

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF STRATA PRODUCTION  
COMPANY FOR A NON-STANDARD OIL SPACING  
AND PRORATION UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**Case No. 14,746**

**AMENDED PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Strata Production Company as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Strata Production Company  
P.O. Box 1030  
Roswell, New Mexico 88202

Attention: Jo McInerny  
(575) 622-1127

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Strata Production Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the SE/4 of Section 14, E/2NE/4 of Section 23, and W/2NW/4 of Section 24, Township 23 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the SE/4 of Section 14, E/2NE/4 of Section 23, and W/2NE/4 of Section 24 to form a non-standard 320 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Sandy Fed. Well No. 2, a horizontal well with a surface location in the SW/4NW/4 of Section

24, and a terminus in the NW/4SE/4 of Section 14. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

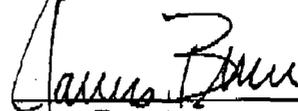
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jo McInerny (landman)	15 min.	Approx. 6
_____ (geologist)	20 min.	Approx. 4
_____ (engineer)	15 min.	Approx. 2

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Strata Production Company