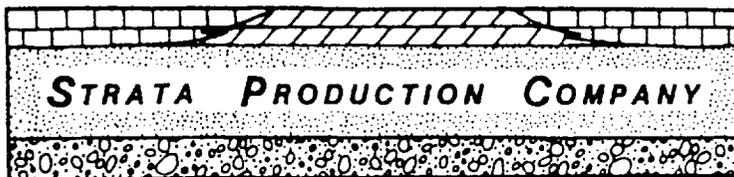


AMEND SWD

4/9/99

POST OFFICE DRAWER 1030  
ROSWELL, NM 88202-1030



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

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

March 23, 1999

Oil Conservation Division  
ATTN: David Catanach  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Stivason Federal #1  
Administrative Order SWD-635  
A-Section 33-19S-34E  
Lea County, New Mexico

Dear David:

In accordance with our discussions, Strata Production Company hereby requests an Amendment to the above referenced Order to include the Seven Rivers formation with the Queen formation. The formations are similar and of the same geological age. The top of the Seven Rivers formation is at approximately 3806'. The packer is set at 3816'.

The perforations at 3908' to 4100' were cement squeezed. When the wellbore was drilled out, the packer was inadvertently set at the depth used to squeeze the perms. The open perforations are at 4511' to 4532' and 5022' to 5028' in the Queen formation.

No adverse effect is evident in disposing at an interval of 3816' to 5028'. At this time of low oil prices, it is not cost effective to move the packer to a depth of 4411'. Therefore, we respectfully request approval of said Amendment. Should you require additional information, please contact this office.

Sincerely,

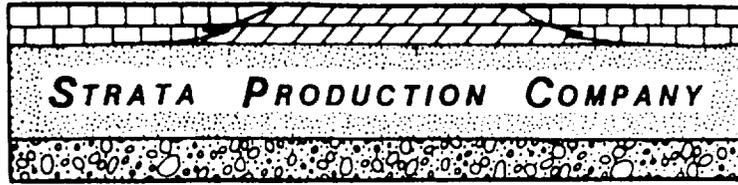
STRATA PRODUCTION COMPANY

*Carol J. Garcia*  
Carol J. Garcia  
Production Records Manager

CJG:ms



POST OFFICE DRAWER 1030  
ROSWELL, NM 88202-1030



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

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

May 28, 1999

Oil Conservation Division  
ATTN: Mike Ashley  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Administrative Order SWD-635  
Amendment  
SPC - Stivason Federal #1  
330' FNL & 330' FEL  
Section 33-19S-34E  
Lea County, New Mexico

Dear Mr. Ashley:

Enclosed herewith please find a copy of the Legal Notice, letters of notice and certified receipts to the offset operators and no objection letters from Devon Energy Corporation and Manzano Oil Corporation for the above referenced.

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

Sincerely,

STRATA PRODUCTION COMPANY

A handwritten signature in cursive script that reads "Carol J. Garcia".

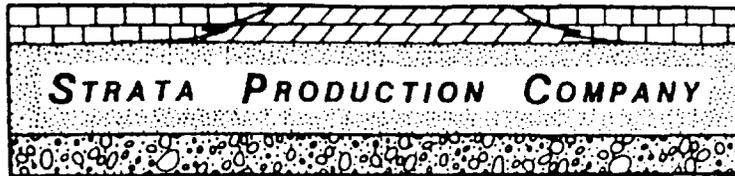
Carol J. Garcia  
Production Records Manager

CJG:ms

Enclosures



POST OFFICE DRAWER 1030  
ROSWELL, NM 88202-1030



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

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

May 7, 1999

RECEIVED

MAY 10 1999

REGISTRATION DEPARTMENT

CERTIFIED/RETURN RECEIPT REQUESTED  
Devon Energy Corporation (Nevada)  
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 has filed an Amendment to Administrative Order SWD-635 with the New Mexico Oil Conservation Division for authority to re-inject water produced from the Pearl Queen field into porous zones in the Yates Seven Rivers and Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the Amendment Letter Request, NMOCD Form C-103 and Administrative Order SWD-635.

If you have an objection to the Amendment or feel that a public hearing is necessary, please contact the NMOCD, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. 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 aforementioned Amendment, please sign one copy of this letter in the space provided and return to the undersigned.

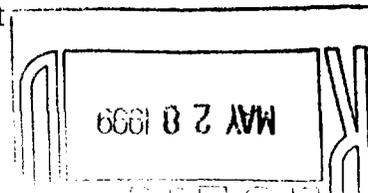
Sincerely,

STRATA PRODUCTION COMPANY  
*Carol J. Garcia*  
Carol J. Garcia  
Production Records Manager

(NEVADA)

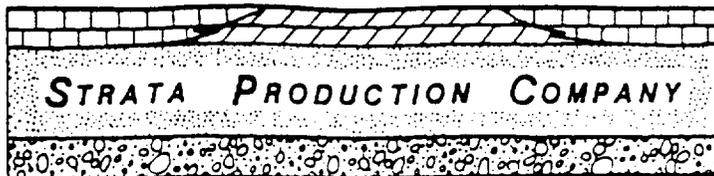
DEVON ENERGY CORPORATION/does not object to the subject Amendment.

By: *Karin Bellamy* WF  
Dated: 5/24/99





POST OFFICE DRAWER 1030  
ROSWELL, NM 88202-1030



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

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

May 7, 1999

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 has filed an Amendment to Administrative Order SWD-635 with the New Mexico Oil Conservation Division for authority to re-inject water produced from the Pearl Queen field into porous zones in the Yates Seven Rivers and Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the Amendment Letter Request, NMOCD Form C-103 and Administrative Order SWD-635.

If you have an objection to the Amendment or feel that a public hearing is necessary, please contact the NMOCD, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. 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 aforementioned Amendment, please sign one copy of this letter in the space provided and return to the undersigned.

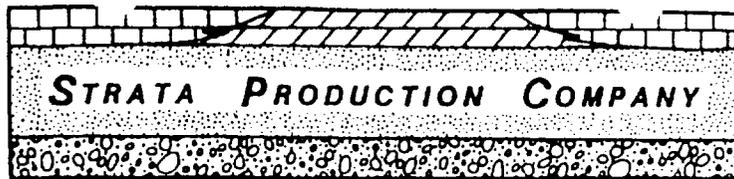
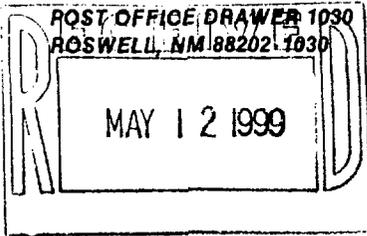
Sincerely,

STRATA PRODUCTION COMPANY  
*Carol J. Garcia*  
Carol J. Garcia  
Production Records Manager

MALLON RESOURCES CORPORATION does not object to the subject Amendment.

By: \_\_\_\_\_  
Dated: \_\_\_\_\_





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

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

May 7, 1999

*Re fur*

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 has filed an Amendment to Administrative Order SWD-635 with the New Mexico Oil Conservation Division for authority to re-inject water produced from the Pearl Queen field into porous zones in the Yates Seven Rivers and Upper Queen formation.

Consequently, and pursuant to the rules and regulations of the NMOCD, enclosed please find a copy of the Amendment Letter Request, NMOCD Form C-103 and Administrative Order SWD-635.

If you have an objection to the Amendment or feel that a public hearing is necessary, please contact the NMOCD, 2040 South Pacheco Street, Santa Fe, New Mexico 87505. 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 aforementioned Amendment, 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

MANZANO OIL CORPORATION does not object to the subject Amendment.

By: *Donnie J. Brown*  
Dated: *5/11/99*



US Postal Service

### Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to <b>Devon Energy Corporation</b>	
Street & Number <b>20 N. Broadway, Suite 1500</b>	
Post Office, State, & ZIP Code <b>Oklahoma City, OK 73102-8260</b>	
Postage	\$ .55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.20</b>
Postmark or Date	

3800, April 1995

Z 263 896 181

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to:	4a. Article Number Z 263 896 182	
Devon Energy Corporation 20 N. Broadway, Suite 1500 Oklahoma City, OK 73102-8260	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name)	7. Date of Delivery 5-10	
6. Signature: (Addressee or Agent) <i>[Signature]</i>	8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

US Postal Service

### Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to <b>Mallon Resources Corporation</b>	
Street & Number <b>999 18th Street, Suite 1700</b>	
Post Office, State, & ZIP Code <b>Denver, CO 80202</b>	
Postage	\$ .55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.20</b>
Postmark or Date	

3800, April 1995

Z 263 896 180

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to:	4a. Article Number Z 263 896 181	
Mallon Resources Corporation 999 18th Street, Suite 1700 Denver, CO 80202	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name)	7. Date of Delivery	
6. Signature: (Addressee or Agent) <i>[Signature]</i>	8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

US Postal Service

### Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to <b>Manzano Oil Corporation</b>	
Street & Number <b>P. O. Box 2107</b>	
Post Office, State, & ZIP Code <b>Roswell, NM 88202-2107</b>	
Postage	\$ .55
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.20</b>
Postmark or Date	

3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a, and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "Return Receipt Requested" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to:	4a. Article Number Z 263 896 180	
Manzano Oil Corporation P. O. Box 2107 Roswell, NM 88202-2107	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name)	7. Date of Delivery 5/10/99	
6. Signature: (Addressee or Agent) <i>[Signature]</i>	8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

