

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

**APPLICATION OF STRATA PRODUCTION CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 22435**

**APPLICATION OF STRATA PRODUCTION CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 22436**

**PRE-HEARING STATEMENT**

STRATA PRODUCTION COMPANY provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

STRATA PRODUCTION COMPANY

APPLICANT'S ATTORNEY:

Sharon T. Shaheen  
Ricardo S. Gonzales  
Montgomery & Andrews, P.A.  
P.O. Box 2307  
Santa Fe, New Mexico 87504-2307  
Telephone: (505) 986-2678  
Email: [sshaheen@montand.com](mailto:sshaheen@montand.com)  
[rgonzales@montand.com](mailto:rgonzales@montand.com)

**OTHER PARTIES**

No other party has entered an appearance at this time.

**STATEMENT OF THE CASE**

In Case No. **22435**, Applicant seeks an order from the Division pooling all uncommitted mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 160-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the N/2 S/2

of Section 23, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to dedicate the HSU to the Roadrunner Fed Com 23 ILL 5H well, to be horizontally drilled from an approximate surface hole location 1980' FSL and 330' FEL of Section 23, T23S-R30E, to an approximate bottom hole location 2310' FSL and 100' FWL of Section 23, T23S-R30E ("Roadrunner 23 ILL 5H"). The first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The completed lateral for the Roadrunner 23 ILL 5H will comply with the standard setback.

In Case No. **22436**, Applicant seeks an order from the Division pooling all uncommitted mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 160-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the S/2 S/2 of Section 23, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to dedicate the HSU to the Roadrunner Fed Com 23 PML 6H well, to be horizontally drilled from an approximate surface hole location 860' FSL and 530' FEL of Section 23, T23S-R30E, to an approximate bottom hole location 990' FSL and 100' FWL of Section 23, T23S-R30E ("Roadrunner 23 PML 6H"). The first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The completed lateral for the Roadrunner 23 PML 6H will comply with the standard setback.

Also to be considered in each of the above-referenced cases will be the cost of drilling and completing the wells and allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 14 miles East of Loving, New Mexico.

The only party sought to be pooled in this proceeding is OXY USA Inc.

**PROPOSED EVIDENCE**

**APPLICANT:**

WITNESSES	EST. TIME	EXHIBITS
Mitch Krakauskas, Landman	By affidavit	5-6 for each case
Scott Kelley, Geologist	By affidavit	5-6 for each case

**PROCEDURAL MATTERS**

Assuming no opposition at the time of hearing, this case will be presented by affidavit.

Respectfully submitted,

**MONTGOMERY & ANDREWS, PA.**

By: /s/Sharon T. Shaheen  
 Sharon T. Shaheen  
 Ricardo S. Gonzales  
 Post Office Box 2307  
 Santa Fe, New Mexico 87504-2307  
 (505) 986-2678  
[sshaheen@montand.com](mailto:sshaheen@montand.com)  
[rgonzales@montand.com](mailto:rgonzales@montand.com)

*Attorneys for Strata Production Company*

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 69492

**QUESTIONS**

Operator: STRATA PRODUCTION CO P.O. Box 1030 Roswell, NM 882021030	OGRID: 21712
	Action Number: 69492
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>