STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

April 20, 1994

Sealy H. Cavin, Jr.
STRATTON & CAVIN
Attorneys at Law
P. O. Box 1216
Albuquerque, New Mexico 87103-1216

RE: CASE NO. 10936

ORDER NO. R-10102

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally E. Martinez

Administrative Secretary

cc:

BLM Carlsbad Office

STRATTON & CAVIN, P.A. GONSER. IN DIVISION

ATTORNEYS & COUNSELORS AT LAW

HAROLD D. STRATTON, JR. SEALY H. CAVIN, JR. WILLIAM "BO" FRAZIER

NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES - OIL AND GAS LAW

320 GOLD AVENUE, S.W. 34 PD - TH GELEPHONE (505) 243-5400 **SUITE 1200**

P. O. BOX 1216

ALBUQUERQUE, NEW MEXICO 87103-1216

April 13, 1994

VIA FACSIMILE TRANSMISSION TO 505/827-5741 AND REGULAR MAIL

Energy, Minerals and Natural Resources Department

Oil Conservation Division

P.O. Box 2088

Santa Fe, New Mexico 87504

Attn: Hearing Examiner

Re: / Case No. 10936 -- Application of Strata Production Company for an Unorthodox Oil

Well Location, Eddy County, New Mexico

Dear Sir:

Enclosed for your information is correspondence from the potash companies, Western AG-Minerals Company and IMC Fertilizer, Inc. providing Strata Production Company with their approval for the drilling of a Bone Spring well at the location proposed by Strata. We also enclose their prior correspondence approving a Delaware well at such location.

If you have any questions, please call.

SHC/skc **Enclosures**

Mark Murphy cc:



P. O. Box 511, Carisbad, New Mexico 88220 . (505) 885-3176

April 12, 1994

Original by U.S. Mail Carol J. Garcia Strata Production Company Post Office Drawer 1030 Roswell, NM 88202-1030 Fax (505) 623-3533

Re: Wash Unit #20 1250' FWL 1350' FWL Section 18, T235 R30E Eddy County, New Maxico

Dear Ms. Carol J. Garcia:

Western Ag-Minerals Company does not protest the proposed deepening of Nash Well #20 to the Bone Spring Formation.

Sincerely,

Ben F. Zimmerly

Sr. Hining Engineer

BYZ/bfz

cc: R. H. Heinen



April 7, 1994

Mark B. Murphy Strata Production Company P. O. Drawer 1030 Roswell, NM 88202-1030

RE: Nash Unit Well #20 1230'FNL & 1350'FNL Sec. 18, T-23-S, R-30-E, NMPM Eddy County, New Mexico

Dear Mr. Murphy:

IMC Fertilizer, Inc. has received your notification that Strata Production Company intends to deepen to Bone Spring Formation Nash Unit #20, 1230'FNL and 1350'FNL Section 18, T235-R30E. IMC Fertilizer has no objection to Strata deepening this well even though it is within 1/2 mile of the buffer zone due to the fact that a gas well exists between our ore and this location.

The current LMR and the buffer zone are determined from the best available information. As more information becomes available, the LMR can change and may be modified and adjusted. This is reflected in the yearly update of the LMR. The relationship of any well location relative to the LMR can change. Therefore, please consider the "objection offered" or "no objection offered" to a well location to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to more than one year prior, notify us again at that time, so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered decision to be permanent.

IMC Fertilizer, Inc. submits this letter in lieu of the forms requested.

Sincerely

Dan Morehouse

Supt. Mine Engineering & Construction

DM: tmh

cc: Dick Manus Leslie Cone William Caulkins Walt Thayer Charlie High Tony Herrell



P. O. Box 511, Carlsbad, New Mexico 88220 • (505) 885-3175

November 2, 1993

Carol J. Garcia Strata Production Company Post Office Drawer 1030 Roswell, NM 88202-1030

Re: Nash Unit #20 1330' FNL 1330' FWL Section 18, T23S R30E Eddy County, New Mexico

Dear Ms. Carol J. Garcia:

Western Ag-Minerals Company does not protest the location of Nash Unit #20. The location provides the appropriate buffer to protect our LMR in that area.

Sincerely,

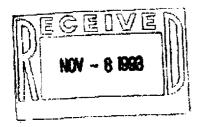
Ben F. Zimmerly

Advanced Mining Engineer

BFZ/bfz

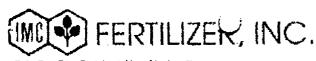
cc: S. M. Hodgson

R. H. Heinen



AN EQUAL OPPORTUNITY EMPLOYER

ו־טוס ד. שב



P.O. Bex 71 * Carishad, New Mexico 88000 Telephone, (505) 887-2871

November 2, 1993

Carol J. Garcia Strata Production Company P. O. Drawer 1030 Roswell, NM 88202-1030

RE: Nash Unit #20

1230'FNL & 1330'FWL

Sec. 18, T-23-S, R-30-E, NMPM

Eddy County, New Mexico

Dear Ms. Garcia:

IMC Fertilizer, Inc. has received your notification that Strata Production Company intends to drill Nash Unit #20, in Section 18 of Township 23S-R30E. Since your written notification was received, I have also received a phone call from Steve Mitchell stating that the desired location for this well has been moved to 1230' FNL & 1330' FWL of the above section. IMC Fertilizer has no objection to Strata drilling a well no deeper than the base of the Delaware at this location. The existance of a natural gas pipeline as well as two gas wells in this vacinity make this location reasonable even though it does slightly encroach upon the 1/4 mile buffer of IMC Fertilizer's LMR.

The current LMR and the buffer zone are determined from the best available information. As more information becomes available, the LMR can change and may be modified and adjusted. This is reflected in the yearly update of the LMR. The relationship of any well location relative to the LMR can change. Therefore, please consider the "objection offered" or "no objection offered" to a well location to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to more than one year prior, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

IMC Fertilizer, Inc. submits this letter in lieu of the forms requested.

Sincerely,

Dan Morehouse

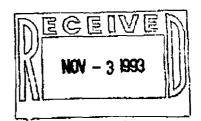
Supt. Mine Engineering

DM: tmh

cc: Dick Manus Leslie Cone Walt Thayer William Caulkins

Charlie High

Tony Herrell



STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

HAROLD & ETRATION, JR. SEALY H. CAVIN, JR.* WILLIAM "BO" FRAZIER

THE PROJECT SOURCE OF LEASE SPECIFICATION OF SECTION OF

NATURAL MESOURCES - OIL AND GAS LAW

220 GOLD AVENUE, S.W.

SUITE 1200

TELEPHONE (505) 243-3700 FACSIMILE (505) 243-1700

F. S. BAN 1815 ALBUQUERQUE, NEW MEXICO 87103-1216

April 13, 1994

VIA FACSIMILE TRANSMISSION TO 505/827-5741 AND REGULAR MAIL

Energy, Minerals and Natural Resources Department Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504

Attn: Hearing Examiner

Re:

Case No. 10936 -- Application of Strata Production Company for an Unorthodox Oil

Well Location, Eddy County, New Mexico

Dear Sir:

Enclosed for your information is correspondence from the potash companies, Western AG-Minerals Company and IMC Fertilizer, Inc. providing Strata Production Company with their approval for the drilling of a Bone Spring well at the location proposed by Strata. We also enclose their prior correspondence approving a Delaware well at such location.

If you have any questions, please call.

1 11

Sealy H. Cavin, Jr.

SHC/skc Enclosures

cc: Mark Murphy

HAROLD D. STRATTON, JR.

"YEW MEXICO BOARD OF LOGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF

NATURAL RESOURCES - O'L AND GAS LAW

SEALY H. GAVIN, JR.

TO 1022218275741---1220 P.01/01

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

320 GOLD AVENUE, S.W.

SUITE 1200

P. O. BOX 1216

ALBUQUERQUE, NEW MEXICO 87103-1216

TELEPHONE (505) 243-5400 FACSIMILE (505) 243-1700

To:	Company:	Oil Conservation Division/Energy, Minerals a Natural Resources Department.	and
	Attention:	Hearing Examiner 505/827-5741	
	Fax Number:		
	Regarding:	Case No. 10936 - Application of Strata Product Company for an Unorthodox Oil Well Locati Eddy County, New Mexico	
Fron	n: <u>Sealy H.</u>	Cavin, Jr., Esq.	
Date	: <u>April 13,</u>	1994	
Num	ber of Pages (In	cluding Cover Sheet): Six (6) Pages	
Mess	sage:		

IMPORTANT

The information contained in this facsimile message is confidential and intended solely for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution, copying, or unauthorized use of this communication is strictly prohibited. If you have received this facsimile in error, please notify Shelly Callihan immediately by telephone, and return the facsimile to the sender at the above address via the United States Postal Service. Thank you.

File No. 122.065

TO 1022218275741---1220 P.01

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

320 GOLD AVENUE, S.W.

SUITE 1200

TELEPHONE (505) 243-5400 FACSIMILE (505) 243-1700

HAROLD D. STRATTON, JR. SEALY H. CAVIN, JR.⁸

Them México Board of Legal Specialization Recognized Specialist in the Aréa of Natural Resources , dil and gas law P. O. BOX 1216
ALBUQUERQUE, NEW MEXICO 87103-1216

To:	Company:		<u>Uil Conservation Division</u>	<u>/Energy, Minerals and </u>
		_ -	Natural Resources Depart	ment.
	Attention:		Hearing Examiner	
Fax Number:		Number:	505/827-5741	
	Regarding:		Case No. 10936 – Application Company for an Unorthood Eddy County, New Mexico	dox Oil Well Location,
Fron	a:	Sealy H.	Cavin, Jr., Esq.	
Date	: :	April 13,	1994	
Number of Pages (Including Cover Sheet): Six (6) Pages			Six (6) Pages	
Mess	sage:			

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File No. 122,065



P. O. Box \$11, Carlebad, New Mexico 88220 . (505) 885-3176

April 12, 1994

Original by U.B. Hail Carol J. Garcia Strate Production Company Post Office Drawer 1030 Roswell, MM \$6202-1026 Fax (505) 623-3533

Re: Nash Unit #20

1256' FWL 1350' FWL Section 18, T238 R30E

Mddy County, New Mexico

Dear Ms. Carol J. Carcia.

Western Ag-Minerals Company does not protest the proposed deepening of Bash Well #20 to the Bone Spring Pormation.

Sincerely.

Ben F. Simmerly

er. Mining Engineer

BPZ/bfz

cer R. H. Heinen



April 7, 1994

Mark B. Murphy Strata Production Company P. O. Drawer 1030 Roswell, NM 88202-1030

RE: Nach Unit Well \$20 1230'FWL & 1350'FWL Sec. 18, T-23-5, R-39-E, NMPN Eddy County, New Mexico

Dear Mr. Murphy:

IMC Fertilizer, Inc. has received your notification that Strate Production Company intends to deepen to Bone Spring Formation Nash Unit \$20, 1230 FML and 1350 FML Section 18, T235-R30E. INC Fertilizer has no objection to Strata despening this well even though it is within 1/2 mile of the buffer zone due to the fact that a gas well exists between our ore and this location.

The current LMR and the buffer zone are determined from the best available information. As more information becomes available, the LMR can change and may be modified and adjusted. This is reflected in the yearly update of the LMR. The relationship of any well location relative to the LMR can change. Therefore, please consider the "objection offered" or "no objection offered" to a well location to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to more than one year prior, notify as again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

IMC Fertilizer, Inc. submits this latter in lieu of the forms requested.

Sincerely

Dan Norehouse

Supt. Mine Engineering & Construction

DM: tmb

ec: Dick Manus Leslie Cons

William Caulkins

Walt Thayer Charlie High Tony Herrell

INC Partitions Inc., R.O., Box 71, Consocia, New Newton 88220, (806) 887-2874



P. O. Box 511, Carisbad, New Mexico 88220 • (505) 885-3175

November 2, 1993

Carol J. Garcia Strata Production Company Post Office Drawer 1030 Roswell. WK 88282-1030

Re: Wash Unit #20 1330' PML 1330' PWL Section 18, T235 R30B Eddy County, New Mexico

Dear Ms. Carol J. Garcia:

Western Ag-Minerals Company does not protest the location of Wash Unit #20. The location provides the appropriate buffer to protect our LMR in that area.

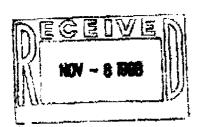
Sincerely,

Advanced Mining Engineer

BFZ/bfz

cc: S. M. Hodgson

R. H. Heinen





P.O. Pex 71 * Carishad, Naw Mexico 80000 Tulkphone, (505) 887-2871

November 2, 1993

Carol J. Garcia Strata Production Company P. O. Drawer 1030 Roswell, NM 88202-1030

RE: Nash Unit #20 1230'FNI, & 1330'FWL Sec. 18, T-23-5, R-30-E, NMPM Eddy County, New Mexico

Dear Ms. Garcia:

INC Fertilizer, Inc. has received your notification that Strata Production Company intends to drill Nash Unit #20, in Section 18 of Township 23S-R30E. Since your written notification was received, I have also received a phone call from Steve Mitchell stating that the desired location for this well has been moved to 1230' FNL & 1330' FWL of the above section. INC Fertilizer has no objection to Strata drilling a well no deeper than the base of the Delaware at this location. The existance of a natural gas pipeline as well as two gas wells in this vacinity make this location reasonable even though it does slightly encroach upon the 1/4 mile buffer of IMC Fertilizer's LMR.

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IMC Fertilizer, Inc. submits this letter in lieu of the forms requested.

Sincerely.

Dan Morehouse

Supt. Nine Engineering

Charlie High

DM: tmh

co: Dick Manus Leslie Cone Walt Thayer William Caulkins Tony Herrell HAROLD D. STRATTON. JR

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF

NATURAL RESOURCES + O'L AND GAS LAW

SEALY H. CAVIN, JR.

WILLIAM "BO" FRAZIER

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

320 GOLD AVENUE, S.W.

SUITE 1200

P. O. BOX 1216

ALBUQUERQUE, NEW MEXICO 87103-1216

TELEPHONE (505) 243-5400 FACSIMILE (505) 243-1700

TO:	COMPANY:	New Mexico Department of Energy, Minerals and Natural Resources		
	ATTENTION:	William J. LeMay, Director		
	FAX #:	(505) 827-5741		
	SUBJECT:	Readvertisement of Case No. 10936 Application of Strata Production Company for an Unorthodox Well Location, Eddy County, New Mexico		
FRO	M: Scaly H. C	ayin, Jr.		
DATE: March 21, 1		1994		
NUM	IBER OF PAGES,	INCLUDING COVER SHEET: Three (3) Pages		
MES	SAGE:			

IMPORTANT

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STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

MAROLD D, STRATTON, JR. SEALY H. CAVIN, JR.* WILLIAM "80" FRAZIER

*New Mexico Roard of Legal Specialization Recognized Specialist in the Area of Natural Resources - Oil and Gas Law 320 GOLD AVENUE, S.W.

SUITE 1200

P. O. BOX (216

ALBUQUERQUE, NEW MEXICO 87109-1216

March 21, 1994

TELEPHONE (505) 243-5400 FACSIMILE (505) 243-1700

VIA FACSIMILE TRANSMISSION TO 505/827-5741 AND REGULAR MAIL

William J. LeMay, Director
Oil Conversation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Readvertisement of Case No. 10936 - Application of Strata Production Company for an Unorthodox Well Location, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed is a copy of a legal advertisement in the above-referenced matter. Strata Production Company respectfully requests that this matter be readvertised and placed on the docket for the April 14, 1994 Examiner hearings.

If you have any questions, please call. Thank you.

By truly yours

State Work

SHC/skc Enclosure

cc: Kim Allison, Landman

CASE 10936: (Readvertised)
Application

Application of Strata Production Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled to test the second Bone Springs Sand 1,230 feet from the North line and 1,350 feet from the West line (Unit C) of Section 18, Township 23 South, Range 30 East. The NE/4 NW/4 of Section 18 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 10 miles west by north of Loving, New Mexico.

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

320 GOLD AVENUE, S.W.

SUITE 1200

TELEPHONE (505) 243-5400 PACSIMILE (505) 243-1700

HAROLD D. STRATTON, JR. SEALY H. CAVIN, JR.* WILLIAM "BO" FRAZIER

THEM HEXIEC BOARD OF LECAL CREGINALIZATION RECODMEED SPECIALIST IN THE AREA OF NATURAL RESOURCES - OIL AND GAS LAW P. O. DOX 1816

ALBUQUERQUE, NEW MEXICO 87103-1216

March 9, 1994

VIA FACSIMILE TRANSMISSION TO 505/827-5741 AND REGULAR MAIL

Mr. William J. LeMay
Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail - Room 206
Santa Fe. New Mexico 87105

Re: Pre-Hearing Statement for Application of Strata Production Company for an Unorthodox Well Location, Eddy County, New Mexico -- Case No. 10936

Dear Mr. LeMay:

On behalf of Strata Production Company, applicants in the above-described case, I am enclosing triplicate originals of the Pre-Hearing Statement which is filed in connection with the above-referenced case scheduled for public hearing before a Division Examiner on the Docket for Thursday, March 17, 1994.

Very truly yours

Sealy H. Cavin, Jr.

SHC/skc

cc:

Enclosures

Mark B. Murphy (w/encl.)

President, Strata Production Company

Kim Allison (w/encl.)

Landman, Strata Production Company

Jo McInemey (w/encl.)

Landman, Strata Production Company

Steve Mitchell (w/encl.)

Geologist, Scott Exploration Inc.

Bruce Stubbs (w/encl.)

Petroleum Engineer, Pecos Petroleum Engineering, Inc.

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

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

CASE NO. 10936

APPLICATION OF STRATA PRODUCTION COMPANY FOR AN UNORTHODOX OIL WELL LOCATION, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCES OF 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 March 9, 1994.

MAR-

STATEMENT OF CASE

APPLICANT

Strata Production Company seeks an Order Approving an Unorthodox Oil Well location to be drilled to a depth sufficient to test the Delaware formation, at a location 1230 feet from the north line and 1350 feet from the west line of Section 18, Township 23 South, Range 30 East, NMPM. Eddy County, New Mexico. The reasons for the unorthodox location include surface topography, a nigh pressure gas pipeline, potash restrictions, and geologic considerations.

OPPOSITION OR OTHER PARTY

Applicant does not anticipate any opposition to the Application.

PROPOSED EVIDENCE

APPLICANT

WITNESS	EST. TIME	<u>EXHIBITS</u>
Kim Allison Landman	15 minutes	Land plat, ownership, and notice.
Steve Mitchell Geologist	15 minutes	Geologic information regarding the application for and justification of an unorthodox well location request.

OPPOSITION

<u>WITNESS</u> <u>EST. TIME</u> <u>EXHIBITS</u>

Applicant does not anticipate any opposition at the hearing.

MAR-

PROCEDURAL MATTERS

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

Scaly H. Cavin, It. Attorney for Applicants Stratton & Cavin, P.A.

Post Office Box 1216

Albuquerque, New Mexico 87103-1216

Telephone: (505) 243-5400