

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. 22655
Order No. R-22021
(Re-Open)**

**APPLICATION OF STRATA PRODUCTION CO.
TO AMEND ORDER NO. R-22022,
EDDY COUNTY, NEW MEXICO**

**Case No. 22656
Order No. R-22022
(Re-Open)**



Roadrunner Fed Com

23 ILL 5H and 23 PML 6H

April 7, 2022

Table of Contents

	Tab
Affidavit of Mitch Krakauskas – Exhibit A.....	1
Exhibit 1-A: Case No. 22655 Application	
Exhibit 1-B: Case No. 22656 Application	
Exhibit 2-A: Order No. R-22021	
Exhibit 2-B: Order No. R-22022	
Exhibit 3: Sample pooling proposal letter	
Exhibit 4: Sample notice letter	
Affidavit of Notice – Exhibit B	2

Tab 1.

**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. 22655
Order No. R-22021
(Re-Open)**

**APPLICATION OF STRATA PRODUCTION CO.
TO AMEND ORDER NO. R-22022,
EDDY COUNTY, NEW MEXICO**

**Case No. 22656
Order No. R-22022
(Re-Open)**

AFFIDAVIT OF LANDMAN MITCH KRAKAUSKAS

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and have the capacity to execute this Affidavit, which is based on my personal knowledge.

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 affidavit is submitted in connection with the filing by Strata of the above-referenced applications pursuant to 19.15.4.12.A(1) NMAC.

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 fifteen years. I am a Certified Professional Landman through the American Association of Professional Landmen.

EXHIBIT A

**Strata Production Company
NMOCD Case Nos. 22655 & 22656
April 7, 2022**

5. The purpose of these applications is to amend Order Nos. R-22021 and R-22022 previously issued in Case Nos. 22435 and 22436, respectively, to pool certain overriding royalty owners with interests in the following wells:

- a. The **Roadrunner Fed Com 23 ILL 5H** well (“Roadrunner 23 ILL 5H Well”) approved in Order No. R-22021; and
- b. The **Roadrunner Fed Com 23 PML 6H** well (“Roadrunner 23 PML 6H Well”) approved in Order No. R-22022.

6. The pertinent applications are attached as follows:

- a. **Case No. 22655**, regarding amending Order No. 22021 (previously Case No. 22435) for the Roadrunner 23 ILL 5H Well, is attached as **Exhibit 1-A**; and
- b. **Case No. 22656**, regarding amending Order No. 22022 (previously Case No. 22436) for the Roadrunner 23 PML 6H Well, is attached as **Exhibit 1-B**.

7. Order No. R-22021¹ 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. Order No. R-22021 is attached as **Exhibit 2-A**.

8. Order No. R-22022² 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 S/2 S/2 of Section 23, Township 23 South,

¹ 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 previous proceeding.

² In Order No. R-22022, OXY USA Inc. was the only uncommitted working interest owner in this HSU, and therefore was the only interest owner pooled in the previous proceeding.

Range 30 East in Eddy County, New Mexico, dedicated to the Roadrunner 23 PML 6H Well. Order No. R-22022 is attached as **Exhibit 2-B**.

9. The Orders designated Strata as the operator of the above-referenced wells and the HSUs.

10. Strata is a working interest owner in the HSUs and has the right to drill thereon.

11. Strata requests the Division to re-open these matters to pool certain overriding royalty owners with interests in the above-referenced wells and the HSUs.

12. The Division hearing in Case Nos. 22435 and 22436 was held on January 6, 2022.

13. The Division entered Order No. R-22021 in Case No. 22435 and Order No. R-22022 in Case No. 22436 on February 7, 2022.

14. On January 25, 2022, Strata sent letters to the overriding royalty owners seeking their voluntary agreement through ratifications to the communitization agreement. *See* Exhibit 3 attached hereto. Approximately 14 overriding royalty interest owners responded by providing ratifications.

15. On March 18, 2022, notice of these applications was sent by certified mail to those overriding royalty interest owners who had not returned a ratification, as reflected in Exhibit A to the notice letter attached hereto as **Exhibit 4**. No parties entered appearances in these matters and no opposition is expected. Proof of notification, including proof of publication and a spreadsheet with the status of certified mail delivery, can be found at Tab 2 of the exhibit package.

16. 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 above-referenced wells and the HSUs.

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

18. In order to permit Strata to obtain its just and fair share of the oil and gas underlying the subject lands, certain overriding royalty owners with interests in the above-referenced wells and the HSUs should be pooled.

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

20. Strata incorporates all exhibits provided and admitted into the record at the hearing for the original Case Nos. 22435 and 22436 by reference herein.

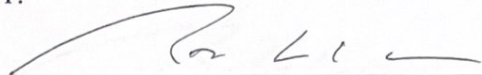
21. Strata is not requesting changes to any provisions in Order Nos. R-22021 and R-22022 and asks that all rights and privileges granted to Strata in the orders remain the same.

22. The exhibits to this affidavit were prepared by me, or compiled from Strata's business records.

23. The granting of these applications is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

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

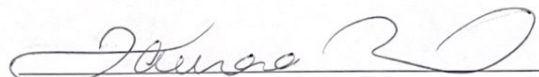
FURTHER AFFIANT SAYETH NAUGHT.



Mitch Krakauskas

STATE OF NEW MEXICO)
)ss
COUNTY OF CHAVES)

Subscribed to and sworn before me on this 4 day of April, 2022.



Notary Public

My commission expires: 3-3-25.

STATE OF NEW MEXICO
NOTARY PUBLIC
Tamara Hill
Commission Number 1132748
My Commission Expires March 3, 2025

**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-22021¹ 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.

Exhibit 1-A
Strata Production Company
NMOCD Case Nos. 22655 & 22656
April 7, 2022

¹ 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.

/s/ Sharon T. Shaheen

Sharon T. Shaheen

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tlawton@montand.com

Attorneys for Strata Production Company

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.

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

**APPLICATION OF STRATA PRODUCTION CO.
TO AMEND ORDER NO. R-22022,
EDDY COUNTY, NEW MEXICO**

**Case No. _____
Order No. R-22022
(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-22022 entered in Case No. 22436 to include all overriding royalty owners with interests in the pooled spacing unit and the **Roadrunner Fed Com 23 PML 6H** (“Roadrunner 23 PML 6H Well”) to be drilled therein. In support of its application, Strata states as follows:

1. Order No. R-22022¹ 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 S/2 S/2 of Section 23, Township 23 South, Range 30 East in Eddy County, New Mexico, dedicated to the Roadrunner 23 PML 6H Well.
2. Strata is a working interest owner in the proposed HSU and has the right to drill thereon.
3. Order No. R-22022 designated Strata as the operator of the Roadrunner 23 PML 6H Well and the HSU.

Exhibit 1-B
Strata Production Company
NMOCD Case Nos. 22655 & 22656
April 7, 2022

¹ In Order No. R-22022, 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 PML 6H Well and the HSU.

5. The Division Hearing in Case No. 22436 was held on January 6, 2022.

6. The Division entered Order No. R-22022 in Case No. 22436 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 PML 6H 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 PML 6H 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-22022 to pool overriding royalty owners with interests in the Roadrunner 23 PML 6H Well and HSU.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

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Attorneys for Strata Production Company

Application of Strata Production Co. to Amend Order No. R-22022, Eddy County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 22436 for the limited purpose of amending Division Order No. R-22022 to pool all overriding royalty owners with interests in the **Roadrunner Fed Com 23 PML 6H** well, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) underlying the S/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.

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

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

**CASE NO. 22435
ORDER NO. R-22021**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 6, 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 2-A

Strata Production Company

NMOCD Case Nos. 22655 & 22656

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. 22435
ORDER NO. R-22021

Page 2 of 7

- 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: 2/07/2022

CASE NO. 22435
ORDER NO. R-22021

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 22435	APPLICANT'S RESPONSE
Date	January 6, 2021
Applicant	Strata Production Company
Designated Operator & OGRID (affiliation if applicable)	21712
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & Ricardo Gonzales)
Case Title:	Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None at this time
Well Family	Roadrunner 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:	160 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	East-West
Description: TRS/County	N/2 S/2 of Section 23, T23S, R30E, 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 (N/2 SW/4): 39.25%; Tract 2 (N/2 SE/4): 22.875%; see Exhibits A-2 through A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Roadrunner Fed Com 23 ILL 5H, API No. Pending SHL: 1980' FSL and 330' FEL, Section 23, T23S-R30E, NMPM BHL: 2310' FSL and 100' FWL, Section 23, T-23S-R30E, NMPM Completion Target: Brushy Canyon at approx. 7649' Well Orientation: East to West Completion location expected to be standard

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CASE NO. 22435
ORDER NO. R-22021

Page 5 of 7

Horizontal Well (C-102) and Lateral Takeover	FTP (~1980 FSL and 330' FEL of Section 23, T23S-R30E) LTP (~2310' FSL and 100' FWL of Section 23, T23S-R30E)	Page 5 of 5
Completion Target (Formation, TVD and MD)	Brushy Canyon - TVD (~7649'), MD (~12,403')	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 21	
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 21	
Justification for Supervision Costs	Please see AFE at Exhibit A-7	
Requested Risk Charge	200%; see Exhibit A, ¶ 21	
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	
Proof of Published Notice of Hearing (10 days before hearing)	n/a	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 & A-3	
Tract List (including lease numbers and owners)	See Exhibits A-2 & A-3	
Pooled Parties (including ownership type)	Exhibit A, ¶ 9	
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	Exhibit A-7	
Cost Estimate to Equip Well	Exhibit A-7	
Cost Estimate for Production Facilities	Exhibit A-7	
Geology		
Summary (including special considerations)	Exhibit B, ¶¶ 5-14; see Exhibits B-1 through B-7	
Spacing Unit Schematic	Exhibit B-3	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7	
Well Orientation (with rationale)	Exhibit B, ¶ 14(d)	
Target Formation	Exhibit B-4	
HSU Cross Section	Exhibit B-5	
Depth Severance Discussion	n/a; see Exhibit A, ¶ 14	
Forms, Figures and Tables		
C-102	Exhibit A-6	
Tracts	Exhibits A-2 & A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2 through A-4	

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CASE NO. 22435
ORDER NO. R-22021

Page 6 of 7

General Location Map (including Basin)	Exhibit B-1	<i>Page 6 of 5</i>
Well Bore Location Map	Exhibit A-3	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-5	
Cross Section (including Landing Zone)	Exhibits B-6 and B-7	
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:	1/4/2022	

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CASE NO. 22435
ORDER NO. R-22021

Page 7 of 7

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

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

**CASE NO. 22436
ORDER NO. R-22022**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 6, 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 2-B

Strata Production Company
NMOCD Case Nos. 22655 &

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. 22436
ORDER NO. R-22022

Page 2 of 7

- 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: 2/07/2022

CASE NO. 22436
ORDER NO. R-22022

Page 4 of 7

Exhibit A

Received by OCD: 4/5/2022 4:58:51 PM COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 22436	APPLICANT'S RESPONSE
Date	January 6, 2021
Applicant	Strata Production Company
Designated Operator & OGRID (affiliation if applicable)	21712
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & Ricardo Gonzales)
Case Title:	Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None at this time
Well Family	Roadrunner 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:	160 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	East-West
Description: TRS/County	S/2 S/2 of Section 23, T23S, R30E, 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 (S/2 SW/4): 39.25%; Tract 2 (S/2 SE/4): 22.875%; see Exhibits A-2 through A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Page 7 of 5

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CASE NO. 22436
ORDER NO. R-22022

Page 5 of 7

Well #1 <i>Received by OCD: 1/4/2022 4:41:05 PM</i>	Roadrunner Fed Com 23 PML 6H, API No. Pending SHL: 860' FSL and 530' FEL, Section 23, T23S-R30E, NMPM BHL: 990' FSL and 100' FWL, Section 23, T-23S-R30E, NMPM Completion Target: Brushy Canyon at approx. 7643' Well Orientation: East to West Completion location expected to be standard	<i>Page 8 of 5</i>
Horizontal Well First and Last Take Points	FTP (~860' FSL and 330' FEL of Section 23, T23S-R30E) LTP (~990' FSL and 100' FWL of Section 23, T23S-R30E)	
Completion Target (Formation, TVD and MD)	Brushy Canyon - TVD (~7643'), MD (~12,691')	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 21	
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 21	
Justification for Supervision Costs	Please see AFE at Exhibit A-7	
Requested Risk Charge	200%; see Exhibit A, ¶ 21	
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	
Proof of Published Notice of Hearing (10 days before hearing)	n/a	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 & A-3	
Tract List (including lease numbers and owners)	See Exhibits A-2 & A-3	
Pooled Parties (including ownership type)	See Exhibit A, ¶ 9	
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	Exhibit A-7	
Cost Estimate to Equip Well	Exhibit A-7	
Cost Estimate for Production Facilities	Exhibit A-7	
Geology		
Summary (including special considerations)	Exhibit B, ¶¶ 5-14; see Exhibits B-1 through B-7	
Spacing Unit Schematic	Exhibit B-3	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7	
Well Orientation (with rationale)	Exhibit B, ¶ 14(d)	
Target Formation	Exhibit B-4	
HSU Cross Section	Exhibit B-5	

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CASE NO. 22436
ORDER NO. R-22022

Page 6 of 7

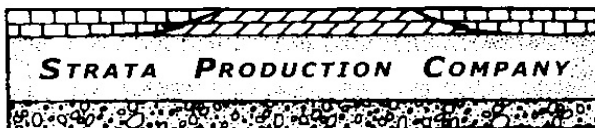
Depth Severance Discussion	n/a; see Exhibit A, ¶ 14	Page 9 of 5
Forms, Figures and Tables		
C-102	Exhibit A-6	
Tracts	Exhibits A-2 & A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-2 through A-4	
General Location Map (including basin)	Exhibit A-1	
Well Bore Location Map	Exhibit A-3; see Exhibit A-6 at 2	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-5	
Cross Section (including Landing Zone)	Exhibits B-6 and B-7	
Additional Information		
Special Provisions/Stipulations		
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:	1/4/2022	

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CASE NO. 22436
ORDER NO. R-22022

Page 7 of 7

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (575) 622-1127
FACSIMILE (575) 623-3533

1301 NORTH SYCAMORE AVENUE
ROSWELL, NEW MEXICO 88201
www.stratanm.com

January 25, 2022

To: Overriding Royalty Interest Owner or
Royalty Interest Owner

From: Mitch Krakauskas
Strata Production Company
P.O. Box 1030
Roswell, NM 88202

RE: Federal Comm Agreement
FNRU Fed Com 22 23 III #15H
NE¼SE¼ Section 22, T23S-R30E
N½S½ Section 23, T23S-R30E
Eddy County, New Mexico

Federal Comm Agreement
FNRU Fed Com 22 23 PPI #16H
SE¼SE¼ Section 22, T23S-R30E
S½S½ Section 23, T23S-R30E
Eddy County, New Mexico

Federal Comm Agreement
Roadrunner Fed Com 23 ILL #5H
N½S½ Section 23, T23S-R30E
Eddy County, New Mexico

Federal Comm Agreement
Roadrunner Fed Com 23 PML #6H
S½S½ Section 23, T23S-R30E
Eddy County, New Mexico

Ladies and Gentlemen:

Strata Production Company (“Strata”) is seeking voluntary agreement for the proposed spacing units by requesting your signature on the enclosed Federal Communitization Agreement Ratifications (“CA”). If you do not sign the CA, Strata will be seeking to pool your interest by filing an application with the Oil Conservation Division.

Enclosed for your further handling are four (4) separate proposed CA’s and four (4) sets of Ratifications all dated January 1, 2022 covering the captioned land and 2 sets of extra Ratification signature/notary pages of the same for each agreement. All four (4) agreements pool the leases covering the captioned land for Delaware Formation production. The FNRU Fed Com 22 23 III #15H well is a horizontal well with NE¼SE¼ of the captioned Section 22 and the N½S½ of the captioned Section 23 being dedicated to the well as the proration unit (Middle Brushy Delaware Formation). The FNRU Fed Com 22 23 PPI #16H well is a horizontal well with SE¼SE¼ of the captioned Section 22 and the S½S½ of the captioned Section 23 being dedicated to the well as the proration unit (Middle Brushy Delaware Formation). The Roadrunner Fed Com 23 ILL #5H well is a horizontal well with N½S½ of the captioned Section 23 being dedicated to the well as the proration unit (Lower Brushy Delaware Formation). The

Exhibit 3

Strata Production Company
NMOCD Case Nos. 22655 & 22656

April 7, 2022

Roadrunner Fed Com 23 PML #6H well is a horizontal well with S½S½ of the captioned Section 23 being dedicated to the well as the proration unit (Lower Brushy Delaware Formation).

In reference to the above, please execute all four (4) sets of Ratification signature/notary pages (eight (8) total, attached behind the agreements) and send them to me in the attached prepaid envelope for further handling. Please retain each copy of the CA and Ratification for your file.

Should you have any questions regarding the above, please email Jack Richardson at Jack@JBarCane.Com or call at (505) 681-9905.

Sincerely,



Mitch Krakauskas
Vice President
mitch@stratanm.com
(575) 622-1127 ext. 23

Enclosures: As Stated

**RATIFICATION OF COMMUNITIZATION AGREEMENT
FNRU Fed Com 22 23 III #15H
NE¼SE¼ Section 22, T23S-R30E & N½S½ Section 23, T23S-R30E
Eddy County, New Mexico
Delaware Formation (Middle Brushy)**

Strata Production Company, as Operator, executed a Communitization Agreement dated January 1, 2022, pooling and combining the oil and gas leases set forth therein, insofar as they cover the 200.00 acre communitized area comprised of the NE¼SE¼ Section 22, T23S-R30E and the N½S½ Section 23, T23S-R30E, Eddy County, New Mexico, as to the Delaware formation.

ConocoPhillips Company, whose address is 600 W. Illinois Ave., Midland, TX 79701, is an owner of an overriding royalty interest, royalty interest or production payment interest located in the unit referenced above.

ConocoPhillips Company, desires to adopt, ratify and confirm the Communitization Agreement insofar as it covers the right, title and interest in and to the oil and gas leases and the lands included in the communitized area created by Strata Production Company.

In consideration of the premises ConocoPhillips Company, does hereby adopt, ratify and confirm the above-described Communitization Agreement insofar as it covers its right, title and interest in the oil and gas leases and the lands included in the communitized area, and agrees that his/her/its interest is subject to all of the terms and provisions therein.

This Ratification is effective as of the effective date of the above-referenced Communitization Agreement.

_____)
ConocoPhillips Company

STATE OF _____)
)
COUNTY OF _____)

On this _____ day of _____, 2022, before me, a Notary Public for the State of _____, appeared _____

(SEAL)

Your Copy

_____)
My Commission Expires

_____)
Notary Public

RATIFICATION OF COMMUNITIZATION AGREEMENT
FNRU Fed Com 22 23 PPI #16H
SE¼SE¼ Section 22, T23S-R30E & S½S½ Section 23, T23S-R30E
Eddy County, New Mexico
Delaware Formation (Middle Brushy)

Strata Production Company, as Operator, executed a Communitization Agreement dated January 1, 2022, pooling and combining the oil and gas leases set forth therein, insofar as they cover the 200.00 acre communitized area comprised of the SE¼SE¼ Section 22, T23S-R30E and the S½S½ Section 23, T23S-R30E, Eddy County, New Mexico, as to the Delaware formation.

ConocoPhillips Company, whose address is 600 W. Illinois Ave., Midland, TX 79701, is an owner of an overriding royalty interest, royalty interest or production payment interest located in the unit referenced above.

ConocoPhillips Company, desires to adopt, ratify and confirm the Communitization Agreement insofar as it covers the right, title and interest in and to the oil and gas leases and the lands included in the communitized area created by Strata Production Company.

In consideration of the premises ConocoPhillips Company, does hereby adopt, ratify and confirm the above-described Communitization Agreement insofar as it covers its right, title and interest in the oil and gas leases and the lands included in the communitized area, and agrees that his/her/its interest is subject to all of the terms and provisions therein.

This Ratification is effective as of the effective date of the above-referenced Communitization Agreement.

 ConocoPhillips Company

STATE OF _____)
)
 COUNTY OF _____)

On this ____ day of _____, 2022, before me, a Notary Public for the State of _____, appeared _____

(SEAL)

Your Copy

 My Commission Expires

 Notary Public

**RATIFICATION OF COMMUNITIZATION AGREEMENT
Roadrunner Fed Com 23 ILL #5H
N½S½ Section 23, T23S-R30E
Eddy County, New Mexico
Delaware Formation (Lower Brushy)**

Strata Production Company, as Operator, executed a Communitization Agreement dated January 1, 2022, pooling and combining the oil and gas leases set forth therein, insofar as they cover the 160.00 acre communitized area comprised of the N½S½ Section 23, T23S-R30E, Eddy County, New Mexico, as to the Delaware formation.

ConocoPhillips Company, whose address is 600 W. Illinois Ave., Midland, TX 79701, is an owner of an overriding royalty interest, royalty interest or production payment interest located in the unit referenced above.

ConocoPhillips Company, desires to adopt, ratify and confirm the Communitization Agreement insofar as it covers the right, title and interest in and to the oil and gas leases and the lands included in the communitized area created by Strata Production Company.

In consideration of the premises ConocoPhillips Company, does hereby adopt, ratify and confirm the above-described Communitization Agreement insofar as it covers its right, title and interest in the oil and gas leases and the lands included in the communitized area, and agrees that his/her/its interest is subject to all of the terms and provisions therein.

This Ratification is effective as of the effective date of the above-referenced Communitization Agreement.

ConocoPhillips Company

STATE OF _____)
)
COUNTY OF _____)

On this _____ day of _____, 2022, before me, a Notary Public for the State of _____, appeared _____.

_____.

(SEAL)

Your Copy

My Commission Expires

Notary Public

RATIFICATION OF COMMUNITIZATION AGREEMENT

Roadrunner Fed Com 23 PML #6H

S½S½ Section 23, T23S-R30E

Eddy County, New Mexico

Delaware Formation (Lower Brushy)

Strata Production Company, as Operator, executed a Communitization Agreement dated January 1, 2022, pooling and combining the oil and gas leases set forth therein, insofar as they cover the 160.00 acre communitized area comprised of the S½S½ Section 23, T23S-R30E, Eddy County, New Mexico, as to the Delaware formation.

ConocoPhillips Company, whose address is 600 W. Illinois Ave., Midland, TX 79701, is an owner of an overriding royalty interest, royalty interest or production payment interest located in the unit referenced above.

ConocoPhillips Company, desires to adopt, ratify and confirm the Communitization Agreement insofar as it covers the right, title and interest in and to the oil and gas leases and the lands included in the communitized area created by Strata Production Company.

In consideration of the premises ConocoPhillips Company, does hereby adopt, ratify and confirm the above-described Communitization Agreement insofar as it covers its right, title and interest in the oil and gas leases and the lands included in the communitized area, and agrees that his/her/its interest is subject to all of the terms and provisions therein.

This Ratification is effective as of the effective date of the above-referenced Communitization Agreement.

ConocoPhillips Company

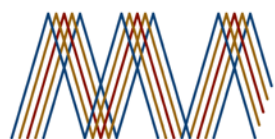
STATE OF _____)
)
COUNTY OF _____)

On this ____ day of _____, 2022, before me, a Notary Public for the State of _____, appeared _____
_____.

(SEAL)

Your Copy

My Commission Expires Notary Public



**MONTGOMERY
& ANDREWS**
LAW FIRM

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

March 18, 2022

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case Nos. 22655-22656 - Application of Strata Production Company, to Amend Order Nos. R-22021 and R-22022, 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 seeking to amend Order Nos. R-22021 and R-22022. You are receiving this notice because you may have an interest in these wells.

Case No. 22655: *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.

Case No. 22656: *Application of Strata Production Co. to Amend Order No. R-22022, Eddy County, New Mexico (Re-Open)*. Applicant in the above-styled cause seeks to re-open Case No. 22436 for the limited purpose of amending Division Order No. R-22022 to pool all overriding royalty owners with interests in the **Roadrunner Fed Com 23 PML 6H** well, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) underlying the S/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.

Exhibit 4

Strata Production Company
NMOCD Case Nos. 22655 & 22656

April 7, 2022

All Interest Owners
March 18, 2022
Page 2

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 **April 7, 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 **March 30, 2022** and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **March 31, 2022**, in accordance with Division Rule 19.15.4.13 NMAC

Please feel free to contact me if you have any questions about this application.

Very truly yours,

/s/Sharon T. Shaheen

Sharon T. Shaheen

STS/cp
Enclosure
cc: Strata Production Company, *via email*

EXHIBIT A

INTEREST OWNERS

Hutchings Oil Company
P.O. Box 1216
Albuquerque, NM 87103-1216

Oxy USA Inc.
5 Greenway Plaza
Houston, TX 77046

Sandia Production Company
Attn: Estate of Robert Enfield
Wells Fargo Bank, New Mexico, N.A.
201 Main Street, Suite 400
Fort Worth, TX 76102

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Tab 2.

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

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

**Case No. 22655
Order No. R-22021
(Re-Open)**

**APPLICATION OF STRATA PRODUCTION COMPANY
TO AMEND ORDER NO. R-22022,
EDDY COUNTY, NEW MEXICO**

**Case No. 22656
Order No. R-22022
(Re-Open)**

AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Sharon T. Shaheen, attorney for STRATA PRODUCTION COMPANY (“Strata”), Applicant in the above-captioned matters, being first duly sworn, state the following:

1. I caused notice of the applications to be sent by certified mail through the United States Postal Service on March 18, 2022, to all interest owners in these proceedings. Evidence of mailing to all such owners is attached hereto as Exhibit A. Notice was also directed to all owners by publication in the Carlsbad Current Argus on March 22, 2022, which is reflected in the Affidavit of Publication attached hereto as Exhibit B. Exhibit B demonstrates to my satisfaction that those owners who did not receive personal notice through the certified mailing were properly served by publication.

EXHIBIT B

Strata Production Company
NMOCD Case Nos. 22655 & 22656
April 7, 2022

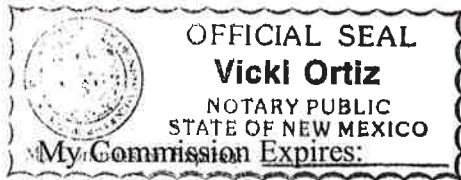
47 2.
B

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 Applications filed herein.

SHARON T. SHAHEEN

SUBSCRIBED AND SWORN to before me this 5th day of April, 2022.

Notary Public



2-12-24

STRATA PRODUCTION COMPANY**Roadrunner Fed Com 23 ILL 5H / Case No. 22655****Roadrunner Fed Com 23 PML 6H / Case No. 22656****April 7, 2022 Hearing**

Entity	Date Letter Mailed	Certified Mail Number	Status of Delivery	Date Received
WORKING INTEREST PARTY(IES)				
Hutchings Oil Company P.O. Box 1216 Albuquerque, NM 87103-1216	March 18, 2022	7015 0950 0001 6540 3485	Delivered	March 21, 2022
Oxy USA Inc. 5 Greenway Plaza Houston, TX 77046	March 18, 2022	7015 0950 0001 6540 3492	Delivered	March 21, 2022
Sandia Production Company Attn: Estate of Robert Enfield Wells Fargo Bank, New Mexico, N.A. 201 Main Street, Suite 400 Fort Worth, TX 76102	March 18, 2022	7015 0950 0001 6540 3508	Delivered	March 21, 2022
Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220-6292	March 18, 2022	7015 0950 0001 6540 3515	Delivered	March 21, 2022
State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	March 18, 2022	7015 0950 0001 6540 3522	Delivered	Undated

Exhibit A

Strata Production Company

NMOCD Case Nos. 22655 & 22656

April 7, 2022

7021 0950 0001 6540 3485

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CERTIFIED MAIL® RECEIPT
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22657

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OFFICIAL USE

Certified Mail Fee \$ 8.34

Extra Services & Fees (check box, add fees as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____



Sent To Hutchings Oil Company

Street address P.O. Box 1216

City, State Albuquerque, NM 87103-1216

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature</p> <p><input checked="" type="checkbox"/> <i>Samuel Widner</i> <input type="checkbox"/> Agent</p> <p><input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Samuel Widner</i></p> <p>C. Date of Delivery <i>3-21-22</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Hutchings Oil Company P.O. Box 1216 Albuquerque, NM 87103-1216</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail R Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 1258 5246 3529 06</p> <p>7021 0950 0001 6540 3485</p>	

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

Domestic Return

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Certified Mail Fee \$ 3.36

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To Oxy USA Inc.
Street and 5 Greenway Plaza
City, State, Houston, TX 77046

PS Form 3811

Postmark Here
SANTAFÉ NM
MAR 18 2022
USPO 87504

264E 0459 T000 0560 T201

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ 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. 	<p>A. Signature <u>AW</u> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>AW</u> C. Date of Delivery <u>3-21-22</u></p> <p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>Oxy USA Inc. 5 Greenway Plaza Houston, TX 77046</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9590 9402 1258 5246 3528 90</p> <p style="font-size: 1.2em; font-weight: bold;">7021 0950 0001 6540 3492</p>	<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p> <p style="text-align: right;">Domestic Return Receipt</p>

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905E 0459 T000 0560 T207

Certified Mail Fee	\$	834
Extra Services & Fees (check box, add fee as appropriate)		
<input checked="" type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	

Postage	\$	
Total Postage and Fees	\$	

Sent To Sandia Production Company
 Street and Apt. 1 Attn: Estate of Robert Enfield
 City, State, ZIP+4 Wells Fargo Bank, New Mexico, N.A.
 201 Main Street, Suite 400
 Fort Worth, TX 76102

SANTA FE NM
 MAR 18 2022
 USPO 87504

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:
 Sandia Production Company
 Attn: Estate of Robert Enfield
 Wells Fargo Bank, New Mexico, N.A.
 201 Main Street, Suite 400
 Fort Worth, TX 76102



9590 9402 1258 5246 3528 83

2. Article Number (Transfer from service label)
 7021 0950 0001 6540 3508

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 CV-19 Addressee

B. Received by (Printed Name) J. GRAY
 C. Date of Delivery 03/21/22

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input checked="" type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input checked="" type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Restricted Delivery | |

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<p>Certified Mail Fee <u>836</u></p> <p>\$ _____</p> <p>Extra Services & Fees (check box, add fee as appropriate)</p> <p><input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ _____</p> <p><input type="checkbox"/> Return Receipt (electronic) \$ _____</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$ _____</p> <p><input type="checkbox"/> Adult Signature Required \$ _____</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$ _____</p> <p>Postage</p> <p>\$ _____</p> <p>Total Postage and Fees</p> <p>\$ _____</p>	<p>Postmark Here</p> <p style="font-size: 1.5em; color: red; font-weight: bold;">SANTA FE NM</p> <p style="font-size: 1.5em; color: red; font-weight: bold;">MAR 18 2022</p> <p style="font-size: 1.5em; color: red; font-weight: bold;">USPO 87504</p>
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Sent To: Bureau of Land Management
Street and Ap: 620 E. Greene Street
City, State, Zi: Carlsbad, NM 88220-6292

PS Form 38

STSE 0459 T000 0560 T207

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ 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. <p>1. Article Addressed to:</p> <p>Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220-6292</p> <div style="text-align: center;">  9590 9402 1258 5246 3528 76 </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7021 0950 0001 6540 3515</p>	<p>A. Signature</p> <p><input checked="" type="checkbox"/> <u>[Signature]</u> <input type="checkbox"/> Agent</p> <p><input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p><u>Office</u></p> <p>C. Date of Delivery</p> <p><u>3/22</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

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

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225E 0459 T000 0560 T202

Certified Mail Fee \$ <u>8.36</u>	<div style="border: 2px solid red; padding: 5px; color: red; font-weight: bold;"> SANTA FE NM MAR 1 2022 USPO 87504 </div>
Extra Services & Fees (check box, add fee as appropriate)	
<input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ _____	
<input type="checkbox"/> Return Receipt (electronic) \$ _____	
<input type="checkbox"/> Certified Mail Restricted Delivery \$ _____	
<input type="checkbox"/> Adult Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ _____	
Total Postage and Fees \$ _____	
Sent To State Land Office Street and A 310 Old Santa Fe Trail City, State, ZIP+4 Santa Fe, NM 87501	

PS Form 3811, July 2015 PSN 7530-02-000-9000

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> ■ 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. <p>1. Article Addressed to:</p> <p style="color: red; font-size: 1.2em;">State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501</p> <div style="text-align: center;">  9590 9402 1258 5246 3528 69 </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7021 0950 0001 6540 3522</p>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <table style="width: 100%;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (00)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (00)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (00)																	

PS Form 3811, July 2015 PSN 7530-02-000-9000

Domestic Return Receipt

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005181286

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:

03/22/2022

Legal Clerk

Subscribed and sworn before me this April 5, 2022:

State of WI, County of Brown
NOTARY PUBLIC

My commission expires

VICKY FELTY
Notary Public
State of Wisconsin

Ad # 0005181286
PO #: 5181286
of Affidavits: 1

This is not an invoice

Exhibit B
Strata Production Company
NMOCD Case Nos. 22655 & 22656
April 7, 2022

NOTICE

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

Hutchings Oil Company; Oxy USA Inc.; Sandia Production Company; Bureau of Land Management; and State Land Office.

Strata Production Company, has filed applications with the New Mexico Oil Conservation Division as follows:

Case No. 22655. 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.

Case No. 22656. Application of Strata Production Co. to Amend Order No. R-22022, Eddy County, New Mexico (Re-Open). Applicant in the above-styled cause seeks to re-open Case No. 22436 for the limited purpose of amending Division Order No. R-22022 to pool all overriding royalty owners with interests in the Roadrunner Fed Com 23 PML 6H well, proposed to be drilled into the Delaware formation (Forty Niner Ridge; Delaware [24750]) underlying the S/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.

This application will be set for hearing before a Division Examiner at the New Mexico Oil Conservation Division on April 7, 2022, 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: <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 March 30, 2022, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by March 31, 2022, 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.
#5181286, Current Argus, Mar. 22, 2022