

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

**APPLICATION OF STRATA PRODUCTION CO.
TO AMEND ORDER NO. R-22047,
EDDY COUNTY, NEW MEXICO**

**Case No. _____
Order No. R-22047
(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-22047 entered in Case No. 22437 to include overriding royalty owners and royalty owners without pooling clauses who have interests in the pooled spacing unit and the **FNRU Fed Com 22 23 III 15H** (“FNRU 22 23 III 15H Well”) to be drilled therein. In support of its application, Strata states as follows:

1. Order No. R-22047¹ pooled uncommitted working interest owners 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 and the N/2 S/2 of Section 23, Township 23 South, Range 30 East in Eddy County, New Mexico, dedicated to the FNRU 22 23 III 15H Well.
2. Strata is a working interest owner in the proposed HSU and has the right to drill thereon.
3. Order No. R-22047 designated Strata as the operator of the FNRU 22 23 III 15H Well and the HSU.

¹ In Order No. R-22047, 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 certain overriding royalty owners and royalty owners without pooling clauses who have interests in the FNRU 22 23 III 15H Well and the HSU.

5. The Division Hearing in Case No. 22437 was held on January 6, 2022.

6. The Division entered Order No. R-22047 in Case No. 22437 on February 23, 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 and royalty owners without pooling clauses who have interests in the FNRU 22 23 III 15H Well and the HSU.

8. Pooling the overriding royalty interest owners and royalty owners without pooling clauses 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 and royalty owners without pooling clauses who have interests in the FNRU 22 23 III 15H 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-22047 to pool overriding royalty owners and royalty owners without pooling clauses who have interests in the FNRU 22 23 III 15H Well and HSU.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Application of Strata Production Co. to Amend Order No. R-22047, Eddy County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 22437 for the limited purpose of amending Division Order No. R-22047 to pool all overriding royalty owners and royalty owners without pooling clauses who have interests in the **FNRU Fed Com 22 23 III 15H** well, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) underlying the NE/4 SE/4 of Section 22 and 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.