



DEC 08 1989

New Mexico Oil Conservation Division  
Attention: D.R. Catanach  
P.O. Box 2088  
Santa Fe, NM 87504-2088

RE: NMOCD Examiner Hearing  
Case #9830

Gentlemen:

This letter is respectfully submitted to confirm that Barry Hunt, Natural Resource Specialist in the Carlsbad Resource Area, did request that Strata Production Company relocate their Yeso Hills Federal #1 a distance of 200 feet south and east of the originally proposed location due to the identification of an archeological site that would be impacted by Strata's proposed wellpad and access road.

Although other alternate locations were available, the newly proposed location was the closest to the originally proposed location.

If you have any further questions, please contact Barry Hunt at (505) 887-6544 or at the letterhead address.

Sincerely,

/s/ Sandra L. Poreta

Richard L. Manus  
Area Manager

FOR

cc:D.M. Leonard

067:SShaw:mp:12/8/89:WANG#00081.3

BEFORE EXAMINER <i>Catanach</i> OIL CONSERVATION DIVISION
EXHIBIT NO. <u>2</u>
CASE NO. <u>9830</u>

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)

Form approved,  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

NM 30886-A  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

YESO HILLS FEDERAL

9. WELL NO.

#1

10. FIELD AND POOL, OR WILDCAT

WILDCAT BONESPRING

11. SEC., T., S., M., OR B.L. AND SURVEY OR AREA

SEC. 18, T26S, R25E

12. COUNTY OR PARISH 13. STATE

EDDY

NM

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL  GAS WELL  OTHER

2. NAME OF OPERATOR  
STRATA PRODUCTION COMPANY

3. ADDRESS OF OPERATOR  
648 PETROLEUM BUILDING ROSWELL, NEW MEXICO 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\* See also space 17 below.)  
At surface

OLD LOCATION: 1980' FEL & 660' FSL  
NEW LOCATION: 1780' FEL & 460' FSL

14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)  
GL 3839'

16 Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF   
FRACTURE TREAT   
SHOOT OR ACIDIZE   
REPAIR WELL   
(Other) AMEND SURFACE LOCATION

PULL OR ALTER CASING   
MULTIPLE COMPLETE   
ABANDON\*   
CHANGE PLANS

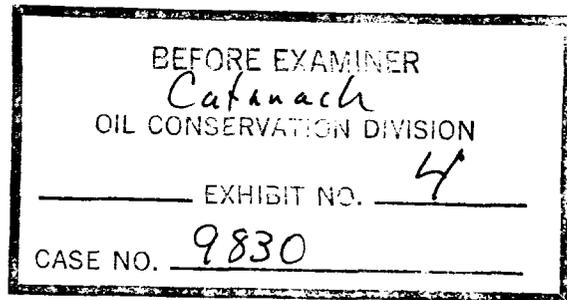
SUBSEQUENT REPORT OF:

WATER SHUT-OFF   
FRACTURE TREATMENT   
SHOOTING OR ACIDIZING   
(Other)   
REPAIRING WELL   
ALTERING CASING   
ABANDONMENT\*

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

17 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.)\*

AMEND LOCATION OF WELL TO: 1780' FEL & 460' FSL  
SEC. 18, T26S, R25E



18. I hereby certify that the foregoing is true and correct

SIGNED James G. McClelland TITLE VICE PRESIDENT

DATE NOV. 21, 1989

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions on Reverse Side

Submit to: Appropriate  
 District Office  
 State Lease - 4 copies  
 Federal Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**

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

*DAN LEONARD*

**STRIC I**  
 J. Box 1980, Hobbs, NM 88240

**STRIC II**  
 J. Drawer DD, Artesia, NM 88210

**STRIC III**  
 60 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

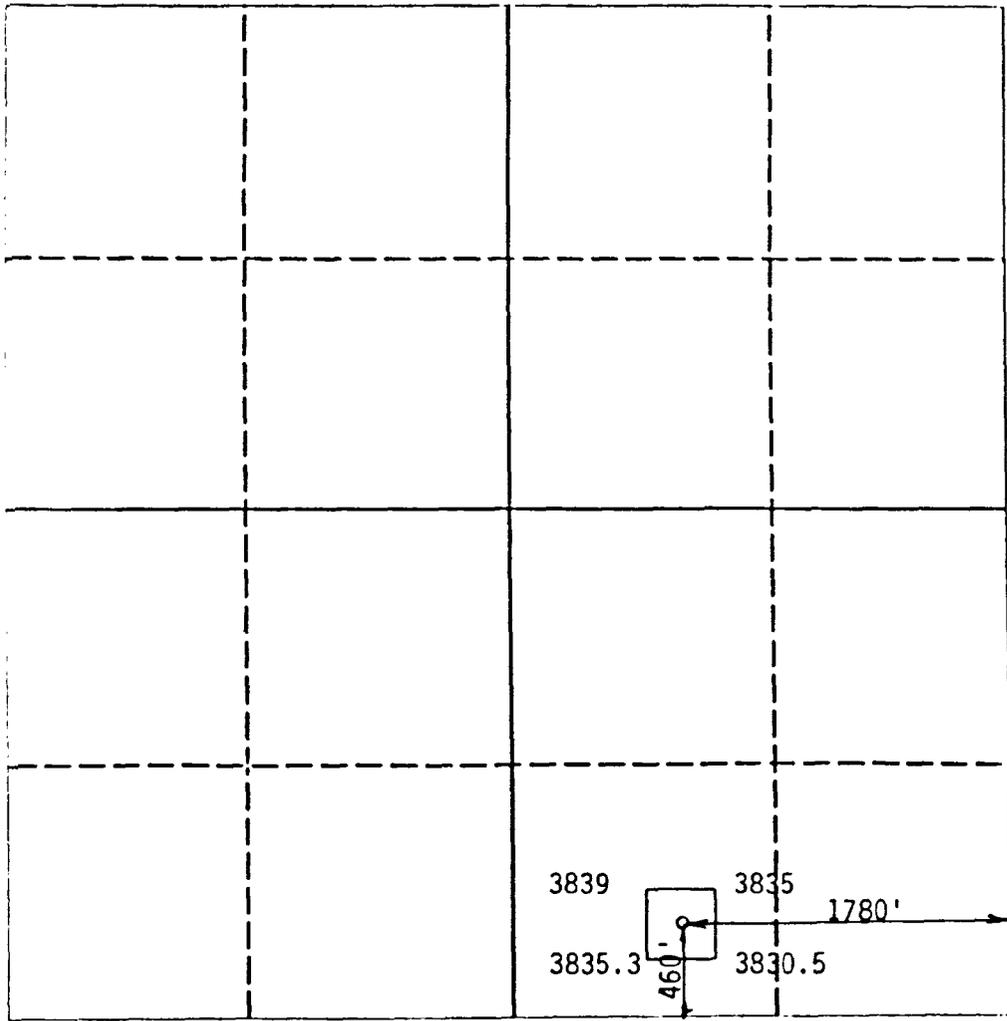
Operator <b>Strata Production Company</b>			Lease <b>Yeso Hills Federal</b>		Well No. <b>1</b>
Grid Letter <b>0</b>	Section <b>18</b>	Township <b>26 South</b>	Range <b>25 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>460</b> feet from the <b>South</b> line and <b>1780</b> feet from the <b>East</b> line					
Ground level Elev. <b>3834</b>	Producing Formation		Pool	Dedicated Acreage: <b>Acres</b>	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 

Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*James G. McClelland*  
 Signature

**James G. McClelland**  
 Printed Name

**Vice Pres/Admin**  
 Position

**Strata Production Co.**  
 Company

**November 29, 1989**  
 Date

**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 knowledge and belief.

Date Surveyed  
**November 28, 1989**

Signature & Seal of Professional Surveyor  
*P. R. Patton*

**P. R. Patton**  
 Registered Professional Land Surveyor  
 No. 8112

Certificate No.  
**8112**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

2. TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER       SINGLE ZONE       MULTIPLE ZONE

3. NAME OF OPERATOR  
 Strata Production Company

4. ADDRESS OF OPERATOR  
 648 Petroleum Building Roswell, New Mexico 88201

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface: 1980' FEL & 660' FSL  
 At proposed prod. zone: Same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 20 Miles SW of White City, New Mexico

7. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'

8. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'

9. NO. OF ACRES IN LEASE 800 ACRES

10. NO. OF ACRES ASSIGNED TO THIS WELL 160

11. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'

12. PROPOSED DEPTH 4900'

13. ROTARY OR CABLE TOOLS Rotary

14. ELEVATIONS (Show whether DF, RT, GR, etc.) GL 3839'

15. APPROX. DATE WORK WILL START\* November 10, 1989

5. LEASE DESIGNATION AND SERIAL NO.  
 NM-30886-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
 Yeso Hills Federal

9. WELL NO.  
 #1

10. FIELD AND POOL, OR WILDCAT  
 W. Und. Bone Springs

11. SEC., T., R., M., OR BLK. AND SURVEY OR AKA  
 S-18 T-26-S, R-25-E

12. COUNTY OR PARISH  
 Eddy

13. STATE  
 NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	1200'	308sx "Lite" & 360sx "C"
				circulate
7 7/8"	5 1/2"	15.5#	4900'	300sx class "C"

- A) Will drill to depth sufficient to test the Bone Spring formation.
- B) Mud Program:  
 0-1200' native mud  
 1200'- total depth, cut brine with starch for water loss control.
- C) Blow out preventer will be installed.
- D) Logs will be run.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED James G. McCallum TITLE Operator DATE 10-03-89

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

All distances must be from the outer boundaries of the Section.

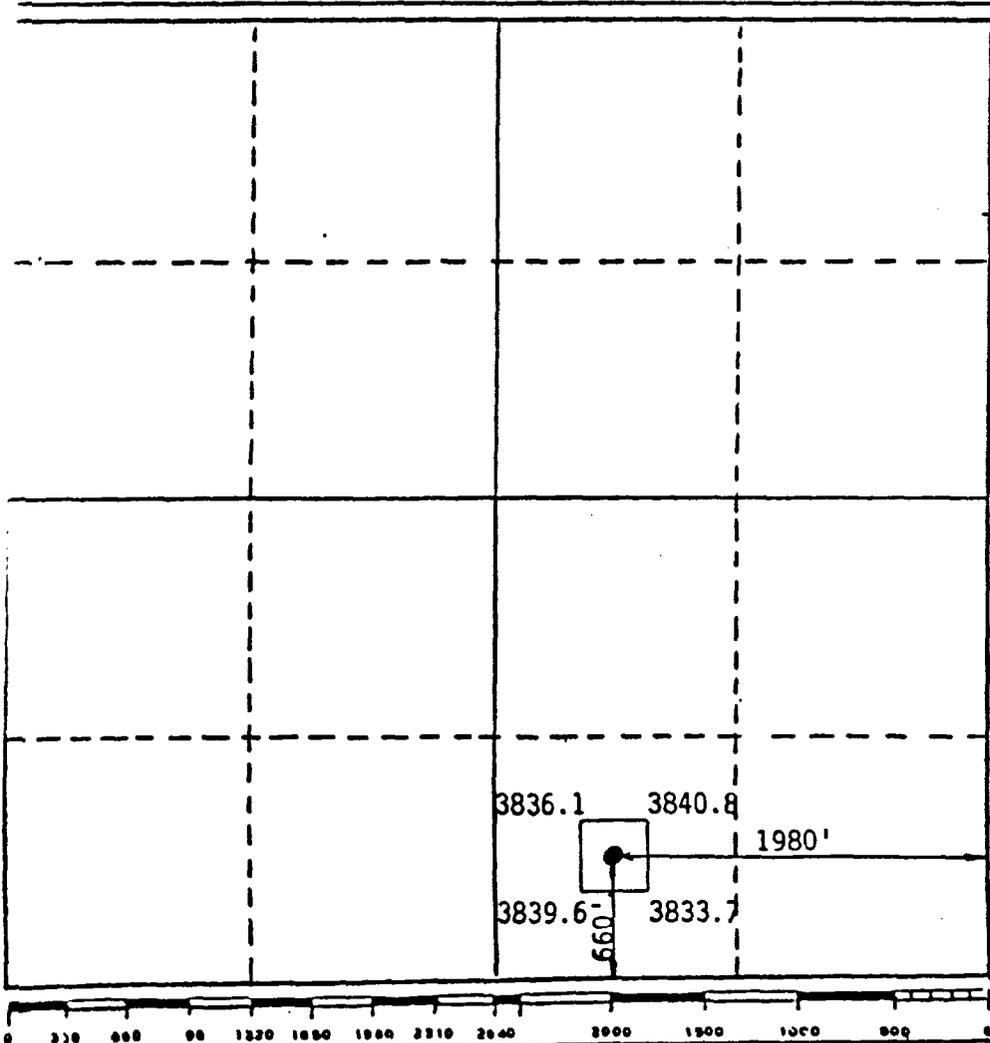
Operator <b>Strata Production Company</b>		Lease <b>Yeso Hills Federal</b>		Well No. <b>1</b>
11 Letter <b>0</b>	Section <b>18</b>	Township <b>26 South</b>	Range <b>25 East</b>	County <b>Eddy</b>
Well Footage Location of Well: <b>660</b> feet from the <b>South</b> line and <b>1980</b> feet from the <b>East</b> line				
Ground Level Elev. <b>3839</b>	Producing Formation <b>BONE SPRING</b>	Pool <b>UND. BONE SPRING</b>	Dedicated Acreage: <b>160</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*James G. Mc Clelland*  
Name  
**JAMES G. Mc CLELLAND**  
Position  
**OPERATOR**  
Company  
**STRATA PROD. CO.**  
Date  
**10-3-89**

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 knowledge and belief.

Date Surveyed  
**September 15, 1989**

Registered Professional Surveyor and/or Land Surveyor  
**P.R. Patton**

Certificate No.  
**8112**

SURFACE USE  
AND OPERATIONS PLAN

Well Name: Yeso Hills Federal #1

Location: Section 18, T-26-S, R-25-E Eddy County, New Mexico

1. Existing Roads: Exhibits A & B are topographic & Lease maps of the roads and other wells in the area.  
\_\_\_\_\_
2. Planned Access Roads: Approximately 600' of new road will be required to join the pad to the access road. See Exhibit "A."  
\_\_\_\_\_
3. Location of Existing Wells: See Exhibit "B".  
\_\_\_\_\_
4. Location of Tank Batteries, Production Facilities, and Production, Gathering, and Service Lines: Stock tanks and production facilities will be on location. Gathering and service line locations are pending due to success in completing this well as a commercial producer.  
\_\_\_\_\_
5. Location and Type of Water Supply (rivers, creeks, lakes, ponds, wells): Plans include drilling this well with fresh water. Water will be obtained thru private and commercial sources and will be transported over existing and planned access roads.  
\_\_\_\_\_
6. Source of Construction Materials: Will be handled by dirt contractors.  
\_\_\_\_\_
7. Methods of Handling Waste Disposal: Drill cuttings to reserve pits allowing for fluids evaporation until dry. Pits will be fenced. Water will be disposed of in a BLM approved disposal system. Current laws on human waste will be complied with. Produced oil will be stored in tanks until sold. Trash will be covered with 24" of dirt. Trash and debris will be removed from well site with in 30 days of completion.  
\_\_\_\_\_
8. Ancillary Facilities: None required.  
\_\_\_\_\_

9. Well Site Layout: Exhibit "C" shows the pad layout. Surface will be completed with caliche and the reserve pits lined with plastic.
- 
10. Plans for Restoration of the Surface: After completion, all unnecessary equipment will be removed. Pits will be filled and location cleaned of all trash and junk. Any pits will be fenced until they are filled. If abandoned, all rehabilitation and vegetation requirements for the BLM will be followed and all pits will be filled and leveled within 90 days after abandonment.
- 
11. Other Information: The topography of the location is relatively light rolling hills, the topsoil at the proposed drillsite and access road is primarily sand with very little loam. Vegative cover is grass, mesquite, yucca, sage and miscellaneous wild-flowers. Wildlife includes coyotes, rabbits, rodents, reptiles, dove and quail. No streams in area. No evidence of archaeological, historical or cultural sites.
- 
12. Lessee's or Operator's Representative:

James G. McClelland or Frank S. Morgan  
648 Petroleum Building  
Roswell, New Mexico 88201

Business Phone: 622-1127 or 365-2971  
Home Phone: 624-1858 or 365-2919

13. Certification:

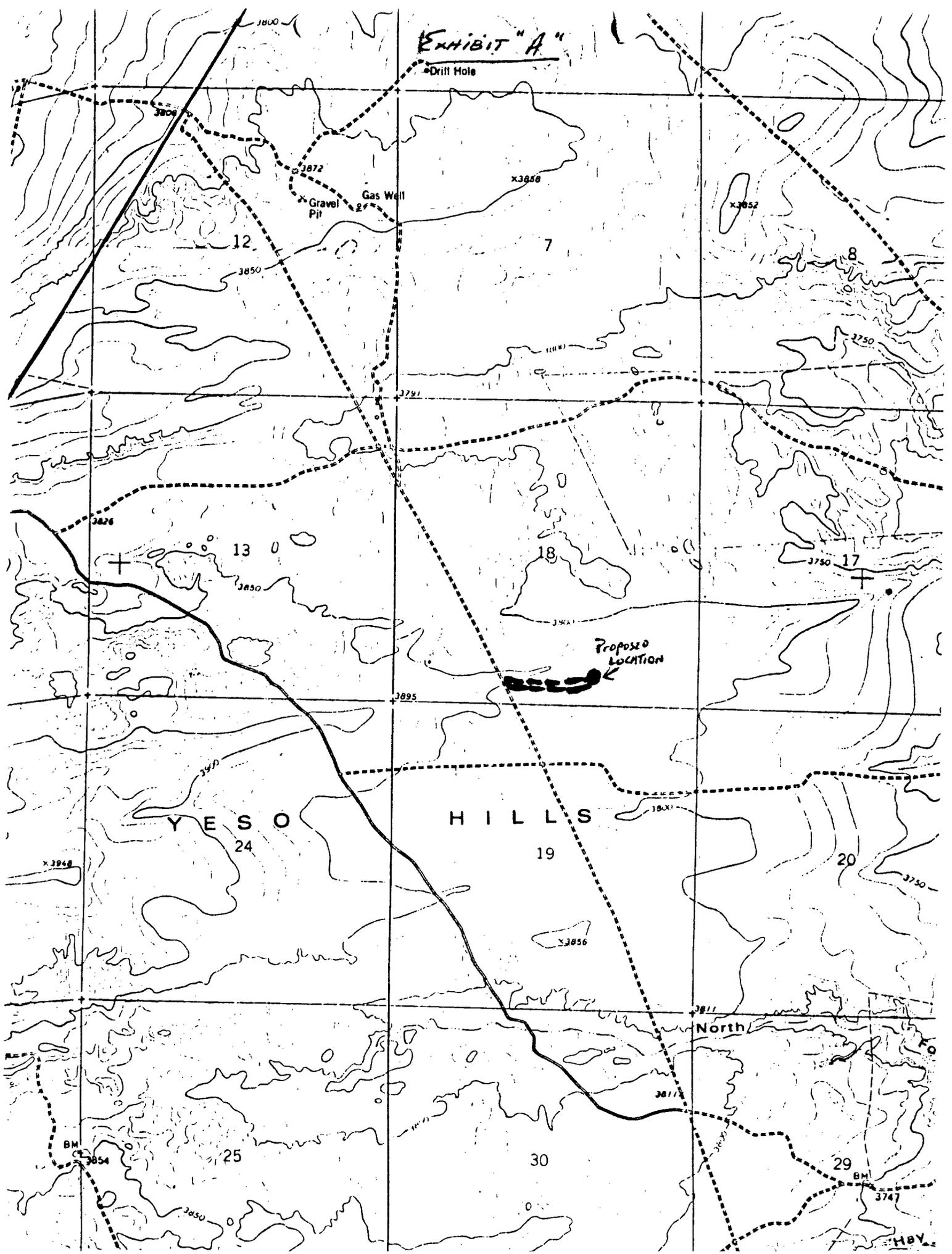
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route: that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct: and, that the work associated with the operations proposed herein will be performed by Strata Operating Company and its contractors and sub-contractors in convormity with this plan and the terms and conditions under which it is approved.

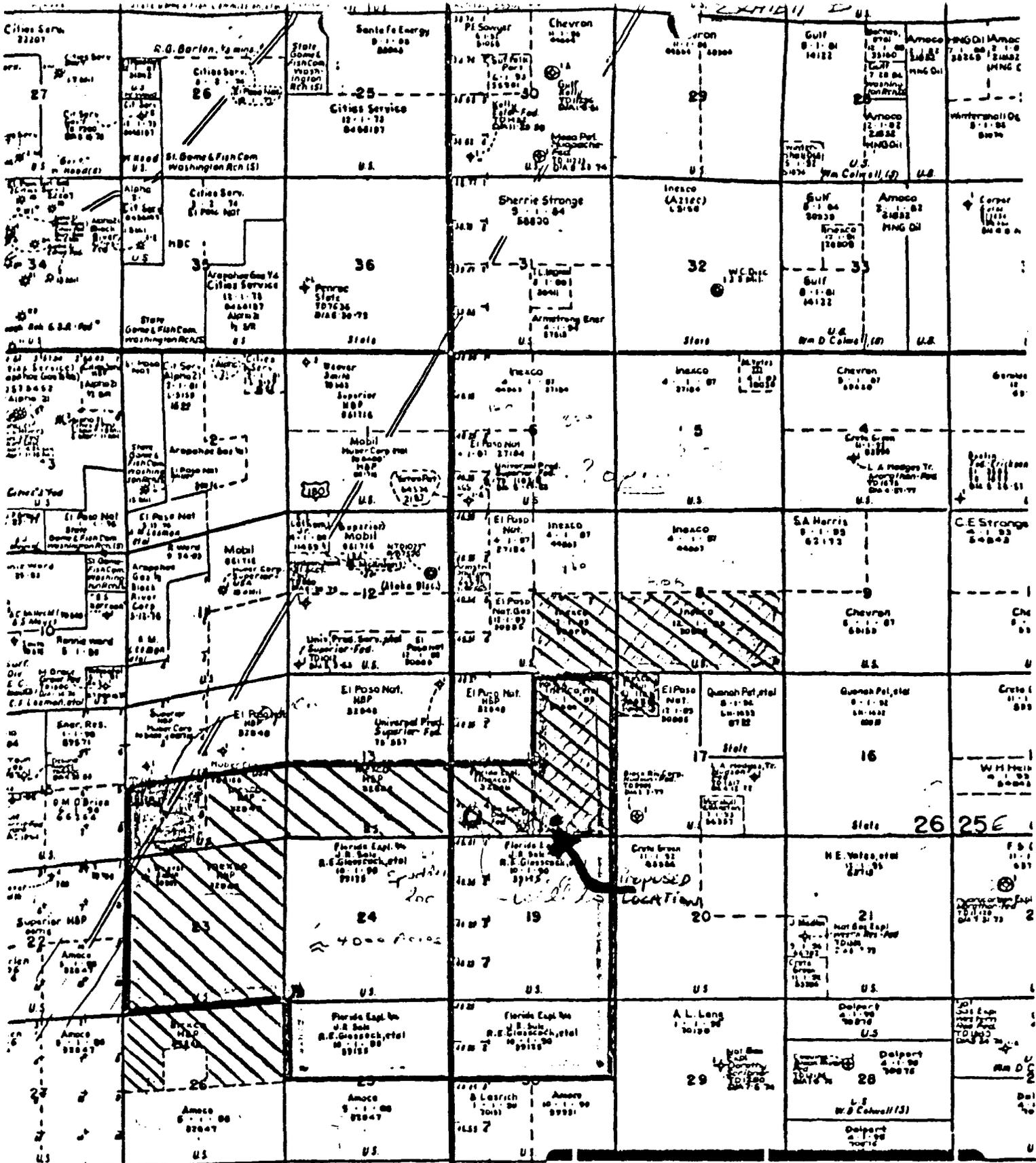
October 03, 1989  
Date

  
James G. McClelland  
Company Representative

Vice President Administration  
Title

**EXHIBIT "A"**





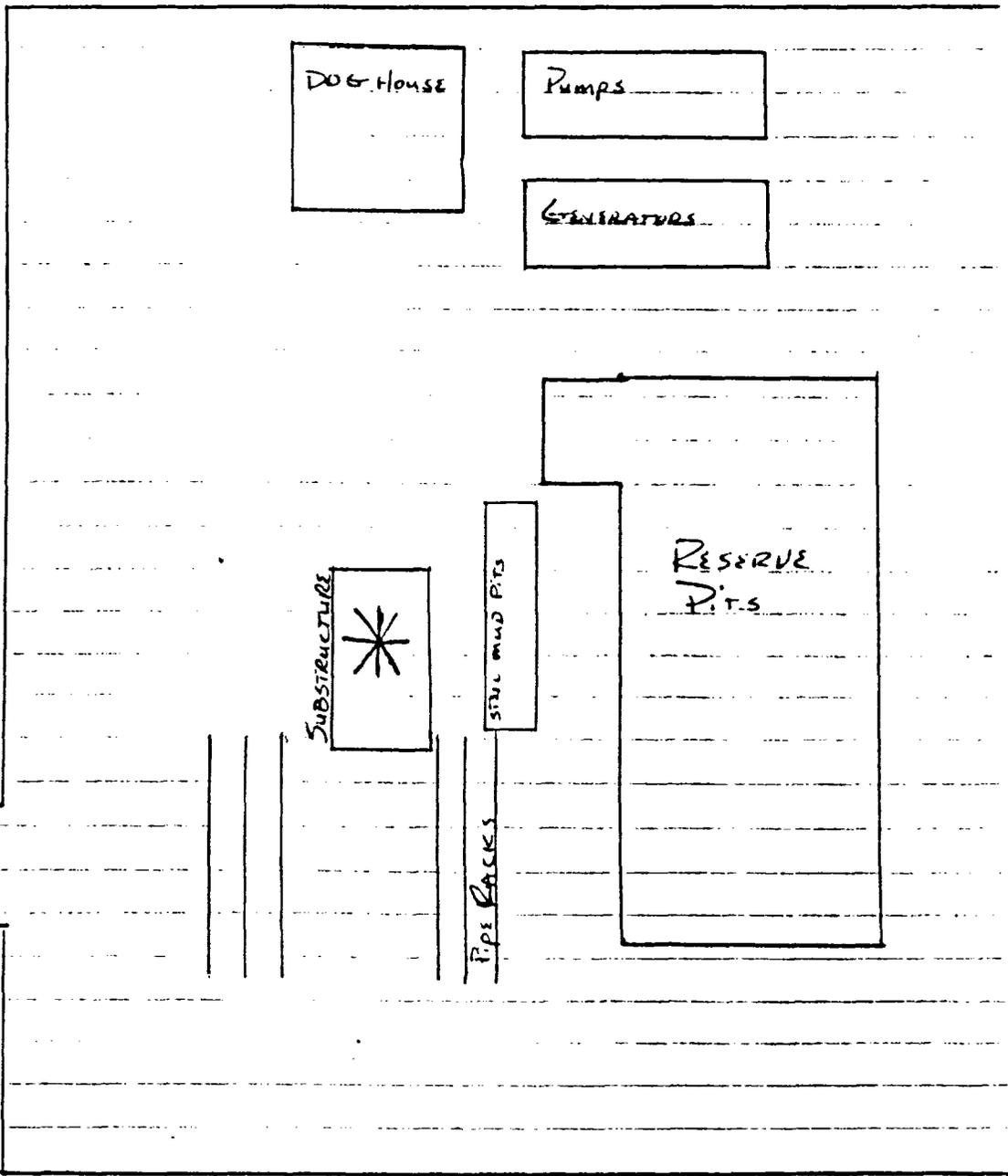
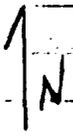
ATTACHMENT II

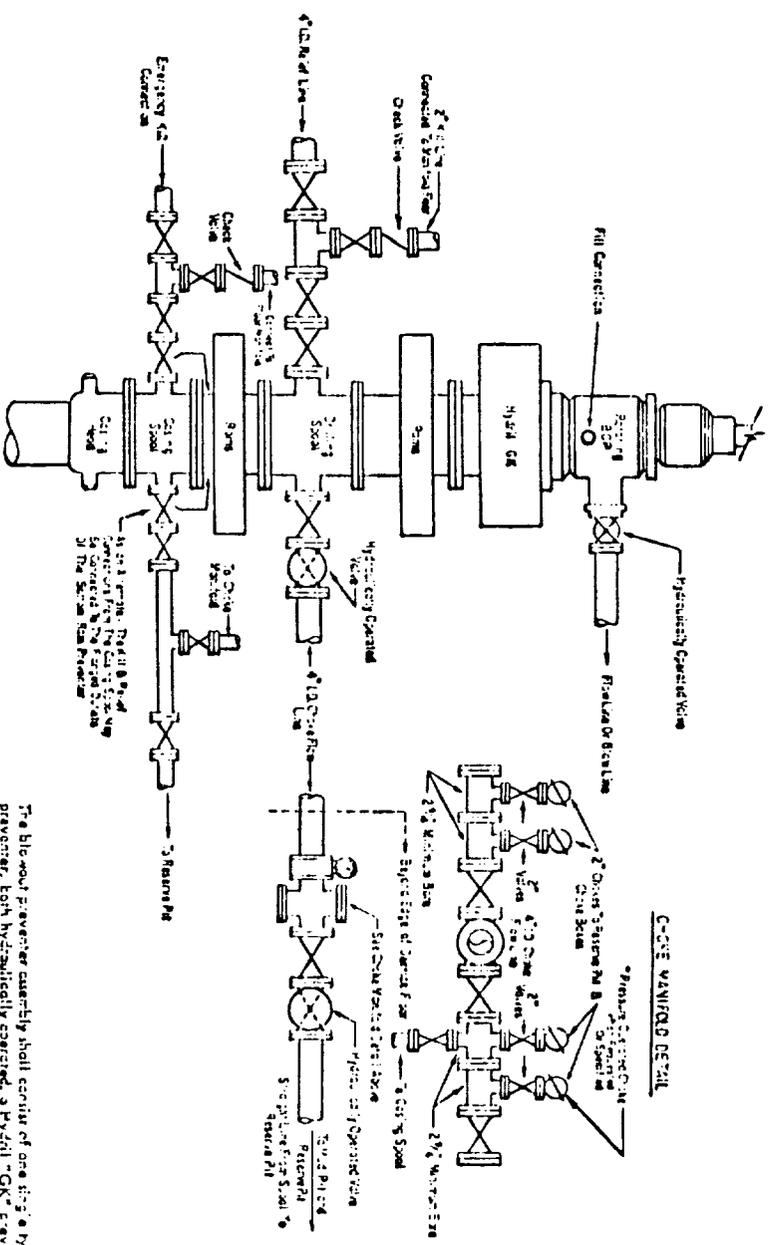
R-25-E

1,000  
 Area 83.33% W.I. follow  
 what NRI.

{ 24, 19, 1/2 of 25, 30 1960 Ac  
 First parcel - 75 Ac - 1601.5 Ac net to W.I  
 2nd parcel - 50 Ac - 1601.5 Ac

EXHIBIT "C"





**5000 # PSI WORKING PRESSURE BLOWOUT PREVENTER HOOK-UP**

The blowout preventer assembly shall consist of one single type blind ram preventer or one single type ram preventer, both hydraulically operated, a Hydraulic GOR Preventer, a rotating blowout preventer valve, chokes and connections, as illustrated. If a tapered drill string is used, a ram preventer shall be provided for each size of drill pipe. Casing and tubing runs to fit the preventer are to be available at all times. If casing is used, the flow log switch of the ram preventer may be used for connecting to the 4-inch I.D. casing flow line and 4-inch I.D. relief line, except when air or gas drilling. All preventer connections are to be open-face flanged.

Minimum operating equipment for the preventer and hydraulically operated valves shall be as follows: (1) Multiple pumps, driven by a continuous source of power, capable of fluid charging the total accumulator volume from the nitrogen pre-charge pressure to its rated pressure within \_\_\_\_\_ minutes. Also, the pumps are to be connected to the nitrogen pre-charge pressure to its rated pressure within \_\_\_\_\_ minutes. Also, the pumps are to be connected to the nitrogen pre-charge pressure to its rated pressure within \_\_\_\_\_ minutes. Also, the pumps are to be connected to the nitrogen pre-charge pressure to its rated pressure within \_\_\_\_\_ minutes. Also, the pumps are to be connected to the nitrogen pre-charge pressure to its rated pressure within \_\_\_\_\_ minutes.

The choke manifold, choke flow line, relief line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line, relief line, and choke lines shall be constructed as tight as possible and will not have bends. They and side access is to be maintained to the choke manifold. If deemed necessary, walkways and ladders shall be provided for each side of the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valves and relief line valves connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handwheels.

\* To include derrick floor mounted controls.

