

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY STRATA PRODUCTION CO**

ORDER NO. PLC-1029

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Strata Production Co (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“CA Pooled Area”), as described in Exhibit A.
9. This Order is associated with Order CTB-803 which authorizes in-full or in-part the commingling of Oil and Gas production from the pools, leases, and wells as described in Exhibit A.

CONCLUSIONS OF LAW

10. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
12. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
13. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
14. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
15. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
16. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each CA Pooled Area described in Exhibit A, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the CA Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s) if the formation or dedicated lands are modified or if a modification is made that will affect this Order. If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a CA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the CA Pooled Area until the Proposed Agreement which includes the CA Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the CA Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.

8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
10. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 9/20/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PLC-1029**

Operator: **Strata Production Company (21712)**

Central Tank Battery: **Roadrunner SE Central Tank Battery 1**

Central Tank Battery Location: **UL P, Section 25, Township 23 South, Range 30 East**

Central Tank Battery: **Roadrunner NE Central Tank Battery 2**

Central Tank Battery Location: **UL E, Section 23, Township 23 South, Range 30 East**

Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
FORTY NINER RIDGE;DELAWARE	24750
SAND DUNES;DELAWARE, WEST	53815

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
PROPOSED CA Delaware NMNM 105769634	S2S2	23-23S-30E
PROPOSED CA Delaware NMNM 105769633	N2S2	23-23S-30E
BLM Lease NMNM 105316683 (021639)	SWSW	18-23S-31E
	N2NW, S2N2, N2S2	19-23S-31E
BLM Lease NMNM 105421541 (021640)	S2	30-23S-31E
BLM Lease NMNM 105481582 (114356)	ALL	24-23S-30E
BLM Lease NMNM 105384170 (114978)	E2	23-23S-30E
	ALL	25-23S-30E
BLM Lease NMNM 105416877 (0533177)	S2S2	19-23S-31E
	N2	30-23S-31E
PROPOSED CA Delaware NMNM A	E2E2	11-23S-30E
	E2E2	14-23S-30E
	E2NE	23-23S-30E
PROPOSED CA Delaware NMNM B	W2E2	11-23S-30E
	W2E2	14-23S-30E
	W2NE	23-23S-30E
PROPOSED CA Delaware NMNM C	S2N2	27-23S-30E
	S2N2	28-23S-30E
PROPOSED CA Delaware NMNM D	N2S2	27-23S-30E
	N2S2	28-23S-30E
PROPOSED CA Delaware NMNM E	S2S2	27-23S-30E
	S2S2	28-23S-30E
PROPOSED CA Delaware NMNM F	W2W2	11-23S-30E
	W2W2	14-23S-30E
	W2NW	23-23S-30E
PROPOSED CA Delaware NMNM G	E2W2	11-23S-30E
	E2W2	14-23S-30E
	E2NW	23-23S-30E

PROPOSED CA Delaware NMNM H	SWSW	18-23S-31E
	W2W2	19-23S-31E
	W2W2	30-23S-31E
	NWNW	31-23S-31E
PROPOSED CA Delaware NMNM I	SENE, E2SE	19-23S-31E
	E2E2	30-23S-31E
	NENE	31-23S-31E
PROPOSED CA Delaware NMNM J	SWSE	30-23S-31E
	W2E2	31-23S-31E
PROPOSED CA Delaware NMNM K	SESW	30-23S-31E
	E2W2	31-23S-31E
PROPOSED CA Delaware NMNM L	SWSW	30-23S-31E
	W2W2	31-23S-31E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-21126	SANDY FEDERAL #001	W2NW	24-23S-30E	24750
30-015-40055	SANDY FEDERAL #003	S2S2	24-23S-30E	24750
30-015-39361	ROADRUNNER FEDERAL #001H	N2N2	25-23S-30E	24750
30-015-41041	ROADRUNNER FEDERAL #002H	W2NW, SW4	25-23S-30E	24750
30-015-48980	ROADRUNNER FEDERAL 25 PAD #007H	E2E2	25-23S-30E	24750
30-015-49596	ROADRUNNER FEDERAL 25 OBL #008H	W2E2	25-23S-30E	24750
30-015-42114	ROADRUNNER FEDERAL 23 11 HAL #003H	E2E2	11-23S-30E	24750
		E2E2	14-23S-30E	
		E2NE	23-23S-30E	
30-015-54334	ROADRUNNER 23 11 HAI FEDERAL COM #013H	E2E2	11-23S-30E	24750
		E2E2	14-23S-30E	
		E2NE	23-23S-30E	
30-015-53206	ROADRUNNER FEDERAL COM 23 11 GBL #004H	W2E2	11-23S-30E	24750
		W2E2	14-23S-30E	
		W2NE	23-23S-30E	
30-015-53207	ROADRUNNER FEDERAL COM 23 11 GBI #014H	W2E2	11-23S-30E	24750
		W2E2	14-23S-30E	
		W2NE	23-23S-30E	
30-015-49594	ROADRUNNER FEDERAL COM 23 ILL #005H	N2S2	23-23S-30E	24750
30-015-49595	ROADRUNNER FEDERAL COM 23 PML #006H	S2S2	23-23S-30E	24750
30-015-54350	EEYORE 27 28 HEL FEDERAL COM #002H	S2N2	27-23S-30E	24750
		S2N2	28-23S-30E	
30-015-54351	EEYORE 27 28 ILL FEDERAL COM #003H	N2S2	27-23S-30E	24750
		N2S2	28-23S-30E	
30-015-54194	EEYORE FEDERAL COM 27 28 PML #004H	S2S2	27-23S-30E	24750
		S2S2	28-23S-30E	

30-015-54367	OSCAR 23 11 FEDERAL COM #001H	W2W2	11-23S-30E	24750
		W2W2	14-23S-30E	
		W2NW	23-23S-30E	
30-015-54371	OSCAR 23 11 FEDERAL COM #011H	W2W2	11-23S-30E	24750
		W2W2	14-23S-30E	
		W2NW	23-23S-30E	
30-015-54369	OSCAR 23 11 FCL FEDERAL COM #002H	E2W2	11-23S-30E	24750
		E2W2	14-23S-30E	
		E2NW	23-23S-30E	
30-015-54372	OSCAR 23 11 FEDERAL COM #012H	E2W2	11-23S-30E	24750
		E2W2	14-23S-30E	
		E2NW	23-23S-30E	
30-015-54104	PAJARITO 31 18 FEDERAL COM #001H	SWSW	18-23S-31E	24750
		W2W2	19-23S-31E	
		W2W2	30-23S-31E	
		NWNW	31-23S-31E	
30-015-53943	PAJARITO FEDERAL COM 31 19 AAL #004H	SENE, E2SE	19-23S-31E	24750
		E2E2	30-23S-31E	
		NENE	31-23S-31E	
30-015-53212	PAJARITO FEDERAL COM 30 31 OOL #005H	SWSE	30-23S-31E	24750
		W2E2	31-23S-31E	
30-015-53205	PAJARITO FEDERAL COM 30 31 NNL #006H	SESW	30-23S-31E	24750
		E2W2	31-23S-31E	
30-015-53901	PAJARITO FEDERAL COM 30 31 MML #007H	SWSW	30-23S-31E	24750
		W2W2	31-23S-31E	
30-015-54946	PAJARITO 30 19 OBD FEDERAL COM #025H	W2SE	19-23S-31E	53815
		W2E2	30-23S-31E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 508296

CONDITIONS

Operator: STRATA PRODUCTION CO P.O. Box 1030 Roswell, NM 882021030	OGRID: 21712
	Action Number: 508296
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov .	9/23/2025