# 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. 24834

# 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. 24834. 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 E/2 NW/4 of Section 23 and the E/2 W/2 of Sections 14 and 11, Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following 2.5-mile wells in the HSU: (1) Oscar 23 11 FCL Fed Com #2H well, to be horizontally

drilled from an approximate surface hole location location 2310' FNL and 1905' FWL of Section 23, T23S-R30E, to an approximate bottom hole location 100' FNL and 1650' FWL of Section 11, T23S-R30E; and (2) Oscar 23 11 FCI Fed Com #12H well, to be horizontally drilled from an approximate surface hole location 2310' FNL and 1980' FWL of Section 23, T23S-R30E, to an approximate bottom hole location 100' FNL and 2310' FWL of Section 11, T23S-R30E. 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 wells and the allocation of the costs, the designation of Applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles East of Loving, New Mexico.

#### PROPOSED EVIDENCE

# **APPLICANT**:

WITNESSES (by affidavit)	EXHIBITS
Landman Mitch Krakauskas	5-6
Geologist Scott Kelley	5-6

#### PROCEDURAL MATTERS

Assuming no opposition at the time of hearing, these cases will be presented by affidavit.

Respectfully submitted,

# SPENCER FANE, LLP

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QUESTIONS

Action 387614

### **QUESTIONS**

Operator:	OGRID:
STRATA PRODUCTION CO	21712
P.O. Box 1030	Action Number:
Roswell, NM 882021030	387614
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

#### QUESTIONS

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