

# STRATTON & CAVIN, P.A.

HAROLD D. STRATTON, JR.\*+\*\*  
SEALY H. CAVIN, JR.+\*\*\*  
STEPHEN D. INGRAM†  
CYNTHIA J. HILL\*

ATTORNEYS & COUNSELORS AT LAW  
40 FIRST PLAZA  
SUITE 610  
ALBUQUERQUE, NEW MEXICO 87102

TELEPHONE  
(505) 243-5400

FACSIMILE  
(505) 243-1700

MAILING ADDRESS  
P.O. BOX 1216  
ALBUQUERQUE, NM 87103-1216  
STRATCAV@AOL.COM

\* Also Admitted in Oklahoma  
† Also Admitted in Texas  
\*\* Also Admitted in Colorado  
° New Mexico Board of Legal  
Specialization Recognized Specialist in  
the Area of Natural Resources - Oil and  
Gas Law

March 20, 2002

**VIA FACSIMILE - 505/476-3462**  
**and FEDERAL EXPRESS**  
824168059607

Michael E. Stogner, Hearing Examiner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 S. St. Francis Drive  
Santa Fe, NM 87504

Re: Case No. 12811  
Application of the New Mexico Oil Conservation Division for an Order Requiring  
Operators to Bring Three Hundred Eighty-Eight (388) Wells Into Compliance with Rule  
201.B, and Assessing Appropriate Civil Penalties; Eddy, Chaves and Otero Counties,  
New Mexico

Dear Mr. Stogner:

We are submitting herewith Strata Production Company's Exhibit No. 1 which sets forth Strata's  
plans regarding the following four (4) wells operated by Strata:

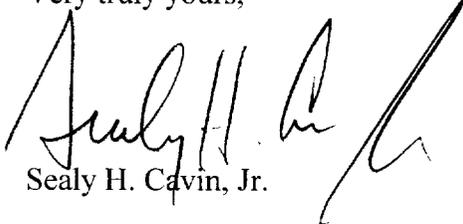
- |    |                              |                      |                           |
|----|------------------------------|----------------------|---------------------------|
| 1. | Obrien #1                    | Sec. 25, T7S - R29E  | Chaves County, New Mexico |
| 2. | Duncan Federal #1            | Sec. 11, T16S - R30E | Eddy County, New Mexico   |
| 3. | Norman Federal #1            | Sec. 14, T16S - R30E | Eddy County, New Mexico   |
| 4. | Remuda Basin "20" Federal #1 | Sec. 20, T23S - R30E | Eddy County, New Mexico   |

We are also asking for a continuance of Case No. 12811 as to the wells operated by Strata so that  
we will have a chance to question the OCD witness, as appropriate. We are particularly  
concerned about the request for civil penalties. While I had planned to be at the hearing

Michael E. Stogner, Hearing Examiner  
Oil Conservation Division  
March 20, 2002  
Page 2

scheduled for March 21<sup>st</sup>, I cannot attend the hearing now scheduled for March 22<sup>nd</sup> because of an all day hearing in Taos. Thank you for your consideration.

Very truly yours,



Sealy H. Cavin, Jr.

SHC/sks  
Enclosures

cc w/enc.: David Brooks, OCD General Counsel (Via Facsimile)  
Mark B. Murphy  
Bruce A. Stubbs, P.E.

**PECOS PETROLEUM ENGINEERING, Inc.**

**P.O. BOX 1794  
200 W. FIRST ST., SUITE 536  
ROSWELL, NEW MEXICO 88202  
505-624-2800**

March 18, 2002

Mr. Sealy H. Cavin, Jr.  
Stratton & Cavin, P.A.  
P.O. Box 1216  
Albuquerque, New Mexico 87103-1216

Re: Oil Conservation Commission Case No. 12811  
Compliance of inactive wells with Rule 201  
Hearing scheduled for March 21, 2001

Dear Mr. Cavin:

The New Mexico Oil Conservation Commission has scheduled for hearing Case No. 12811 on March 21, 2002 to consider and order requiring operators of 388 inactive wells to bring said wells into compliance with O.C.D. Rule 201. Included in this group of wells are four (4) wells operated by Strata Production Company. These wells are:

Obrien #1	Sec. 25, T7S-R29E	Chaves County, New Mexico
Duncan Federal #1	Sec. 11, T16S-R30E	Eddy County, New Mexico
Norman Federal #1	Sec. 14, T16S-R30E	Eddy County, New Mexico
Remuda Basin "20" Federal #1	Sec. 20, T23S-R30E	Eddy County, New Mexico

Strata has ask me to review these wells and determine if they can be returned to production, have any beneficial use or if they should be plugged and abandoned. The Obrien #1 has some potential in the San Andres, but would require recementing across the interval, stimulation and production equipment to enable the zone to produce. This well is a low priority well and there are no immediate plans to rework it. A plugging procedure has been submitted to the O.C.D. for approval and Mayo Mars Casing Pulling, Inc. has been contacted and the well has been placed on their schedule to be plugged during the first part of April.

The Duncan Federal #1 and the Norman Federal #1 are capable of producing small volumes of low BTU gas, but the purchaser in the area won't set a meter for these low volume wells. There is no short term solution for this problem and Strata has no option except to plug and abandon these two (2) wells. Plugging procedures have been submitted to the BLM for approval and Mayo Mars Casing

**Strata Production Company  
Exhibit No. 1  
Case No. 12811**

Pulling, Inc. has been contacted and the wells have been placed on their schedule to be plugged in mid April.

The Remuda Basin "20" Federal #1 is a depleted Brushy Canyon well and does not appear to have any other productive zones in the wellbore. Strata's future development in the Nash Draw Unit and the 49'r Ridge unit will necessitate additional water disposal capacity. While this capacity is not needed now, Strata is preparing an application to convert this well to SWD and will convert this well after approval of the SWD permit. I anticipate the completion of the permit during the week of March 25<sup>th</sup>.

Attached are copies of the plugging applications and the bid from Mayo Mars Casing Pulling, Inc. Should you need any additional information concerning these wells, please call me at 505-624-2800.

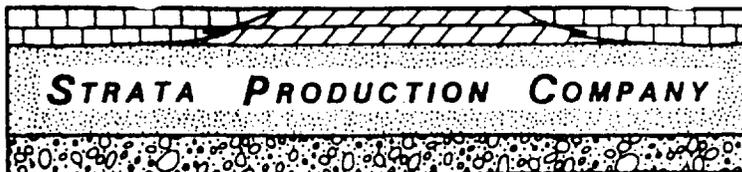
Sincerely,

A handwritten signature in black ink, appearing to read "B. Stubbs". The signature is fluid and cursive, with a large initial "B" and a stylized "Stubbs".

Bruce A. Stubbs, P.E.

xc: Mark B. Murphy  
Strata Production Company

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 88203

March 14, 2002

Oil Conservation Division  
1301 Grand Ave.  
Artesia, New Mexico 88210

Re: Form C-103 Sundry Notices  
O'Brien #1  
Section 25-7S-29E  
Chaves County, New Mexico

Gentlemen:

For your review and approval, please find enclosed herewith one (1) original and three (3) copies of OCD Form C-103 for the Notice of Intent to Plug and Abandon the above referenced well.

Also attached are copies of BLM Form 3150-5 Sundry regarding the Abandonment of the Duncan Federal #1 and Norman Federal #1.

Should you require additional information regarding this matter, please contact this office.

Sincerely,

A handwritten signature in cursive script that reads "Kelly M. Britt".

Kelly M. Britt  
Production Records

Enclosures

**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

ICT I  
100 French Dr., Hobbs, NM 88240

ICT II  
First Street, Artesia, NM 88210

ICT III  
100 Brazos Rd., Aztec, NM 87410

WELL API NO. <b>30-005-62340</b>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name  <b>O'Brien</b>
8. Well No.  <b>#1</b>
9. Pool Name or Wildcat  <b>Miller Lake Abo</b>

**SUNDRY NOTICES AND REPORTS ON WELLS**

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Name of Well:

2. Type of Well:  OIL  GAS WELL  OTHER

3. Name of Operator  
**STRATA PRODUCTION COMPANY**

4. Address of Operator  
**P.O. BOX 1030, ROSWELL, NEW MEXICO 88202-1030**

5. Location  
Unit Letter **C** : **660'** Feet From The **North** Line and **1900'** Feet From The **West** Line

6. Section **25** Township **7S** Range **29E** NMPM **Chaves** County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
**4104'**

**Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data**

**NOTICE OF INTENTION TO:**

1. PERFORM REMEDIAL WORK

2. TEMPORARILY ABANDON

3. STOP OR ALTER CASING

4. OTHER:

5. PLUG AND ABANDON

6. CHANGE PLANS

**SUBSEQUENT REPORT OF:**

7. REMEDIAL WORK

8. COMMENCE DRILLING OPNS.

9. CASING TEST AND CEMENT JOB

10. OTHER:

11. ALTERING CASING

12. PLUG AND ABANDONMENT

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)  
SEE RULE 1103

Set CIBP @ 6425', with 35' cement. Circulate hole with 9# mud. Cut and pull casing @ +/- 5300'. Spot 100' plug, 25 sx half in and half out of casing stub, tag plug. Spot 100' plug, 25 sx, 3550' - 3450'. Spot 100' plug, 25 sx, 2278' - 2378', tag plug. Spot 100' plug, 25 sx, 877' - 977'. Spot 100' plug 25 sx, 288' - 388'. Spot 60', 15 sx surface plug. Install dryhole marker, clean location and rip.

(Attachment: Plugging Procedure)

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SUBMITTED BY: *Kelly M. Britt* TITLE: PRODUCTION RECORDS DATE: March 14, 2002

FOR PRINT NAME: Kelly M. Britt TELEPHONE NO.: 505-622-1127

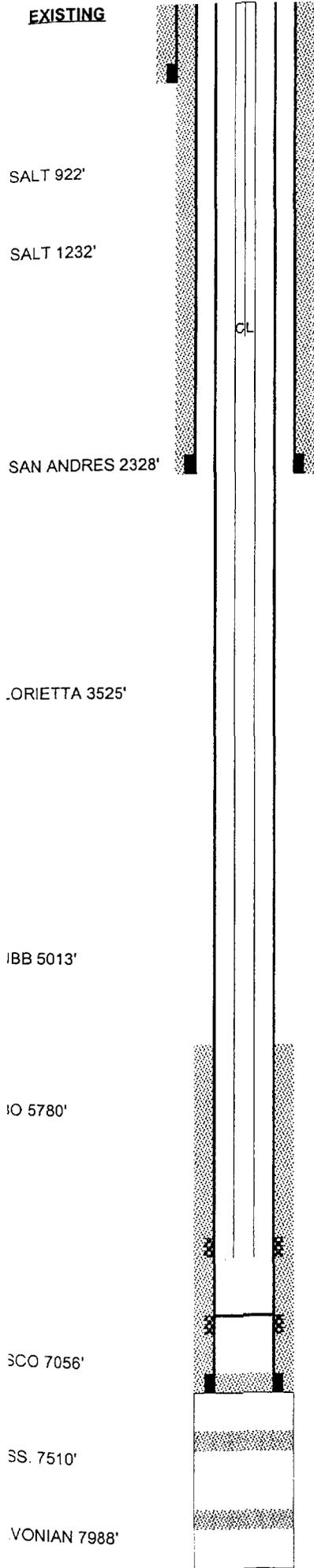
(Space for State Use)

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

**EXISTING**

**PROPOSE**



13 3/8" @ 333  
375 SX.  
CIRC.

**O BRIEN #1**  
660' FNL & 1900' FWL  
SEC. 25-T7S-R29E  
CHAVES COUNTY, NM  
API # 30-005-62340  
SPUD DATE: 9/23/86

60', 15 SX., SURFACE PLUG  
100', 25 SX., 288-388'  
100', 25 SX., PLUG 877'-977'

SALT 922'

SALT 1232'

SAN ANDRES 2328'

8 5/8" @2328'  
1150 SX.  
CIRC. 100 SX.

100', 25 SX., PLUG 2278'-2378'  
TAG PLUG

.ORIETTA 3525'

100', 25 SX., PLUG 3550-3450'

JBB 5013'

CUT AND PULL CASING @ +/- 5300'  
100', 25 SX 1/2 IN AND 1/2 OUT OF STUB  
TAG PLUG

IO 5780'

TOC @ 5456' (CBL)

2 7/8" TUBING

S.N. @ 6460'. OPEN ENDED  
PERF. 6488-6512'

CIBP @ 6425', W/ 35' CEMENT

SCO 7056'

CIBP @ 6901'  
PERF. 6991-93', 7066-67', 7078-82'  
5 1/2" CASING @ 7201'  
425 SX.  
5 1/2" X 7 5/8" = .1733 CU. FT. / FT.  
425SX + 25% EXCESS=2425' FILL

SS. 7510'

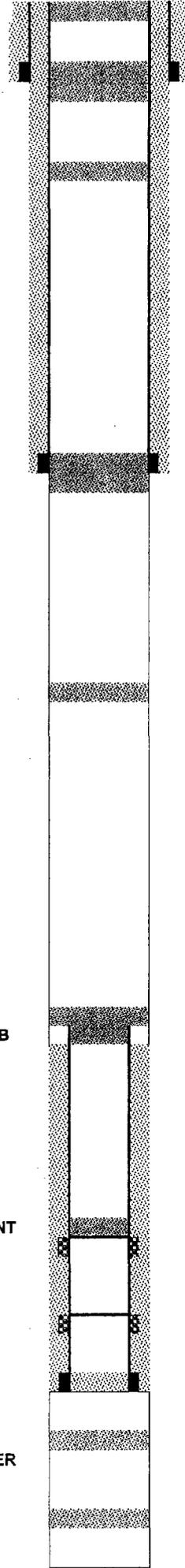
PLUG @ 7410'-7510'

INSTALL DRY HOLE MARKER  
CLEAN LOCATION AND RIP

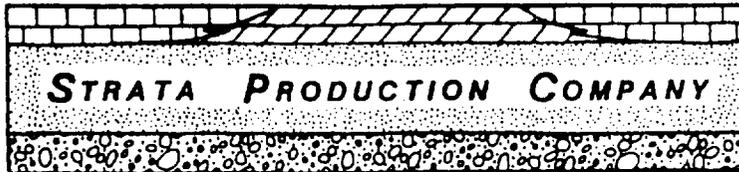
VONIAN 7988'

PLUG @ 7890'-7990'

T.D. 8100'



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 88203

March 14, 2002

Bureau of Land Management  
2909 West Second Street  
Roswell, New Mexico 88201

Re: Form 3160-5 Sundry Notice:  
Duncan Federal #1  
Section 11-16S-30E  
Eddy County, New Mexico  
Norman Federal #1  
Section 14-16S-30E  
Eddy County, New Mexico

Gentlemen:

For your review and further handling, please find enclosed herewith one (1) original and five (5) copies of BLM Form 3160-5 Sundry Notices concerning the Notice of Intent of Abandonment on the above captioned wells.

Please return one approved copy of the same to this office for completion of our files. Should you require additional information, please advise.

Sincerely,

Kelly M. Britt  
Production Records

enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals

**SUBMIT IN TRIPLICATE**

Name of Well  
Oil  Gas   
Well  Well  Other

Name of Operator  
**STRATA PRODUCTION COMPANY**

Address and Telephone No. P. O. Box 1030  
Roswell, New Mexico 88202-1030 505-622-1127

Description of Well (Footage, Sec., T., R., M., or Survey Description)  
860' FSL & 660' FWL  
Section 11-16S-30E

5. Lease Designation and Serial No.  
**NM - 11814**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
**Duncan Federal**

9. API Well No.  
**#1**

10. Field and Pool, or Exploratory Area  
**Henshaw - Q - G - SA**

11. County or Parish, State  
**Eddy**

**CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Set CIBP @ 2500' w/35' cement. Circulate hole with 9#/Gal mud. Spot 200' plug, 20 sx, 1340' - 1540'.  
Spot 200' plug, 20 sx 350' - 550'. Spot 50' plug, 5 sx surface plug. Install dry hole marker. Clean location,  
rip and reseed.

(Attachment: Plugging Procedure)

I hereby certify that the foregoing is true and correct  
Signed Kelly M. Britt Title Production Records Date March 14, 2002

This space for Federal or State office use)  
Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

T. SALT 450'

8 5/8" CASING @ 446'  
300 SX - TOC @ 45'  
REDY-MIX 45'-SURF.

860' FSL & 660' FWL  
SEC. 11-T16S-R30E  
EDDY COUNTY, NM  
API # 30-015-22937  
SPUD DATE: 6/11/79

50', 5 SX SURFACE PLUG  
200', 20 SX, PLUG 350-550'

T. YATES 1440'

200', 20 SX, PUG 1340-1540'

T. QUEEN 2250'

2 3/8" TUBING @ 2475'

LOAD HOLE WITH 9 #/GAL. MUD

T. PENROSE 2520'

PERF. 2524-34'

CIBP @ 2500' W/ 35' CEMENT

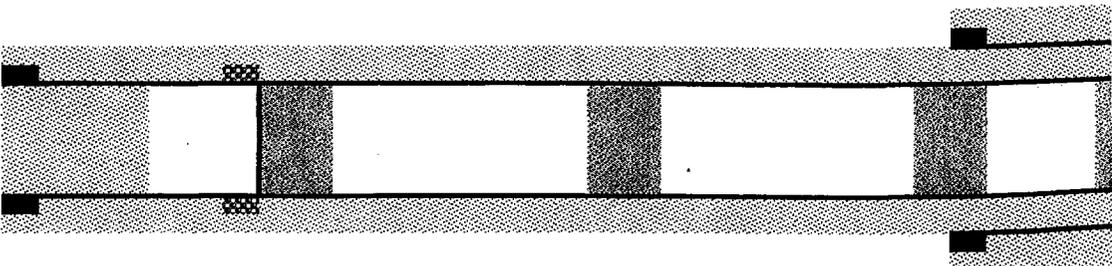
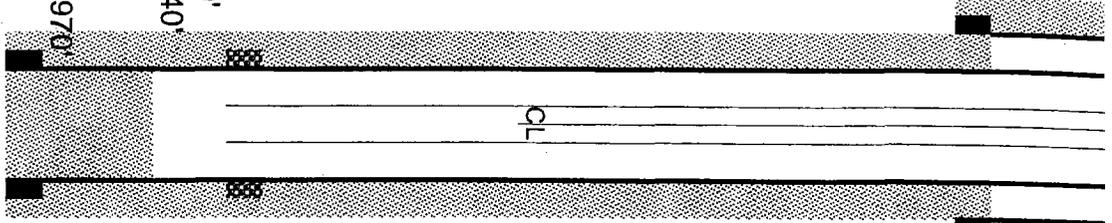
T. GRAYBURG 2640'

PBTD 2685'

INSTALL DRY HOLE MARKER  
CLEAN LOCATION, RIP AND RESEED

T. SAN ANDRES 2970'

4 1/2" CASING @ 3010'  
400 SX. HLC & 200 SX 50/50 POZMIX  
4 1/2" X 7 5/8" = .2278 CU. FT. / FT.  
600SX + 25% EXCESS=3100' FILL



UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

FORM APPROVED  
 Budget Bureau No. 1004-0135  
 Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
 Use "APPLICATION FOR PERMIT-" for such proposals

**SUBMIT IN TRIPLICATE**

Type of Well: Oil  Gas Well  Other

Name of Operator: **STRATA PRODUCTION COMPANY**

Address and Telephone No.: P. O. Box 1030  
 Roswell, New Mexico 88202-1030 505-622-1127

Description of Well (Footage, Sec., T., R., M., or Survey Description):  
 1980' FSL and 1980' FWL  
 Section 14-16S-30E

5. Lease Designation and Serial No.  
**NM - 11327**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
**Norman Federal**

9. API Well No.  
**#1**

10. Field and Pool, or Exploratory Area  
**Henshaw Q-G-SA**

11. County or Parish, State  
**Eddy**

**CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, describe surface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Set CIBP @ 2200' with 35' cement. Circulate hole with 9# mud. Cut and pull casing at +/- 1900'. Spot 100' plug, 25 sx, half in and half out of casing stub. Spot 100' plug, 25 sx, 1324' - 1424'. Spot 100' plug, 25 sx, 350' - 450'. 50', spot 15 sx surface plug. Install dry hole marker. Clean location, rip and reseed.

(Attachment: Plugging Procedure)

I hereby certify that the foregoing is true and correct

Signed Kelly M. Britt Title Production Records Date March 14, 2002

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Conditions of approval, if any:

Section 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

T. SALT 450'

T. YATES 1424'  
7-RVRS 1592'

T. QUEEN 2232'

T. PENROSE 2501'

METEX 2756'

PREMIER 2926'

T. SAN ANDRES 2952'  
LOVINGTON 3056'

SLAUGHTER 3664'

8 5/8" CASING @ 443'  
300 SX - CIRC. 10 SX.

20 JTS. 2 3/8" TUBING

50', 15 SX. SURFACE PLUG  
100', 25 SX., 350'-450'

100', 25 SX., 1324'-1424'

CUT AND PULL CASING @ +/- 1900'  
100', 25 SX. 1/2 IN & 1/2 OUT OF STUB

TOC +/- 2080'

PERF. 2222-50'

PERF. 2504-16'

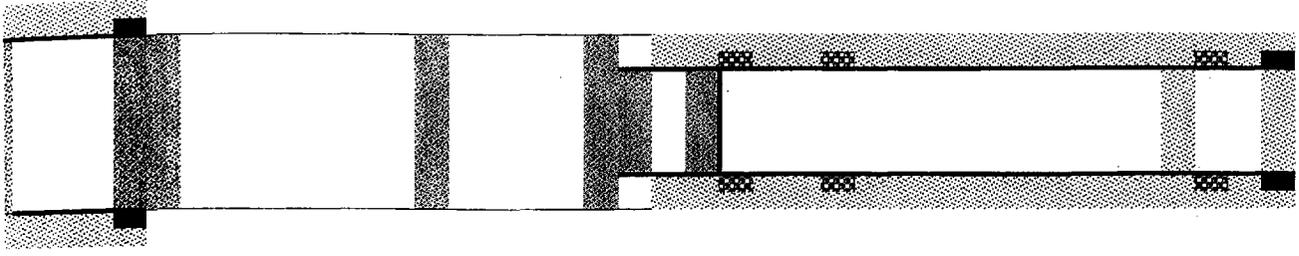
CIBP @ 2200' W/ 35' CEMENT

INSTALL DRY HOLE MARKER  
CLEAN LOCATION, RIP AND RESEED

PBTD 3585' 3620' CIBP W/ 35' CEMENT  
PERF. 3640'-46', 3671'-73', 3688-90'

4 1/2" CASING @ 3824'  
400 SX. "H"

4 1/2" X 7 5/8" = .2278 CU. FT. / FT.  
600SX + 25% EXCESS=1740' FILL



NORMAN FEDERAL #1  
1980' FSL & 1980' FWL  
SEC. 14-T16S-R30E  
EDDY COUNTY, NM  
API # 30-015-22748  
SPUD DATE: 12/20/78

MAYO MARRS CASING PULLING, INC.

P.O. Box 863

Kermit, Tx. 79745 915-586-3076

03-14-02

STRATA PRODUCTION COMPANY

PO. BOX 1030

ROSWELL, N.M. 88202

Attn: BRUCE STUBBS

PHONE 505-624-2800

FAX 505-623-1777

Dear Mr. Stubbs

Mayo Marrs Casing Pulling Inc. would like to submit an offer to P&A as follows:

O'BRIEN # 1	.....	\$ 11,830.00
NORMAN FED. # 1	.....	\$ 8,490.00
DUNCAN FED. # 1	.....	\$ 5,380.00

SALVAGE WOULD BE CREDITED BACK @ THE FOLLOWING RATES:

2 7/8" TUBING @ \$ .85/FT

2 3/8" TUBING @ \$ .45/FT

4 1/2" CASING @ \$ 1.25/FT

5 1/2" CASING @ \$ 2.15/FT

A RESPONSIBILITY SHEET IS ATTACHED.

ANY CHANGES DUE TO OCD, BLM OR STRATA WOULD BE BILLED FROM OUR CURRENT RATES.

We do appreciate the opportunity to furnish this bid and look forward to any help we may be.

Sincerely,



Rickey Smith

*O'Brien 3 wks  
Norman + Duncan 5 wks*

Mayo Marrs Casing Pulling Inc.  
Materials for Turnkey bid

OPERATOR: STRATA  
WELL: DUNCAN FED. # 1  
DATE: 03-14-2002

		Mayo Marrs	Operator
Cement Per	45 Sacks	.... <u>X</u>	_____
Salt gel	35 Sacks	.... <u>X</u>	_____
CaCl	_____ Sacks	.... _____	_____
Fresh Water	50 Bbls	.... <u>X</u>	_____
Brine Water	130 Bbls	.... <u>X</u>	_____
Pump Truck		.... <u>X</u>	_____
CIBP		.... <u>X</u>	_____
Packers		.... _____	_____
Retainers		.... _____	_____
Pulling unit & tubing tongs		.... <u>X</u>	_____
Elevators, slips, bowls		.... <u>X</u>	_____
Casing tongs thru 9 5/8		.... <u>X</u>	_____
Hydraulic jacks thru 9 5/8		.... <u>X</u>	_____
Welding as per procedure		.... <u>X</u>	_____
Casing cut nitro	1	.... _____	_____
Casing cut jet cutter	1	.... _____	_____
Perforating	AS REQUIRED	.... _____	_____
Tubing Workstring	AS REQUIRED	.... _____	_____
B.O.P. thru 2 7/8		.... <u>X</u>	_____
Equipment rentals if needed		.... _____	FISHING TOOL, ETC. <u>X</u>
Dig working pit		.... <u>X</u>	_____
Cover working pit		.... <u>X</u>	_____
Dry Hole Marker		.... <u>X</u>	_____
Site preparation with anchors		.... _____	_____ <u>X</u>
Salvage removal (Mayo Marrs)		.... <u>X</u>	_____
Salvage removal (Company)		.... _____	_____ <u>X</u>
Miscellaneous:			

1. This bid is valid for ninety days from date of letter.
2. This bid is based on information provided by operator, any changes made by the operator, RRC, BLM or New Mexico OCD will be billed from our price sheets.
3. Not responsible for additional trucking due to lost circulation, water flows or disposal of pit fluids. Amount of Water furnished as to bid.
4. Land reclamation is the responsibility of operator.

  
MAYO MARRS CASING PULLING INC.

Mayo Marrs Casing Pulling Inc.  
Materials for Turnkey bid

OPERATOR: STRATA  
WELL: NORMAN FED. # 1  
DATE: 03-14-2002

		Mayo Marrs	Operator
Cement Per	90 Sacks	.... <u>X</u>	_____
Salt gel	45 Sacks	.... <u>X</u>	_____
CaCl	Sacks	.... _____	_____
Fresh Water	50 Bbls	.... <u>X</u>	_____
Brine Water	190 Bbls	.... <u>X</u>	_____
Pump Truck		.... <u>X</u>	_____
CIBP		.... <u>X</u>	_____
Packers		.... _____	_____
Retainers		.... _____	_____
Pulling unit & tubing tongs		.... <u>X</u>	_____
Elevators, slips, bowls		.... <u>X</u>	_____
Casing tongs thru 9 5/8		.... <u>X</u>	_____
Hydraulic jacks thru 9 5/8		.... <u>X</u>	_____
Welding as per procedure		.... <u>X</u>	_____
Casing cut nitro	1	.... <u>X</u>	_____
Casing cut jet cutter	1	.... <u>X</u>	_____
Perforating	AS REQUIRED	.... _____	_____
Tubing Workstring	AS REQUIRED	.... <u>X</u>	_____
B.O.P. thru 2 7/8		.... <u>X</u>	_____
Equipment rentals if needed		.... _____	FISHING TOOL, ETC. <u>X</u>
Dig working pit		.... <u>X</u>	_____
Cover working pit		.... <u>X</u>	_____
Dry Hole Marker		.... <u>X</u>	_____
Site preparation with anchors		.... _____	<u>X</u>
Salvage removal (Mayo Marrs)		.... <u>X</u>	_____
Salvage removal (Company)		.... _____	<u>X</u>
Miscellaneous:			

1. This bid is valid for ninety days from date of letter.
2. This bid is based on information provided by operator, any changes made by the operator, RRC, BLM or New Mexico OCD will be billed from our price sheets.
3. Not responsible for additional trucking due to lost circulation, water flows or disposal of pit fluids. Amount of Water furnished as to bid.
4. Land reclamation is the responsibility of operator.

  
MAYO MARRS CASING PULLING INC.

Mayo Marrs Casing Pulling Inc.  
Materials for Turnkey bid

OPERATOR: STRATA  
WELL: O'BRIEN # 1  
DATE: 03-14-2002

		Mayo Marrs	Operator
Cement Per	145 Sacks	.... <u>X</u>	_____
Salt gel	85 Sacks	.... <u>X</u>	_____
CaCl	Sacks	.... _____	_____
Fresh Water	50 Bbls	.... <u>X</u>	_____
Brine Water	190 Bbls	.... <u>X</u>	_____
Pump Truck		.... <u>X</u>	_____
CIBP		.... <u>X</u>	_____
Packers		.... _____	_____
Retainers		.... _____	_____
Pulling unit & tubing tongs		.... <u>X</u>	_____
Elevators, slips, bowls		.... <u>X</u>	_____
Casing tongs thru 9 5/8		.... <u>X</u>	_____
Hydraulic jacks thru 9 5/8		.... <u>X</u>	_____
Welding as per procedure		.... <u>X</u>	_____
Casing cut nitro	1	.... <u>X</u>	_____
Casing cut jet cutter	1	.... <u>X</u>	_____
Perforating	AS REQUIRED	.... _____	_____
Tubing Workstring	AS REQUIRED	.... _____	_____
B.O.P. thru 2 7/8		.... <u>X</u>	_____
Equipment rentals if needed		.... _____	FISHING TOOL, ETC. <u>X</u>
Dig working pit		.... <u>X</u>	_____
Cover working pit		.... <u>X</u>	_____
Dry Hole Marker		.... <u>X</u>	_____
Site preparation with anchors		.... _____	_____ <u>X</u>
Salvage removal (Mayo Marrs)		.... <u>X</u>	_____
Salvage removal (Company)		.... _____	_____ <u>X</u>
Miscellaneous:			

1. This bid is valid for ninety days from date of letter.
2. This bid is based on information provided by operator, any changes made by the operator, RRC, BLM or New Mexico OCD will be billed from our price sheets.
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MAYO MARRS CASING PULLING INC.

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

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

**CASE NO. 12811**

**APPLICATION OF THE NEW MEXICO OIL  
CONSERVATION DIVISION FOR AN ORDER  
REQUIRING OPERATORS TO BRING THREE  
HUNDRED EIGHTY-EIGHT (388) WELLS  
INTO COMPLIANCE WITH RULE 201.B, AND  
ASSESSING APPROPRIATE CIVIL  
PENALTIES, EDDY, CHAVES AND OTERO  
COUNTIES, NEW MEXICO.**

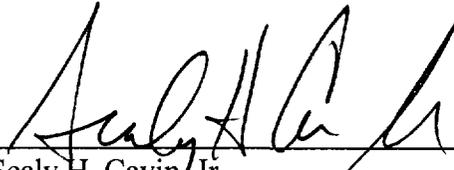
**MOTION FOR CONTINUANCE**

Strata Production Company by and through its attorney, Sealy H. Cavin, Jr., requests that the Oil Conservation Division continue case number 12811 to April 4, 2002 hearing as to the wells operated by Strata Production Company.

RESPECTFULLY SUBMITTED,

STRATTON & CAVIN, P.A.

By: \_\_\_\_\_

  
Sealy H. Cavin, Jr.

Attorneys for Strata Production Company

Post Office Box 1216

Albuquerque, New Mexico 87103

Telephone: (505) 243-5400

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
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COUNTIES, NEW MEXICO.**

**ORDER GRANTING MOTION FOR CONTINUANCE**

CAME ON TO BE HEARD on March 20, 2002 the Motion for Continuance submitted by Sealy H. Cavin, Jr. on behalf of Strata Production Company be granted, and that such case be continued to the April 4, 2002 hearing as to the wells operated by Strata Production Company.

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MICHAEL E. STOGNER  
Hearing Examiner