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February 26, 1996

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87503

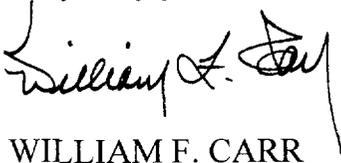
RECEIVED  
FEB 26 1996  
Oil Conservation Division  
Case 11492

Re: Application of Strata Production Company for Approval of a Unit Agreement,  
Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Strata Production Company in the above-referenced case as well as a copy of the legal advertisement. Strata Production Company respectfully requests that this matter be placed on the docket for the March 21, 1996 Examiner hearings.

Very truly yours,

  
WILLIAM F. CARR

WFC:mlh  
Enclosures

cc: Sealy H. Cavin, Jr., Esq.

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF STRATA PRODUCTION COMPANY  
FOR APPROVAL OF A UNIT AGREEMENT,  
EDDY COUNTY, NEW MEXICO.

FEB 16 1992

CASE NO. 11492

**APPLICATION**

STRATA PRODUCTION COMPANY, through its undersigned attorneys, hereby makes application for an order approving its West Loving Exploratory Unit Agreement and in support of this application states:

1. The proposed Unit Agreement consists of 1,400 acres, more or less, of Federal, State and Fee lands, situated in Eddy County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 23 South, Range 27 East, N.M.P.M.**

Section 23:	W/2, SE/4, W/2 NE/4, SE/4 NE/4
Section 27:	SE/4
Section 28:	All

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Strata Production Company, is designated as Unit Operator in said Unit Agreement and all oil and gas in any and all formations is unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

5. Prior to hearing the proposed unit boundaries will be reviewed with the Minerals Management Service for determination of the area as one logically suited for development under a unit plan.

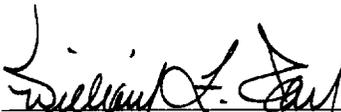
6. Prior to hearing the proposed Unit Agreement will be reviewed with the State Land Office for its approval as to form and content.

7. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Strata Production Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 21, 1996 that notice be given as required by law and the rules of the Division, and that the West Loving Exploratory Unit Agreement be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

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

WILLIAM F. CARR  
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ATTORNEYS FOR STRATA  
PRODUCTION COMPANY

CASE NO. 11492 Application of Strata Production Company for a Unit Agreement, Eddy County, New Mexico. Applicant seeks approval of the West Loving Exploratory Unit Agreement for an area comprising 1,400 acres of Federal, State and Fee lands in Sections 23, 27 and 28 of Township 23 South, Range 27 East, which is located approximately 3 1/2 miles west of Loving, New Mexico.