

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

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

Case No. 22437

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

Case No. 22438



FNRU Fed Com 22 23 III 15H
FNRU Fed Com 22 23 PPI 16H

January 6, 2022

Revised Table of Contents and Exhibit A-8, submitted January 18, 2022

Revised Table of Contents

	Tab
Checklists.....	1
Applications.....	2
Affidavit of Landman Mitch Krakauskas – Exhibit A.....	3
Landman Exhibits.....	4
Exhibit A-1: General Location Map	
Exhibit A-2: Tract Map with Leasehold Owners	
Exhibit A-3: Tract Map with Proration Unit Working Interest Percentages	
Exhibit A-4: Ownership Breakdown	
Exhibit A-5: Chronology of Contacts	
Exhibit A-6: C-102s	
Exhibit A-7: Well Proposal Letter and AFEs	
Exhibit A-8: Notice Letter	
Affidavit of Geologist Scott Kelley– Exhibit B.....	5
Geologist Exhibits.....	6
Exhibit B-1: Regional View	
Exhibit B-1b: Delaware Basin Stratigraphic Column	
Exhibit B-2: Base of Brushy Canyon Formation Structure	
Exhibit B-3: Base of Brushy Canyon Structure	
Exhibit B-4: Target Interval on Offset Log	
Exhibit B-5: Cross Section Line	
Exhibit B-6: Structural Cross Section	
Exhibit B-7: Gunbarrel Diagram and Landing Zone	
Affidavit of Notice – Exhibit C.....	7



**MONTGOMERY
& ANDREWS**
LAW FIRM

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

December 13, 2021

Via U.S. Certified Mail, return receipt requested

OXY USA Inc.
5 Greenway Plaza
Houston, TX 77046

Re: Case No. **22435-22438** - Application of Strata Production Company for Compulsory Pooling, Eddy County, New Mexico

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Strata Production Company ("Strata") has filed applications with the New Mexico Oil Conservation Division for an order regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

Case No. 22435. Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause 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 drill the following well: (1) 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. Also to be considered will be the cost of drilling and completing the well and the 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 well and lands are located approximately 15 miles East of Loving, New Mexico.

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

Released to Imaging: 1/19/2022 2:59:51 PM

FNRU Fed Com 22 23 III #15H
FNRU Fed Com 22 23 PPI #16H
NM OCD Case No. 22437 & 22438
Exhibit A-8

OXY USA, Inc.
December 13, 2021
Page 2

Case No. 22436. Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause 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 drill the following well: 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 will be the cost of drilling and completing the well and the 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 well and lands are located approximately 15 miles East of Loving, New Mexico.

Case No.22437. Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 200-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the NE/4 SE/4 of Section 22, Township 23 South, Range 30 East and the N/2 S/2 of Section 23, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following well: FNRU Fed Com 22 23 Ill 15H well, to be horizontally drilled from an approximate surface hole location 2100' FSL and 850' FEL of Section 22, T23S-R30E, to an approximate bottom hole location 1650' FSL and 100' FEL of Section 23, T23S-R30E ("FNRU 22/23 ILL 15H"). 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 FNRU 22/23 ILL 15H will comply with the standard setback. Also to be considered will be the cost of drilling and completing the well and the 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 well and lands are located approximately 14 miles East of Loving, New Mexico.

Case No. 22438. Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Delaware formation (Forty Niner Ridge; Delaware [24750]) in a standard 200-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the SE/4 SE/4 of Section 22, Township 23 South, Range 30 East and the S/2 S/2 of Section 23, Township 23 South, Range 30

OXY USA, Inc.
December 13, 2021
Page 3

East in Eddy County, New Mexico. Applicant proposes to drill the following well: FNRU Fed Com 22 23 PPI 16H well, to be horizontally drilled from an approximate surface hole location 330' FSL and 660' FEL of Section 22, T23S-R30E, to an approximate bottom hole location 330' FSL and 100' FEL of Section 23, T23S-R30E ("FNRU 22/23 PPI 16H"). 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 FNRU 22/23 PPI 16H will comply with the standard setback. Also to be considered will be the cost of drilling and completing the well and the 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 well and lands are located approximately 14 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 6, 2022**, 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.

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 **December 29, 2021**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **December 30, 2021**, 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/cp
Enclosure