

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. **23006**



*Eeyore Fed Com 27 28 PML 4H*

October 6, 2022

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**Tab 1.**

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23006</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>October 6, 2022</b>
Applicant	<b>Strata Production Company</b>
Designated Operator & OGRID (affiliation if applicable)	<b>21712</b>
Applicant's Counsel:	Montgomery & Andrews, P.A. (Sharon Shaheen & Rico Gonzales)
Case Title:	Application of Strata Production Co. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	ConocoPhillips (Ocean Munds-Dry, Elizabeth Ryan, and Joby Rittehouse)
Well Family	Eeyore Fed Com Wells
<b>Formation/Pool</b>	
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:	320 acres, more or less
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-quarter section (40 ac)
Orientation:	East-West
Description: TRS/County	S/2 S/2 of Sections 27 and 28, T23S, R30E, Eddy County, NM
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	n/a
Applicant's Ownership in Each Tract	Tract 1: 29.44%; Tract 2: 0%; see Exhibits A-2 and A-4
<b>Well(s)</b>	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Eeyore Fed Com 27 28 PML 4H, API No. Pending SHL: 400' FSL and 330' FEL , Section 27, T23S-R30E, NMPM BHL: 400' FSL and 100' FWL, Section 28, T23S-R30E, NMPM Completion Target: Brushy Canyon at approx. 7514' Well Orientation: East-West Completion location expected to be standard
Horizontal Well First and Last Take Points	FTP (~400' FSL and 330' FEL of Section 27, T23S-R30E) LTP (~400' FSL and 100' FWL of Section 28, T23S-R30E)
Completion Target (Formation, TVD and MD)	Brushy Canyon - TVD (~7,514'), MD (~17,338')
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000; see Exhibit A, ¶ 19
Production Supervision/Month \$	\$800; see Exhibit A, ¶ 19
Justification for Supervision Costs	Please see AFE at Exhibit A-7
Requested Risk Charge	200%; see Exhibit A, ¶ 20
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Submitted with online filing of Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C; Exhibit A-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	See Exhibits A-2 and A-3
Tract List (including lease numbers and owners)	See Exhibits A-2 and A-4
Pooled Parties (including ownership type)	See Exhibit A-4
Unlocatable Parties to be Pooled	Aquila Energy Resources
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
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	See AFE at Exhibit A-7
Cost Estimate to Equip Well	See AFE at Exhibit A-7
Cost Estimate for Production Facilities	See AFE at Exhibit A-7
<b>Geology</b>	
Summary (including special considerations)	Exhibit B, ¶¶ 5-15; see Exhibits B-1 through B-6
Spacing Unit Schematic	Exhibit B-3

Well Orientation (with rationale)	Exhibit B, ¶ 13(d)
Target Formation	Exhibits B-2 and B-4
HSU Cross Section	Exhibit B-6
Depth Severance Discussion	n/a; see Exhibit A, ¶ 12
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-6
Tracts	Exhibits A-2 and A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibits A-1 and B-1
Well Bore Location Map	Exhibit A-3; Exhibit A-6
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-5
Cross Section (including Landing Zone)	Exhibits B-5 and B-6
<b>Additional Information</b>	
Special Provisions/Stipulations	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Sharon T. Shaheen
<b>Signed Name</b> (Attorney or Party Representative):	<i>Sharon T. Shaheen</i>
<b>Date:</b>	10/4/2022

Tab 2.

**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. \_\_\_\_\_

**APPLICATION**

Strata Production Company, OGRID No. 21712 (“Strata”), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and Ricardo S. Gonzales), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all 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 S/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. In support of its application, Strata states as follows:

1. Strata is a working interest owner in the proposed HSU and has the right to drill thereon.
2. Strata proposes to drill the following 2-mile well in the proposed HSU: **Eeyore Fed Com 27 28 PML 4H** well, to be horizontally drilled from an approximate surface hole location 400’ FSL and 330’ FEL of Section 27, T23S-R30E, to an approximate bottom hole location 400’ FSL and 100’ FWL of Section 28, T23S-R30E (“Eeyore 27 28 PML”).
3. The first and last take points for the proposed well will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The completed lateral for the Eeyore 27 28 PML 4H well complies with the standard setbacks.

4. Strata has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Delaware formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit Strata to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and Strata should be designated the operator of the HSU.

WHEREFORE, Strata requests that this application be set for hearing before an examiner of the Oil Conservation Division on September 2, 2022, and that, after notice and hearing as required by law, the Division enter an order:

- A. Creating a standard 320-acre, more or less, HSU comprised of the S/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico;
- B. Pooling all mineral interests in the Delaware formation underlying the HSU;
- C. Allowing the drilling of the following 2-mile well in the proposed HSU: Eeyore Fed Com 27 28 PML 4H;
- D. Designating Strata as operator of the HSU and the well to be drilled thereon;
- E. Authorizing Strata to recover its costs of drilling, equipping and completing the well;
- F. Approving the operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by Strata in drilling and completing the well against any interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

/s/ Sharon T. Shaheen

Sharon T. Shaheen  
Ricardo S. Gonzales  
Post Office Box 2307  
Santa Fe, NM 87504-2307  
(505) 986-2678  
[sshaheen@montand.com](mailto:sshaheen@montand.com)  
[rgonzales@montand.com](mailto:rgonzales@montand.com)

*Attorneys for Strata Production Company*

***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 S/2 S/2 of Sections 27 and 28 , Township 23 South, Range 30 East in Eddy County, New Mexico. Applicant proposes to drill the following well: **Eeyore Fed Com 27 28 PML 4H** well, to be horizontally drilled from an approximate surface hole location 400’ FSL and 330’ FEL of Section 27, T23S-R30E, to an approximate bottom hole location 400’ FSL and 100’ FWL of Section 28, T23S-R30E. The first and last take points and completed interval 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 13 miles East of Loving, New Mexico.

**Tab 3.**

**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. 23006**

**AFFIDAVIT OF LANDMAN MITCH KRAKAUSKAS**

I, Mitch Krakauskas, being first duly sworn, do hereby depose and attest as follows:

1. I am over the age of eighteen and have personal knowledge of the matters stated herein.

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 compulsory pooling 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.

5. The purpose of this application is to force pool working interest owners into the horizontal spacing unit (“HSU”) described below, and in the well to be drilled in the HSU.

Exhibit A  
Strata Production Company  
NMOCD Case No. 23006  
October 6, 2022

6. In this matter, Applicant 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, HSU comprised of the S/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. The HSU will be dedicated to the Eeyore Fed Com 27 28 PML 4H well, to be horizontally drilled from an approximate surface hole location 400' FSL and 330' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 400' FSL and 100' FWL of Section 28, T23S-R30E. The first take point will be located at approximately 400' FSL and 330' FEL of Section 27, T23S-R30E. The last take point will be located at approximately 400' FSL and 100' FWL of Section 28, T23S-R30E.

7. The first and last take points and completed lateral will meet the setback requirements set forth in the statewide rules for horizontal oil wells.

8. A general location map is attached as **Exhibit A-1**.

9. A map illustrating the tracts in the proposed HSU and the ownership of each individual tract is attached as **Exhibit A-2**.

10. A map illustrating the unit ownership is attached as **Exhibit A-3**.

11. The ownership breakdown of interests, the parties to be pooled, and a list of pertinent leases can be found at **Exhibit A-4**.

12. A depth severance does not exist.

13. A chronology of contacts with the interest owners is attached as **Exhibit A-5**.

14. The location of the proposed well within the respective HSU is depicted in the C-102 Form attached as **Exhibit A-6**. The C-102 Form also indicates the location of the surface hole, the bottom hole, and the first and last take points.

15. I have conducted a diligent search of the public records in Eddy County, New Mexico, where the well will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed all parties a well proposal, including an Authorization for Expenditure (“AFE”), for the well.

16. **Exhibit A-7** is a copy of the well proposal letter and AFE for the proposed well that was attached thereto. The estimated costs of the well set forth in the AFE is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

17. **Exhibit A-8** is a copy of the notice letter that was sent with the Application to all of the uncommitted interest owners in the proposed HSU.

18. Strata has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well.

19. Strata requests the Division to approve operating charges and costs of supervision while drilling of \$8,000/month and, after completion, \$800/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures.

20. Strata requests the maximum cost, plus 200% risk charge, be assessed against non-consenting working interest owners.

21. Strata requests that it be designated operator of the well.

22. The exhibits attached hereto were prepared by me, or compiled from Strata’s business records.

23. The granting of the Application 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 23 day of August, 2022.



\_\_\_\_\_  
Notary Public

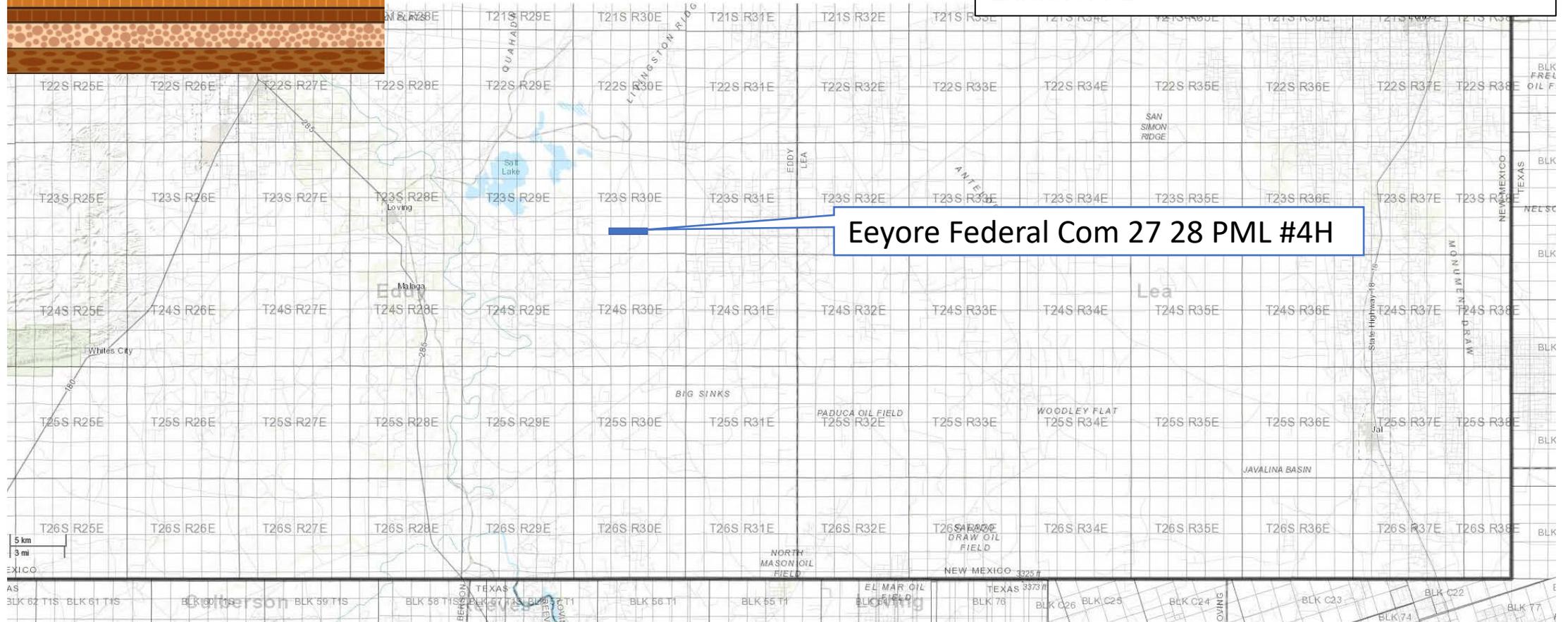
My commission expires: 06-06-2026.

STATE OF NEW MEXICO  
NOTARY PUBLIC  
COLLIN MICHAEL UNDERATON  
COMMISSION# 1138130  
EXP. 06-06-2026

Tab 4.



Eeyore Federal Com 27 28 PML #4H  
 NM OCD Case No. 23006  
 Exhibit A-1



Eeyore Federal Com 27 28 PML #4H



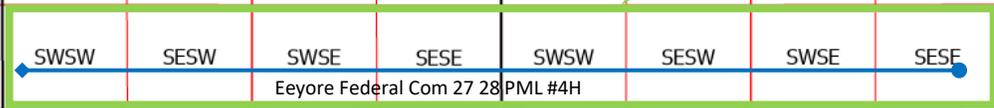


Eeyore Federal Com 27 28 PML #4H  
 NM OCD Case No. 23006  
 Exhibit A-3

				21				22				23			
				29				28							
				32				33				34			
												35			

**Eeyore Federal Com 27 28 PML #4H**  
Proration Unit WI %

Leasehold Owner	Acres	WI %
ConocoPhillips Company	217.33	67.92%
Lincoln Associates	9.00	2.81%
SJR Enterprises	2.92	0.91%
Strata Production Company	70.65	22.08%
Wade P. Carrigan and Beth Carrigan	4.50	1.40%
Winn Investments, Inc.	2.92	0.91%
WPX Energy Permian LLC	12.66	3.96%
<b>Total</b>	<b>320.00</b>	<b>100.00%</b>



SENE SWNW  
**23S 30E**



Eeyore Federal Com 27 28 PML #4H  
 NM OCD Case No. 23006  
 Exhibit A-4

**CONTRACT AREA Eeyore Federal Com 27 28 PML #4H– Case No. 23006:**

S½S½ of Sec. 27-23S-30E and S½S½ of Sec. 28-23S-30E, Eddy County, New Mexico,  
 320.00 acres, more or less

**UNIT INTEREST OF THE PARTIES:**

<b>Interest Owners:</b>	<b>Net Acres</b>	<b>WI %</b>
ConocoPhillips Company	217.33	67.92%
Lincoln Associates	9.00	2.81%
SJR Enterprises	2.92	0.91%
Strata Production Company	70.65	22.08%
Wade P. Carrigan and Beth Carrigan	4.50	1.40%
Winn Investments, Inc.	2.92	0.91%
<b>WPX Energy Permian LLC</b>	<b>12.66</b>	<b>3.96%</b>
<b>Total</b>	<b>320.00</b>	<b>100.000%</b>

**TRACT INTEREST OF THE PARTIES:**

Tract 1 (S½S½ of Sec. 27 & S½SW¼ of Sec. 28, T23S-R30E 240.00 acres, more or less)

<b>Interest Owners:</b>	<b>Net Acres</b>	<b>WI %</b>
ConocoPhillips Company	148.00	61.67%
Lincoln Associates	9.00	3.75%
SJR Enterprises	2.92	1.22%
Strata Production Company	70.65	29.44%
Wade P. Carrigan and Beth Carrigan	4.50	1.875%
Winn Investments, Inc.	2.92	1.22%
<b>WPX Energy Permian LLC</b>	<b>1.99</b>	<b>0.83%</b>
<b>Total</b>	<b>240.00</b>	<b>100.000%</b>

<b>Record Title Owners:</b>	<b>%</b>
XTO Holdings, LLC	37.500000%
Devon Energy Production Co.	20.833300%
COG Operating, LLC	20.833400%
<b>Aquila Energy Resources</b>	<b>20.000000%</b>
<b>WPX Energy Permian, LLC</b>	<b>0.8333000%</b>
<b>Total</b>	<b>100.00%</b>

Tract 2 (S $\frac{1}{2}$ SW $\frac{1}{4}$  of Sec. 28, T23S-R30E, 80.00 acres, more or less)

<b>Interest Owners:</b>	<b>Net Acres</b>	<b>WI %</b>
WPX Energy Permian LLC	10.67	13.33%
ConocoPhillips Company	80.00	86.67%
<b>Total</b>	<b>80.00</b>	<b>100.00%</b>

<b>Record Title Owners:</b>	<b>%</b>
Devon Energy Production Co.	100.00%
<b>Total</b>	<b>100.00%</b>

**OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT:**

Tract 1:

Lessor: United State of America  
 Lessee: Bettis Brothers Inc.  
 Serial No.: NMNM 081622  
 Date: July 1, 1989  
 Description: S $\frac{1}{2}$ S $\frac{1}{2}$  of Sec. 27 & S $\frac{1}{2}$ SW $\frac{1}{4}$  of Sec. 28, T23S-R30E 240.00 acres, more or less

Tract 2:

Lessor: United State of America  
 Lessee: Santa Fe Energy Operating Partners, LP  
 Serial No.: NMNM 092180  
 Date: December 1, 1993  
 Description: S $\frac{1}{2}$ SW $\frac{1}{4}$  of Sec. 28, T23S-R30E, 80.00 acres, more or less

\* Those Parties Highlighted are the only parties Strata Production Company is seeking to pool at this time.



Eeyore Federal Com 27 28 PML #4H  
NM OCD Case No. 23006  
Exhibit A-5

**Interest Owner:** Aguila Energy Resources

**Contact Type:** Phone, USPS

**Notes:** Multiple attempts to contact Aguila have failed. I have sent notice to the only address I have been able to find and it was returned to sender. I have called every phone number available through online searches, with no answer or returned call from any number.

**Interest Owner:** WPX Energy Permian LLC

**Contact Type:** Phone, Email, USPS

**Notes:** I have spoken to Peggy Buller and Aaron Young multiple times since June 30, 2022 regarding the proposals. Aaron Young said they would reach back out if they had any further questions on the proposals, but they thought everything looked good.

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 24750		<sup>3</sup> Pool Name Forty Niner Ridge Delaware					
<sup>4</sup> Property Code		<sup>5</sup> Property Name EEYORE FED COM 27 28 PML						<sup>6</sup> Well Number 4H	
<sup>7</sup> OGRID NO. 21712		<sup>8</sup> Operator Name STRATA PRODUCTION COMPANY						<sup>9</sup> Elevation 3371'	
<sup>10</sup> Surface Location									
UL or lot no. P	Section 27	Township 23S	Range 30E	Lot Idn	Feet from the 400	North/South line SOUTH	Feet From the 330	East/West line EAST	County EDDY
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 28	Township 23S	Range 30E	Lot Idn	Feet from the 400	North/South line SOUTH	Feet from the 100	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

**16**

CORNER DATA  
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1942" N: 461738.8 - E: 676853.9	H: FOUND BRASS CAP "1942" N: 464438.9 - E: 687539.5
B: FOUND BRASS CAP "1942" N: 464397.1 - E: 676833.0	I: FOUND BRASS CAP "1942" N: 461793.6 - E: 687549.5
C: FOUND BRASS CAP "1942" N: 467056.9 - E: 676813.6	J: FOUND BRASS CAP "1942" N: 461774.6 - E: 684874.6
D: FOUND BRASS CAP "1942" N: 467055.3 - E: 679493.2	K: FOUND BRASS CAP "1942" N: 461758.2 - E: 682200.1
E: FOUND BRASS CAP "1942" N: 467055.4 - E: 682172.6	L: FOUND BRASS CAP "1942" N: 461748.4 - E: 679526.2
F: FOUND BRASS CAP "1942" N: 467070.0 - E: 684851.5	M: FOUND BRASS CAP "1942" N: 464404.8 - E: 682185.2
G: FOUND BRASS CAP "1942" N: 467084.8 - E: 687530.3	

**GEODETIC DATA**  
NAD 83 GRID - NM EAST

**SURFACE LOCATION**  
N: 462191.2 - E: 687218.1  
LAT: 32.2697564° N  
LONG: 103.8613480° W

**GEODETIC DATA**  
NAD 83 GRID - NM EAST

**BOTTOM HOLE**  
N: 462139.0 - E: 676950.8  
LAT: 32.2697328° N  
LONG: 103.8945668° W

**17 OPERATOR CERTIFICATION**  
*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Signature: *[Signature]* Date: 7.1.2022

Mitch Krakauskas  
Printed Name

mitch@stratanm.com  
E-mail Address

**18 SURVEYOR CERTIFICATION**  
*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

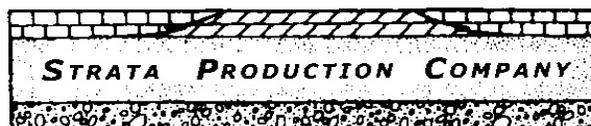
04/28/2022  
Date of Survey

Signature and Seal of Professional Surveyor

19680  
Certificate Number

Job No: LS22040507

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

June 28, 2022

To: Aquila Energy Resources  
10370 Richmond Ave  
Houston, Texas 77042

Subject: Eeyore Fed Com 27 28 PML #4H

Dear Sir/Madam:

Strata Production Company ("Strata") proposes the drilling and completion of the Eeyore Fed Com 27 28 PML #4H ("Well") located in Sections 28 & 29, Township 23 South, Range 30 East, Eddy County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of each well is itemized on the enclosed Authority for Expenditures ("AFE") dated June 20, 2022.

**Eeyore Fed Com 27 28 PML #4H:** To be drilled from the legal location with a proposed surface hole location 400' FSL & 330' FEL of Section 27 and a proposed bottom hole location of 400' FSL & 100' FWL of Section 28, Township 23 South, Range 30 East. The well will have a targeted interval within the Brushy Canyon (7514' TVD) and will be drilled horizontally to a measured depth of approximately 17338'.

Strata reserves the right to modify the locations and drilling plans described above in order to address regulatory requirements. Strata will advise you of any such modifications.

Strata is proposing to drill the Wells under the terms of the modified 1989 AAPL form Operating Agreement ("JOA"). The JOA dated July 1, 2022, by and between Strata Production Company, as Operator and Aquila Energy Resources, etal as Non-Operator, covers Section 27: All and Section 28: All, Township 23 South, Range 30 East, Eddy County, New Mexico, being 1280 acres, more or less, with the following general provisions:

- 100%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Strata Production Company named as Operator from the surface to base of the Delaware Formation.

Strata requests that you indicate your election in the drilling and completion of the Wells on each AFE, sign and return one copy of each AFE to the undersigned within thirty (30) days of receipt of this notice. Please be aware that the enclosed AFEs are only an estimate of costs to be incurred and by electing to participate in the Wells, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Exhibit A-7  
Strata Production Company  
NMOCD Case No. 23006

October 6, 2022

Strata is offering the following terms for divesting your interest:

- \$500 per net acre
- NRI delivered equal to the difference between 20% and existing lease burdens

If you are interested in divesting of your interest or wish to discuss this proposal further, please contact myself at (575) 622-1127 ext. 23 or by email [mitch@stratanm.com](mailto:mitch@stratanm.com).

Sincerely,



Mitch Krakauskas  
Vice President

Enclosures: as stated

**AUTHORITY FOR EXPENDITURE  
ESTIMATED WELL COSTS**

WELL NAME AND NUMBER <b>Eeyore Fed Com 27 28 PML #4H</b>		AFE NUMBER <b>FNR-30-23-30-04-0622</b>	DATE <b>6/20/2022</b>
LOCATION: SHL 400' FSL & 330' FEL Sec 27-T23S-R30E BHL 400' FSL & 100' FWL Sec 28-T23S-R30E		FIELD <b>Forty Niner Ridge Delaware</b>	
API NUMBER <b>TBD</b>	COUNTY OR PARISH <b>Eddy</b>	STATE <b>New Mexico</b>	
PROJECT DESCRIPTION AND LOCATION DRILL A NEW WELL WITH A HORIZONTAL LATERAL IN THE DELAWARE L SAND, TVD 7,514' AND MD 17,338'. FRAC IN 30+ STAGES WITH +/- 4,500,000 LBS 16/30 COOLSET (RC) SAND & BORATE CROSS LINK GEL		SECTION <b>27</b>	TOWNSHIP <b>23S</b>
		RANGE <b>31E</b>	
		PROPOSED FORMATION <b>Delaware</b>	PROPOSED DEPTH <b>7,514' TVD / 17,338' MD</b>

ACCT CODE	INTANGIBLES	DRY HOLE	RUN CSG	TOTAL
	Drilling - Footage Ft. @ \$ /Ft.			
	Drilling - Day Work - BCP <b>19</b> Days @ \$ <b>18000</b> /Day	\$342,000		\$342,000
	Drilling - Day Work - ACP <b>5</b> Days @ \$ <b>18000</b> /Day		\$90,000	\$90,000
	Completion Rig, Power Swivel, and Reverse Unit etc		\$270,000	\$270,000
	Mobilization & Demobilization- Other Contractors Charges	\$200,000		\$200,000
	Location, Roads, Pits, Survey, Permits, Cleanup, Damages & Title Opinion	\$240,000	\$500	\$240,500
	Drill Bits, Coring & DST	\$65,000	\$5,000	\$70,000
	Transportation and Hauling	\$24,500	\$9,500	\$34,000
	Drilling Mud, Chemicals & Completion Fluids	\$85,300	\$12,500	\$97,800
	Fuel, Power, Water	\$129,000	\$230,000	\$359,000
	Cementing Services, Cementing Equipment, Hangers; Packers	\$118,750	\$60,500	\$179,250
	Mud Logging	\$36,250		\$36,250
	Open Hole Logging and Side Wall Coring	\$65,000		\$65,000
	Cased Hole Logging and Perforating		\$120,000	\$120,000
	Equipment Rental Including Solids Control, Closed Loop & Directional Services	\$465,950	\$44,000	\$509,950
	Insurance	\$32,075		\$32,075
	Other Well Services, NU/BOP, Casing Inspection	\$49,500	\$50,500	\$100,000
	Overhead	\$10,000	\$5,000	\$15,000
	Supervision: Wellsite, Engineering, Geological, Consultants	\$112,000	\$49,750	\$161,750
	Contract Services	\$14,400	\$10,000	\$24,400
	Fluids & Cuttings Disposal	\$263,000	\$5,500	\$268,500
	Environmental Charges			
	Stimulation Treatment - 20 Stages (+/- 150K lbs per stage)		\$1,500,000	\$1,500,000
	Plugging Costs			
	Miscellaneous Costs, Tax and Contingencies	\$275,921	\$371,935	\$647,856
	<b>TOTAL INTANGIBLES</b>	<b>\$2,528,647</b>	<b>\$2,834,685</b>	<b>\$5,363,331</b>

ACCT CODE	TANGIBLES						DRY HOLE	COMPLETION	TOTAL
	CASING	FOOTAGE	SIZE	WEIGHT	GRADE	COST/FT			
	Conductor	<b>80</b>	<b>20"</b>	<b>94#</b>	<b>H40</b>	<b>350.00</b>	\$28,000		\$28,000
	Surface	<b>500</b>	<b>13 7/8"</b>	<b>48#</b>	<b>H40</b>	<b>47.00</b>	\$23,500		\$23,500
	Surface								
	Intermediate	<b>4200</b>	<b>9 5/8"</b>	<b>40#</b>	<b>J55</b>	<b>44.00</b>	\$184,800		\$184,800
	Intermediate								
	Liner								
	Production	<b>17,338</b>	<b>5.5"</b>	<b>20#</b>	<b>P110</b>	<b>27.00</b>		\$468,126	\$468,126
	Production								
	Tubing	<b>7500</b>	<b>2 7/8"</b>	<b>6.5#</b>	<b>L80</b>	<b>12.50</b>		\$93,750	\$93,750
	Subsurface Well Equipment (Packers/Bottom Hole Pump)								
	Rods, etc								
	Wellhead Equipment (Casing Head/Christmas Tree)						\$19,350	\$8,850	\$28,200
	Pumping Equipment (Pumping Unit or Sub Pump)								
	Flowlines							\$32,000	\$32,000
	Tanks							\$120,000	\$120,000
	Sales Line Equipment							\$12,000	\$12,000
	Separator-Prod. Equip.							\$28,500	\$28,500
	Valves,Fittings etc.							\$20,750	\$20,750
	Installation of Surface Lease Equipment							\$112,500	\$112,500
	Other Lease & Well Equip.							\$22,000	\$22,000
	<b>TOTAL TANGIBLES</b>						<b>\$255,650</b>	<b>\$918,476</b>	<b>\$1,174,126</b>
	<b>TOTAL WELL COSTS</b>						<b>\$2,784,297</b>	<b>\$3,753,161</b>	<b>\$6,537,457</b>

<b>Strata Production Company Working Interest</b> 28.125%	<b>Strata Production Co. - DRY HOLE</b> \$783,083	<b>Strata Production Co.- COMPLETED</b> \$1,838,660
--	--	--

PREPARED BY: Jerry Elgin, VP Operations      DATE: 6/20/2022  
 APPROVED BY: Mitch Krakauskas, Vice President      DATE: 6/20/2022      SIGNED: 

**JOINT INTEREST SHARE**      **Due to rig availability and timing, the undersigned agrees that this AFE is valid for 180 days from execution.**

COMPANY NAME:	SIGNATURE:	DATE:	WORKING INTEREST:
---------------	------------	-------	-------------------

By execution of this AFE, the above signee is agreeing to be covered by the Operator's well control insurance and agreeing to the limits within and carrier of such insurance, neither of which is guaranteed as sufficient by Operator. In order to decline coverage by Operator's well control insurance, you must sign below and provide a Certificate of Insurance with waiver of subrogation prior to spud date and agree to hold Operator harmless for any loss to your interest not covered by your insurance or as otherwise set forth in Exhibit D of the Joint Operating Agreement.

Agree to decline coverage, provide proof, and hold harmless:

By: \_\_\_\_\_ Date: \_\_\_\_\_



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**SHARON T. SHAHEEN**  
Direct: (505) 986-2678  
Email: [sshaheen@montand.com](mailto:sshaheen@montand.com)  
[www.montand.com](http://www.montand.com)

---

August 12, 2022

*Via U.S. Certified Mail, return receipt requested*

**TO: ALL INTEREST OWNERS ON ATTACHED LIST**

**Re: Case No. 23006-** Application of Strata Production Company for Compulsory Pooling, Eddy County, NM -- **Eeyore Fed Com 27 28 PML 4H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, Strata Production Company ("Strata") has filed an application with the New Mexico Oil Conservation Division for an order regarding the proposed well described below. You are receiving this notice because you may have an interest in this well.

**Case No. 23006. 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 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 S/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. The HSU is to be dedicated to the following 2-mile well: **Eeyore Fed Com 27 28 PML 4H** well, to be horizontally drilled from an approximate surface hole location 400' FSL and 330' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 400' FSL and 100' FWL of Section 28, T23S-R30E ("Eeyore 27 28 PML"). The first and last take points for the proposed well will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The completed lateral for the Eeyore Fed Com 27 28 PML 4H well complies with the standard setbacks. 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 well and lands are located approximately 13 miles East of Loving, New Mexico.

---

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

*Released to Imaging: 10/5/2022 8:18:00 AM*

Exhibit A-8  
Strata Production Company  
NMOCD Case No. 23006  
October 6, 2022

Interest Owners  
August 12, 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 **September 1, 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 **August 24, 2022**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **August 25, 2022**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,

/s/ Sharon T. Shaheen  
Sharon T. Shaheen

STS:rsg  
Enclosure

**EXHIBIT A**

**INTEREST OWNERS**

**Working Interest Party(ies):**

ConocoPhillips Co.  
600 W. Illinois Ave.  
Midland, TX 79701

Aquila Energy Resources  
1030 Richmond Ave.  
Houston, TX 77042

WPX Energy Permian LLC  
c/o Devon Energy – Regulatory  
333 West Sheridan Ave.,  
Oklahoma City, OK 73102

**Additional Party(ies):**

Bureau of Land Management  
414 W. Taylor  
Hobbs, NM 88240-1157

**Tab 5.**

**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. 23006**

**AFFIDAVIT OF GEOLOGIST SCOTT KELLEY**

I, Scott Kelley, being first duly sworn, do hereby depose and attest as follows:

1. I am over the age of eighteen and have personal knowledge of the matters stated herein.

2. I am employed as the geologist 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 compulsory pooling 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 geologist have been accepted by the Division and made a matter of record. My education and work experience are as follows: I have a bachelor’s degree in geology from the University of Oklahoma and a master’s degree in geology from the University of Texas at Arlington. I have been working continuously as a professional geologist since 2009. I worked for two years at Geosite Inc., two years at Panther Energy Company, six Years at Pioneer Natural Resources and have been at Strata Production Company for three years.

5. **Exhibit B-1** shows the regional setting for the proposed well.

6. **Exhibit B-2** is a general stratigraphic column showing the target zone.

7. **Exhibit B-3** is a regional Brushy Canyon structure map with 50’ contour intervals, which illustrates the location of the HSU in a yellow-highlighted rectangle.

Exhibit B

Strata Production Company

NMOCD Case No. 23006

October 6, 2022

8. **Exhibit B-4** is a type log of the production portion of the Brushy Canyon formation. The log includes a gamma ray log, a density porosity log, and a deep resistivity log. These are the key logs used to identify and evaluate reservoirs and landing targets for the proposed well.

9. **Exhibit B-5** is a Brushy Canyon structural cross section map showing the location of the cross section on Exhibit B-6 in the region of the proposed wells.

10. **Exhibit B-6** is the structural cross section and indicates that the horizontal section of this well is being placed in a zone that has an estimated gross interval thickness of 263'. This gross thickness is being calculated from the top of the lower Brushy Canyon formation to the Base of the lower Brushy Canyon formation (top of Bone Spring formation). Perforations and completions are planned where reservoir quality sands are present through the vertical portion of the wellbore within the greater Brushy Canyon formation.

11. The measured depth and true vertical depth for the well are approximately 17338' and 7514', respectively.

12. The true vertical landing depth of the target formation is approximately 7510' based on the structural cross section, **Exhibit B-6**.

13. Based on my geologic study of the area, I conclude the following:

- a. The horizontal spacing and proration units are justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the HSU will contribute more or less equally to production.
- d. The most efficient way to develop the pertinent acreage is as proposed because of drilling island locations due to Potash limitations. There is no known and generally

accepted preferential drilling orientation based on present-day stress regime or other geological factors that would counter the proposed East-West well orientation. Successfully developed Brushy Canyon formation horizontal wells oriented East-West have been drilled in the region, so an established trend is present. This orientation also fits our lease boundaries and aligns with the remainder of Strata's planned development in the adjoining tracts. Therefore, the preferred well orientation does not strand any acreage or reserves.

14. The exhibits attached hereto were prepared by me or compiled from Strata's business records.

15. The granting of the Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

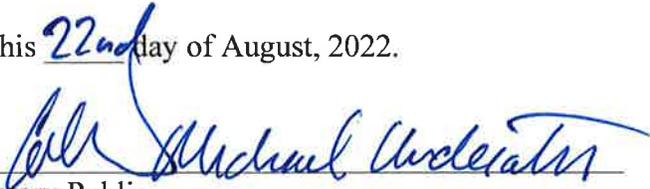
16. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_  
Michael Scott Kelley

STATE OF NEW MEXICO )  
  )ss  
COUNTY OF CHAVES     )

Subscribed to and sworn before me on this 22nd day of August, 2022.

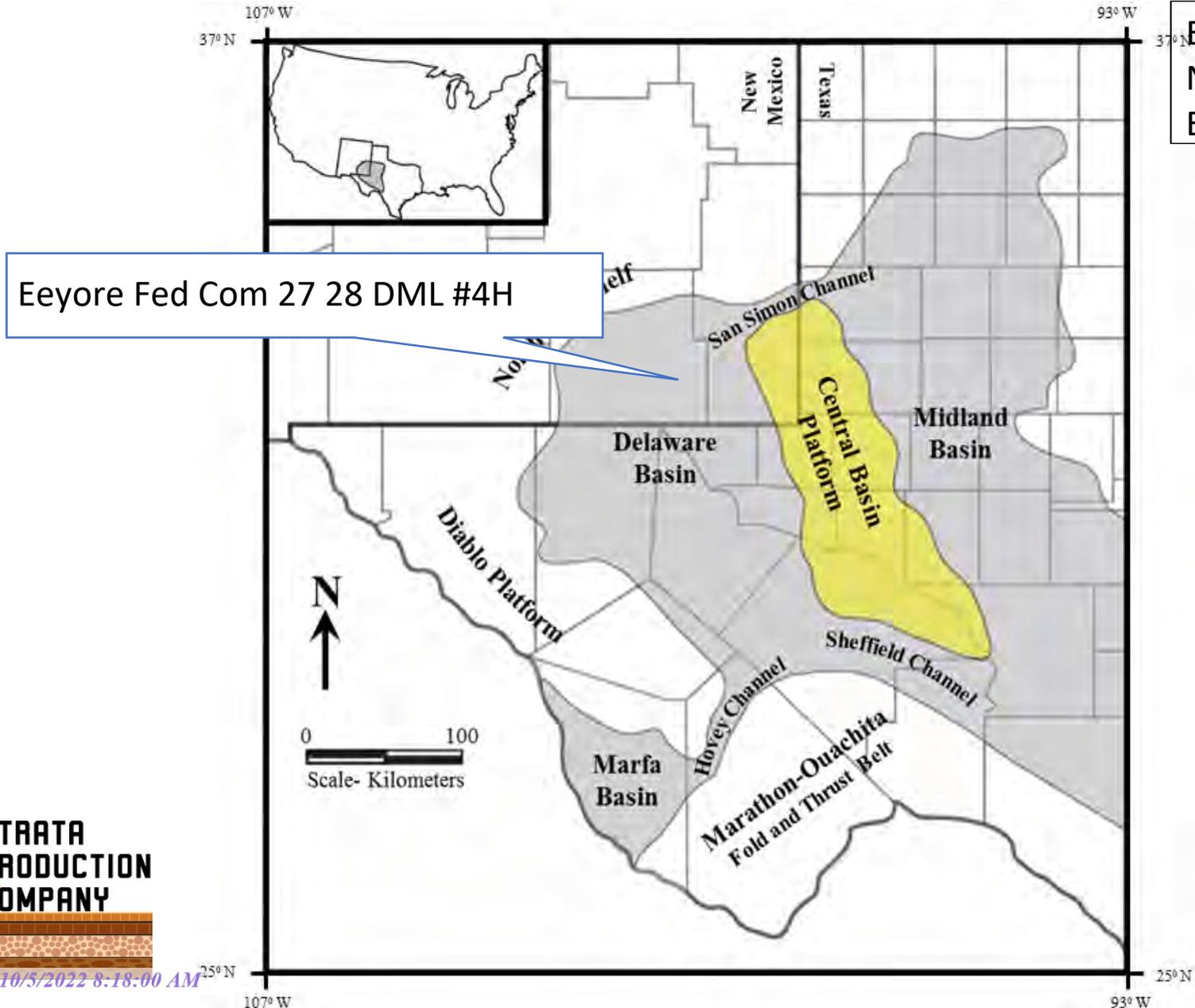
  
\_\_\_\_\_  
Notary Public

My commission expires: 06/06/2026

STATE OF NEW MEXICO  
NOTARY PUBLIC  
COLLIN MICHAEL UNDERATON  
COMMISSION# 1138130  
EXP. 06-06-2026

Tab 6.

# Regional View of the Delaware Basin



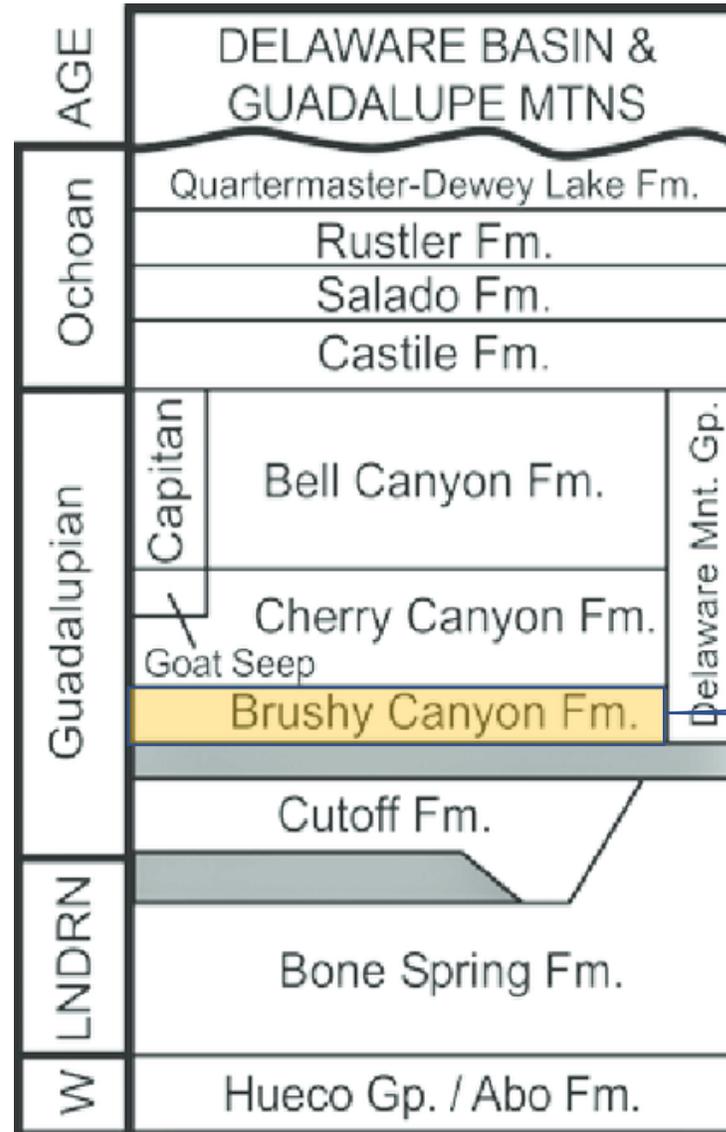
Eeyore Fed Com 27 28 DML #4H

Eeyore Fed Com 27 28 DML #4H  
NM OCD Case No. 23006  
Exhibit B-1



# Delaware Basin Stratigraphic Column

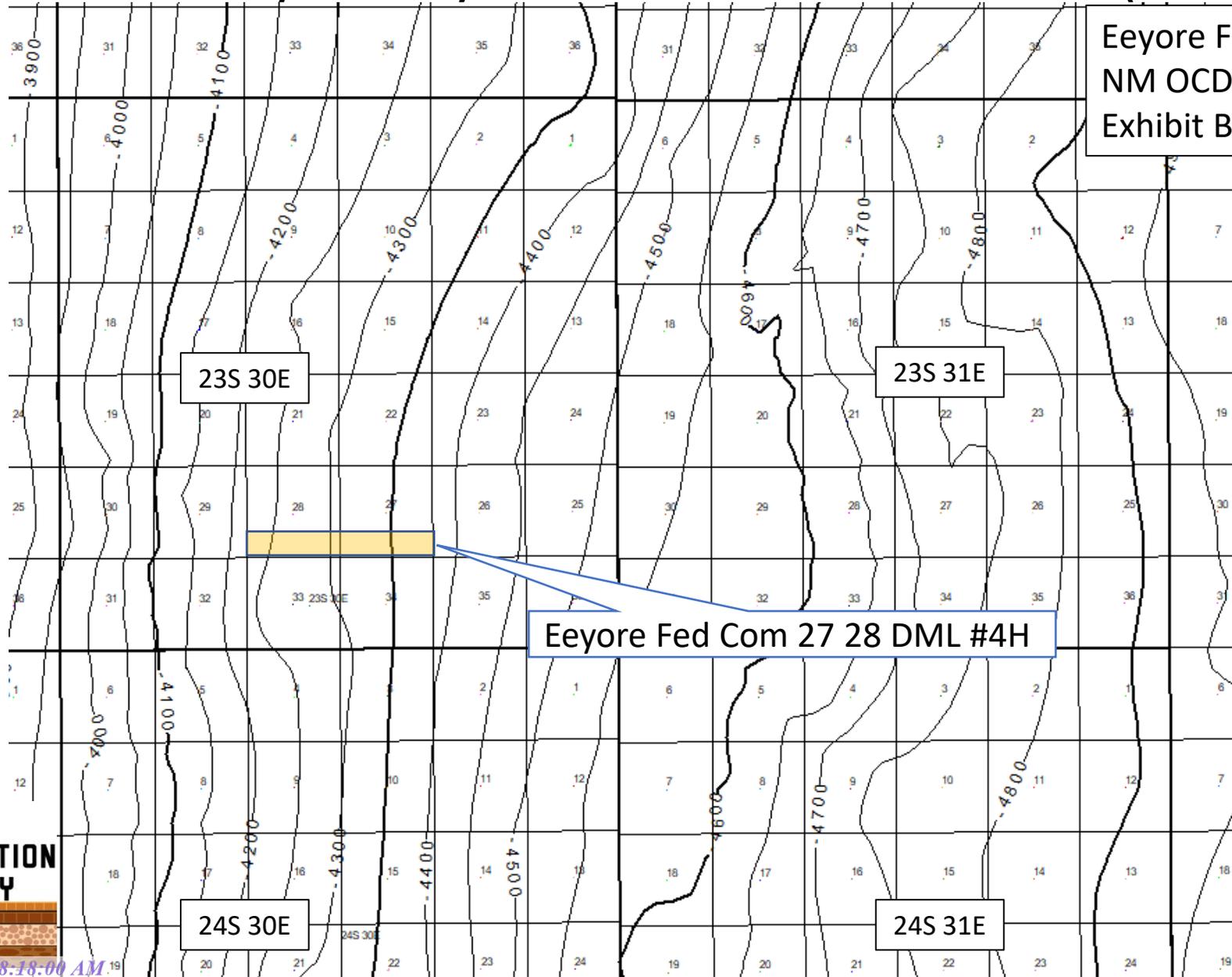
Eeyore Fed Com 27 28 DML #4H  
NM OCD Case No. 23006  
Exhibit B-2



Target Zone



# Base of Brushy Canyon Fm. Structure (TVDSS)



Eeyore Fed Com 27 28 DML #4H  
 NM OCD Case No. 23006  
 Exhibit B-3

Eeyore Fed Com 27 28 DML #4H

23S 30E

23S 31E

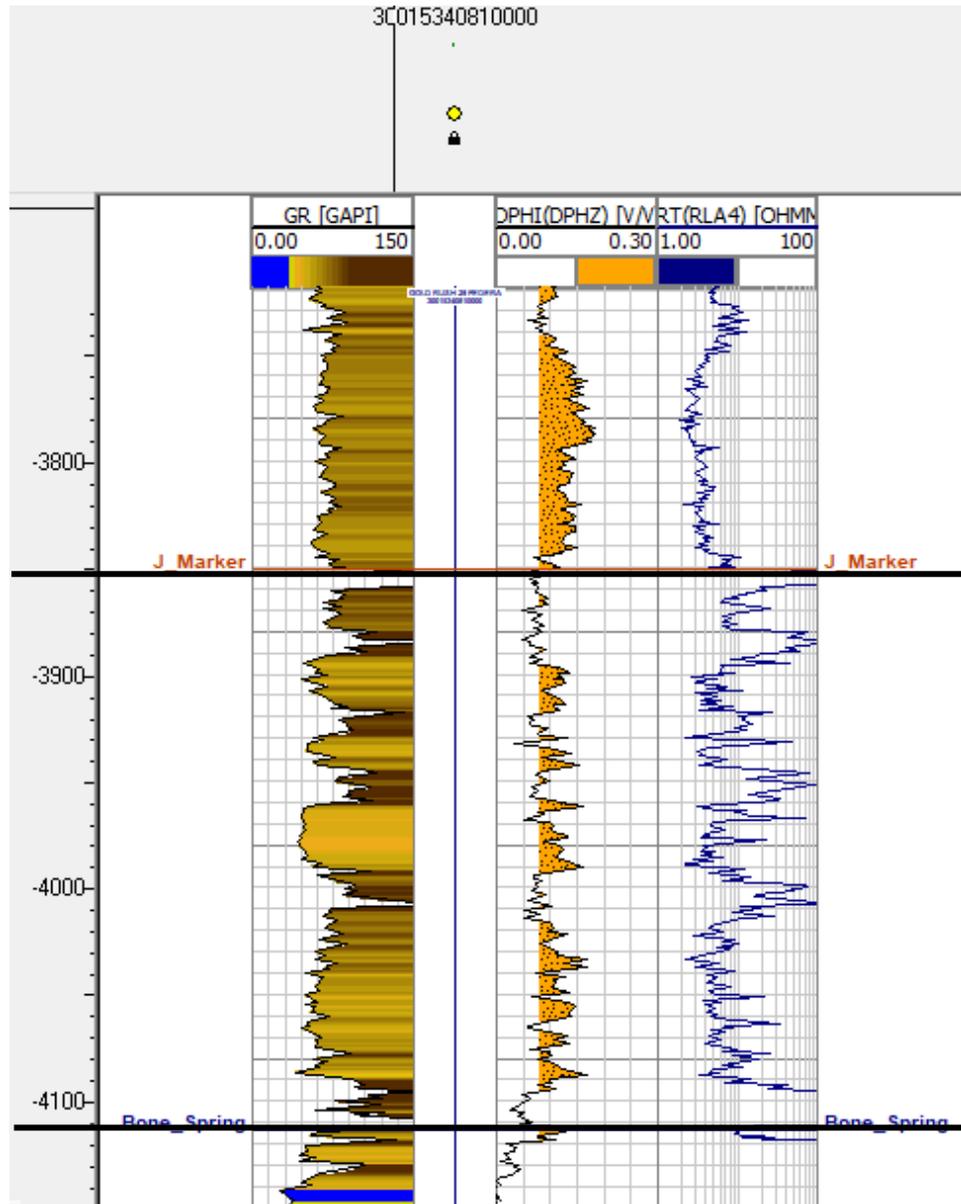
24S 30E

24S 31E



# Target Interval on Offset Log

Eeyore Fed Com 27 28 DML #4H  
NM OCD Case No. 23006  
Exhibit B-4



Lower Brushy Canyon Fm. (Top)

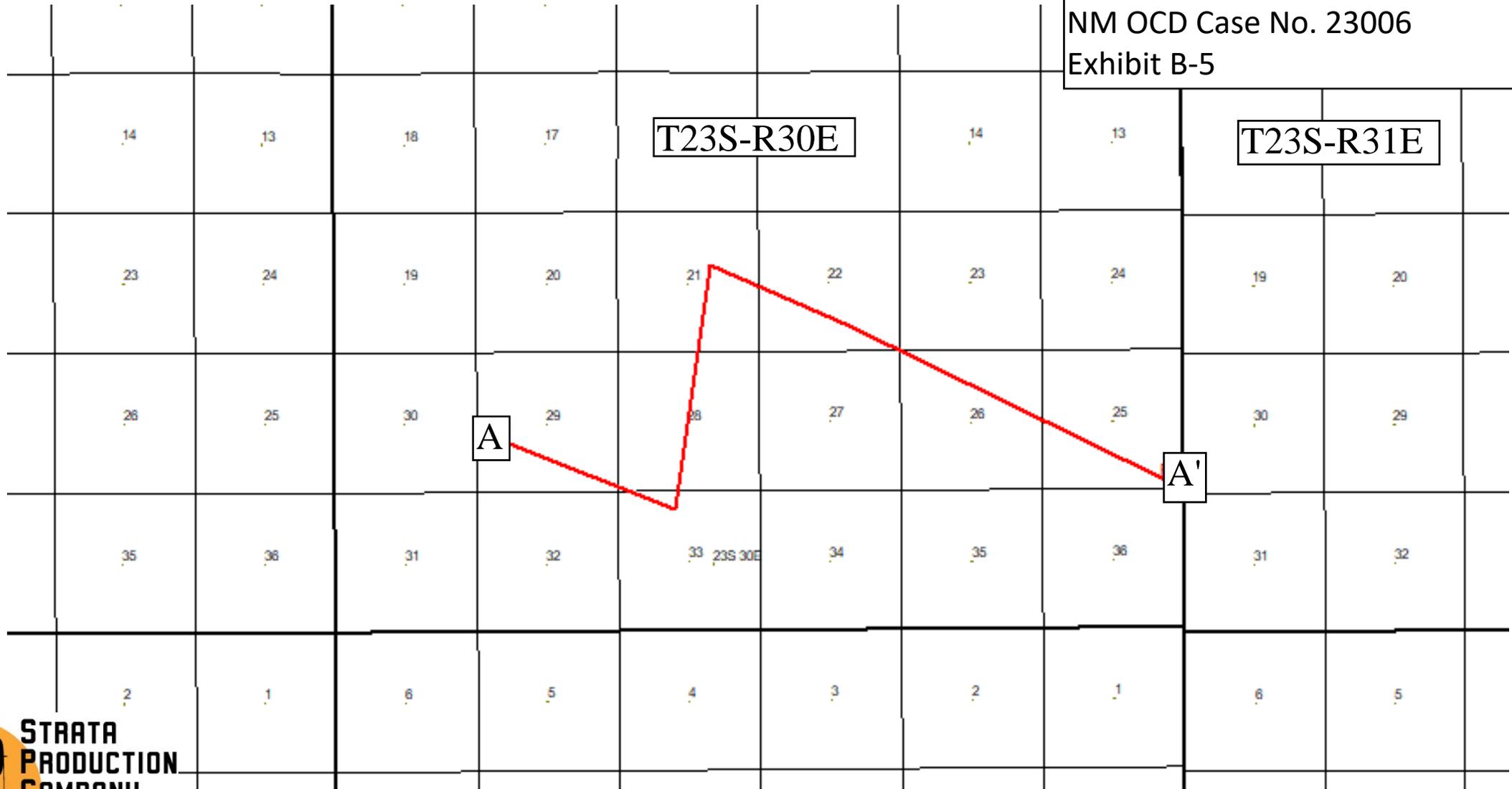
Target Interval  
Eeyore Fed Com 27 28 DML #4H

Lower Brushy Canyon Fm. (Base)



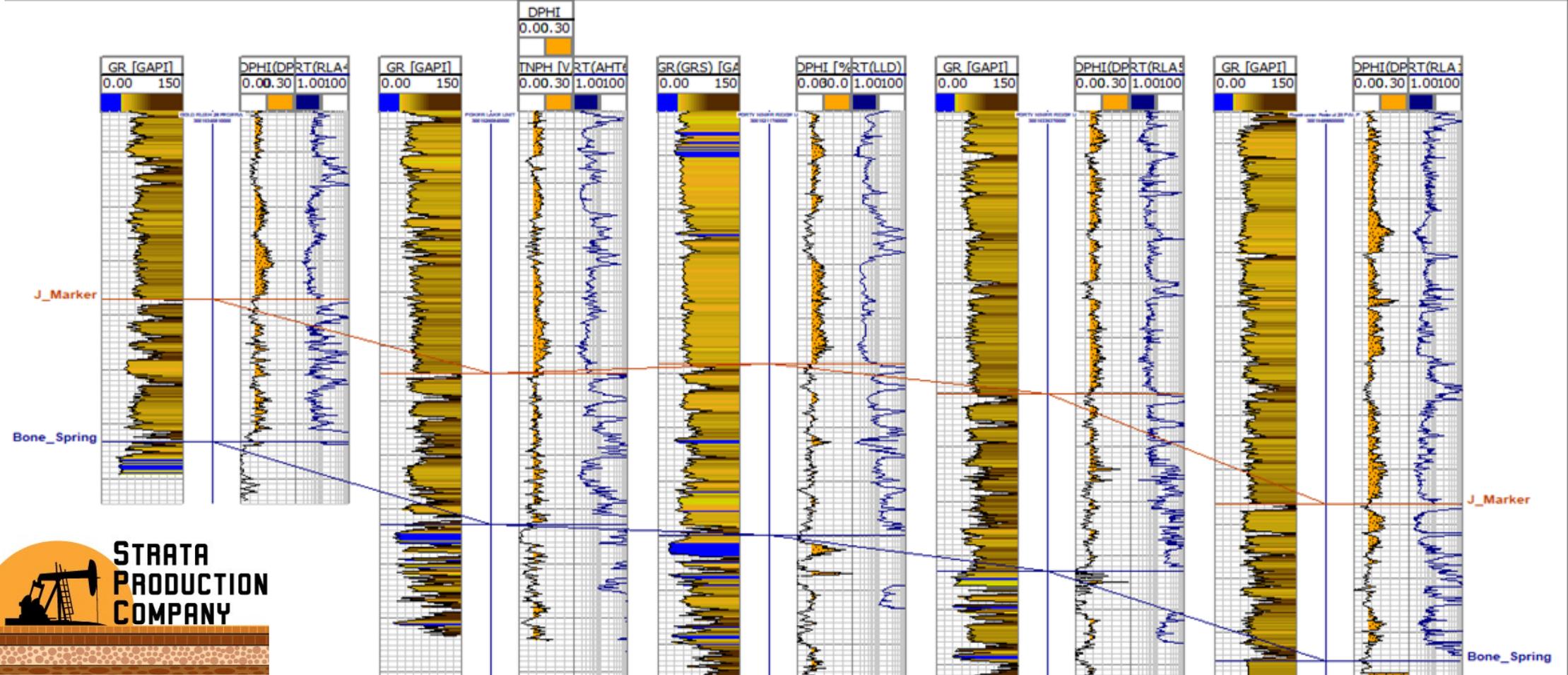
# Cross Section Line

Eeyore Fed Com 27 28 DML #4H  
NM OCD Case No. 23006  
Exhibit B-5



# Structural Cross section

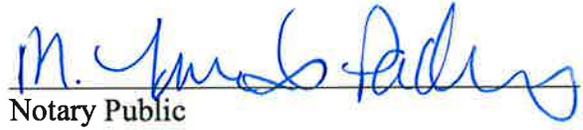
Eeyore Fed Com 27 28 DML #4H  
NM OCD Case No. 23006  
Exhibit B-6



**Tab 7.**



SUBSCRIBED AND SWORN to before me this 4<sup>th</sup> day of October, 2022.

  
Notary Public

My Commission Expires:

2-12-26

STATE OF NEW MEXICO  
NOTARY PUBLIC  
M. TERESA L. PACHECO  
COMMISSION # 1096863  
COMMISSION EXPIRES 02/12/2026

**Strata Production Company**

Case No. **23006**- Application of Strata Production Company for Compulsory Pooling, Eddy County, NM -- **Eeyore Fed Com 27  
28 PML 4H**

**October 6, 2022 Hearing**

<b>Entity</b>	<b>Date Letter Mailed</b>	<b>Certified Mail Number</b>	<b>Status of Delivery</b>	<b>Date Received</b>
<b>WORKING INTEREST PARTY(IES)</b>				
ConocoPhillips Co. 600 W. Illinois Ave. Midland, TX 79701	August 12, 2022	7014 0150 0000 5152 8290	Delivered	08/16/2022
Aquila Energy Resources 1030 Richmond Ave. Houston, TX 77042	August 12, 2022	7014 0150 0000 5152 8306	Returned to Sender	09/12/2022
WPX Energy Permian LLC c/o Devon Energy – Regulatory 333 West Sheridan Ave., Oklahoma City, OK 73102	August 12, 2022	7014 0150 0000 5152 8313	Delivered	08/19/2022
<b>ADDITIONAL INTERESTED PARTY(IES)</b>				
Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157	August 12, 2022	7014 0150 000 5152 8320	Delivered	08/15/2022

Exhibit A

**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:

ConocoPhillips Co.  
 600 W. Illinois Ave.  
 Midland, TX 79701



9590 9402 1258 5246 3544 12

2. Article Number (Transfer from service label)

7014 0150 0000 5152 8290

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *J. Villabrando*

- Agent
- Addressee

B. Received by (Printed Name)

*Isaac Villabrando*

C. Date of Delivery

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

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Mail Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

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

Domestic Return Receipt

# USPS Tracking®

[FAQs >](#)

Tracking Number:

## 70140150000051528306

Remove X

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(<https://informedelivery.usps.com/>)

### Latest Update

Your item has been delivered to the original sender at 9:01 am on September 12, 2022 in SANTA FE, NM 87504.

Feedback

### Delivered

**Delivered To Original Sender**

SANTA FE, NM 87504  
September 12, 2022, 9:01 am

[See All Tracking History](#)

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[Product Information](#)

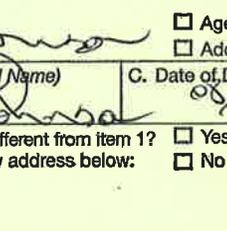
Track Another Package

Enter tracking or barcode numbers

U.S. Postal Service™		<b>CERTIFIED MAIL™ RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>			
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>			
<b>OFFICIAL USE</b>			
Postage	\$		Postmark Here
Certified Fee			
Return Receipt Fee (Endorsement Required)			
Restricted Delivery Fee (Endorsement Required)			
See I		Aquila Energy Resources 1030 Richmond Ave. Houston, TX 77042	
PS Form 3800, August 2006		See Reverse for Instructions	

7014 0150 0000 0510 4701

<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ 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>1. Article Addressed to: 11-8E96Z+10</p> <p>WPX Energy Permian LLC c/o Devon Energy – Regulatory 333 West Sheridan Ave., Oklahoma City, OK 73102</p>			
<p>9590 9402 1258 5246 3548 49</p>			
<p>2. Article Number (Transfer from service label)</p> <p>7014 0150 0000 5152 8313</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"/> Registered Mail Restricted Delivery</p>	
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt	

<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ 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>1. Article Addressed to:</p> <p>Bureau of Land Management 414 W. Taylor Hobbs, NM 88240-1157</p>			
<p>9590 9402 1258 5246 3544 05</p>			
<p>2. Article Number (Transfer from service label)</p> <p>7014 0150 0000 5152 8320</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"/> Registered Mail Restricted Delivery</p>	
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# Carlsbad Current Argus

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## Affidavit of Publication

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PO BOX 2307

**SANTA FE, NM 87504**

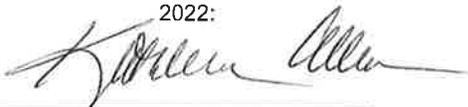
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

08/17/2022

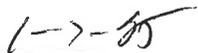


Legal Clerk

Subscribed and sworn before me this August 17, 2022:



State of WI, County of Brown  
NOTARY PUBLIC



My commission expires

### NOTICE

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

ConocoPhillips Co.; Aquila Energy Resources; WPX Energy Permian LLC; and Bureau of Land Management.

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

**Case No. 23006. 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 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 S/2 S/2 of Sections 27 and 28, Township 23 South, Range 30 East in Eddy County, New Mexico. The HSU is to be dedicated to the following 2-mile well: **Eeyore Fed Com 27 28 PML 4H** well, to be horizontally drilled from an approximate surface hole location 400' FSL and 330' FEL of Section 27, T23S-R30E, to an approximate bottom hole location 400' FSL and 100' FWL of Section 28, T23S-R30E ("Eeyore 27 28 PML"). The first and last take points for the proposed well will meet the setback requirements set forth in the statewide rules for horizontal oil wells. The completed lateral for the Eeyore Fed Com 27 28 PML 4H well complies with the standard setbacks. 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 well and lands are located approximately 13 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 **September 1, 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 **August 24, 2022**, and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **August 25, 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.

#5376278, Current Argus, August 17, 2022

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

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Exhibit B