to the Application.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jo McInerney (Landman)	10-15 Minutes	Two (2)
Bruce Stubbs (Petroleum Engineer)	10-15 Minutes	Four (4)

OPPOSITION

WITNESS

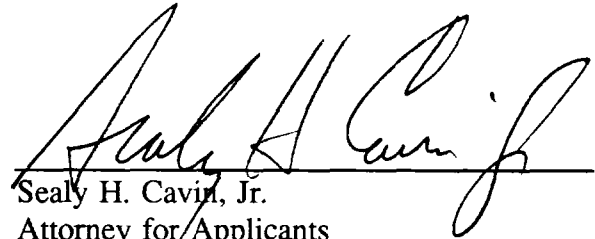
EST. TIME

EXHIBITS

Applicant does not anticipate any opposition at the hearing.

PROCEDURAL MATTERS

Applicant is not aware of any procedural matters which need to be addressed prior to the hearing.

A handwritten signature in black ink, appearing to read "Sealy H. Cavin, Jr.", is written over a horizontal line.

Sealy H. Cavin, Jr.
Attorney for Applicants
Stratton & Cavin, P.A.
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