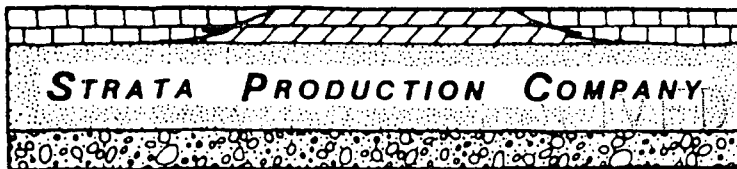


POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



200 WEST FIRST STREET, ROSWELL PETROLEUM BUILDING, SUITE 200
ROSWELL, NEW MEXICO 88203

TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

RECEIVED

2009 FEB 6 PM 2 1

June 2, 2008

State of New Mexico
Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

RE: FORTY NINER RIDGE UNIT
First Revision to the Delaware Participating Area
T23S, R320E, NMPM
Sections 9, 10 (except NW/4NW/4), 15, 16,
21 and 22
Eddy County, New Mexico

Ladies & Gentlemen:

In accordance with correspondence dated October 10, 2007, the State of New Mexico approved the First Revision to the Forty Niner Ridge Delaware Participating Area. The State's approval was contingent upon Strata Production Company, Sub-Operator, spudding a well in Sections 9, 10 or 15-23S-30E on or before April 30, 2008.

Enclosed for your files and information is part of our Permit to Drill (APD) which sets out the spud date of the Forty Niner Ridge Unit #9 as February 19, 2008. Please also note that a copy of the Completion Report which is being sent to the OCD for approval is also enclosed for your information.

Thank you for your cooperation and if you have any questions, please contact the undersigned.

Sincerely,

Jo McInerney, CPL

cc: BLM-Roswell, Attn: Mr. John Simitz
OCD-Santa Fe Attn: Mr. David Catanach

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COPY

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

OPERATOR'S COPY

1a. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name	
b. Type of Completion: <input type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other: _____		7. Unit or CA Agreement Name and No.	
2. Name of Operator STRATA PRODUCTION COMPANY		8. Lease Name and Well No. FORTY NINER RIDGE UNIT	
3. Address P.O. BOX 1030, ROSWELL, NM 88202-1030		9. AFI Well No. #9	
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 330' FSL & 2630' FWL. At top prod. interval reported below At total depth 8951' & 8214'		10. Field and Pool or Exploratory FORTY NINER RIDGE, DELAWARE	
14. Date Spudded 02/19/2008		15. Date T.D. Reached 03/20/2008	
16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.		17. Elevations (DF, RKB, RT, GL)* 3159' KB	
18. Total Depth: MD 8951' TVD		19. Plug Back T.D.: MD 8942' TVD 7436'	
20. Depth Bridge Plug Set: MD TVD		21. Type Electric & Other Mechanical Logs Run (Submit copy of each) SCHLUMBERGER EXPRESS; DLL/CNL	
22. Was well cored? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit copy)			

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2"	133/8"-H-40	48#	SURFACE	492'	492'	600SX CL "C"			
						1"-60SX		CIRC.	
11"	8 5/8" - K:55	32#	SURFACE	3640'	3640'	1200SX POZ C			
						200SX CL "C"		CIRC.	
7 7/8"	13	17#	SURFACE	8950'	8950'	625 SX LITE			
						400SX CL "C"		CIRC.	

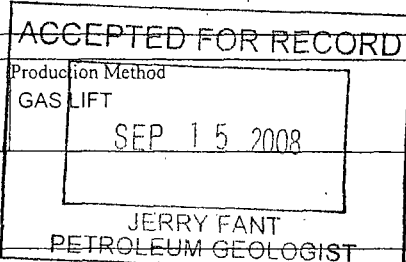
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	65	65	5 1/2"					

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	3606'	7500'	8842'-8847'	.45	21	SI
B) DELAWARE	3606'	7500'	8214'-8219'	.45	21	PRODUCING
C)						
D)						

Depth Interval	Amount and Type of Material
8842'-8847'	ACIDIZE W/ 2500 GAL 7 1/2% NEFE. FRAC VIA 5 1/2" CSG W/ 100,000# 16/30 SAND.
8214'-8219'	ACIDIZE W/ 2500 GAL 7 1/2% NEFE. FRAC VIA 5 1/2" CSG W/ 150,000# 16/30 SAND.

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
6/8/08	8/23/08	24 HRS	→	125	171	172	41		GAS LIFT
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. 750#	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
1/2"			→	125	171	172		FLOWING	

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/08/08	08/23/08	24	→	218	218	203	41		GAS LIFT
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. 750#	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
1/2"			→	218	218	203	1/1	FLOWING	



*(See instructions and spaces for additional data on page 2)