

**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. 12050

OIL CONSERVATION DIV.
98 SEP 11 PM 12:07

IN THE MATTER OF THE APPLICATION
OF STRATA PRODUCTION COMPANY
FOR AN ORDER DIRECTING EXXON
COMPANY, U.S.A. TO REMOVE AN
OVERRIDING ROYALTY INTEREST FROM
ACREAGE IN LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Strata Production Company
c/o Jo McInerney
Post Office Drawer 1030
Roswell, New Mexico 88202-1030
(505) 822-1127

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

Exxon Company, U.S.A.

name, address, phone and
contact person

ATTORNEY

Jim Bruce, Esq.
612 Old Santa Fe Trail, Suite B
Santa Fe, New Mexico 87501
(505) 982-2043

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Strata Production Company, applicant in the above-styled cause, seeks an order directing Exxon Company, U.S.A., to remove an overriding interest it created on certain interests in Section 22, Township 22 South, Range 32 East, that defeats the order the Division has been requested to enter in Case No. 12011 which compulsory pooled certain spacing and proration units in the W/2 of Section 22.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

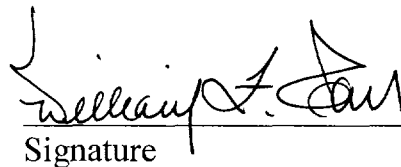
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Jo McInerney, Land	20 Min.	Approximately 3

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

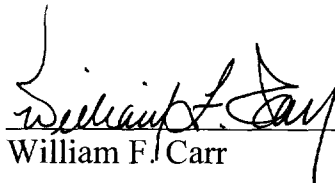
(Please identify any procedural matters which need to be resolved prior to hearing)


Signature

CERTIFICATE OF MAILING

I hereby certify that on this 11th day of September, 1998, I have caused to be mailed a copy of our Pre-Hearing Statement in the above-captioned cases to the following counsel of record:

Jim Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504



William F. Carr