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February 22, 1994

VIA FEDERAL EXPRESS and FACSIMILE 1-827-5741

William J. LeMay, Director
Oil Conversation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

10936

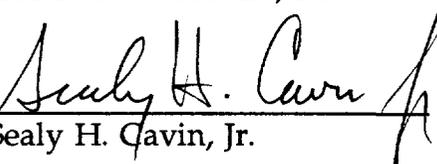
**Re: Application of Strata Production Company for an Unorthodox Well Location,
Eddy County, New Mexico**

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Strata Production Company in the above-referenced case as well as a copy of a legal advertisement. Strata Production Company respectfully requests that this matter be placed on the docket for the March 17, 1994 Examiner hearings.

Very truly yours,

STRATTON & CAVIN, P.A.

By: 
Sealy H. Cavin, Jr.

SHC/eb

Enclosures

cc: Kim Allison, Landman

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 WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

CASE NO. 10936

APPLICATION

STRATA PRODUCTION COMPANY ("Applicant"), through its undersigned attorneys, makes application to the Oil Conservation Division for an Order approving an unorthodox location for its Nash Unit No. 20 Well, and in support thereof states:

1. Applicant is the operator of all wells in the Nash Draw Brushy Canyon Delaware Pool.

2. Applicant proposes to drill its Nash Unit No. 20 well to a depth sufficient to test the Delaware formation at a location 1,230 feet from the North line and 1,350 feet from the West line of Section 18, Township 23 South, Range 30 East, N.M.P.M., which is an unorthodox location.

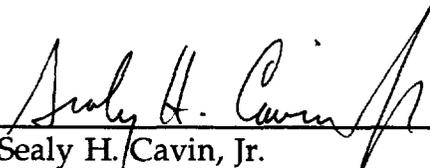
3. The unorthodox location for the Nash Unit No. 20 well is justified for reasons including surface topography, a high pressure gas pipeline, potash restrictions, and geologic considerations.

4. Approval of this Application will result in the production of hydrocarbons which otherwise will not be produced, will not adversely affect 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 March 17, 1994 and that, after notice and hearing as required by law and the rules of the Division, the Division enter its Order approving the unorthodox location described hereinabove.

RESPECTFULLY SUBMITTED,

STRATTON & CAVIN, P.A.

By:  _____
Sealy H. Cavin, Jr.

Attorneys for Strata Production Company
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Albuquerque, New Mexico 87103
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CASE _____

Application of Strata Production Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled case, seeks authority to drill its Nash Unit No. 20 well at an unorthodox oil well location 1,230 feet from the North line and 1,350 feet from the West line (Unit C) of Section 18, Township 23 South, Range 30 East, N.M.P.M., to a depth sufficient to test the Delaware Formation (Nash Unit Brushy Canyon Delaware Pool). The NE/4 NW/4 of Section 18 is to be dedicated to said well. Said well is located approximately 20 miles Southeast of Carlsbad, New Mexico.

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