

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

HAROLD D. STRATTON, JR.
SEALY H. CAVIN, JR.*
WILLIAM "BO" FRAZIER

320 GOLD AVENUE, S.W.

SUITE 1200

P. O. BOX 1216

ALBUQUERQUE, NEW MEXICO 87103-1216

TELEPHONE (505) 243-5400
FACSIMILE (505) 243-1700

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES - OIL AND GAS LAW

March 9, 1994

VIA FACSIMILE TRANSMISSION TO 505/827-5741 AND REGULAR MAIL

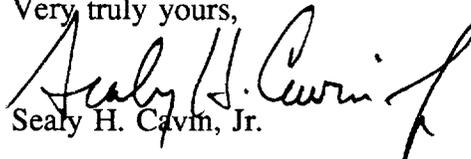
Mr. William J. LeMay
Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail - Room 206
Santa Fe, New Mexico 87105

Re: Pre-Hearing Statement for Application of Strata Production Company for Special Pool Rules for the Nash Draw Brushy Canyon Delaware Pool, Eddy County, New Mexico -- Case No. 10935

Dear Mr. LeMay:

On behalf of Strata Production Company, applicants in the above-described case, I am enclosing triplicate originals of the Pre-Hearing Statement which is filed in connection with the above-referenced case scheduled for public hearing before a Division Examiner on the Docket for Thursday, March 17, 1994.

Very truly yours,


Sealy H. Cavin, Jr.

SHC/skc

Enclosures

cc: Mark B. Murphy (w/encl.)
President, Strata Production Company
Kim Allison (w/encl.)
Landman, Strata Production Company
Jo McInerney (w/encl.)
Landman, Strata Production Company
Steve Mitchell (w/encl.)
Geologist, Scott Exploration Inc.
Bruce Stubbs (w/encl.)
Petroleum Engineer, Pecos Petroleum Engineering, Inc.

**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:

CASE NO. 10935

APPLICATION OF STRATA PRODUCTION COMPANY
FOR SPECIAL POOL RULES, FOR THE NASH DRAW
BRUSHY CANYON DELAWARE POOL, EDDY
COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Strata Production Company
Attn: Mark B. Murphy, President
200 West First Street
Roswell Petroleum Building, #700
Roswell, New Mexico 88201

ATTORNEY

Stratton & Cavin, P.A.
Sealy H. Cavin, Jr.
Post Office Box 1216
Albuquerque, New Mexico 87103-1216
Telephone: (505) 243-5400

OPPOSITION OR OTHER PARTY

ATTORNEY

Applicant is not aware of any opposition as of March 9, 1994.

STATEMENT OF CASE

APPLICANT

Strata Production Company seeks an Order Promulgating Special Pool Rules and Regulations for the Nash Draw Brushy Canyon Delaware Pool, including a gas/oil ratio of 10,000 cubic feet of gas per barrel of oil produced.

OPPOSITION OR OTHER PARTY

Applicant does not anticipate any opposition to the Application.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Kim Allison Landman	15 minutes	Land plat, ownership, and notice.
Steve Mitchell Geologist	15 minutes	Geologic information regarding the application and justification for the Special Pool Rules requested.
Bruce A. Stubbs Petroleum Engineer	20 minutes	Engineering information and data regarding the Nash Draw Brushy Canyon Delaware Pool and justification for the Special Pool Rules proposed.

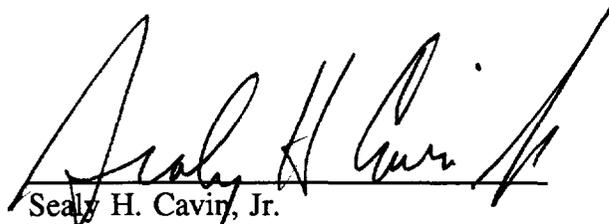
OPPOSITION

<u>WITNESS</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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Applicant does not anticipate any opposition at the hearing.

PROCEDURAL MATTERS

Applicant is not aware of any procedural matters which need to be addressed prior to the hearing.

A handwritten signature in black ink, appearing to read "Sealy H. Cavin, Jr.", written over a horizontal line.

Sealy H. Cavin, Jr.
Attorney for Applicants
Stratton & Cavin, P.A.
Post Office Box 1216
Albuquerque, New Mexico 87103-1216
Telephone: (505) 243-5400