

Amerada/Bonneville (Farmout)  
Leonard Resource, Strata et al  
El Paso Natural Gas (Option Farmout)  
El Paso Natural Gas



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 TRI-  
(Other Instructions  
verse 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., R., M., OR BLK. AND  
SURVEY OR ARMA

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

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON\*

REPAIR WELL

CHANGE PLANS

(Other) AMEND SURFACE LOCATION

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT\*

(Other)

(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

BEFORE EXAMINER  
*Cafanach*  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 4  
CASE NO. 9830

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

**STRATA**  
J. Box 1980, Hobbs, NM 88240

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

**STRATA III**  
600 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

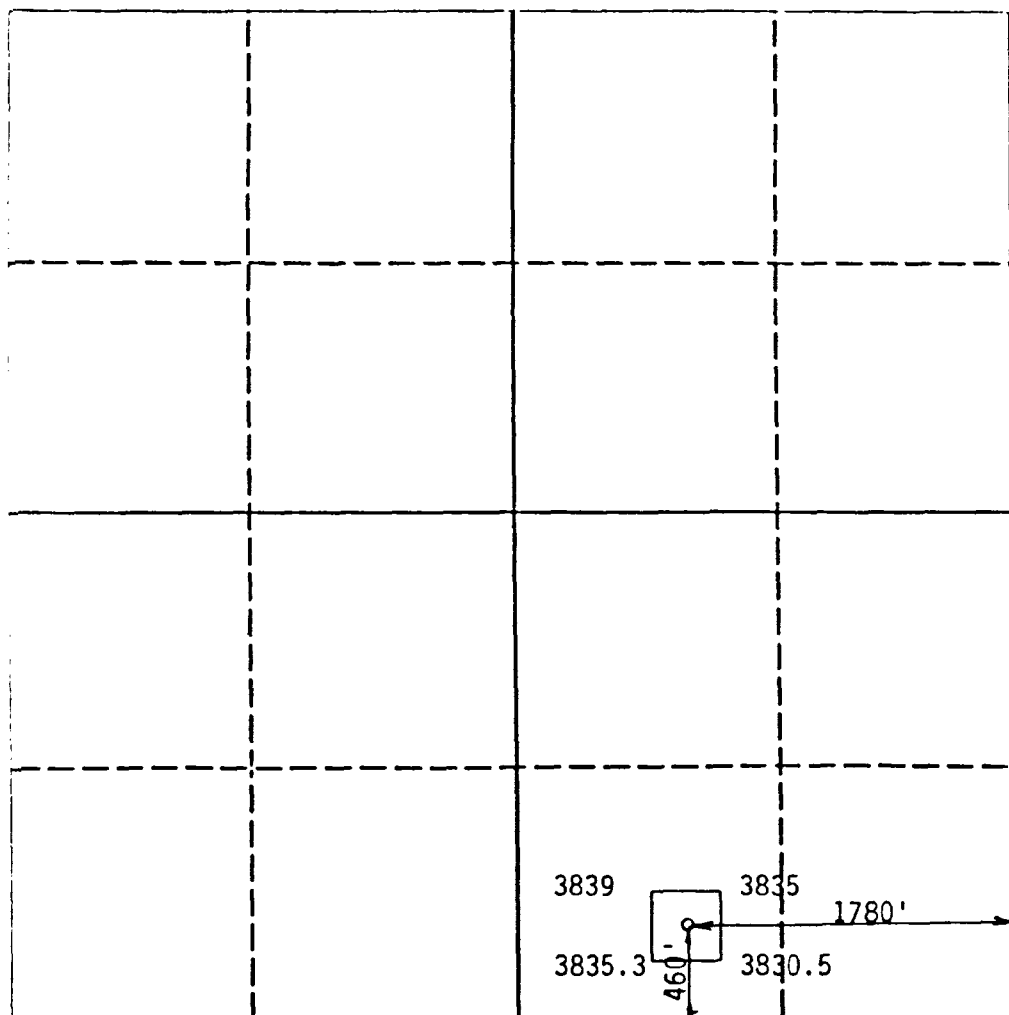
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the 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.

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

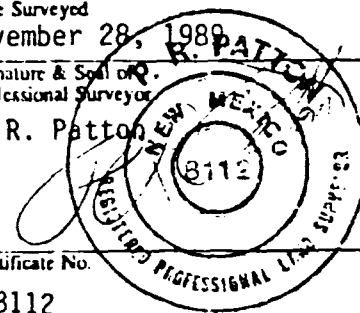
November 28, 1989

Signature & Seal of  
Professional Surveyor

P. R. Patton

Certificate No.

8112



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

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.)\*

At surface

1980'FEL & 660' FSL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

20 Miles SW of White City, New Mexico

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

800 ACRES

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

660'

19. PROPOSED DEPTH

4900'

20. ROTARY OR CABLE TOOL

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GL 3839'

22. APPROX. DATE WORK WILL START\*

November 10, 1989

23. 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

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

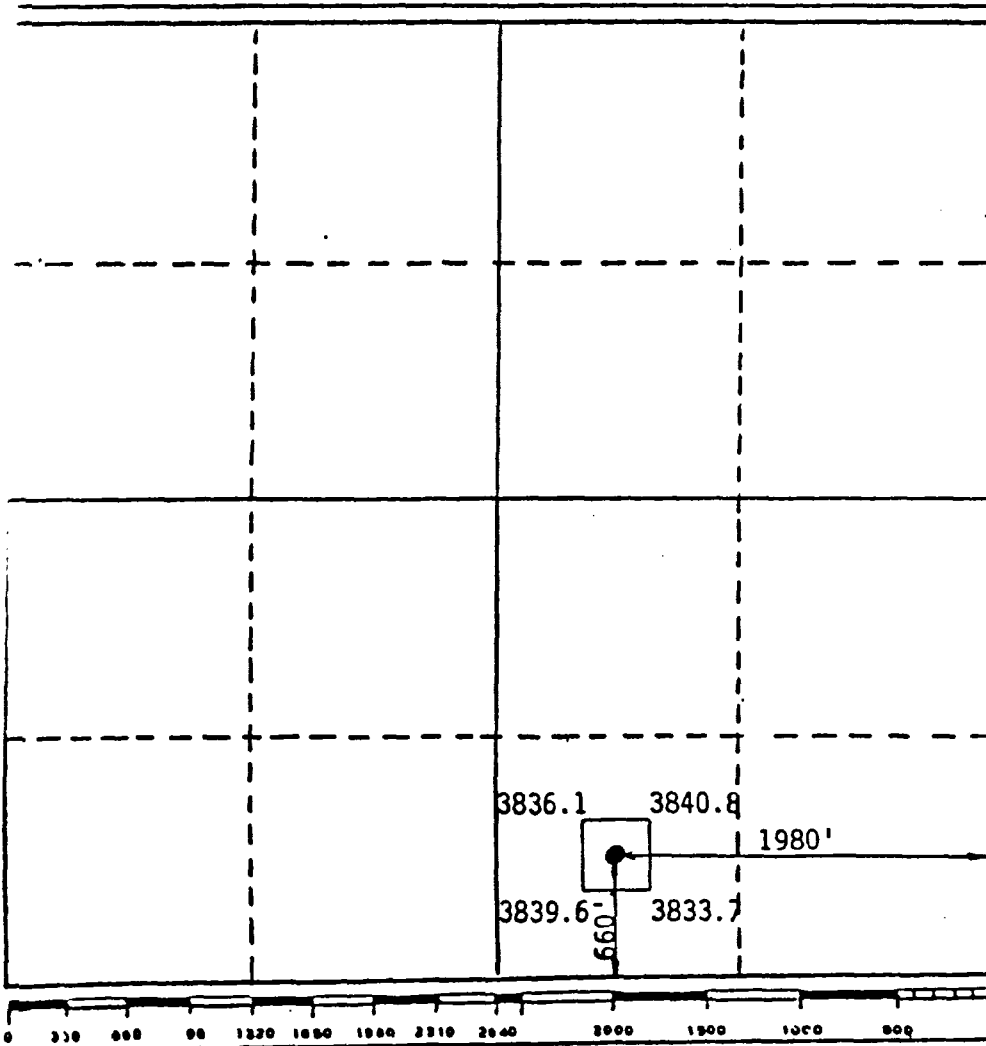
Strata Production Company		Lease Yeso Hills Federal		Well No. 1
Section 18	Township 26 South	Range 25 East	County Eddy	
Actual Footage Location of Well:				
660	feet from the South	line and	1980	feet from the East line
Sound Level Elev. 3839	Producing Formation Bone Spring	Pool U.N.D. Bone Spring	Dedicated Acreage: 160 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.

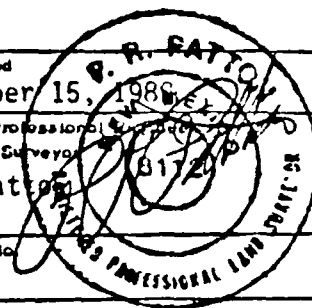
Date 10-3-89

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.
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12. Lessee's or Operator's Representative:

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

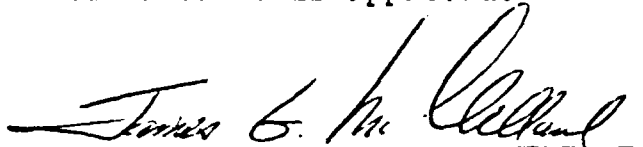
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Business Phone: 622-1127 or 365-2971  
Home Phone: 624-1858 or 365-2919

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.

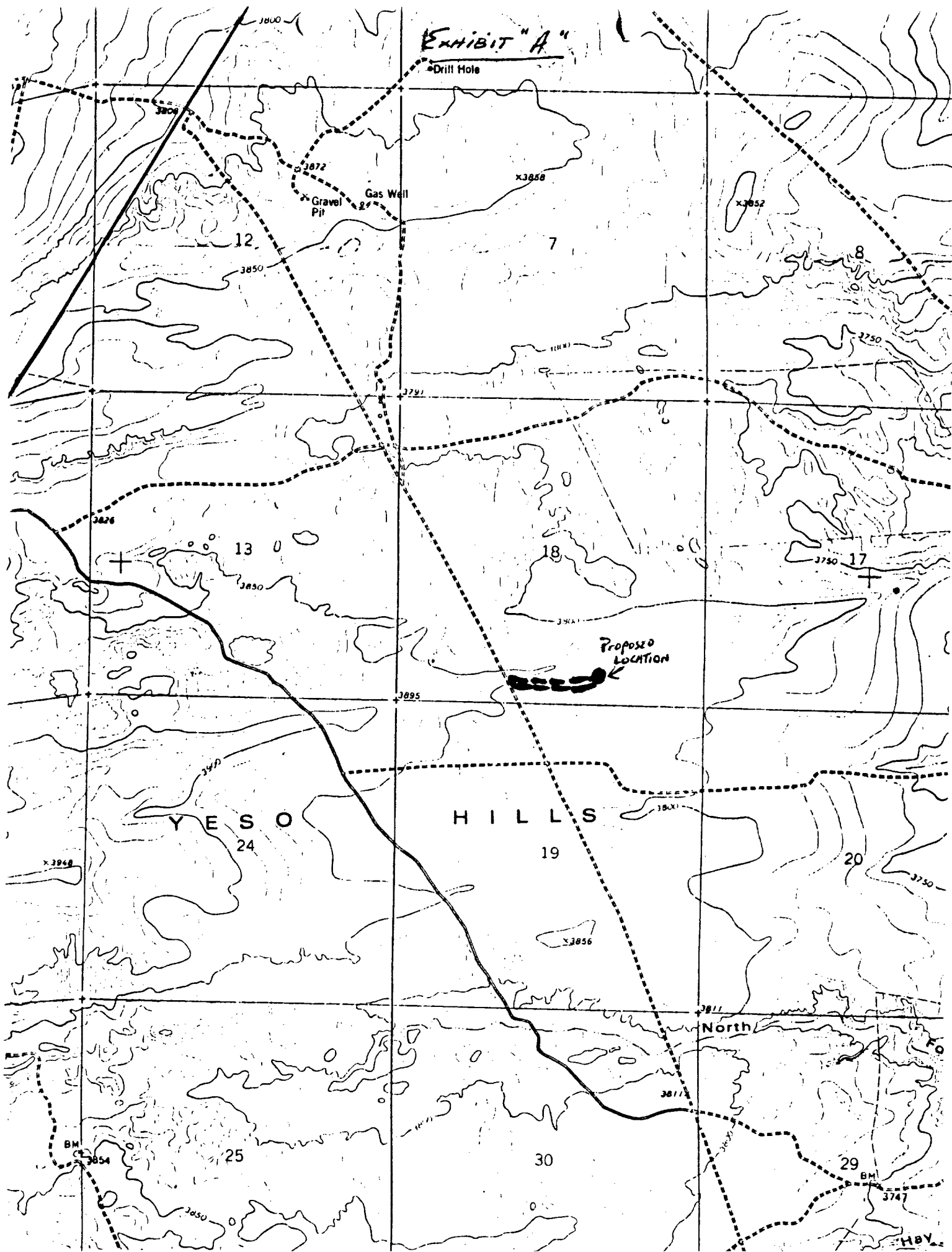
October 03, 1989  
Date

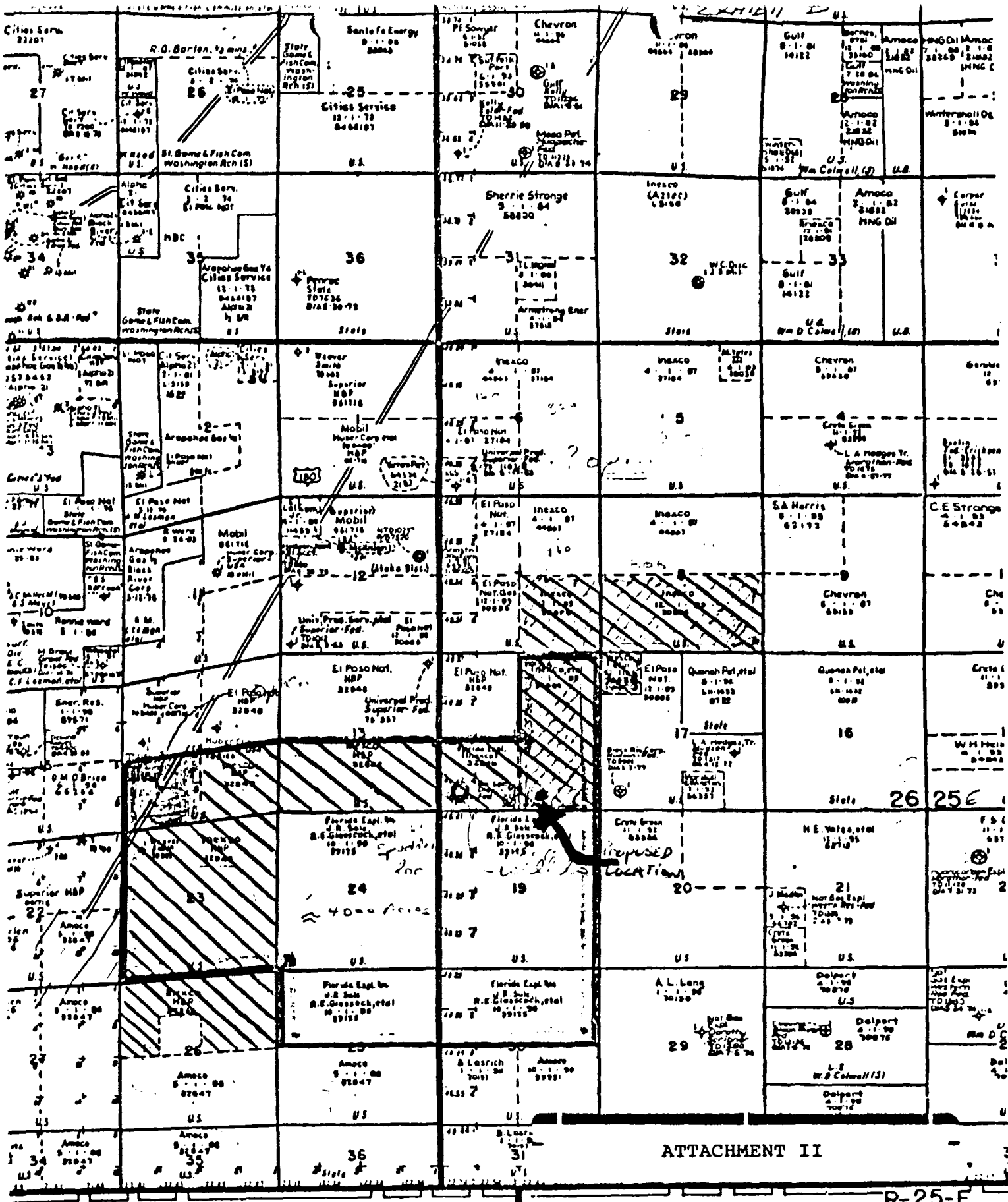
  
Company Representative

Vice President Administration  
Title



EXHIBIT "A"



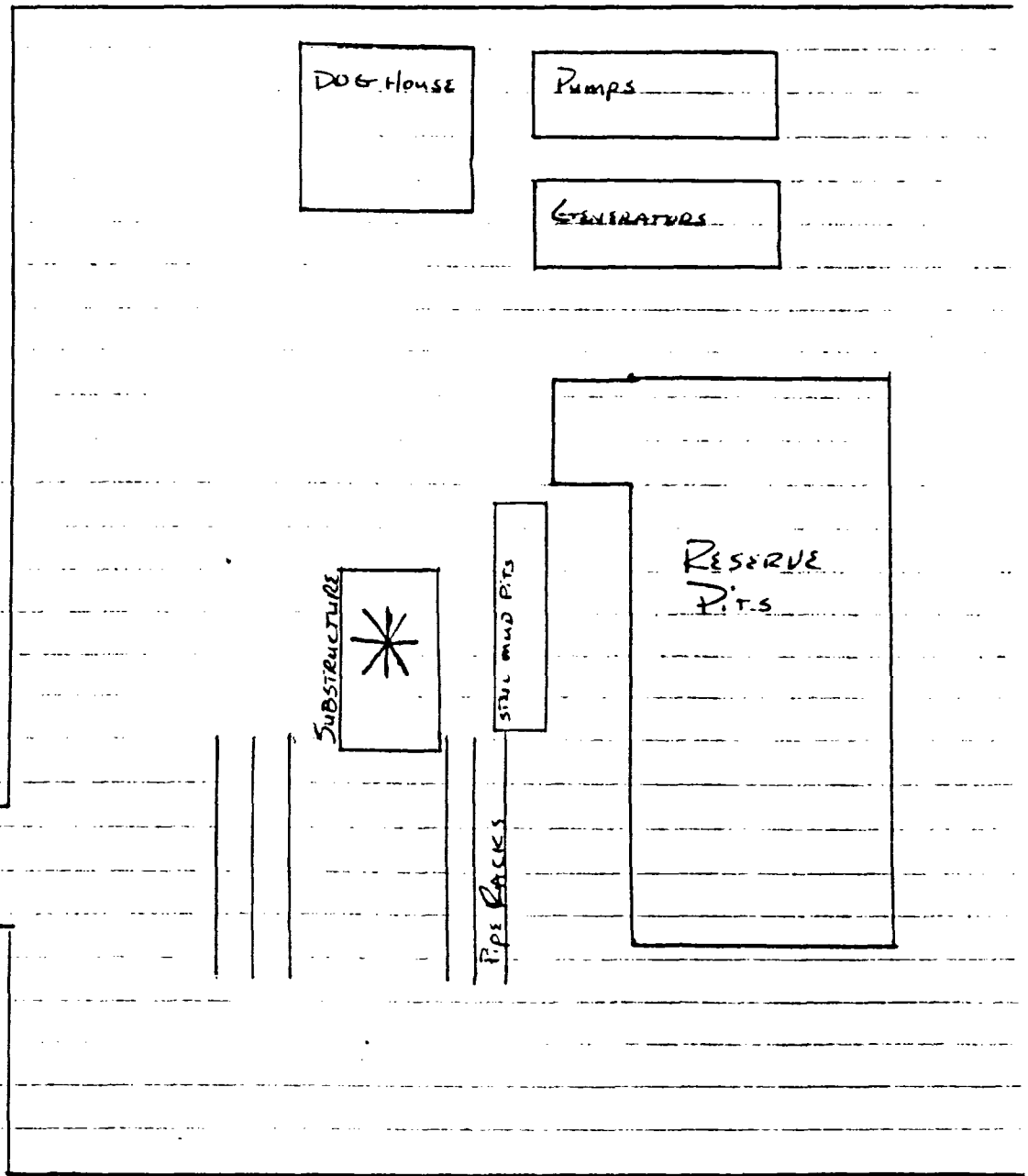


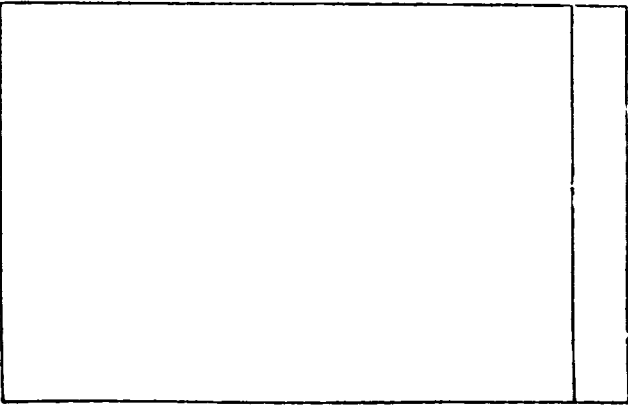
R-25-E

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

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

EXHIBIT "C"





hydraulic operating system which can be a closed volume. (2) Accurate design with a pressure margin of not less than 750 PSI and connected so as to receive the pressure and fluid charge. With the changing pumps shut down, the pressurized fluid volume stored in the operating system is sufficient to close all the pressure-regulated devices simultaneously within \_\_\_\_\_ seconds, after closure, the remaining secondary pressure shall be at least 1000 PSI with the remaining stored fluid volume of at least \_\_\_\_\_ percent of the original. (3) When necessary, an additional source of pressure, remains and available, it is to be available to operate the above pumps or there shall be additional pumps operated by separate power and recall in performance of operation.

The clothing and footwear must be marked with a separate symbol for each particular device. Garments are to be labeled with symbols for the following: fire, gas, and chemical protection. A printed instruction label must be provided for specifying the hybrid system. Markings, including a printed protective shell are available to protect the markings from wear and tear.

The choke manifold, choke flow line, relief line, and choke lines can be supported by rigid hatches and adequately anchored. The choke flow line, relief line, and choke lines can be cantilevered as long as it is possible and all such lines should stay out and clear of the choke manifold. If deemed necessary, walkways and stairways shall be constructed over 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 spoil and all item 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 Gerlich floor-mounted controls.

