

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

**RECEIVED**

JAN 15 1991

OIL CONSERVATION DIV.  
SANTA FE

IN THE MATTER OF THE APPLICATION  
OF STRATA ENERGY RESOURCES CORPORATION  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO

CASE NO. 11 x 35

A P P L I C A T I O N

COMES NOW STRATA ENERGY RESOURCES CORPORATION by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest as follows:

From the surface to the base of the Drinkard-Abo formation or 7800 feet subsurface, whichever is deeper, forming either a standard 40-acre oil spacing and proration unit consisting of the SW/4NE/4 of Section 14, T. 19 S., R. 38 E., N.M.P.M., Lea County, New Mexico, or, alternatively, a 160-acre gas spacing and proration unit consisting of the NE/4 of Section 14, T. 19 S., R. 38 E., N.M.P.M., Lea County, New Mexico, for any and all formations and or pools developed on 40-acre oil spacing, or, alternatively, 160-acre gas spacing, within said vertical extent which presently includes but is not necessarily limited to the Nadine Drinkard-Abo Pool.

In support thereof, Applicant states:

1. Applicant is a working interest owner in the SW/4NE/4 and in the NE/4 of Section 14, T19S, R38E, N.M.P.M., Lea County, New Mexico.

2. Applicant desires to drill a well at a standard location to a total depth of approximately 7800 feet to test the Drinkard-Abo formation.

3. Applicant is informed and believes that the working interest/mineral owners entitled to participate in and pay for the costs of the subject well include those owners reflected on Exhibit "A" attached hereto.

4. Applicant has sought the voluntary agreement of all those parties shown on Exhibit "A" for the formation of the appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and of its request for a hearing on February 7, 1991, except those parties noted on Exhibit "A" as unlocatable, by sending those parties a copy of this application and cover letter. Applicant has made a good faith and diligent effort to find the correct address of all those persons listed on Exhibit "A" as unlocatable.

6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interest involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant

further prays that it be named operator of the well, that the order make provisions for applicant to recover out of production its costs of drilling, completing and equipping it, and costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling and completion of the well and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: 

Candace Hamann Callahan

Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

# EXHIBIT "A"

<u>W.I. OWNER</u>	<u>W.I. PERCENTAGE</u>
Nelda Herring Anderson P.O. Box 294 Newcastle, TX 76372	0.02300%
Icie Thompson Breckon deceased, heirs unlocatable	1.38000%
Lometa J. Campbell Route 7 Athens, Texas 75751	0.13190%
Bona Lou Conard 2226 Seagrape Circle Cocoanut Creek, Florida 33066	0.26639%
Patty Funderberg unlocatable	0.26639%
Fern Thompson Gallaher deceased, heirs unlocatable	0.23000%
Maggie Thompson Grissom Gray c/o Burnie R. Coleman H.C. 64 Box 128 Big Lake, Texas 76932	0.79859%
Iva Thompson Grissom 146 FM 3168 Bldg. 4, Apt. F-1 Raymondsville, Texas 78580	0.79859%
Lois Ancil Morrison Harris P.O. Box 132 Malakoff, Texas 75148	0.26321%
Dena M. Thompson Hendricks 160 Gibson Road P.O. Box 326 Athens, Texas 75751	0.79859%
C. Ledford Herring South Bend, Texas 76081	0.02300%
Charles Herring HC 52, Box 202 Willow Road Graford, TX 76045	0.02300%

Donald Herring Olney, Texas 76374	0.02300%
Ronnie Herring Box 53 Newcastle, TX 76372	0.02300%
Loberta T. Hunter 821 Weldon Road Santa Barbara, California 93109	0.72476%
Jane Burdette Johnson c/o BJ's Pawn Shop 122 Ferguson Village Dallas, Texas 75228	0.79918%
Gartha M. Jones 652 S. Ripple Creek Houston, Texas 77057	0.26639%
Mary Lou H. Kinser Route 1, Box 9A Newcastle, TX 76372	0.02300%
Billy Wayne McCarty 1632 N. Oxford Santa Monica, California 93454	0.07660%
Bobby Joe McCarty 7109 Vinewood Amarillo, TX 79108	0.07660%
L.J. McCarty 1113 Gateway Circle Borger, TX 79007	0.07660%
Jolene Herring McMillen Route 1, Box 75 Santo, TX 76472	0.02300%
Owana Herring Mills Helen Street, Box 471 Monahans, TX 79756	0.02300%
June Webster Morrison 14613 Spring Oaks Drive Mesquite, Texas 75180	0.26321%
Holly Jean Morrow P.O. Box 307 Newcastle, TX 76372	0.02300%

Mrs. Leo Pruitt 9145 Live Oak Fontana, California 92335	1.38000%
Thelma E. H. Routen 4445 Arcady Dallas, Texas 75205	0.02300%
Leo Szczota P.O. Box 851 Rancho Santa Fe, California 92067	1.56250%
Oscar H. Taylor Route 5, Box 702 Conroe, Texas 77304	0.79916%
Texaco, USA Heritage Center Midland, Texas 79702	2.81250%
Ada P. Thompson 1406 Sunset Blvd. Odessa, Texas 79763	0.79859%
Bernice Thompson c/o C.S. Thompson 1406 Alamosa Odessa, Texas 79760	0.79859%
Choice Thompson Choice Thompson Family Trust c/o Syble L. Thompson, Trustee Route 9, Box 55 Sour Lake, Texas 77659	2.77310%
Gwendolyn Brooks Thompson 1100 3rd Street Graham, Texas 76046	0.23000%
Judson Thompson deceased, heirs unlocatable	1.38000%
Raleigh Thompson deceased, heirs unlocatable	5.54625%
Wesley Thompson, Jr. 2810 Brook River Court Sugarland, Texas 77478	1.38655%
Winnie Thompson 600 Laurel Road Athens, Texas 75751	0.79859%

Virginia L. Thompson Tucker  
South Bend, Texas 76081

0.23000%

Beverly T. Ward  
7047 Bissonnett #24  
Houston, Texas 77074

1.38655%

Fay Nell Willingham  
Route 7  
Athens, Texas 75751

0.13190%

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29.46128%

and all formations developed on 40-acre oil spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled 1980 feet from the North line and 2310 feet from the East line (Unit G) of said Section 29, which is a standard oil and gas well location for zones spaced on 320 acres and 40 acres but is an unorthodox gas well location for zones spaced on 160 acres. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles north of Mile Marker No. 167 on U.S. Highway 380.

CASE 10203: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 14, Township 19 South, Range 24 East, to test both the Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool and Boyd-Morrow Gas Pool, the N/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both zones. The proposed well site is located approximately 14.5 miles southeast of Hope, New Mexico.

CASE 10223: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cowboy Draw Unit Agreement for an area comprising 28,800 acres, more or less, of State and Federal lands in Townships 4 and 5 South, Ranges 20 and 21 East, which is located approximately 10 miles west-southwest of Mesa, New Mexico.

CASE 10224: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Blackwater Unit Agreement for an area comprising 41,610 acres, more or less, of State and Federal lands in Township 9 South, Ranges 21 and 22 East, which is located approximately 17 miles northwest by west of Roswell, New Mexico.

CASE 10225: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Salt Creek Unit Agreement for an area comprising 97,800 acres, more or less, of State and Federal lands in Townships 6, 7, and 8 South, Ranges 21 and 22 East, which is located approximately 27 miles northwest of Roswell, New Mexico.

CASE 10235: Application of Strata Energy Resources Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the following described acreage in Section 14, Township 19 South, Range 38 East, and in the following manner: the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Nadine Drinkard-Abo Pool and Undesignated Hobbs Grayburg-San Andres Pool; and the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Nadine-Yates Gas Pool. Said units are to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3/4 mile south of the Everglade Cemetery.

CASE 10182: (Continued from January 24, 1991, Examiner Hearing.)

Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for its existing Angel Peak "B" Well No. 44 located 485 feet from the North line and 2310 feet from the West line (Unit C) of Section 24, Township 28 North, Range 11 West, Basin-Fruitland Coal Gas Pool, the N/2 of said Section 24 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said well is located approximately 4.5 miles south-southeast of Bloomfield, New Mexico.

CASE 10183: (Continued from January 24, 1991, Examiner Hearing.)

Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for the existing Union Texas Petroleum Corporation Angel Peak "B" Well No. 31 located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 25, Township 28 North, Range 11 West, the W/2 of said Section 25 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said well is located approximately 5.5 miles south by east of Bloomfield, New Mexico.

CASE 10236: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the NW/4 SE/4 (Unit J) of Section 12, Township 18 South, Range 31 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated East Shugart-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.75 miles south by west of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10237: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the NE/4 SW/4 (Unit K) of Section 12, Township 18 South, Range 31 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated East Shugart-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles south by west of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10238: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the SE/4 SW/4 (Unit N) of Section 12, Township 18 South, Range 31 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated East Shugart-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles south by west of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10239: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the SW/4 SE/4 (Unit O) of Section 12, Township 18 South, Range 31 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated East Shugart-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3.25 miles south by east of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10211: (Continued from January 24, 1991, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, and in the following manner: the W/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool; and the SW/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated West Corbin-Delaware Pool, Undesignated Central Corbin-Queen Pool, Undesignated West Corbin-San Andres Pool, and Undesignated Corbin-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard oil well location 1980 feet from the North line and 660 feet from the West line of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7.5 miles southeast by south of Maljamar, New Mexico

CASE 10221: (Continued from January 24, 1991, Examiner Hearing.)

Application of Conoco Inc. for the amendment of Order No. R-4691, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4691, as amended, which promulgated special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool located in Townships 19 and 20 South, Ranges 24 and 25 East. Applicant seeks the establishment of a special depth bracket allowable for a standard 160-acre oil spacing and proration unit in said pool of 700 barrels of oil per day. Said pool is located approximately 9 miles west of Lakewood, New Mexico.