SWD 6/21/96

635

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030

STRATA PRODUCTION COMPANY

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

May 20, 1996

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Proposed Water Disposal Well
Stivason Federal #1
330' FNL & 330' FEL
Section 33-19S-34E
Lea County, New Mexico

Gentlemen:

Strata Production Company proposes converting the captioned well for water disposal into the Queen formation. The well will be used to dispose of produced water from the Queen formation in the Pearl Queen field. Please find enclosed the following data pertinent to our application:

1. Form C-108 with attached information.
2. Area of Review Plat.
3. Wellbore Diagram - Stivason Federal #1.
4. Proposed Wellbore Diagram - Stivason Federal #1.
5. Logs of proposed disposal zone - Stivason Federal #1.
6. Copies of public notice.
7. Copies of notices to surface owner and offset operators.
8. Water Analysis.

Should you have any questions regarding this matter, please contact this office.

Sincerely,

STRATA PRODUCTION COMPANY

Carol J. Garcia

Carol J. Garcia
Production Records Manager

CJG:ms
Enclosures

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: Strata Production Corp. Well: Stivason Federal No. 1

Contact: Frank Morgan Title: V.P. Phone: 505-622-1127

DATE IN 6-6-96 RELEASE DATE 6-21-96 DATE OUT 7-24-96

Proposed Injection Application is for: ___ **WATERFLOOD** ___ Expansion ___ Initial

Original Order: R- _____ ___ Secondary Recovery ___ Pressure Maintenance

SENSITIVE AREAS X **SALT WATER DISPOSAL** ___ Commercial Well

___ WIPP ___ Capitan Reef

Data is complete for proposed well(s)? YES Additional Data Req'd _____

AREA of REVIEW WELLS

8 Total # of AOR 0 # of Plugged Wells

YES Tabulation Complete ___ Schematics of P & A's

YES Cement Tops Adequate ___ AOR Repair Required

INJECTION FORMATION

Injection Formation(s) Queen 4571-5028 Compatible Analysis YES

Source of Water or Injectate Area Queen & Penrose Production

PROOF of NOTICE

YES Copy of Legal Notice YES Information Printed Correctly

YES Correct Operators WAIVER Copies of Certified Mail Receipts

NO Objection Received ___ Set to Hearing _____ Date

NOTES: _____

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL? YES

COMMUNICATION WITH CONTACT PERSON:

1st Contact: ___ Telephoned ___ Letter _____ Date Nature of Discussion _____

2nd Contact: ___ Telephoned ___ Letter _____ Date Nature of Discussion _____

3rd Contact: ___ Telephoned ___ Letter _____ Date Nature of Discussion _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501

FORM C-108
Revised 7-1-81

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ yes ☐ no

II. Operator: Strata Production Company

Address: P.O. Box 1030, Roswell, New Mexico 88202-1030

Contact party: Frank S. Morgan, Vice President Phone: 505-622-1127

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____.

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

* VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Frank S. Morgan Title Vice President/Operations

Signature: Frank S. Morgan Date: February 29, 1996

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. Refer to Stivason Federal #3 SWD-420 application dated April 3, 1991.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division district office.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;

(3) the formation name and depth with expected maximum injection rates and pressures; and

(4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

ANSWERS TO FORM C-108:

III. See attached well diagram.

IV. No.

V. See attached plat. There are eleven (11) wells within the area of review.

VI. Proposed Injection Well:

Stivason Federal #1: Located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 6/1/84. TD 5207'. Set 8 5/8" 24# casing at 1535' with 600 sacks cement. Set 4 1/2" 10 .5# casing at 5207' with 600 sacks cement. Set 1" tubing in annulus between 8 5/8" casing and 4 1/2" casing. Circulated cement from base of 8 5/8" casing to surface with 300 sacks cement. Perforated 5022'-5028'. Acidize with 500 gallons 7 1/2% acid. Frac with 16,000 gallons gel water and 18,000# 20/40 sand. Perforated 4511'-4532'. Acidize with 500 gallons 7 1/2% acid. Frac with 20,000 gallons 30# gel KCL and 24,500# 20/40 sand. Set bridge plug and perforated 3908'-4100'. Acidized with 3500 gallons 7 1/2% DS-30 acid. Produced from the Seven Rivers formation. Squeezed 3098'-4100' with 250 sacks cement. Produced from the Queen formation. Current status Shut-in.

Off-Set Wells in Area of Review:

Stivason Federal #3: Located 330' FNL and 1650' FEL of Section 33, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 12/15/85. TD 4630'. Set 8 5/8" 24# casing at 1597' with 550 sacks cement. Circulated 25 sacks to pit. Set 5 1/2" 15.5# casing at 4630' with 375 sacks cement. Perforated 4291'-4294' and 4092'-4108'. Squeezed perfs with 75 sacks cement. Perforated 3926'-3932'. Squeezed perfs with 75 sacks cement. Perforated Queen 4527'-4536'. Set CIBP at 4500' with 35' cement on top. Perforated 3901'-3908'. Produced from Seven Rivers 3901'-3908'. Squeezed with 150 sacks cement. Drilled out cement and CIBP. Perforated 4546'-4556'. Acidize with 3000 gallons 15% NEFE. Converted to SWD.

Stivason Federal #2: Located 330' FSL and 1650' FEL of Section 28, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 12/20/84. TD 4610'. Set 8 5/8" 24# casing at 1562' with 550 sacks cement. Circulated 50 sacks to pit. Set 5 1/2" 14.8# casing at 4610' with 450 sacks cement. Perforated 4523'-4531'. Acidize with 350 gallons 7 1/2% acid. Produced from the Queen formation. Current status Shut-in. Plan to Plug and Abandon.

Stivason Federal #4: Located 660' FSL and 760' FEL of Section 28, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 6/13/89. TD 5125'. Set 8 5/8" 23# casing at 1330' with 650 sacks cement. Set 5 1/2" 15.5# casing at 5125' with 550 sacks cement. Perforated 4668-4469', 4804'-4805', 4851'-4861' and 4508'-4831'. Acidize with 2700 gallons 15% acid. Frac with 30,000 gallons gel and 59,000# sand. Current status Producing.

Stivason Federal #5: Located 660' FSL and 550' FWL of Section 27, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 11/5/89. TD 5115'. Set 8 5/8" 24# casing at 1318' with 600 sacks cement. Circulated 175 sacks cement to pit. Set 5 1/2" 15.5# casing at 5115' with 830 sacks cement. Perforated 4794'-4844'. Acidize with 1200 gallons 7 1/2% acid. Frac with 40,000 gallons gel and 70,000# sand. Perforated 4518'-4537'. Acidize with 2,000 gallons 7 1/2% acid. Frac with 35,000 gallons gel and 50,000# 20/40 sand. Current status Producing.

Sun Pearl Federal #1: Located 1650' FSL and 1650' FEL of Section 28, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 6/2/89. TD 5152'. Set 8 5/8" 23# casing at 1342' with 700 sacks cement. Set 4 1/2" casing at 5150' with 1600 sacks cement. Perforated 5070'-5080'. Acidize with 1000 gallons 15% acid. Frac with 29,500# sand. Perforated 4844'-4846', 4795'-4797', 4505'-4517' and 4525'-4532'. Current status Producing.

Sun Pearl Federal #2: Located 1850' FSL and 550' FEL of Section 28, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 11/17/89. TD 5153'. Set 8 5/8" 23# casing at 1359' with 400 sacks cement. Set 5 1/2" casing at 5153' with 1100 sacks cement. Perforated 4782'-4788', 4829'-4835', 4520'-4530' and 4535'-4540'. Acidize with 800 gallons 15% acid. Frac with 300,000 gallons gel and 45,000# 20/40 sand and 20,000# 16/30 sand. Current status Producing.

West Pearl Federal #1: Located 1980' FSL and 660' FWL of Section 27, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 4/5/91. TD 5300'. Set 8 5/8" casing at 1310' with 700 sacks cement. Set 5 1/2" casing at 5300' with 1075 sacks cement. Perforated 4670'-4673'. Acidize with 1000 gallons 15% acid. Perforated 4784'-4945'. Acidize with 7000 gallons 15% acid. Frac with 50,000 gallons gel and 116,000# sand. Perforated 4515'-4541'. Acidize with 4,000 gallons 15% acid. Squeezed perfs with 100 sacks cement. Produced from Queen formation. Set RBP at 4400'. Perforated 3884'-3989'. Acidize with 5,000 gallons 7 1/2% acid. Frac with 25,000 gallons gel and 53,000# sand. Current status Producing.

Mallon "34" Federal #1: Located 660' FNL and 990' FWL of Section 34, Township 19 South, Range 34 East, Lea County, New Mexico. Spud 8/3/94. TD 6306'. Set 9 5/8" casing at 1501' with 950 sacks cement. Set 5 1/2" casing at 6306' with 1410 sacks cement. Perforated 5094'-5138'. Frac with 2000 gallons gel and 54,500# sand. Produced from Grayburg formation. Squeezed perfs with 157 sacks cement. 8/20/95 convert to SWD. Perforated 6180'-6260'. Acidize with 3000 gallons 15% acid. Frac with 24,000# sand. Current status SWD.

VII/VIII. Injection Zone/Procedure

Zone to be Injected:	4511'-5028' Cased hole

This interval produces oil in the vicinity. The sandstone to be injected in to is down dip from oil-water contact.

TYPE INJECTION SYSTEM:	Closed
PROPOSED DAILY INJECTION RATE:	350 barrels initial (1 BPM)
MAXIMUM DAILY INJECTION RATE:	650 barrels (1.5 BPM)
AVERAGE INJECTION PRESSURE:	650 psi Estimated
MAXIMUM INJECTION PRESSURE:	880 psi

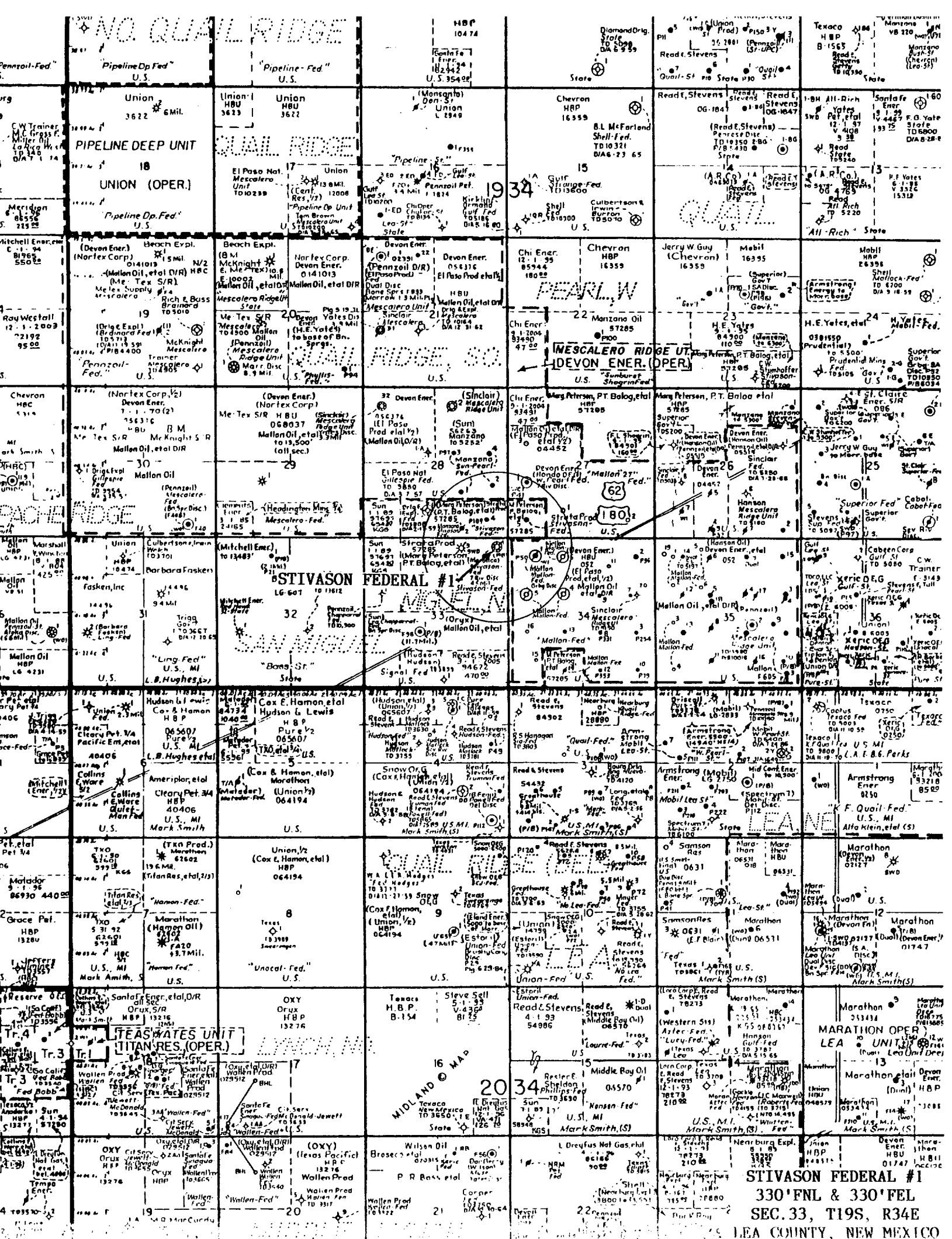
Water Compatibility: The water to be injected will initially be produced from adjacent Strata and Manzano operated wells producing from the Queen and Penrose sandstone. Currently the field produces approximately 110 BOPD and 190 BWPD. No additional drilling or workovers in the Queen formation are scheduled at this time.

IX. Stimulation Program: Inject 2500 gallons 15% NEFE in zone, if necessary.

X. See attached log showing open-hole.

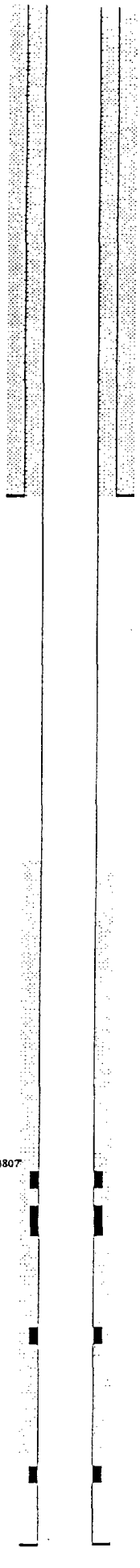
XI. Water Analysis attached.

XII. Strata Production Company has examined all available geologic and engineering data in this area and finds no evidence of open faults or other hydrologic connections between the disposal zone and any potable aquifers.


NO. QUAIL RIDGE
PIPELINE DEEP UNIT
UNION (OPER.)
QUAIL RIDGE
PEARL W
MESCALERO RIDGE UT.
DEVON ENER. (OPER.)
QUAIL RIDGE SO.
STIVASON FEDERAL #1
MESCALERO RIDGE
QUAIL
MARATHON
TEAS YATES UNIT
TITAN RES. (OPER.)
MIDLAND MAP
MARATHON OPER.
LEA UNIT
STIVASON FEDERAL #1
330'FNL & 330'FEL
SEC. 33, T19S, R34E
LEA COUNTY, NEW MEXICO

STRA PRODUCTION COMPANY
STIVASON FEDERAL #1
330' FNL & 330' FEL
SECTION 33-T19S-R34E
LEA COUNTY, NEW MEXICO
LEASE No.: NM-57285

SPUD DATE: 5/31/84



1" ANNULUS BETWEEN 4 1/2" & 8 5/8" CASING W/300 SX PACESETTER LITE

8 5/8" - 24 #/FT., J-55, @ 1533'

RUSTLER @ 1684'

CMT. W/ 400 SX PACESETTER LITE & 200 SX CLASS "C" W/ 2% CACL, CIRC. 160 SX.

SALT @ 1774'

APPROX. T.O.C. @ 2700'

TANSILL @ 3310'

YATES @ 3500'

SEVEN RIVERS @ 3807'

3906, 7 8 9 10, 11, 12, 13, & 14

4010, 11, 12, 19, 20, 21, 22, 23, 24, & 25; 4095-4100'

QUEEN @ 4483'

4511, 12, 13, 14, 28, 29, 30, 31 & 32

PENROSE @ 4796'

5022, 23, 21, 25, 26, 27, & 28

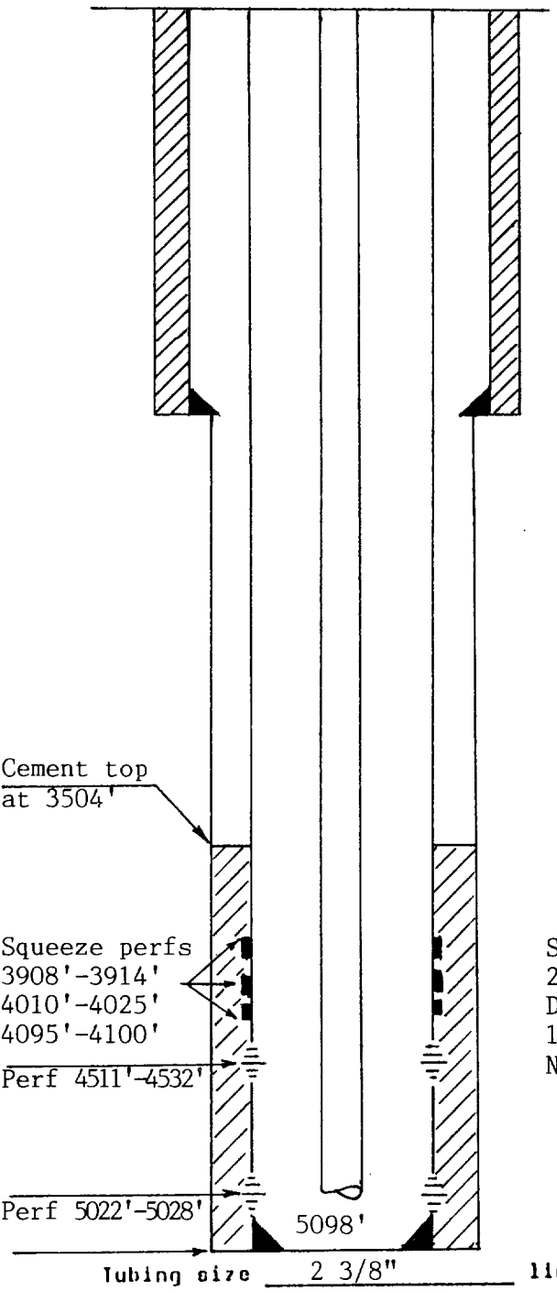
4 1/2" 10.5 LB./FT. J-55 ST&C @ 5200'

CMT. W/600 SX CLASS "C" 3% CACL

INJECTION WELL DATA SHEET

Strata Production Company	Stivason Federal			
OPERATOR	LEASE			
#1	330' FNL & 330' FEL	33	19S	34E
WELL NO.	FOOTAGE LOCATION	SECTION	TOWNSHIP	RANGE

Schematic



Tabular Data

Surface Casing

Size 8 5/8 " Cemented with 600 sx.

TOC Circulated feet determined by Circulated

Hole size 12 1/4"

Intermediate Casing

Size _____ " Cemented with _____ sx.

TOC _____ feet determined by _____

Hole size _____

Long string

Size 4 1/2 " Cemented with 600 sx.

TOC 3504 feet determined by Survey

Hole size 7 7/8"

Total depth 5207'

Injection interval

4511 feet to 5028 feet
(perforated or open-hole, indicate which)

Squeeze with:
250 sx Class "C" cement.
Drill out and test to
1500# for 15 minutes.
No decrease in pressure.

Tubing size 2 3/8" lined with plastic coating (material) set in a

zinc coated Mylar Tension 4 1/2 (brand and model) packer at 4400 feet

(or describe any other casing-tubing seal).

Other Data

1. Name of the injection formation Queen

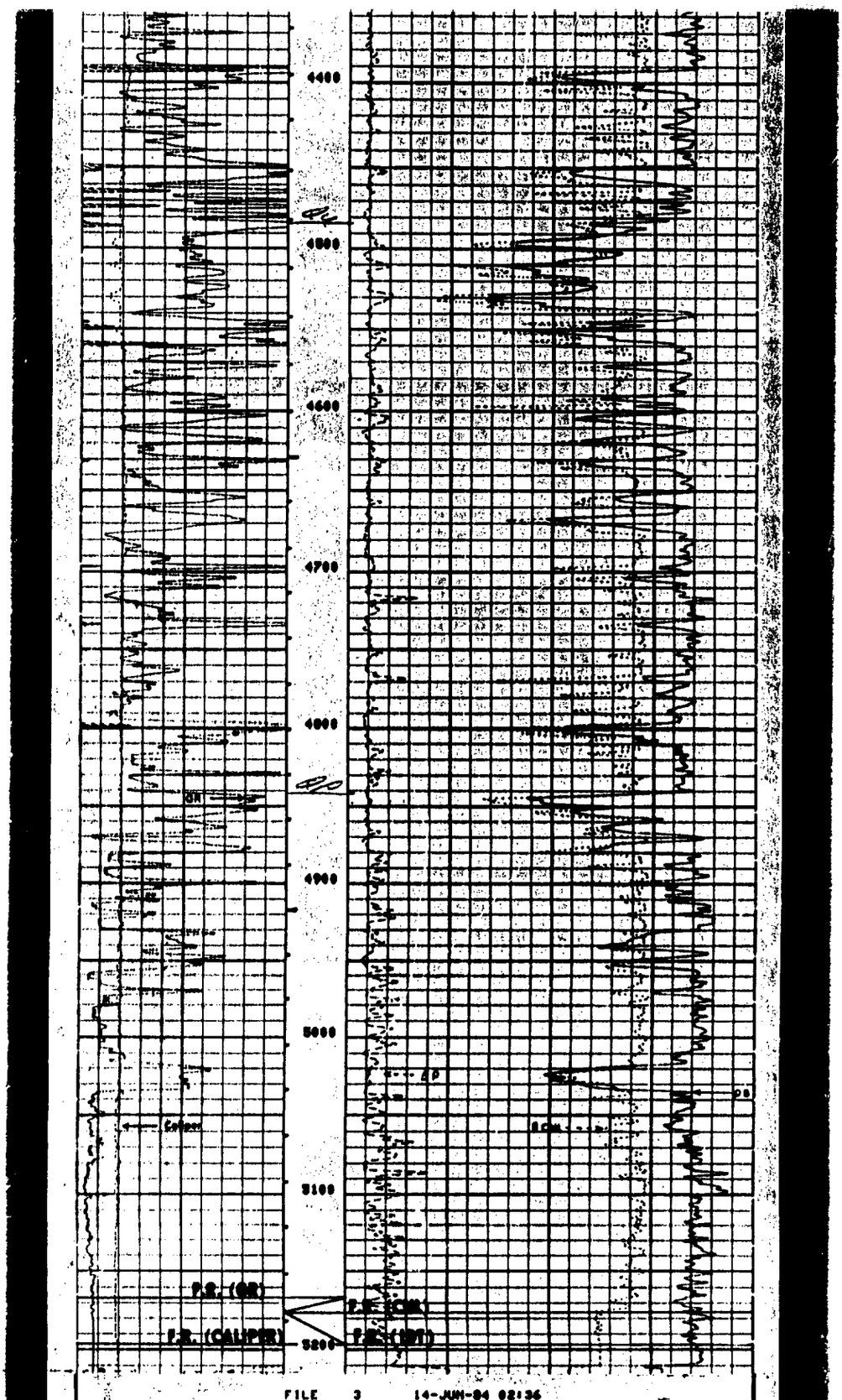
2. Name of Field or Pool (if applicable) Pearl Queen

3. Is this a new well drilled for injection? /_/ Yes /X/ No

   If no, for what purpose was the well originally drilled? The well was originally drilled for oil and gas reserves.

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) Yes, as indicated on diagram.

5. Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. As indicated in format.



FILE 3 14-JUN-84 02:36

CALI(IN)	DRHO(G/C3)
6.0000 16.000	-.0500 .45000
GR (GAPI)	RHOB(G/C3)
0.0 100.00	2.0000 3.0000
GR (GAPI)	NPHI
100.00 200.00	.70000 .30000
	NPHI
	.30000 -.1000

SENSOR MEASURE POINT TO TOOL ZERO

STSG	27.6	FEET	GR	38.2	FEET
NCNL	23.2	FEET	SCNL	23.2	FEET
SS2	2.0	FEET	FCNL	23.2	FEET
LITH	2.5	FEET	SS1	2.0	FEET
LU	2.5	FEET	LS	2.5	FEET
CALI	2.6	FEET	LL	2.5	FEET
NRAT	23.2	FEET	TENS	-.9	FEET

PARAMETERS

NAME	VALUE	UNIT	NAME	VALUE	UNIT
BHT	100.000	DEGF	TD	5200.00	F
PSNR	2.28900		SHT	80.0000	DEGF
MATR	LIME		MC	CALI	
MDEN	2.71000	G/C3	FD	1.10600	G/C3
LPCS	THIN		MMUD	0.00000	LB/G
DHS	OPEN		DMC	8.5000	IN

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, Kathi Bearden

Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of _____

1 weeks.
Beginning with the issue dated

March 7, 1996
and ending with the issue dated

March 7, 1996

Kathi Bearden
Publisher
Sworn and subscribed to before

me this 18th day of

March, 1996

Marilyn K. Higgins
Notary Public.

My Commission expires
March 24, 1998
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE
March 7, 1996
PUBLIC NOTICE
APPLICATION FOR WATER DISPOSAL

Strata Production Company, P. O. Box 1030, Roswell, New Mexico 88202-1030, (Contact: Frank S. Morgan, 505-622-1127), has filed Application with the Oil Conservation Division, Energy, Minerals and Natural Resources Department, State of New Mexico, for Administrative Approval and authority to inject salt water into the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

The purpose of the water injection well is to dispose of salt water produced from the producing Queen and Penrose formations as currently designated by the Oil Conservation Division and as may be extended by additional drilling.

Water to be disposed will be injected into the Upper Queen formation at an interval between 4511 feet to 5028 feet beneath the surface.

The minimum injection rate is expected to be approximately 350 barrels of water per day. The maximum injection rate is expected to be approximately 650 barrels of water per day.

Minimum injection pressure is expected to be approximately 650 PSI. The maximum injection pressure is expected to be approximately 880 PSI.

Any interested party may file an objection to the Application or may request a public hearing. Any objection or request for hearing must be filed with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504-2088 within 15 days from the date of publication.

STRATA PRODUCTION COMPANY
By: Carol J. Garcia
P. O. Box 1030
Roswell, New Mexico
88202-1030
Telephone 505-622-1127
#14427

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030

STRATA PRODUCTION COMPANY

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

March 4, 1996

Hobbs Daily Sun
P. O. Box 860
Hobbs, New Mexico 88241-0860

Re: Legal Publications

Gentlemen:

Enclosed herewith please find a Legal Notice to be published in your newspaper at the earliest possible date.

Please publish the notice one (1) time only and forward an Affidavit of Publication along with your invoice to:

Strata Production Company
ATTN: Carol J. Garcia
P. O. Box 1030
Roswell, New Mexico 88202-1030

Should you have any questions regarding this matter, please contact this office. Thank you for your cooperation.

Sincerely,

STRATA PRODUCTION COMPANY

Carol J. Garcia

Carol J. Garcia
Production Records Manager

CJG:ms
Enclosure

PUBLIC NOTICE

APPLICATION FOR WATER DISPOSAL

Strata Production Company, P. O. Box 1030, Roswell, New Mexico 88202-1030, (Contact: Frank S. Morgan, 505-622-1127), has filed Application with the Oil Conservation Division, Energy, Minerals and Natural Resources Department, State of New Mexico, for Administrative Approval and authority to inject salt water into the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

The purpose of the water injection well is to dispose of salt water produced from the producing Queen and Penrose formations as currently designated by the Oil Conservation Division and as may be extended by additional drilling.

Water to be disposed will be injected into the Upper Queen formation at an interval between 4511 feet to 5028 feet beneath the surface.

The minimum injection rate is expected to be approximately 350 barrels of water per day. The maximum injection rate is expected to be approximately 650 barrels of water per day.

Minimum injection pressure is expected to be approximately 650 PSI. The maximum injection pressure is expected to be approximately 880 PSI.

Any interested party may file an objection to the Application or may request a public hearing. Any objection or request for hearing must be filed with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87504-2088 within 15 days from the date of publication.

STRATA PRODUCTION COMPANY

By: Carol J. Garcia

Carol J. Garcia
P. O. Box 1030
Roswell, New Mexico 88202-1030
Telephone 505-622-1127

Form 3160-5
(JUNE 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND AMANGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
Oil [X] Well Gas [ ] Well [ ] Other

2. Name of Operator
STRATA PRODUCTION COMPANY

3. Address and Telephone No. P.O. Box 1030
Roswell, New Mexico 88202-1030 505-622-1127

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330' FNL & 330' FEL
Section 33-19S-34E

5. Lease Designation and Serial No.
NM-57285

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Stivason Federal #1

9. API Well No.
30-025-28745

10. Field and Pool, or Exploratory Area
Pearl Queen

11. County or Parish, State
Lea County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION		TYPE OF ACTION			
[X]	Notice of Intent	[ ]	Abandonment	[X]	Change of Plans
		[ ]	Recompletion	[ ]	New Construction
[ ]	Subsequent Report	[ ]	Plugging Back	[ ]	Non-Routine Fracturing
		[ ]	Casing Repair	[ ]	Water Shut-Off
[ ]	Final Abandonment Notice	[ ]	Altering Casing	[ ]	Conversion to Injection
		[ ]	OTHER _____	[X]	Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Strata Production Company requests approval to change plans from plugging and abandoning well to converting to water disposal. The OCD Form C-108 Application For Authorization To Inject is being processed. A copy of said Application is attached.

14. I hereby certify that the foregoing is true and correct
Signed Carol J. Darcia Title Production Records Manager Date 3/7/96

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

* See Instruction or Revers Side

F3160-5.WK1

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030

STRATA PRODUCTION COMPANY

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

May 20, 1996

CERTIFIED/RETURN RECEIPT REQUESTED

Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Re: Salt Water Disposal Well
Stivason Federal #1
Section 33-19S-34E
Lea County, New Mexico

Gentlemen:

As an operator of an oil and gas lease within one-half mile of the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, Lea County, New Mexico, please note the following.

Strata Production Company is filing Application with the New Mexico Oil Conservation Division for authority to convert the hole to a water disposal well for the re-injection of water produced from the Pearl Queen field into porous zones in the Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the NMOCD Form C-108 which is the Application for Authorization to Inject.

If you have an objection to the Application or feel that a public hearing is necessary, please contact the NMOCD, P. O. Box 2088, Santa Fe, New Mexico 87504-2088. You may also contact Mr. Frank S. Morgan, Strata Production Company, P. O.Box 1030, Roswell, New Mexico 88202-1030, telephone 505-622-1127.

If you do not have an objection to the above mentioned Application, please sign one copy of this letter in the space provided and return to the undersigned.

Sincerely,

STRATA PRODUCTION COMPANY

Carol J. Garcia
Production Records Manager

DEVON ENERGY CORPORATION does not object to the subject Application.

By:_____

Dated:_____

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030

STRATA PRODUCTION COMPANY

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

May 29, 1996

CERTIFIED/RETURN RECEIPT REQUESTED

Mallon Resources Corporation
999 18th Street, Suite 1700
Denver, Colorado 80202

Re: Salt Water Disposal Well
Stivason Federal #1
Section 33-19S-34E
Lea County, New Mexico

Gentlemen:

As an operator of an oil and gas lease within one-half mile of the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, Lea County, New Mexico, please note the following.

Strata Production Company is filing Application with the New Mexico Oil Conservation Division for authority to convert the hole to a water disposal well for the re-injection of water produced from the Pearl Queen field into porous zones in the Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the NMOCD Form C-108 which is the Application for Authorization to Inject.

If you have an objection to the Application or feel that a public hearing is necessary, please contact the NMOCD, P. O. Box 2088, Santa Fe, New Mexico 87504-2088. You may also contact Mr. Frank S. Morgan, Strata Production Company, P. O.Box 1030, Roswell, New Mexico 88202-1030, telephone 505-622-1127.

If you do not have an objection to the above mentioned Application, please sign one copy of this letter in the space provided and return to the undersigned.

Sincerely,

STRATA PRODUCTION COMPANY

Carol J. Garcia

Carol J. Garcia
Production Records Manager

MALLON RESOURCES CORPORATION does not object to the subject Application.

By:_____

Dated:_____

POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030

STRATA PRODUCTION COMPANY

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 700
ROSWELL, NEW MEXICO 88201

May 20, 1996

CERTIFIED/RETURN RECEIPT REQUESTED

Manzano Oil Corporation
P. O. Box 2107
Roswell, New Mexico 88202-2107

Re: Salt Water Disposal Well
Stivason Federal #1
Section 33-19S-34E
Lea County, New Mexico

Gentlemen:

As an operator of an oil and gas lease within one-half mile of the Stivason Federal #1 well located 330' FNL and 330' FEL of Section 33, Township 19 South, Range 34 East, Lea County, New Mexico, please note the following.

Strata Production Company is filing Application with the New Mexico Oil Conservation Division for authority to convert the hole to a water disposal well for the re-injection of water produced from the Pearl Queen field into porous zones in the Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the NMOCD Form C-108 which is the Application for Authorization to Inject.

If you have an objection to the Application or feel that a public hearing is necessary, please contact the NMOCD, P. O. Box 2088, Santa Fe, New Mexico 87504-2088. You may also contact Mr. Frank S. Morgan, Strata Production Company, P. O.Box 1030, Roswell, New Mexico 88202-1030, telephone 505-622-1127.

If you do not have an objection to the above mentioned Application, please sign one copy of this letter in the space provided and return to the undersigned.

Sincerely,

STRATA PRODUCTION COMPANY

Carol J. Garcia
Production Records Manager

MANZANO OIL CORPORATION does not object to the subject Application.

By:_____
Dated:_____

TRETOLITE
Chemicals and Services

16010 Barker's Point Lane • Houston, Texas 77079
713 558-5200 • Telex: 4620346 • FAX: 713 589-4737

Reply to: P.O. Box 5250
Hobbs, New Mexico 88241
(505) 392-6711 Phone
(505) 392-3759 Fax

WATER ANALYSIS REPORT

Company : STRATA PRODUCTION
Address : LOCO HILLS, NM
Lease : STIVANSON
Well : #4
Sample Pt. : WELLHEAD

Date : 02/07/92
Date Sampled : 02/05/92
Analysis No. : 136

	ANALYSIS		mg/L		* meq/L
1.	pH	6.2			
2.	H2S	5 PPM			
3.	Specific Gravity	1.125			
4.	Total Dissolved Solids		180272.1		
5.	Suspended Solids				
6.	Dissolved Oxygen				
7.	Dissolved CO2		180 PPM		
8.	Oil In Water				
9.	Phenolphthalein Alkalinity (CaCO3)				
10.	Methyl Orange Alkalinity (CaCO3)		100.0		
11.	Bicarbonate	HCO3	122.0	HCO3	2.0
12.	Chloride	Cl	110377.1	Cl	3113.6
13.	Sulfate	SO4	2000.0	SO4	41.6
14.	Calcium	Ca	7262.5	Ca	362.4
15.	Magnesium	Mg	4200.8	Mg	345.6
16.	Sodium (calculated)	Na	56308.2	Na	2449.2
17.	Iron	Fe	1.5		
18.	Barium	Ba	0.0		
19.	Strontium	Sr	0.0		
20.	Total Hardness (CaCO3)		35431.9		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter

362	*Ca <----- *HCO3	2
	/------->	
346	*Mg -----> *SO4	42
	<---------/	
2449	*Na -----> *Cl	3114

Saturation Values Dist. Water 20 C
CaCO3 13 mg/L
CaSO4 * 2H2O 2090 mg/L
BaSO4 2.4 mg/L

Compound	Equiv wt	X meq/L	= mg/L
Ca(HCO3)2	81.0	2.0	162
CaSO4	68.1	41.6	2835
CaCl2	55.5	318.8	17687
Mg(HCO3)2	73.2		
MgSO4	60.2		
MgCl2	47.6	345.6	16452
NaHCO3	84.0		
Na2SO4	71.0		
NaCl	58.4	2449.2	143134

REMARKS:
D. CANADA / MLAB / FILE

Petrolite Oilfield Chemicals Group

Respectfully submitted,
ROZANNE JOHNSON

PETROLITE

SCALE TENDENCY REPORT

Company	: STRATA PRODUCTION	Date	: 02/07/92
Address	: LOCO HILLS, NM	Date Sampled	: 02/05/92
Lease	: STIVANSON	Analysis No.	: 136
Well	: #4	Analyst	: ROZANNE JOHNSON
Sample Pt.	: WELLHEAD		

STABILITY INDEX CALCULATIONS
(Stiff-Davis Method)
CaCO3 Scaling Tendency

S.I. =	-0.1	at	60 deg. F or	16	deg. C
S.I. =	-0.0	at	80 deg. F or	27	deg. C
S.I. =	0.0	at	100 deg. F or	38	deg. C
S.I. =	0.1	at	120 deg. F or	49	deg. C
S.I. =	0.1	at	140 deg. F or	60	deg. C

****

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS
(Skillman-McDonald-Stiff Method)
Calcium Sulfate

S =	2239	at	60 deg. F or	16	deg C
S =	2468	at	80 deg. F or	27	deg C
S =	2614	at	100 deg. F or	38	deg C
S =	2681	at	120 deg. F or	49	deg C
S =	2728	at	140 deg. F or	60	deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,
ROZANNE JOHNSON

TRETOLITE
Chemicals and Services

16010 Barker's Point Lane • Houston, Texas 77079
713 558-5200 • Telex: 4620346 • FAX: 713 589-4737

Reply to: P.O. Box 5250
Hobbs, New Mexico 88241
(505) 392-6711 Phone
(505) 392-3759 Fax

WATER ANALYSIS REPORT

Company : STRATA PRODUCTION
Address : LOCO HILLS, NM
Lease : STIVANSON
Well : #5
Sample Pt. : WELLHEAD

Date : 02/07/92
Date Sampled : 02/05/92
Analysis No. : 139

	ANALYSIS		mg/L		* meq/L
1.	pH	6.1			
2.	H2S	5 PPM			
3.	Specific Gravity	1.120			
4.	Total Dissolved Solids		169420.4		
5.	Suspended Solids				
6.	Dissolved Oxygen				
7.	Dissolved CO2		140 PPM		
8.	Oil In Water				
9.	Phenolphthalein Alkalinity (CaCO3)				
10.	Methyl Orange Alkalinity (CaCO3)		100.0		
11.	Bicarbonate	HCO3	122.0	HCO3	2.0
12.	Chloride	Cl	103329.7	Cl	2914.8
13.	Sulfate	SO4	2050.0	SO4	42.7
14.	Calcium	Ca	6990.0	Ca	348.8
15.	Magnesium	Mg	3471.5	Mg	285.6
16.	Sodium (calculated)	Na	53453.8	Na	2325.1
17.	Iron	Fe	3.5		
18.	Barium	Ba	0.0		
19.	Strontium	Sr	0.0		
20.	Total Hardness (CaCO3)		31748.5		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter

349	*Ca <----- *HCO3	2
	/------->	
286	*Mg -----> *SO4	43
	<---------/	
2325	*Na -----> *Cl	2915

Saturation Values Dist. Water 20 C
CaCO3 13 mg/L
CaSO4 * 2H2O 2090 mg/L
BaSO4 2.4 mg/L

Compound	Equiv wt	X meq/L	= mg/L
Ca(HCO3)2	81.0	2.0	162
CaSO4	68.1	42.7	2906
CaCl2	55.5	304.1	16875
Mg(HCO3)2	73.2		
MgSO4	60.2		
MgCl2	47.6	285.6	13596
NaHCO3	84.0		
Na2SO4	71.0		
NaCl	58.4	2325.1	135878

REMARKS:
D. CANADA / MLAB / FILE

Petrolite Oilfield Chemicals Group

Respectfully submitted,
ROZANNE JOHNSON

PETROLITE

SCALE TENDENCY REPORT

Company	: STRATA PRODUCTION	Date	: 02/07/92
Address	: LOCO HILLS, NM	Date Sampled	: 02/05/92
Lease	: STIVANSON	Analysis No.	: 139
Well	: #5	Analyst	: ROZANNE JOHNSON
Sample Pt.	: WELLHEAD		

STABILITY INDEX CALCULATIONS
(Stiff-Davis Method)
CaCO3 Scaling Tendency

S.I. = -0.2 at 60 deg. F or 16 deg. C
S.I. = -0.2 at 80 deg. F or 27 deg. C
S.I. = -0.1 at 100 deg. F or 38 deg. C
S.I. = -0.1 at 120 deg. F or 49 deg. C
S.I. = -0.0 at 140 deg. F or 60 deg. C

****

CALCIUM SULFATE SCALING TENDENCY CALCULATIONS
(Skillman-McDonald-Stiff Method)
Calcium Sulfate

S = 2318 at 60 deg. F or 16 deg C
S = 2551 at 80 deg. F or 27 deg C
S = 2699 at 100 deg. F or 38 deg C
S = 2771 at 120 deg. F or 49 deg C
S = 2824 at 140 deg. F or 60 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,
ROZANNE JOHNSON