

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
STRATA PRODUCTION COMPANY FOR
APPROVAL OF AN UNORTHODOX LOCATION
AND FOR SPECIAL POOL RULES, CHAVES
AND LEA COUNTIES, NEW MEXICO.

CASE NO 11206

APPLICATION

STRATA PRODUCTION COMPANY ("Applicant"), by and through its undersigned attorneys, makes application to the Oil Conservation Division for an Order approving an unorthodox well location, and for the promulgation of special pool rules and regulations for the Caprock Devonian Pool providing for 80-acre spacing, and in support thereof states:

1. Applicant is the operator of the E/2NE/4 of Section 36, Township 12 South, Range 31 East, N.M.P.M., Chaves County, New Mexico and proposes to drill its Faisan State No. 1 Well at a location 1435 feet from the North line and 757 feet from the East line of said Section 36.
2. Applicant seeks an exception to the well location requirements of Oil Conservation Division Rule 104 to permit the drilling of the well at the above-described unorthodox location to a depth sufficient to adequately test the Devonian Formation.
3. Applicant seeks the promulgation of special pool rules and regulations for the Caprock Devonian Pool which will provide for 80-acre spacing for Devonian oil wells in the following described area:

Township 12 South, Range 31 East, N.M.P.M.

Section 26 E/2E/2

Township 12 South, Range 31 East, N.M.P.M. ✓

Section 1: E/2NE/4

Township 12 South, Range 32 East, N.M.P.M.

Section 31: W/2W/2

Township 13 South, Range 32 East, N.M.P.M.

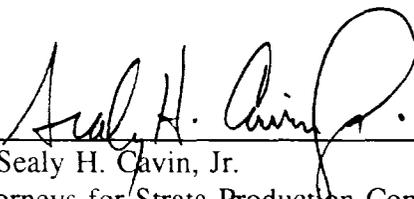
Section 6: W/2NW/4

4. The statewide rules provide for 40-acre spacing for Devonian oil wells.
5. Approval of this Application will result in the production of hydrocarbons which otherwise would not be produced, will protect correlative rights, and will be in the best interest of conservation.

WHEREFORE, Strata Production Company requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 16, 1995 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order granting this application and providing such other and further relief as may be proper.

RESPECTFULLY SUBMITTED,

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