

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

**APPLICATION OF STRATA PRODUCTION CO.  
TO AMEND ORDER NO. R-22021,  
EDDY COUNTY, NEW MEXICO**

Case No. \_\_\_\_\_  
Order No. **R-22021**  
(Re-Open)

**APPLICATION**

Strata Production Company, OGRID No. 21712 (“Strata”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Troy S. Lawton), hereby files this application with the Oil Conservation Division to amend Order No. R-22021 entered in Case No. 22435 to include all overriding royalty owners with interests in the pooled spacing unit and the **Roadrunner Fed Com 23 ILL 5H** (“Roadrunner 23 ILL 5H Well”) to be drilled therein. In support of its application, Strata states as follows:

1. Order No. R-22021<sup>1</sup> pooled uncommitted working interest owners 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, dedicated to the Roadrunner 23 ILL 5H Well.
2. Strata is a working interest owner in the proposed HSU and has the right to drill thereon.
3. Order No. R-22021 designated Strata as the operator of the Roadrunner 23 ILL 5H Well and the HSU.

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<sup>1</sup> In Order No. R-22021, OXY USA Inc. was the only uncommitted working interest owner in this HSU, and therefore was the only interest owner pooled in the proceeding.

4. Strata requests that the Division re-open the matter to pool all overriding royalty owners with interests in the Roadrunner 23 ILL 5H Well and the HSU.

5. The Division Hearing in Case No. 22435 was held on January 6, 2022.

6. The Division entered Order No. R-22021 in Case No. 22435 on February 7, 2022.

7. Strata has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from certain overriding royalty owners with interests in the Roadrunner 23 ILL 5H Well and the HSU.

8. Pooling the overriding royalty interest owners will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

9. In order to permit Strata to obtain its just and fair share of the oil and gas underlying the subject lands, overriding royalty owners with interests in the Roadrunner 23 ILL 5H Well and the HSU should be pooled.

10. WHEREFORE, Strata requests that this application be set for hearing before an examiner of the Oil Conservation Division on April 7, 2022 and that, after notice and hearing as required by law, the Division enter an order amending Order No. R-22021 to pool overriding royalty owners with interests in the Roadrunner 23 ILL 5H Well and HSU.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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***Application of Strata Production Co. to Amend Order No. R-22021, Eddy County, New Mexico (Re-Open).*** Applicant in the above-styled cause seeks to re-open Case No. 22435 for the limited purpose of amending Division Order No. R-22021 to pool all overriding royalty owners with interests in the **Roadrunner Fed Com 23 ILL 5H** well, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) underlying the N/2 S/2 of Section 23, Township 23 South, Range 30 East in Eddy County, New Mexico. The well and lands are located approximately 15 miles East of Loving, New Mexico.