

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

**APPLICATION OF STRATA PRODUCTION CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO** **Case No. 23000**

**APPLICATION OF STRATA PRODUCTION CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO** **Case No. 23001**

**APPLICATION OF STRATA PRODUCTION CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO** **Case No. 23002**

**APPLICATION OF STRATA PRODUCTION CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO** **Case No. 23003**

**APPLICATION OF STRATA PRODUCTION CO.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO** **Case No. 23004**

**PRE-HEARING STATEMENT**

Applicant STRATA PRODUCTION COMPANY (“Strata”) provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

STRATA PRODUCTION COMPANY

APPLICANT’S ATTORNEY:

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**OTHER PARTY**

None at this time.

**STATEMENT OF THE CASE**

**Case No. 23000. *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 W/2 W/2 of Section 31 and the SW/4 SW/4 of Section 30, Township 23 South, Range 31 East in Eddy County, New Mexico. Applicant proposes to drill the following well in the HSU: **Pajarito Fed Com 30 31 MML #7H** well, to be horizontally drilled from an approximate surface hole location 330’ FSL and 660’ FWL of Section 30, T23S-R31E, to an approximate bottom hole location 100’ FSL and 400’ FWL of Section 31, T23S-R31E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. 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 16 miles East of Loving, New Mexico.

**Case No. 23001. *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 E/2 W/2 of Section 31 and the SE/4 SW/4 of Section 30, Township 23 South, Range 31 East in Eddy County, New Mexico. Applicant proposes to drill the following

well in the HSU: **Pajarito Fed Com 30 31 NNL #6H** well, to be horizontally drilled from an approximate surface hole location 330' FSL and 1980' FWL of Section 30, T23S-R31E, to an approximate bottom hole location 100' FSL and 1980' FWL of Section 31, T23S-R31E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. 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 16 miles East of Loving, New Mexico.

**Case No. 23002. 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 SW/4 SE/4 of Section 30 and the W/2 E/2 of Section 31, Township 23 South, Range 31 East in Eddy County, New Mexico. Applicant proposes to drill the following well in the HSU: **Pajarito Fed Com 30 31 OOL #5H** well, to be horizontally drilled from an approximate surface hole location 330' FSL and 1980' FEL of Section 30, T23S-R31E, to an approximate bottom hole location 100' FSL and 1980' FEL of Section 31, T23S-R31E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. 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 16 miles East of Loving, New Mexico.

**Case No. 23003. 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 400-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the NW/4 NW/4 of Section 31, the W/2 W/2 of Sections 30 and 19, and the SW/4 SW/4 of Section 18, Township 23 South, Range 31 East in Eddy County, New Mexico. Applicant proposes to drill the following 2.5-mile well in the HSU: **Pajarito Fed Com 31 18 DML #1H** well, to be horizontally drilled from an approximate surface hole location 215’ FNL and 325’ FWL of Section 31, T23S-R31E, to an approximate bottom hole location 1220’ FSL and 660’ FWL of Section 18, T23S-R31E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. 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 16 miles East of Loving, New Mexico.

**Case No. 23004. 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 320-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the NE/4 NE/4 of Section 31, the E/2 E/2 of Section 30, and the E/2 SE/4 and SE/4 NE/4 of Section 19, Township 23 South, Range 31 East in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: **Pajarito Fed Com 31 19 AAL #4H** well, to be horizontally drilled from an approximate surface hole location 1070’ FNL and

910' FEL of Section 31, T23S-R31E, to an approximate bottom hole location 1420' FNL and 400' FEL of Section 19, T23S-R31E. The first and last take points and completed interval will meet the setback requirements set forth in the statewide rules for horizontal oil wells. 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 16 miles East of Loving, New Mexico.

**PROPOSED EVIDENCE**

**APPLICANT:**

WITNESSES

Landman Mitch Krakauskas

Geologist Scott Kelley

EXHIBITS

7-8 for each case

6-7 for each case

**PROCEDURAL MATTERS**

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

Respectfully submitted,

**MONTGOMERY & ANDREWS, PA.**

By:     /s/Sharon T. Shaheen    

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

QUESTIONS

Action 138260

**QUESTIONS**

Operator: STRATA PRODUCTION CO P.O. Box 1030 Roswell, NM 882021030	OGRID: 21712
	Action Number: 138260
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

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