

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

APPLICATION OF STRATA PRODUCTION CO.
TO EXTEND THE DRILLING DEADLINE
UNDER ORDER NO. R-22417,
EDDY COUNTY, NEW MEXICO

Case No. 24063



Pajarito Fed Com 31 19 AAL #4H

January 18, 2022

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Tab 1.

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

**APPLICATION OF STRATA PRODUCTION CO.
TO EXTEND THE DRILLING DEADLINE
UNDER ORDER NO. R-22417,
EDDY COUNTY, NEW MEXICO**

Case No. 24063

AFFIRMATION OF LANDMAN MITCH KRAKAUSKAS

I, Mitch Krakauskas, being first duly sworn, do hereby depose and attest as follows:

1. I am over the age of eighteen and have personal knowledge of the matters stated herein.

2. I am employed as the Land Manager for Strata Production Company (“Strata” or “Applicant”), and I am familiar with the subject applications and the lands involved.

3. This affirmation is submitted in connection with the filing by Strata of the above-referenced application pursuant to 19.15.4.12.A(1) NMAC and Rule 1-011(B) NMRA.

4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record. My education and work experience are as follows: I graduated from New Mexico State University with a bachelor’s degree in Agricultural Business and Economics in December 2005. After graduation, I worked as an independent petroleum landman from January 2006 to March 2009, working throughout New Mexico, Texas, Colorado and Arizona. I have worked for Strata since April 2009. I have worked on New Mexico land matters for approximately sixteen years. I am a Certified Professional Landman through the American Association of Professional Landmen.

5. The purpose of this application is to amend compulsory pooling Order No. R-22417 previously entered in Case No. 23004 to extend the deadline for drilling.

Exhibit A
Strata Production Company
NM OCD Case No. 24063

January 18, 2024

6. On December 5, 2022, the Division entered Order No. R-22417 in Case No. 23004 pooling all mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the NE/4 NE/4 of Section 31, the E/2 E/2 of Section 30, and the E/2 SE/4 and SE/4 NE/4 of Section 19, Township 23 South, Range 31 East in Eddy County, New Mexico.

7. The HSU is dedicated to the 2-mile **Pajarito Fed Com 31 19 AAL #4H** well, to be horizontally drilled from an approximate surface hole location 1070’ FNL and 910’ FEL of Section 31, T23S-R31E, to an approximate bottom hole location 1420’ FNL and 400’ FEL of Section 19, T23S-R31E (“Well”). The first and last take points and completed lateral will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

8. The application in this matter was filed November 30, 2023. The deadline for drilling expired December 5, 2023. The application is attached hereto as Exhibit A-1.

9. Order No. R-22417, previously issued in Case No. 23004 is attached hereto as Exhibit A-2.

10. Good cause exists to extend the deadline to commence drilling the Well. Strata has drilled four of the wells that were pooled at the same time as the Well but was unable to complete the fifth well before the deadline due to lack of rig availability and commodity pricing. Strata had to release its drilling rig for six months, pushing this Well’s anticipated spud date.

11. Strata has long-term drilling plans in the area and this Well is part of those plans. Strata anticipates drilling the Well in mid-2024.

12. Strata is in good standing under the statewide rules and regulations.

13. Strata provided notice of this application herein to all parties previously pooled under Order No. 23004. A sample notice letter is attached hereto as **Exhibit A-3**.

14. Strata incorporates all exhibits admitted into the record at the hearing for the original Case No. 23004.

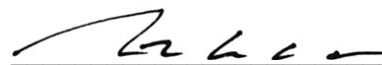
15. Strata is not requesting changes to any provisions in Order No. R-22417, other than the changes requested herein, and asks that all other rights and privileges granted to the operator in the Order remain the same.

16. The granting of the application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

17. The exhibits to this affirmation were prepared by me or compiled from Strata's business records.

18. The foregoing is correct and complete to the best of my knowledge and belief.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.



Mitch Krakauskas

January 15, 2024

Date

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

**APPLICATION OF STRATA PRODUCTION CO.
TO EXTEND THE DRILLING DEADLINE
UNDER ORDER NO. R-22417,
EDDY COUNTY, NEW MEXICO**

Case No. 24063

APPLICATION

Strata Production Company, OGRID No. 21712 ("Strata") files this application with the Oil Conservation Division ("Division") to extend the drilling deadline under compulsory pooling Order No. R-22417. In support of its application, Strata states as follows:

1. On December 5, 2022, the Division entered Order No. R-22417 ("Order") in Case No. 23004 pooling all mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the NE/4 NE/4 of Section 31, the E/2 E/2 of Section 30, and the E/2 SE/4 and SE/4 NE/4 of Section 19, Township 23 South, Range 31 East in Eddy County, New Mexico.
2. The HSU is dedicated to the 2-mile **Pajarito Fed Com 31 19 AAL #4H** well, to be horizontally drilled from an approximate surface hole location 1070' FNL and 910' FEL of Section 31, T23S-R31E, to an approximate bottom hole location 1420' FNL and 400' FEL of Section 19, T23S-R31E ("Well").
3. The deadline for drilling expires December 5, 2023.
4. Due to rig availability and commodity pricing throughout the summer, Strata had to release our drilling rig for six months, pushing this well's anticipated spud date.
5. Strata anticipates drilling the Well in mid-2024.

Exhibit A-1
Strata Production Company
NM OCD Case No. 24063
January 18, 2024

6. Good cause exists to extend the deadline to commence drilling the Well because Strata has long term drilling plans in the area and this well is part of those plans. Strata has drilled four of the wells that were pooled at the same time as this well but was unable to complete the fifth well before the current deadline due to lack of rig availability and commodity pricing.

WHEREFORE, Strata requests that this application be set for hearing before an examiner of the Division on January 4, 2024, and that, after notice and hearing as required by law, the Division enter an order extending until December 5, 2024, the deadline to commence drilling the Well under the Pooling Order.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

Samantha H. Catalano

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 986-2678

sshaheen@montand.com

scatalano@montand.com

cc: wmcginnis@montand.com

Attorneys for Strata Production Company

Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-22417, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 22417 to extend by one year, through December 5, 2024, the time to commence drilling the **Pajarito Fed Com 31 19 AAL #4H** well, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the NE/4 NE/4 of Section 31, the E/2 E/2 of Section 30, and the E/2 SE/4 and SE/4 NE/4 of Section 19, Township 23 South, Range 31 East in Eddy County, New Mexico. The well and lands are located approximately 16 miles East of Loving, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
STRARA PRODUCTION COMPANY**

**CASE NO. 23004
ORDER NO. R-22417**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 1, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Strata Production Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

Exhibit A-2

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 23004
ORDER NO. R-22417

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR

AES/jag

Date: 12/05/2022

CASE NO. 23004
ORDER NO. R-22417

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Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 23004	APPLICANT'S RESPONSE
Date	September 1, 2022
Applicant	Strata Production Company
Designated Operator & OGRID (affiliation if applicable)	21712
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & Troy Lawton)
Case Title:	Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None at this time
Well Family	Pajarito Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Delaware Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Delaware Formation
Pool Name and Pool Code:	Forty Niner Ridge; Delaware [24750]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	South-North
Description: TRS/County	NE/4 NE/4 of Section 31, the E/2 E/2 of Section 30 , and the E/2 SE/4 and SE/4 NE/4 of Section 19, T23S, R31E, Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	n/a
Proximity Defining Well: if yes, description	n/a
Applicant's Ownership in Each Tract	Tract 1: 78.50%; Tract 2: 61.99571%; Tract 3: 61.99571%; Tract 4: 61.99571%; Tract 5: 61.99571%; see Exhibits A-2 and A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

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Well #1	Pajarito Fed Com 31 19 AAL #4H, API No. Pending SHL: 1070' FNL and 910' FEL, Section 31, T23S-R31E, NMPM BHL: 1420' FNL and 400' FEL, Section 19, T-23S-R31E, NMPM Completion Target: Brushy Canyon at approx. 7800' Well Orientation: South to North Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~1070' FNL and 910' FEL of Section 31, T23S-R31E) LTP (~1420' FNL and 400' FEL of Section 19, T23S-R31E)
Completion Target (Formation, TVD and MD)	Brushy Canyon - TVD (~7,862'), MD (~17,890')
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 23
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 23
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; see Exhibit A, ¶ 24
Notice of Hearing	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 and A-3
Tract List (including lease numbers and owners)	See Exhibits A-2 and A-4
Pooled Parties (including ownership type)	See Exhibit A-5
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit A-7
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	n/a
Cost Estimate to Drill and Complete	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
Geology	
Summary (including special considerations)	Exhibit B, ¶¶ 5-15; see Exhibits B-1 through B-6
Spacing Unit Schematic	Exhibit B-3
Well Orientation (with rationale)	Exhibit B, ¶ 13(e)
Target Formation	Exhibit B-2 and B-4
HSU Cross Section	Exhibit B-6
Depth Severance Discussion	n/a; see Exhibit A, ¶ 16

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Received by OCD: 8/30/2022 3:54:13 PM		Page 119 of 14
Forms, Figures and Tables		
C-102	Exhibit A-6	
Tracts	Exhibits A-2 and A-4	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit A-3; Exhibit A-6	
Structure Contour Map - Subsea Depth	Exhibit B-3	
Cross Section Location Map (including wells)	Exhibit B-5	
Cross Section (including Landing Zone)	Exhibits B-5 and B-6	
Additional Information		
Special Provisions/Stipulations	None	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Sharon T. Shaheen	
Signed Name (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>	
Date:	8/30/2022	

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**MONTGOMERY
& ANDREWS**
LAW FIRM

SHARON T. SHAHEEN
Direct: (505) 986-2678
Email: sshaheen@montand.com
www.montand.com

December 28, 2023

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 24063 – Application of Strata Production Company to Extend the Drilling Deadline Under Order No. R-22417, Eddy County, New Mexico -

Dear Interest Owner:

This will advise that Strata Production Company ("Strata") has filed an application with the New Mexico Oil Conservation Division. You are receiving this notice because you may have an interest in this well.

Case No. 24063. Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-22417, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 22417 to extend by one year, through December 5, 2024, the time to commence drilling the **Pajarito Fed Com 31 19 AAL #4H** well, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the NE/4 NE/4 of Section 31, the E/2 E/2 of Section 30, and the E/2 SE/4 and SE/4 NE/4 of Section 19, Township 23 South, Range 31 East in Eddy County, New Mexico. The well and lands are located approximately 16 miles East of Loving, New Mexico.

The attached application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on **January 18, 2024**, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony.

Exhibit A-3

Strata Production Company

NM OCD Case No. 24063

January 18, 2024

All Interest Owners
December 28, 2023
Page 2

Failure to appear at that time and become a party of record will preclude you from challenging these applications at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by **January 10, 2024**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **January 11, 2024**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these applications.

Very truly yours,

/s/ Sharon T. Shaheen
Sharon T. Shaheen

STS
Enclosure
cc: Strata Production Co., *via email*

EXHIBIT A

INTEREST OWNERS

Working Interest Party(ies):

Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Oxy Y-1 Company
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Additional Party(ies):

Bureau of Land Management
414 W. Taylor
Hobbs, NM 88240-1157

Tab 2.

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

APPLICATION OF STRATA PRODUCTION CO.
TO EXTEND THE DRILLING DEADLINE
UNDER ORDER NO. R-22417,
EDDY COUNTY, NEW MEXICO

Case No. **24063**

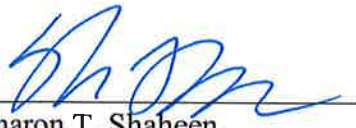
AFFIRMATION OF NOTICE

I, Sharon T. Shaheen, attorney for STRATA PRODUCTION COMPANY ("Strata"),
Applicant in the above-captioned matter, state the following:

I caused notice of the applications to be sent by certified mail through the United States Postal Service on December 28, 2023, to all interest owners sought to be pooled in these proceedings. Evidence of mailing to all such owners is attached hereto as Exhibit A. Notice was also directed to all such owners by publication in the Carlsbad Current Argus on January 4, 2023, which is reflected in the Affidavit of Publication attached hereto as Exhibit B. In addition, notice was directed to the Bureau of Land Management by Federal Express on today's date, with an anticipated delivery date of January 17, 2024, as reflected in Exhibit C. Exhibits A, B, and C demonstrate to my satisfaction that all interest owners entitled to notice have been served.

Strata has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Application filed herein.

I affirm under penalty of perjury under the laws of the State of New Mexico that this statement is true and correct.


Sharon T. Shaheen

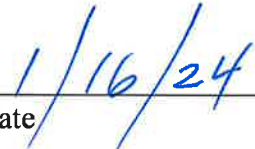

Date

Exhibit B

Strata Production Company

NM OCD Case No. 24063

January 18, 2024

Strata Production Company
Pajarito Fed Com Wells / Case No. 24063
February 18, 2024 Hearing

Entity	Date Letter Mailed	Tracking Number	Status of Delivery	Date Received
WORKING INTEREST PARTY(IES)				
Oxy USA, Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046	December 28, 2023	7020 0090 0000 0863 6016	Delivered	01/02/24
Oxy Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046	December 28, 2023	7020 0090 0000 0863 6009	Delivered	01/02/24
ADDITIONAL INTERESTED PARTY(IES)				
Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	December 28, 2023	7020 0090 0000 0863 5996	Moving Through Network as of January 2, 2024	
	January 16, 2024	8174 8991 1656	FedEx Next Day Delivery	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046



9590 9402 1258 5246 3430 10

Article Number (Transfer from existing label)

7020 0090 0000 0863 6016

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☒ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Registered Mail
- ☐ Registered Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Oxy Y-1 Company
5 Greenway Plaza, Suite 110
Houston, Texas 77046



9590 9402 1258 5246 3430 27

7020 0090 0000 0863 6009

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☒ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Registered Mail
- ☐ Registered Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☒ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

USPS Tracking®

FAQs >

Tracking Number:

Remove X

70200090000008635996

Copy Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Moving Through Network In Transit to Next Facility

January 2, 2024

Redelivery Scheduled for Next Business Day

HOBBS, NM 88240
January 2, 2024, 6:02 pm

See All Tracking History

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

Feedback

Text & Email Updates



USPS Tracking Plus®



Product Information



See Less ^

Track Another Package

Enter tracking or barcode numbers

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005870803

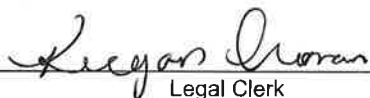
This is not an invoice

MONTGOMERY & ANDREWS P.A.
PO BOX 2307

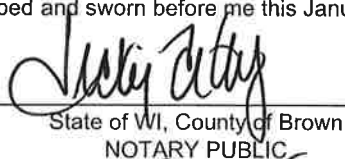
SANTA FE, NM 87504

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

01/04/2024


Legal Clerk

Subscribed and sworn before me this January 4, 2024:


State of WI, County of Brown
NOTARY PUBLIC

919-25
My commission expires

VICKY FELTY
Notary Public
State of Wisconsin

Ad # 0005870803

PO #:

of Affidavits 1

This is not an invoice

EXHIBIT B TO AFFIRMATION OF NOTICE

NOTICE

To the following entities, individuals, their heirs, personal representatives, trustees, successors or assigns, and any other uncommitted mineral owners:

Oxy USA, Inc.; Oxy Y-1 Company; and Bureau of Land Management.

Strata Production Company has filed an application with the New Mexico Oil Conservation Division as follows:

Case No. 24063. Application of Strata Production Co. to Extend the Drilling Deadline Under Order No. R-22417, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. 22417 to extend by one year, through December 5, 2024, the time to commence drilling the **Pajarito Fed Com 31 19 AAL #4H** well, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the NE/4 NE/4 of Section 31, the E/2 E/2 of Section 30, and the E/2 SE/4 and SE/4 NE/4 of Section 19, Township 23 South, Range 31 East in Eddy County, New Mexico. The well and lands are located approximately 16 miles East of Loving, New Mexico.

This application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on **January 18, 2024**, beginning at 8:15 a.m. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to present testimony or evidence at the hearing, you must enter your appearance by **January 10, 2024**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **January 11, 2024**, in accordance with Division Rule 19.15.4.13 NMAC. For further information, contact the applicant's attorney, Sharon T. Shaheen, Montgomery & Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 986-2678. #5870803, Daily News, January 4, 2024

Form 0215

Sender's Copy

1 From Please print and press hard.
Date 1/16/24 Sender's FedEx Account Number 0871-0279-3
Sender's Name Phone (505) 982-3873

Company MONTGOMERY & ANDREWS PA

Address 325 PASAD DE PERALTA

Dept./Room/Suite/Room

City SANTA FE State NM ZIP 87501-1860

2 Your Internal Billing Reference 15271-22-01 ORIGINAL
First 24 characters will appear on invoice.

3 To Recipient's Name Bureau of Land Management
Phone ()

Company Management

Address 414 W. Taylor
We cannot deliver to P.O. boxes or P.O. ZIP codes. Dept./Room/Suite/Room

Address
Use this line for the HOLD location address or for continuation of your shipping address.

City Hobbs State NM ZIP 88240
0139237902



Shipping online just got easier.
Go to fedex.com/lite

4 Express Package Service *To most locations.

Packages up to 150 lbs.
For packages over 150 lbs., use the FedEx Express Freight US Airbill.

Next Business Day

☐ FedEx First Overnight
Earliest next business morning delivery to select locations. Friday shipments will be delivered on Monday unless Saturday Delivery is selected.

☐ FedEx Priority Overnight
Next business morning.* Friday shipments will be delivered on Monday unless Saturday Delivery is selected.

☒ FedEx Standard Overnight
Next business afternoon.* Saturday Delivery NOT available.

2 or 3 Business Days

☐ FedEx 2Day A.M.
Second business morning.* Saturday Delivery NOT available.

☐ FedEx 2Day
Second business afternoon.* Thursday shipments will be delivered on Monday unless Saturday Delivery is selected.

☐ FedEx Express Saver
Third business day.* Saturday Delivery NOT available.

5 Packaging *Declared value limit \$500.

☒ FedEx Envelope* ☐ FedEx Pak* ☐ FedEx Box ☐ FedEx Tube ☐ Other

6 Special Handling and Delivery Signature Options Fees may apply. See the FedEx Service Guide.

☐ Saturday Delivery
NOT available for FedEx Standard Overnight, FedEx 2Day A.M., or FedEx Express Saver.

☐ No Signature Required
Package may be left without obtaining a signature for delivery.

☐ Direct Signature
Someone at recipient's address may sign for delivery.

☐ Indirect Signature
If no one is available at recipient's address, someone at a neighboring address may sign for delivery. For residential deliveries only.

Does this shipment contain dangerous goods?
One box must be checked.

☒ No ☐ Yes
as per attached Shipper's Declaration.

☐ Yes
Shipper's Declaration not required.

☐ Dry Ice
Dry Ice, 6, UN 1845 x kg

Restrictions apply for dangerous goods—see the current FedEx Service Guide.

☐ Cargo Aircraft Only

7 Payment Bill to:

This airbill can be used only when billing to a FedEx account number. For cash, check, or credit card transactions, please go to a staffed shipping location.

☒ Sender
Acct. No. in Section 1 will be billed. ☐ Recipient ☐ Third Party

FedEx Acct. No.

Total Packages Total Weight Total Declared Value*
lbs. \$.00

*Our liability is limited to US\$100 unless you declare a higher value. See back for details. By using this airbill you agree to the service conditions on the back of this airbill and in the current FedEx Service Guide, including terms that limit our liability.

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EXHIBIT C TO AFFIRMATION OF NOTICE