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ABOVE THIS LINE FOR DIVISION USE ONLY

Communcial

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



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		[E]		For all of th	ne above	, Proof of 1	Notification	or Pub	lication	is Attac	ched, a	nd/or,		
		[F]		Waivers are	e Attache	ed								
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	al is accu	rate an	d com	I hereby concepted to the information	e best of	my knowle	edge. I also	unders	stand th	at no ac			nistrative aken on this	
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PAUL	RAGSE	DALE		1/0	0	Legeler	le		ERATI	ONS M	IANA	GER	11/28/2017	
Print or	Type Nam	ne		Signat	ure			Title		E Au			Date	
								nrao	sdale@st	ratanm c	om			

e-mail Address

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

FORM C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? Yes No
II.	OPERATOR: STRATA PRODUCTION COMPANY
	ADDRESS: _1301 NORTH SYCAMORE, ROSWELL NM 88202
	CONTACT PARTY: PAUL RAGSDALE PHONE 622-1127 EXT 18
III.	WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary. SEE ATTACHMENTS 1A,1B,1C & 1D
IV.	Is this an expansion of an existing project? Yes X_No If yes, give the Division order number authorizing the project:
V.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review. SEE ATTACHMENT V1 & V2
VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
VII.	Attach data on the proposed operation, including:
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
*VIII.	Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
IX.	Describe the proposed stimulation program, if any.
*X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted)
*XI.	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.
XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
	NAME:Paul RagsdaleTITLE: _OPERATIONS MANAGER
	NAME:Paul Ragsdale
*	E-MAIL ADDRESS:pragsdale@stratanm.com

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
 - (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
 - (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

10-27-201 NEW MEXICO - FORM C-108

TRISTE DRAW FED #2

III. WELL DATA:

TRISTE DRAW FED #2, Unit Letter J, 1980 FSL & 2480 FEL, Sec 14 - T23S – R32E LEA County, NM

API # 30-025-27708

All pertinent data for the proposed salt water disposal well is included on the schematic sheets in this application.

B.The following must be submitted for each injection well covered by this application.

- (1) The proposed Injection Formation is the Devonian formation in the Diamondtail Field.
- (2) The injection interval will be Open Hole from the top of the Devonian at 17,140' to 18,140'
- (3) The well was originally drilled to test the Lower Morrow formation in 1982.
- (4) Bone Springs perfs from 9512 9802 will be squeezed with 250 sacks of Class H cement CIBP @ 10,090', CMT RETAINER @ 11,790' & CIBP@12,500' Will be drilled out.
- (5) There is not an oil and gas zone below the Devonian. The Lower Morrow is an oil and gas zone above the Devonian
- IV. Is this an expansion of an existing project? NO, the well is currently plugged and abandoned and will need to be cleaned out and deepened.
- V. A lease map is attached as Exhibit A.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the **proposed injection zone**. There are no other wells that penetrate the Devonian formation in any wells within the area of review.

VII. Attach data on the proposed operation, including:

- 1. Proposed average and maximum daily rate and volume of fluids to be injected. Average daily rate will be between 3000 and 5000 bpd with a maximum rate of 15,000 bpd.
- 2. Whether the system is open or closed. The system is a closed system.
- 3. Proposed average and maximum injection pressure. The well should take water for a long time with a minimum of surface pressure, less than 750 psi. As the system is utilized more, the maximum injection pressure is 3200 psig. A step rate test will be performed on the well after it is put into operation.
- 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water. *The water to be injected is produced water from the Delaware and the Bone Springs formations.*
- 5. If injection is for disposal purposes into a zone not productive of oil and gas at or within one mile of the proposed well, attach a chemical analysis of the disposal formation water. *No analysis is available from the zone since it has not been penetrated.*

VIII. Geologic Data:

The Devonian formation is expected to be penetrated at 17140' and then drilled to 18,140. It is a fractured carbonate consisting of limestone and dolomite. Total thickness is 1500' but this well will only penetrate 1000' or less.

The fresh water formation is the Rustler formation and is located 200' to 500' deep in this area.

IX. Proposed Stimulation:

Small cleanup acid jobs may be used to remove mud and drill cuttings from the Devonian, usually 1000-5000 gals of 15% HCL. An initial acid job of 10,000 gallons of 15% HCL will be pumped.

X. Well Test Data

Logs and well test information are on file with the NMOCD.

XI. Chemical Analysis

An analysis of the fresh water is attached as Exhibit B.

XII. Geologic Statement

Strata Production Company has examined geologic and engineering data and has found no evidence of faults, fractures or other geologic connections between the fresh water aquifer and the proposed injection zone. See ATTACHMENT XII #1

XIII. PROOF OF NOTICE

Public Notice will be run in the Hobbs Sun News. An Affidavit will be provided.

Surface Owner of Section 14 is the Bureau of Land Management and a certified letter has been mailed to Chris Walls with the Carlsbad Field Office.

Devon Energy Corporation, an offset leasehold operator within the ½ mile area of review has been mailed a certified letter to their corporate office in Oklahoma City.

Marathon Oil Corporation, an offset leasehold operator within the ½ mile area of review has been mailed a certified letter to their corporate office in Houston, TX.

Cimarex Energy Corporation, an offset leasehold operator within the ½ mile area of review has been mailed a certified letter to their Permian office in Midland, TX.

XIV. CERTIFICATION --- SEE APPLICATION.

OPERATOR: STRATA PRODUCTION COMPANY WELL NAME & NUMBER: TRISTE DRAW FEDERAL #2

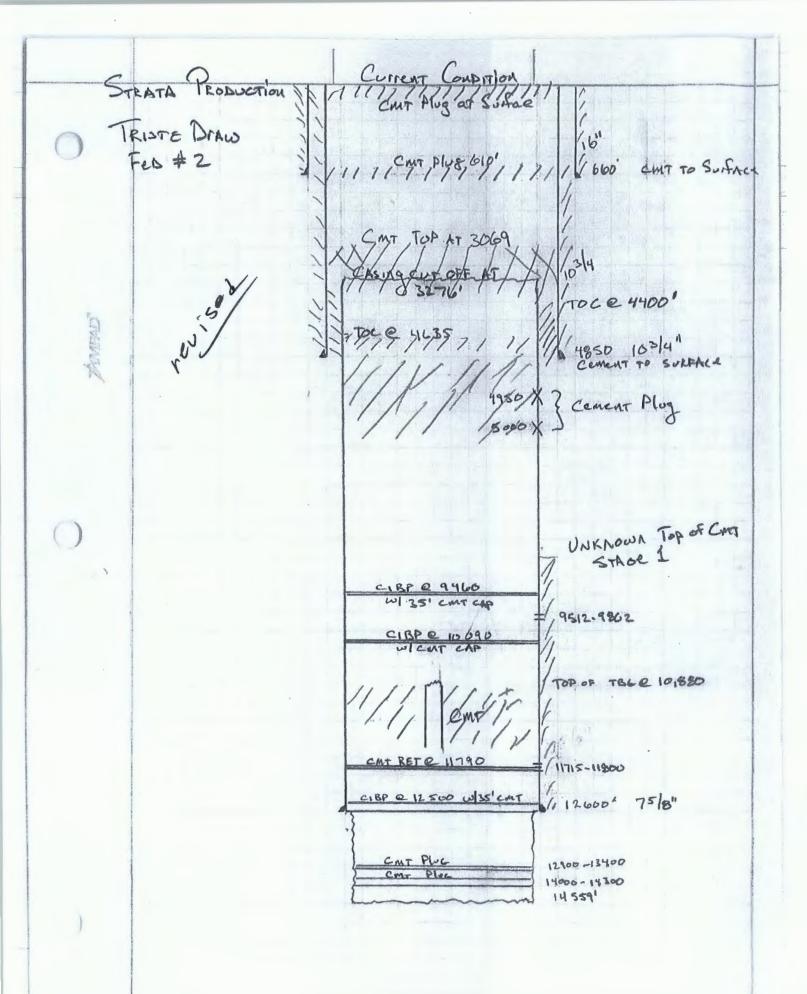
RANGE Method Determined: NMOCD REPORTS Method Determined: NMOCD REPORTS Method Determined: NMOCD REPORTS 32E £ \mathbb{H}^3 Method Determined: (BOND LOG WELL CONSTRUCTION DATA 18140 Casing Size: 10_3/4" TOWNSHIP Casing Size: 5 1/2" 16" SECOND Intermediate Casing
Casing Size: 75/8" FIRST Intermediate Casing Casing Size: PROPOSED Production Casing **23S** Injection Interval Surface Casing 0 9 01 0 SECTION 4 17,150 Cemented with: 1025 sx. IN 2 STAGES Top of Cement: 4050' Cemented with: ESTIMATED 2100 sx Top of Cement: SURFACE SX Top of Cement: _SURFACE 26" Cemented with: 3120 sx. 700 Top of Cement: surface 17,140 Hole Size: 14 3/4" OPEN HOLE Cemented with: Hole Size: 9 1/2" UNIT LETTER Hole Size: 6 1/2" Total Depth: Hole Size: 3 1/2" lined tubing to 17,140' w/nickel plated packer. Load tubing/casing annulus with packer fluid. 4850' 51# 12,600' 39# & 33.7# 17,050 Hole Size Csg Size I 22" 16" 1 14 3/4" 19 3/4" 9 1/2" 7 5/8" FOOTAGE LOCATION STRATA PRODUCTION COMPANY
WELLBORE DIAGRAM 2480 FEL & 1980 FWL Bone Springs perfs squeezed 9512-9802 WELLBORE SCHEMATIC 3 1/2" 12,600 4850' 18,140 17,140 WELL LOCATION: Propose to deepen to 17,140', run 5 1/2" casg to 17,140' cmt w/2100 sx to surface. Inject into open hole 14 3/4"" hole w/10 3/4"@4850' cmt 22" hole TD @ 660', with 16" @ 660' cmt w/700 sx to surface TRISTED DRAW FED #2
DJAMONDTAIL FIELD
1980 FSL & 2480 FEL
Sec 14-T23S-R32E
LEA County, NM 9 1/2"" hole w/7 5/8" @12,600' cmt w/1025 sx IN 2 -STAGES w/3120 sx to surface

(Perforated or Open Hole; indicate which)

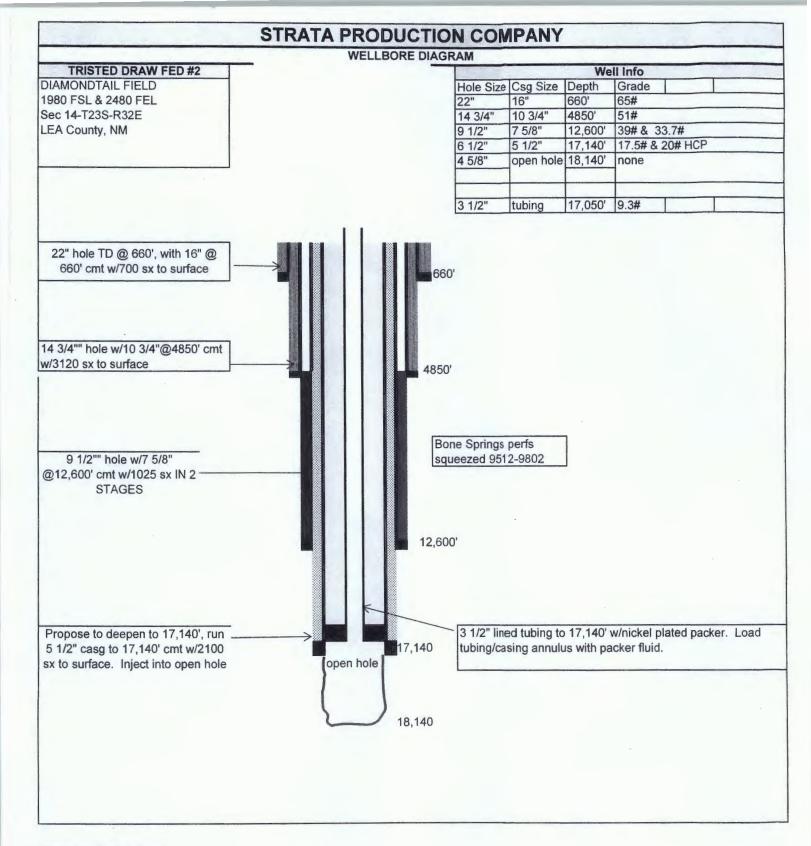
ATTACHMENT 1A WELL DATA SHEET

INJECTION WELL DATA SHEET

ATTA.CHMENT
1B
WELL DATA
SHEET (CONT'D)

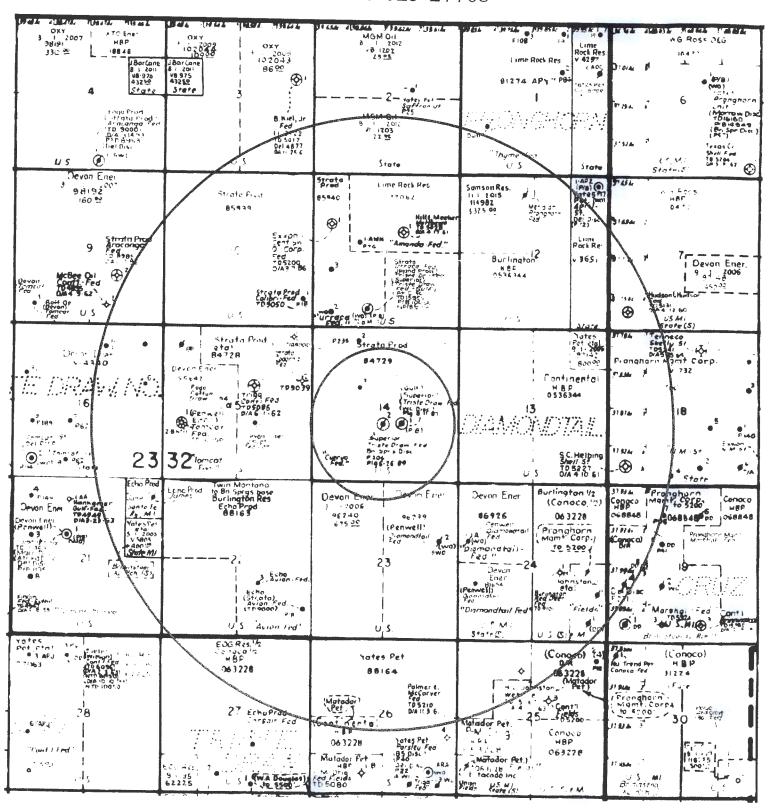


STRATA PRODUCTION TRISTE Draw Fes#2 16" e 660' ProposED PLAN TIEBACK 75/8" Changes ARE IN RED nevisad 1074" e 4850' CUTS AT 49501 SQUEEZE POSSIBLE DV Tool 1N 51/2" AT TOP OF BONE SPRINGS -Z 9512-9802 Squeeze 11715-11800 Squeeze 75/8 e 12600 612" lote e 14559 5/2" (sq e 17,140' 61/2" hole to Dev. Top e 17,140 CEMENT TO SURFACE 434" hole to 18,140



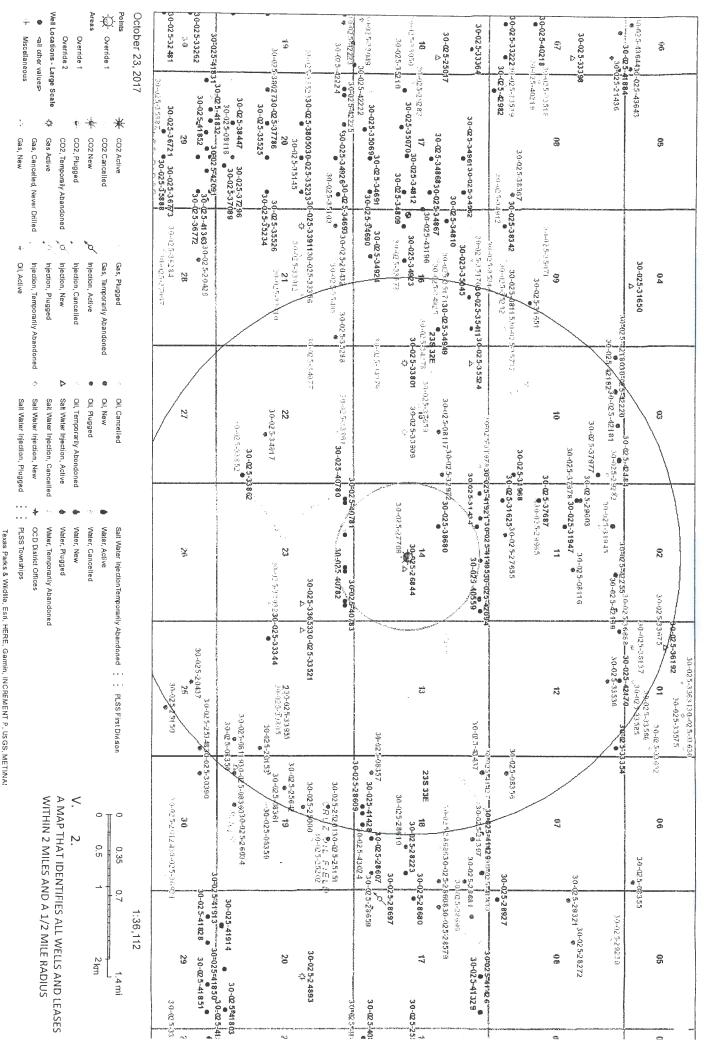
Strata Production Company Phone: 575-622-1127 ext. 18 PO BOX 1030 ROSWELL, NM 88202-1030

Notification Boundary Triste Draw #2 API # 30-025-27708



V. 1. A MAP SHOWING ALL WELLS AND LEASES WITHIN 2 MILES AND A 1/2 MILE RADIUS

ArcGIS Web Map



POST OFFICE DRAWER 1030 ROSWELL, NM 88202-1030



TELEPHONE (575) 622-1127 FACSIMILE (575) 623-3533

1301 NORTH SYCAMORE AVENUE ROSWELL, NEW MEXICO 88201 www.stratanm.com

October 30, 2017

New Mexico Energy, Minerals and Natural Resources Department Engineering Bureau, Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Application for Authorization to Inject Strata Production Co Triste Federal No 2

To whom it may concern:

This letter is in regard to the Strata Production Company "Application for Authorization to Inject," into the Triste Federal #2 located 1980 ft. FSL and 2480 ft. FEL of Section 14, T23S R3E in Lea County, New Mexico.

Available geologic and engineering data has been examined and no evidence of open faults or any other hydrological connection between the proposed injection-disposal zone and any underground sources of drinking water has been found.

Norman A. Lovan, Phi

Consulting Geologist

EXHIBIT B

XI. THERE ARE NO FRESH WATER WELLS WITHIN 1 MILE OF THE PROPOSED WELL.

HOWEVER, THERE ARE WATERING TANKS FOR CATTLE AND WE TOOK WATER SAMPLES OF THE TANKS. THE FOLLOWING ANALYSES ARE FOR THE STOCK TANKS.



Catalyst Oilfield Services 11999 E Hwy 158 Gardendale, TX 79758 (432) 563-0727 Fax: (432) 224-1038

Water Analysis Report

Customer:

Strata Production Company

Sample #:

53428

Area:

Permian Basin

Analysis ID #:

51468

Lease:

Mills Ranch

Location:

Middle

0

Sample Point:

Well

Sampling Date:	10/28/2017	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	11/1/2017	Chloride:	102.0	2.88	Sodium:	172.8	7.52
Analyst:	Catalyst	Bicarbonate:	219.0	3.59	Magnesium:	35.5	2.92
TDC (mail or alm2).	854.4	Carbonate:			Calcium:	35.2	1.76
TDS (mg/l or g/m3):	1.003	Sulfate:	280.0	5.83	Potassium:	4.2	0.11
Density (g/cm3):	1.003	Borate*:	3.8	0.02	Strontium:	1.9	0.04
		Phosphate*:			Barium:	0.0	0.
Hydrogen Sulfide:	0				Iron:	0.0	0.
Carbon Dioxide:	0		ed on measured and phosphorus.		Manganese:	0.000	0.
0		pH at time of sampling	ng:	7.5			
Comments:		pH at time of analysis	S:				
		pH used in Calculat	ion:	7.5	Conductivity (micro-ohms/cm):		4000
		Temperature @ lab conditions (F): 75			Resistivity (ohm n	1323 7.5586	

	Values Calculated at the Given Conditions - Amounts of Scale in Ib/1000 bbl												
Temp °F	Calcite CaCO ₃			sum 04*2H ₂ 0		ydrite aSO ₄		estite 'SO ₄		rite aSO ₄			
	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount			
80	-0.22	0.00	-1.57	0.00	-1.64	0.00	-1.15	0.00	0.00	0.00			
100	-0.09	0.00	-1.57	0.00	-1.58	0.00	-1.13	0.00	0.00	0.00			
120	0.05	0.70	-1.56	0.00	-1.48	0.00	-1.10	0.00	0.00	0.00			
140	0.20	2.80	-1.53	0.00	-1.37	0.00	-1.06	0.00	0.00	0.00			
160	0.35	5.60	-1.51	0.00	-1.24	0.00	-1.01	0.00	0.00	0.00			
180	0.51	8.41	-1.47	0.00	-1.09	0.00	-0.96	0.00	0.00	0.00			
200	0.68	11.56	-1.43	0.00	-0.93	0.00	-0.91	0.00	0.00	0.00			
220	0.84	15.06	-1.39	0.00	-0.76	0.00	-0.85	0.00	0.00	0.00			



Catalyst Oilfield Services 11999 E Hwy 158 Gardendale, TX 79758 (432) 563-0727 Fax: (432) 224-1038

Water Analysis Report

0

Customer:

Strata Production Company

Sample #:

53429

Area:

Permian Basin

Analysis ID #:

51469

Lease:

Mills Ranch

Location:

Sample Point:

North

...

Well

Sampling Date:	10/31/2017	Anions	mg/l	meq/i	Cations	mg/l	meq/l	
Analysis Date:	11/1/2017	Chloride:	84.1	2.37	Sodium:	68.4	2.97	
Analyst:	Catalyst	Bicarbonate:	244.0	4.	Magnesium:	30.8	2.53	
TDC (mail or aim2).	477.3	Carbonate:			Calcium:	23.2	1.16	
TDS (mg/l or g/m3): Density (g/cm3):	1.003	Sulfate:	20.0	0.42	Potassium:	3.9	0.1	
	1.003	Borate*:	1.3	0.01	Strontium:	1.6	0.04	
		Phosphate*:			Barium:	0.0	0.	
Hydrogen Sulfide:	0	10-1		Iron:	0.0	0.		
Carbon Dioxide:	0	*Calculated based on measured elemental boron and phosphorus.			Manganese:	0.000	0.	
0		pH at time of sampling	ng:	8				
Comments:		pH at time of analysis	s:					
		pH used in Calculat	ion:	8	Conductivity (min			
		Temperature @ lab conditions (F):			Conductivity (mice Resistivity (ohm n	723 13.8313		

	Values Calculated at the Given Conditions - Amounts of Scale in Ib/1000 bbl											
Temp	Calcite CaCO ₃			sum 04*2H ₂ 0		ydrite aSO ₄		estite rSO ₄		rite ISO ₄		
°F	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount		
80	0.27	2.45	-2.73	0.00	-2.81	0.00	-2.17	0.00	0.00	0.00		
100	0.37	3.50	-2.73	0.00	-2.74	0.00	-2.14	0.00	0.00	0.00		
120	0.49	4.90	-2.71	0.00	-2.64	0.00	-2.10	0.00	0.00	0.00		
140	0.61	6.66	-2.69	0.00	-2.52	0.00	-2.06	0.00	0.00	0.00		
160	0.73	8.76	-2.66	0.00	-2.39	0.00	-2.00	0.00	0.00	0.00		
180	0.86	10.86	-2.62	0.00	-2.24	0.00	-1.94	0.00	0.00	0.00		
200	1.00	12.96	-2.59	0.00	-2.08	0.00	-1.87	0.00	0.00	0.00		
220	1.13	14.71	-2.54	0.00	-1.91	0.00	-1.81	0.00	0.00	0.00		



Catalyst Oilfield Services 11999 E Hwy 158 Gardendale, TX 79758 (432) 563-0727 Fax: (432) 224-1038

Water Analysis Report

0

Customer:

Strata Production Company

Sample #:

53430

Area:

Permian Basin

Analysis ID #:

51470

Lease:

Mills Ranch

Location:

South

Sample Point:

Well

Sampling Date:	10/31/2017	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	11/1/2017	Chloride:	60.5	1.71	Sodium:	68.8	2.99
Analyst:	Catalyst	Bicarbonate:	292.0	4.79	Magnesium:	33.4	2.75
TDC /ma/l or a/m2\.	477.3	Carbonate:			Calcium:	13.2	0.66
TDS (mg/l or g/m3):	1.003	Sulfate:	0.0	0.	Potassium:	3.2	0.08
Density (g/cm3):	1.003	Borate*:	1.1	0.01	Strontium:	1.2	0.03
		Phosphate*:			Barium:	0.0	0.
Hydrogen Sulfide:	0			1	Iron:	0.0	0.
Carbon Dioxide:	0	printer at 14 at 14	ed on measured n and phosphorus.		Manganese:	0.000	0.
0		pH at time of sampling	ig:	8.75			
Comments:		pH at time of analysis	3:				
		pH used in Calculat	ion:	8.75	Constructivity (male		696
		Temperature @ lab	conditions (F):	75	Conductivity (micro-ohms/cm): Resistivity (ohm motor):		

		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl											
Temp	Calcite CaCO ₃			sum 2*2H ₂ 0		aso 4		stite rSO ₄		rite ISO ₄			
	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount			
80	0.27	2.45	-2.73	0.00	-2.81	0.00	-2.17	0.00	ບີ.ບີບີ	0.00			
100	0.37	3.50	-2.73	0.00	-2.74	0.00	-2.14	0.00	0.00	0.00			
120	0.49	4.90	-2.71	0.00	-2.64	0.00	-2.10	0.00	0.00	0.00			
140	0.61	6.66	-2.69	0.00	-2.52	0.00	-2.06	0.00	0.00	0.00			
160	0.73	8.76	-2.66	0.00	-2.39	0.00	-2.00	0.00	0.00	0.00			
180	0.86	10.86	-2.62	0.00	-2.24	0.00	-1.94	0.00	0.00	0.00			
200	1.00	12.96	-2.59	0.00	-2.08	0.00	-1.87	0.00	0.00	0.00			
220	1.13	14.71	-2.54	0.00	-1.91	0.00	-1.81	0.00	0.00	0.00			

PROOF OF NOTICE

XIV. PROOF OF NOTICE SECTION

- 1. AN AFFADAVIT OF PUBLICATION IN THE HOBBS NEWS SUN.
- 2. COPIES OF DELIVERY AND LETTER TO THE CARLSBAD BLM
- 3. COPIES OF DELIVERY AND LETTER TO MARATHON OIL PERMIAN, LLC
- 4. COPIES OF DELIVERY AND LETTER TO CIMAREX ENERGY CO.
- 5. COPIES OF DELIVERY AND LETTER TO DEVON ENERGY CORP.

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated November 02, 2017 and ending with the issue dated November 02, 2017.

Publisher

Sworn and subscribed to before me this 2nd day of November 2017.

Business Manager

My commission expires January 29, 2019



OFFICIAL SEAL **GUSSIE BLACK** Notary Public State of New Mexico
My Commission Expires 29-7

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE November 2, 2017

APPLICATION FOR WATER DISPOSAL

Strata Production Company, PO Box 1030, Roswell, NM 88202-1030, has filed Application with the Oil Conservation Division, Energy, Minerals and Natural Resources Department, State of New Mexico for Administrative Approval and authority to inject salt water into the Triste Draw Fed #2 located 1980 FSL & 2480 FEL of Section 14-T23S-R32E, NMPM, Lea County, NM.

The purpose of the water injection well is to dispose of salt water produced from the Delaware wells in the Diamondtail Field and other wells in the area as designated by the Oil Conservation Division and as may be extended by additional drilling.

Water to be disposed will be injected into the Devonian formation at a depth of 17,140' to 18,140'.

The minimum injection rate is expected to be 3000 barrels of water per day. The maximum injection rate is expected to be 15,000 barrels per day.

Minimum injection pressure is 100 psig and maximum injection pressure is 3428 psig.

Any interested party may file an objection to the Application or may request a public hearing. Any objection or request for hearing must be filed with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days from the date of publication.

Strata Production Company

By: Paul Ragsdale, Operations Manager, 575-622-1127 ext. 18. #32203

02103504

00201988

ATTN: PAUL RAGSDALE STRATA PRODUCTION COMPANY P.O. BOX 1030 ROSWELL, NM 88202-1030

POST OFFICE DRAWER 1030 ROSWELL, NM 88202-1030



TELEPHONE (575) 622-1127 FACSIMILE (575) 623-3533

1301 NORTH SYCAMORE AVENUE ROSWELL, NEW MEXICO 88201 www.stratanm.com

October 30, 2017

Devon Energy Corporation 333 West Sheridan Avenue Oklahoma City, OK 73102-5010

Re:

Application for Salt Water Disposal

Triste Draw Fed #2 Diamondtail Field Devonian Formation

Unit Letter J, Sec 14-T23S-R32E

Lea County, NM

Gentlemen,

Please find the Application to re-enter and deepen the Triste Draw Fed #2 to convert the well to a Devonian disposal well. This is necessary due to increasing pressure in current disposal system and the potential for more water from additional drilling and recompletions.

Strata Production Company is requesting Administrative Approval for the attached C-108 application on its Triste Draw Fed #2 well for the purpose of disposing of produced fluids in the non-commercial Devonian formation at 17,140'. The well is currently plugged and abandoned. The Devonian is a good alternative as it is deeper than the producing formations and much deeper than any fresh water.

As you know, any interested party may file an objection to the Application or may request a public hearing. Any objection or request for hearing must be filed with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days from the date of publication.

It is our plan to submit an APD to the BLM once the NMOCD approves the application. Sincerely yours,

Paul Ragsdale

Operations Manager

Strata Production Company

POST OFFICE DRAWER 1030 ROSWELL, NM 88202-1030



FACSIMILE (575) 623-3533

1301 NORTH SYCAMORE AVENUE ROSWELL, NEW MEXICO 88201 www.stratanm.com

2017 NOV 31 A 4: 17

November 28, 2017

Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Attn: Philip Goetze

Application for Salt Water Disposal Re:

> Triste Draw Fed #2 Diamondtail Field **Devonian Formation**

Unit Letter J, Sec 14-T23S-R32E

Lea County, NM

Dear Mr. Goetze.

Please find the Application to re-enter and deepen the Triste Draw Fed #2 to convert the well to a Devonian disposal well. This is necessary due to increasing pressure on the well currently and the potential for more water from additional drilling and recompletions.

Strata Production Company is requesting Administrative Approval for the attached C-108 application on its Triste Draw Fed #2 well for the purpose of disposing of produced fluids in the non-commercial Devonian formation at 17,140'. The well is currently plugged and abandoned. The Devonian is a good alternative as it is deeper than the producing formations and much deeper than any fresh water.

As you know, any interested party may file an objection to the Application or may request a public hearing. Any objection or request for hearing must be filed with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days from the date of publication.

In addition to the application, we have attached the Administrative Checklist in front of the Application. As requested in VI of the application, a spreadsheet of the wells that penetrate the Devonian is to be included. In this case, there are no other wells that have penetrated the Devonian in the Area of Review. We have also attached copies of the Letters sent to other operators in the Area of Review and a copy of the letter sent to the BLM in Carlsbad, who is the surface owner. We have included copies of the Certified Delivery of all the letters.

It is our plan to submit an APD to the BLM once the NMOCD approves the application.

We have also furnished a copy of this entire package to the Hobbs Office of the NMOCD.

We hope you find that we have included all data that is pertinent to the application. If you find that we have not included something, please contact me at pragsdale@stratanm.com and we will get it to you. If you need to discuss something, please give me a call at 575-622-1127 ext 18.

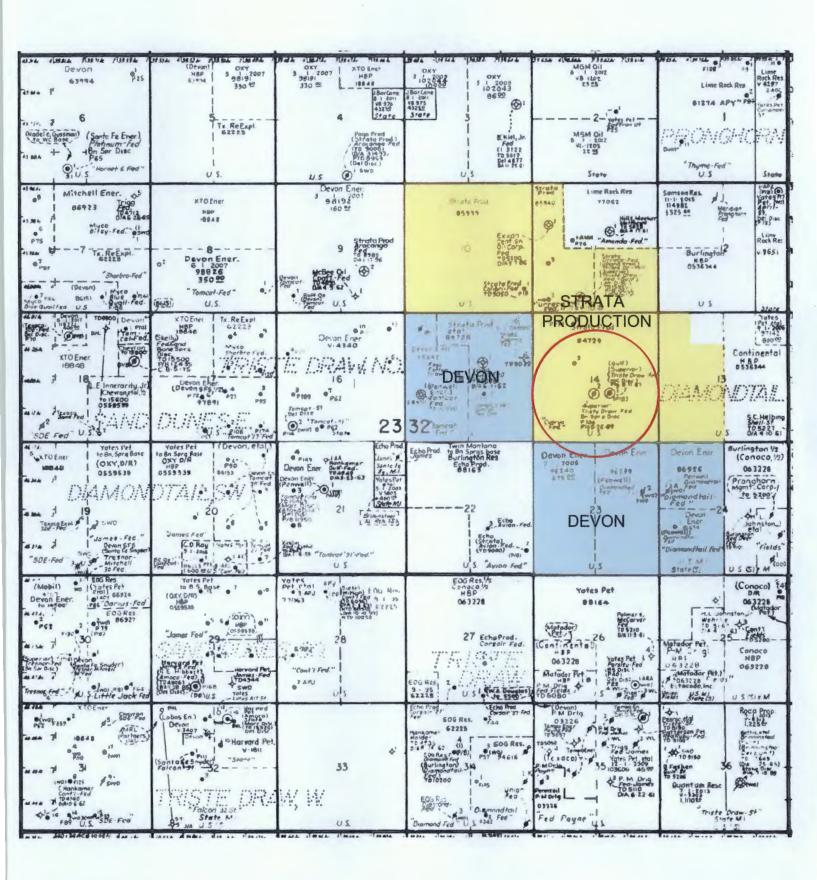
Sincerely yours,

Paul Ragsdale

Operations Manager

Strata Production Company

Paul Kaydule



WATER SAMPLES REPRESENTATIVE OF WATER BEING INJECTED INTO THE PROPOSED WELL

WOLFCAMP AUGUSTUS 10 #001H TRAIL BOSS4 #004	THYME APY FEDERAL #002 DIAMONDTAIL 23 FEDERAL #002	FALCON 32 STATE #004	FALCON 32 STATE #003	TOMCAT 21 FEDERAL #003	DELAWARE COLIBRI FED #001	PHANTOM 18 ST #002H	
Lea	Lea	Lea	Lea	Lea	Lea	Lea	county
ZZ	Z Z	M	N	N	Z	N	state
3/8/2012 9/30/2011	11/27/2001 0:00 8/6/2003 0:00	1/28/2015 0:00	1/28/2015 0:00	1/27/2015 0:00	5/3/2017 0:00	1/6/2012 0:00	sampledate ph
6.6 7.1	5.5	5.8	5.5	5.6	6.4	6.52	
89771 78745	172896 254950.9	241993.3	249184.8	258460.4	246132	136209	tds_mgL
28320 27950	68892.9	72965.6	71161.3	66996.2	68238	43509	sodium_m{
3963 3143	20721	14328.7	16116.1	21006.5	19726	6156	calcium_m, ir
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220 366	781 54	97.6	85.4	85.4	0	153	icarbonat su
950 150	1150 386	0	0	0	140	0 2	lfate_mgL

McMillan, Michael, EMNRD

From:

Sent:

Monday, December 4, 2017 2:51 PM

To:

McMillan, Michael, EMNRD

Subject:

Strata Triste Draw SWD application

Attachments:

Triste Draw Midland Map Radius 2.pdf; producedwater.xlsx

Michael,

As we discussed, I have attached a spreadsheet with typical water analyses from the Bone Springs, Delaware and Wolfcamp formations. These analyses were obtained from the GoTech website and from Strata's files. I also attached a Land map of the area showing the Operators in the Area of Review. The yellow acreage is Strata Production and the blue acreage is Devon Energy. Please let me know if you need anything else, Paul

Paul Ragsdale

Strata Production Company Operations Manager

(575) 622-1127 ext 18 Work (575) 626-7903 Mobile pragsdale@stratanm.com PO Drawer 1030 Roswell NM 88202

McMillan, Michael, EMNRD

From:

Sent:

Tuesday, December 5, 2017 10:25 AM

To:

McMillan, Michael, EMNRD

Subject:

RE: Strata Triste Draw SWD application

That is correct. Devon is the "Operator of record" in Section 23. However, Cimarex permitted to drill the wells in the north half of Section 23. Strata does not know the terms of the agreement between Cimarex and Devon but we assume it must be a "farm out" of the Bone Springs rights.

That is why we notified both Devon and Cimarex.

Paul

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

Sent: Monday, December 4, 2017 3:37 PM

To: Paul Ragsdale

Subject: RE: Strata Triste Draw SWD application

Paul:

Today's map shows that Devon is the operator of Section 23; however, your ARCGIS shows Cimarex is the operator of Section 23.

Mike

From: McMillan, Michael, EMNRD

Sent: Monday, December 4, 2017 2:55 PM
To: 'Paul Ragsdale' < pragsdale@stratanm.com >
Subject: RE: Strata Triste Draw SWD application

That is perfect.

All that is required is to wait for the 15-day clock to expire.

Mike

From: Paul Ragsdale [mailto:pragsdale@stratanm.com]

Sent: Monday, December 4, 2017 2:51 PM

To: McMillan, Michael, EMNRD < Michael. McMillan@state.nm.us >

Subject: Strata Triste Draw SWD application

Michael,

As we discussed, I have attached a spreadsheet with typical water analyses from the Bone Springs, Delaware and Wolfcamp formations. These analyses were obtained from the GoTech website and from Strata's files.

I also attached a Land map of the area showing the Operators in the Area of Review. The yellow acreage is Strata Production and the blue acreage is Devon Energy.

Please let me know if you need anything else,

Paul

Paul Ragsdale

Strata Production Company Operations Manager

(575) 622-1127 ext 18 Work (575) 626-7903 Mobile pragsdale@stratanm.com PO Drawer 1030 Roswell NM 88202

avast! Antivirus: Inbound message clean.

Virus Database (VPS): 171124-6, 11/24/2017 Tested on: 12/4/2017 3:43:48 PM

avast! - copyright (c) 1988-2017 AVAST Software.

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Home > Tracking > Status History

Status History ?

Tracking Number Information

Meter:

11288732

9171969009350177580029

Reports

Mailing Date:

11/01/17 12:29 PM

Tracking Number: Current Status:

OK: Delivered

Recipient:

Class of Mail Service: Value

FC CERT (\$6,100) Zip Code: City: State:

73102 OKC OK

Proof of Delivery

Status Details

▼ Status Date

Status

FO, 11/03/17, 08:05:00 AM

OK : Delivered Arrival at Unit

Fri, 11/03/17, 07:47:00 AM Thu, 11/02/17, 02:32:00 PM

OK: USPS acknowledges reception of info

Note: Delivery status updates are processed throughout the day and posted upon receipt from the Postal

Devon Energy Corp. 333 West Sheridan Avenue DKJahoma.OK 73102-5010 Mailed: DOV 15+, 2017 Delivered: Nov. 3rd, 2017





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Home > Tracking > Status History

Status History ?

Tracking Number Information

FC

CERT

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Meter: Tracking Number: **Current Status:**

Class of Mail

Service:

Value

11288732

9171969009350177580050 **Sender:** OK : Delivered

11/01/17 12:35 PM

Mailing Date: Recipient: Zip Code:

88220

HAPPY VALLEY

City: State: NM

Proof of Delivery

Status Details Y Status Date Status Wed, 11/08/17, 02:18:00 PM DK Delivered Thu, 11/02/17, 02:32:00 PM

OK: USPS acknowledges reception of info

Note: Delivery status updates are processed throughout the day and posted upon receipt from the Postal

Carlsbad Field Office Bureau of Land Management 620 E. Greene St. Carlsbad, NM 88220 Mailed: Nov. 1st, 2017 Delivered: Nov. 8th, 2017

SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3.	COMPLETE THIS SECTION ON DELIVERY				
 Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: 	A. Signature X				
Carlsbad Field Office Bureau of Land Management 620 E. Greene St. Carlsbad, NM 88220	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No				
9590 9402 2907 7094 1464 29 2. Article Number (<i>Transfer from service label</i>) 9171 9690 0935 0177 5800 50	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Collect on Delivery □ Restricted Delivery □ Return Receipt for Merchandise □ Signature Confirmation				

October 30, 2017

Carlsbad Field Office Bureau of Land Management 620 E. Greene St. Carlsbad, NM 88220

Attn: Chris Walls

Senior Petroleum Engineer

Re: Application for Salt Water Disposal

Triste Draw Fed #2 Diamondtail Field Devonian Formation

Unit Letter J, Sec 14-T23S-R32E

Lea County, NM

Dear Mr. Walls,

Please find the Application to re-enter and deepen the Triste Draw Fed #2 to convert the well to a Devonian disposal well. This is necessary due to increasing pressure on the well currently and the potential for more water from additional drilling and recompletions.

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It is our plan to submit an APD to the BLM once the NMOCD approves the application. Sincerely yours,

Paul Ragsdale

Operations Manager

Strata Production Company

Tracking

Dany

My Services

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Tracking Supplies

uipment Reports Tracking

Home > Tracking > Status History

Status History ?

Tracking Number Information

Meter: Tracking Number:

11288732 9171969009350177580005 Mailing Date: Sender: 11/01/17 12:27 PM

Current Status: Class of Mail 917196900935017758000 OK : Delivered FC

Recipient: Zip Code:

77056 HOUSTON

Service: Value CERT

City: HOU State: TX

lue \$0.460 State:

Proof of Delivery

Status Details

▼ Status Date

Mon, 11/06/17, 12:25:00 PM

Thu, 11/02/17, 02:32:00 PM

OK: USPS acknowledges reception of info

Note: Delivery status updates are processed throughout the day and posted upon receipt from the Postal

Marathon Dil Permian, LLC 5555 San Felipe St. Houston, TX 77056 Mailed: Nov 15t, 2017 Delivered: Nov. Lth, 2017 POST OFFICE DRAWER 1030 ROSWELL, NM 88202-1030



TELEPHONE (575) 622-1127 FACSIMILE (575) 623-3533

1301 NORTH SYCAMORE AVENUE ROSWELL, NEW MEXICO 88201 www.stratanm.com

October 30, 2017

Marathon Oil Permian, LLC 5555 San Felipe St. Houston, TX 77056

Re:

Application for Salt Water Disposal

Triste Draw Fed #2 Diamondtail Field Devonian Formation

Unit Letter J, Sec 14-T23S-R32E

Lea County, NM

Gentlemen,

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Paul Ragsdale

Operations Manager

Strata Production Company



POST OFFICE DRAWER 1030 ROSWELL, NM 88202-1030



TELEPHONE (575) 622-1127 FACSIMILE (575) 623-3533

1301 NORTH SYCAMORE AVENUE ROSWELL, NEW MEXICO 88201 www.stratanm.com

November 21, 2017

Cimarex Energy 600 N Marienfield St # 600 Midland, TX 79701

Re:

Application for Salt Water Disposal

Triste Draw Fed #2 Diamondtail Field Devonian Formation

Unit Letter J, Sec 14-T23S-R32E

Lea County, NM

Gentlemen,

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Paul Ragsdale

Operations Manager

Strata Production Company

LEA	Wildcat
SUPERIOR	OIL CO., THE 2 Triste Draw Federal Page #2
	Sec 14, T23S, R32E
8-10-82	Continued
	Perf (Bone Spring) 9512-92, 9600-76,
	9707-88, 9800, 9802
	Acid(9512-9802)*6000 gals
	Frac (9512-9802)*160,000 gals +*30,500# sd
8-17-82	TD 14,561; PBD 10,081; Tstg
	Flwd 8 BO + 110 BLW in 24 hrs thru 12/64 chk,
	TP 220 (9512-9802)
8-24-82	TD 14,561; PBD 10,081; Tstg
	Swbd 51 BO + 46 BW (9512-9802)
9-8-82	TD 14,561; PBD 10,081; Ppg
	Ppd 65 BO + 192 BW + 150 MCFGPD in 24 hrs
	(9512-9802)
	9-4-30 NM

9-15-82 TD 14,561; PBD 10,081; Ppg
Ppd 103 BO + 143 BW in 24 hrs (9512-9802)
9-20-82 TD 14,561; PBD 10,081; Complete
Bone Spring Discovery
*LOG TOPS: Rustler 1200, Lamar 4932, Base
Salt 8476, Wolfcamp 12,072, Permo-Pennsylvanian
13,510, Strawn 14,030, Atoka 14,208

*Denotes changes & additions

9-25-82 COMPLETION ISSUED 10-23-82 RE-ISSUED COMPLETION

> 9-4-30 NM IC 30-025-70732-81

NSTRUCTIONS

or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to he submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this unmany record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Hem 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State

Hem 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Hems 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Hem 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Hem 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.) or Federal office for specific instructions.

61. SUMBARK OF TOTOLOGY AND SELECT INTERVAL TESTED, CUSH	TESTED, CUSHION	ROSITY AND CONTEN	MARK OF TOLOUR SOURS OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DEFLEGENT TESTS, INCLUDING BEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSUESS, AND RECOVERIES	38. GEOLG	Geologic Markers	
FORMATION	TOP	HOTTOM	DESCRIPTION, CONTENTS, ETC.		-	TOP
				MAN	MEAS. DEPTH	TRUB VBRT. DEPTH
Rustler Anhy Lamar Lime Bone Spring Wolfcamp Permo-Penn Strawn Atoka	1,200 4,932 8,476 12,072 13,510 14,030	8,476 12,072 13,510 14,030 14,559	Anhydrite Lime Lm, Sh, Sd Shw/lm, Sltly sdy top 200' Sh w/thin Lm. Chty Lm Sd, Sh, Lm	Rustler Anhy Lamar Lime Bone Spring Wolfcamp Permo-Penn Strawn Atoka	1,200 4,932 8,476 12,072 13,510 14,208	
DST	14,379	14,561	90' mud, gas TSTM			
007 5 1999 1000 6 1999	4 430			: .:		

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Form 31604: (November 1 (Formerly 9-	983) -331) DEPAR	UNITED STA	E INTERIO	SUBMIT IN TRIPIONA OR verse side)	TE° Budge Expire 5. LEASE DE	et Bureau No es August 31 signation an 11967	D BREAL NO
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2. NAME OF					S. PARM OR	LEASE NAME	
	roducing TX & N					Draw Fede	eral
P.O. BO	F OPERATOR % Mobil X 633 Midla OF WELL (Report location page 17 below.)	nd. TX 79702			9. WELL NO 2 10. PIELD A	ND POOL, OR W	TLDCAT
At surface					11. SRC., T., SURVI	tail-bone	AMD
14. PERMIT NO		15. BLEVATIONS (S	how whether DF.	97. GR. etc.)		T-23S,	
24, 186,412	,	GL - 3706		,,	Lea		lew Mexic
16.	Charle A			sture of Notice, Report, o			
	NOTICE OF INT		, maicale 140		SEQUENT REPORT		
FRACTUR	TREAT	MULTIPLE COMPLETE	-	WATER SHUT-OFF FRACTURE TREATMENT		EPAIRING WELL	
SHOOT OF		ABANDON®		SHOOTING OR ACIDIZING	1	BANDONMENT [®]	X
REPAIR W	ELL	CHANGE PLANS		(Other) (Nors: Report res	ulte of multiple of	ompletion on	Wall
(Other)			1 1	Completion or Reco	ompletion Report a	and Log form.)	
6-15-89 6-19-89 6-20-89 6-21-89	RIH w/tbg & ci Attempt to cut Spot 80x CL C Witneddes by A	rc mud. csg @ 5000' cmt @ 5000'. ndy Carter w/ ded 4800' min	& 4950' bo	g. Set CIBP @ 946 ut would not part. to tag - nothing- d 60c Cl C. Tagge	Spot 60x (CL C cmt	d
6-23-89	Cut 7 5/8 csg.						
6-24-89	POOH w/78 jts 65x @ 3200'.	of 7 5/8 csg. TOC 3050'		/85x CL C cmt. fro			7101
6-25-89	TOC 610'			ag TOC @ 3069' Sp	ot bux CL C	, cmt at	/10.
6-26-89	Spot 50x CL C	ciit to suri.	Set P a l	A marker.		. (2	
							77
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						. ,	OFIVE
		pd.					(ED)
	Chuly that the foregoing	is true and correct	TITLE AS A	IBIL EXPLORATION & PRODUCING U.S. INC. GENT FOR MOSIL PRODUCING TX & NM INC.	DATE	7-13-8	
APPROVE		1. Khow	FOR: CHIEF	F, MINERAL RECOURTED	DATE	2-31	89
Approved Llability a	estoration is completed.	antil	Instructions	on Reverse Side			

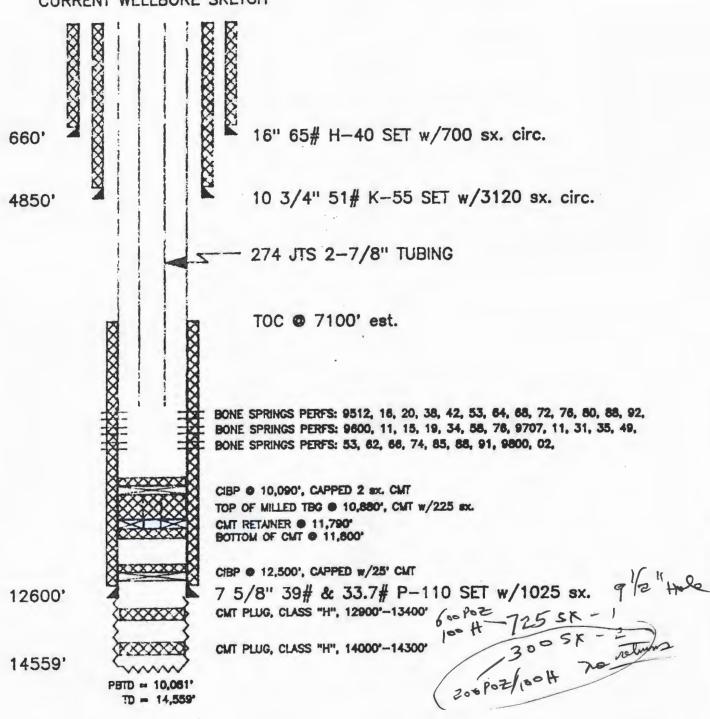
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the Uniyed States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

0

TRISTE DRAW FEDERAL #2
DIAMONDTAIL / BONE SPRINGS
LEA COUNTY, NEW MEXICO

GL = 3708' DF = N.A. KB = 3728' 2480'FEL - 1980'FSL J - SECTION 14 T23S - R32E

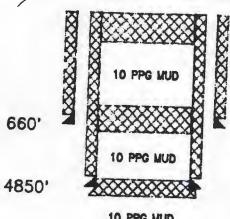
CURRENT WELLBORE SKETCH



TRISTE DRAW FEDERAL #2 DIAMONDTAIL / BONE SPRINGS LEA COUNTY, NEW MEXICO

GL = 3706' DF = N.A. KB = 3728'2480'FEL - 1980'FSL J - SECTION 14 7235 - R32E

PROPOSED WELLBORE SKETCH



CMT PLUG 0'-50'

16" 65# H-40 SET w/700 sx. circ.

10 3/4" 51# K-55 SET w/3120 sx. circ.

10 PPG MUD

10 PPG MUD

CMT PLUG 6400'-6550'

TOC @ 7100' est.

CIBP • 9,480', CAPPED W/35' CMT (TOC • 9,425')

BONE SPRINGS PERFS: 9512, 16, 20, 38, 42, 53, 64, 68, 72, 76, 80, 88, 92, BONE SPRINGS PERFS: 9800, 11, 15, 19, 34, 58, 76, 9707, 11, 31, 35, 49, BONE SPRINGS PERFS: 53, 62, 65, 74, 85, 88, 91, 9800, 02,

CIBP @ 10,090', CAPPED 2 ax. CMT TOP OF MILLED TBG . 10,880', CMT w/225 8x. CLIT RETAINER @ 11,790" BOTTOM OF CMT @ 11,800'

CIBP ● 12,500', CAPPED w/25' CMT 7 5/8" 39# & 33.7# P-110 SET w/1025 sx. CMT PLUG, CLASS "H", 12900'-13400'

CMT PLUG, CLASS "H", 14000'-14300'

12600'

14559"

PSTD = 10,061" TD = 14,559'

XXXXX

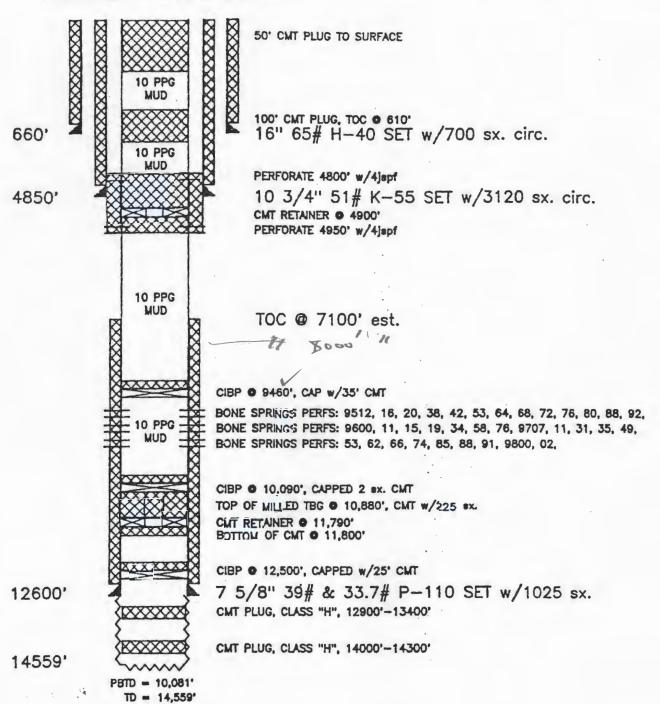
W. P. GOSSETT

04/07/89

TRISTE DRAW FEDERAL #2
DIAMONDTAIL / BONE SPRINGS
LEA COUNTY, NEW MEXICO

GL = 3706' DF = N.A. KB = 3728' 2480'FEL - 1980'FSL J - SECTION 14 T23S - R32E

PROPOSED WELLBORE SKETCH



14040 4 4000



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

PLSS Search:

Section(s): 10-15, 22-24 Township: 23S Range: 32E

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

12/18/17 9:43 AM

WATER COLUMN/ AVERAGE DEPTH TO WATER

McMillan, Michael, EMNRD

From:

Sent:

Monday, December 18, 2017 12:51 PM

То:

McMillan, Michael, EMNRD

Subject:

RE: Strata Triste Draw SWD application

Attachments:

Tristi Draw Federal #1.xls

Mike,

I have attached a wellbore diagram of the current wellbore condition, at least to the best of our knowledge. We believe the 7 5/8" casing was shot at 5000' but would not part. It was shot again at 3275' and pulled. Our plan is to drill out the top plug, the 2nd plug from 610-710' and then clean out to the top of the 7 5/8" stub. We will run a "tie back" string of 7 5/8" casing from the surface to the cut casing and cement it back to surface. Then, we will continue to clean out the 7 5/8" casing and drill out all the plugs to the casing shoe at 12,600'. We plan on squeezing the Bone Spring perfs from 9512-9802' also. We will also have to "fish" the tubing and packer that are in the hole.

Once we get cleaned out to the casing shoe, we will drill a 6 ½" hole to the top of the Devonian at an estimated 17,140'. At that point, we will run a full string of 5 ½" casing and cement it, probably in 2 stages, and circulate cement to surface. After setting and cementing the 5 ½" casing, we will drill approximately 1000' of open hole with a 4 5/8" bit. We will then move the rig off, run the tubing and packer and inject into the open hole.

So, to answer your questions: we do not plan any remedial cementing on the existing 7 5/8" casing except for squeezing the Bone Springs. We think it is better to have a brand new string of 5 ½" casing, completely cemented to surface rather than trying to maintain mechanical integrity in the 7 5/8" casing.

Let me know if you need anything else.

Thanks,

Paul

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

Sent: Friday, December 15, 2017 1:46 PM

To: Paul Ragsdale

Subject: RE: Strata Triste Draw SWD application

Paul:

What are your workover plans to bring the cement in the 7-5/8-inch casing from 7000 or 8000 feet (the cement tops are estimated) to 4850 feet?

Are you planning on drilling out the plugs (at what depth?)

Then run a cement bond log?

Then squeezing the 7-5/8-inch casing?

Thanks

Mike

From: McMillan, Michael, EMNRD

Sent: Tuesday, December 5, 2017 10:30 AM
To: 'Paul Ragsdale' < pragsdale@stratanm.com>
Subject: RE: Strata Triste Draw SWD application

Thanks for the quick response
The 15-day clock starts December 1
Mike

From: Paul Ragsdale [mailto:pragsdale@stratanm.com]

Sent: Tuesday, December 5, 2017 10:25 AM

To: McMillan, Michael, EMNRD < Michael. McMillan@state.nm.us >

Subject: RE: Strata Triste Draw SWD application

That is correct. Devon is the "Operator of record" in Section 23. However, Cimarex permitted to drill the wells in the north half of Section 23. Strata does not know the terms of the agreement between Cimarex and Devon but we assume it must be a "farm out" of the Bone Springs rights.

That is why we notified both Devon and Cimarex.

Paul

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

Sent: Monday, December 4, 2017 3:37 PM

To: Paul Ragsdale

Subject: RE: Strata Triste Draw SWD application

Paul:

Today's map shows that Devon is the operator of Section 23; however, your ARCGIS shows Cimarex is the operator of Section 23.

Mike

From: McMillan, Michael, EMNRD

ient: Monday, December 4, 2017 2:55 PM
io: 'Paul Ragsdale' < pragsdale@stratanm.com>
ubject: RE: Strata Triste Draw SWD application

nat is perfect.

that is required is to wait for the 15-day clock to expire.

ke

m: Paul Ragsdale [mailto:pragsdale@stratanm.com]

t: Monday, December 4, 2017 2:51 PM

McMillan, Michael, EMNRD < Michael. McMillan@state.nm.us>

ect: Strata Triste Draw SWD application

ael,

discussed, I have attached a spreadsheet with typical water analyses from the Bone Springs, Delaware and amp formations. These analyses were obtained from the GoTech website and from Strata's files. attached a Land map of the area showing the Operators in the Area of Review. The yellow acreage is Strata atton and the blue acreage is Devon Energy.

Please let me know if you need anything else,

Paul Ragsdale

Strata Production Company Operations Manager

(575) 622-1127 ext 18 Work (575) 626-7903 Mobile pragsdale@stratanm.com PO Drawer 1030 Roswell NM 88202

avast! Antivirus: Inbound message clean.

Virus Database (VPS): 171124-6, 11/24/2017

Tested on: 12/4/2017 3:43:48 PM

avast! - copyright (c) 1988-2017 AVAST Software.

McMillan, Michael, EMNRD

From:

Paul Ragsdale <pragsdale@stratanm.com>

Sent:

Wednesday, February 7, 2018 8:36 AM

To:

McMillan, Michael, EMNRD

Subject:

RE: Strata Triste Draw SWD application

That is correct and you are also correct about the 3 ½" tubing. I will see Edsel tonight and will tell him Hello for you.

Thanks,

Paul

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

Sent: Tuesday, February 6, 2018 4:45 PM

To: Paul Ragsdale

Subject: RE: Strata Triste Draw SWD application

Ignore this-I assume it is 2100sacks from the original drawing

Mike

From: McMillan, Michael, EMNRD

Sent: Tuesday, February 6, 2018 4:44 PM

To: 'Paul Ragsdale' < pragsdale@stratanm.com Subject: RE: Strata Triste Draw SWD application

How many sacks will be estimate in the 5-1/2-inch casing to circulate to the surface?

Mike

From: McMillan, Michael, EMNRD

Sent: Tuesday, February 6, 2018 3:23 PM

To: 'Paul Ragsdale' < pragsdale@stratanm.com Subject: RE: Strata Triste Draw SWD application

I assume you are using a 3-1/2 inch tubing?

It appears to be a good plan

will work on the application tomorrow

Tell Edsel Hi

/like

om: Paul Ragsdale [mailto:pragsdale@stratanm.com]

int: Tuesday, February 6, 2018 2:28 PM

: McMillan, Michael, EMNRD < Michael. McMillan@state.nm.us >

bject: RE: Strata Triste Draw SWD application

æ.

ve drawn a couple of wellbore diagrams for the Triste Draw re-entry. The "current" file is the Current condition of plugged well, as we read the reports on file. The proposed file is a diagram of how we propose to re-enter and run ng on the well. Please take a look at them and give me a call or let me know and I can give you a call.

1ks.

McMillan, Michael, EMNRD

From:

Brown, Maxey G, EMNRD

Sent:

Thursday, February 8, 2018 10:25 AM

To:

McMillan, Michael, EMNRD

Subject:

RE: Strata Triste Draw SWD application

Mr. McMillan,

I don't see any problems with the design. You mentioned 9 5/8" I believe it's 7 5/8".

Maxey

From: McMillan, Michael, EMNRD

Sent: Thursday, February 8, 2018 9:36 AM

To: Brown, Maxey G, EMNRD < Maxey G. Brown@state.nm.us>

Cc: Whitaker, Mark A, EMNRD < MarkA. Whitaker@state.nm.us>; Jones, William V, EMNRD

<WilliamV.Jones@state.nm.us>

Subject: FW: Strata Triste Draw SWD application

Maxey and Mark:

Are you satisfied with the administrative application, for the well?

Basically the 9-5/8-inch casing was shot off, and the 9-5/8-inch cement behind the casing goes to approximately 8000'.

My administrative order will follow your recommendations.

Mike

From: Paul Ragsdale [mailto:pragsdale@stratanm.com]

Sent: Tuesday, February 6, 2018 2:28 PM

To: McMillan, Michael, EMNRD < Michael. McMillan@state.nm.us>

Subject: RE: Strata Triste Draw SWD application

Mike,

I have drawn a couple of wellbore diagrams for the Triste Draw re-entry. The "current" file is the Current condition of the plugged well, as we read the reports on file. The proposed file is a diagram of how we propose to re-enter and run casing on the well. Please take a look at them and give me a call or let me know and I can give you a call. Thanks,

aul

rom: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

ent: Tuesday, January 16, 2018 3:28 PM

: Paul Ragsdale

bject: RE: Strata Triste Draw SWD application

anks

Il be back in the office Monday

e

n: Paul Ragsdale [mailto:pragsdale@stratanm.com]

: Tuesday, January 16, 2018 1:55 PM

AcMillan, Michael, EMNRD < Michael. McMillan@state.nm.us>

ect: RE: Strata Triste Draw SWD application

TE OF NE	WMERCO
(5)	18
1	1
S COMME	and James

FORM C-108 Technical Review Summary [Prepared by reviewer and included with application; V16.2] DATE RECORD: First Rec: 12/01/2017 Admin Complete: 12/01/2017 or Suspended: Add. Request/Reply: ORDER TYPE: WFX / PMX / SWD Number: _ Order Date: _ Legacy Permits/Orders: Well Name(s): Thiste Duc w Federal Suy API: 30-0 25 - 2 New or Old (EPA): TED (UIC Class II Primacy 03/07/1982) 1980FSL Footages 24 CUFEC or Unit 3 Sec / Y Tsp 235 Rge 32 = County (CC SWIEGNICE POOL SUD, DEVONIA Zortact: Pacificate OGRID: 2/7 Operator: Strate Production 50 Inactive: 2 Fincl Assure Compl. Order? COMPLIANCE RULE 5.9: Total Wells: WELL FILE REVIEWED () Current Status: WELL DIAGRAMS: NEW: Proposed RE-ENTER: Before Conv. After Conv. Logs in Imaging: Planned Rehab Work to Well: Sizes (in) Setting Cement Cement Top and **Well Construction Details** Borehole / Pipe Depths (ft) Sx or Cf **Determination Method** Planned __or Existing __Surface Stage Tool Planned_or Existing __Interm/Prod Planned or Existing Interm/Prod Planned_or Existing _ Prod/Liner Planned_or Existing __ Liner Inj Length Planned_or Existing _OH / PERF Completion/Operation Details: Injection or Confining Drilled TD /455 PBTD Injection Lithostratigraphic Units: Depths (ft) Tops Units NEW TD 1915 NEW PBTD_ Adjacent Unit: Litho. Struc. Confining Unit: Litho. Struc. Por. NEW Open Hale or NEW Perfs Tubing Size 1 in. Inter Coated? Proposed Inj Interval TOP Proposed Inj Interval BOTTOM: Proposed Packer Depth Min. Packer Depth (100-ft limit) Confining Unit: Litho. Struc. Por. Proposed Max. Surface Press. 342 psi Adjacent Unit: Litho. Struc. Por. Admin. Inj. Press 37 AOR: Hydrologic and Geologic Information BLM Sec Ord WIPP Noticed? Salt/Salado T: NW: Cliff House fm POTASH: R-111-P Noticed? HYDRO AFFIRM STATEMENT By Qualified Person FRESH WATER: Aquifer Max Depth_ NA No. GW Wells in 1-Mile Radius? FW Analysis? NMOSE Basin: AN SLACCAPITAN REEF: thru_ _ adj _ Disposal Fluid: Formation Source(s) 5 prins Analysis? __ On Lease Operator Only or Commercial System Closed or Open IC Potential: Producing Interval? Mormerly Producing? Method: Logs/DST/P&A/Other Mi Radius Pool Map OR Wells: 1/2-M Radius Map and Well List?_____ No. Penetrating Wells: _____ [AOR Horizontals: _ AOR SWDs: enetrating Wells: No. Active Wells Num Repairs? on which well(s)? Diagrams? Num Repairs?___on which well(s)? netrating Wells: No. P&A Wells Diagrams? Mineral Owner N. Date TICE: Newspaper Date

Affected Persons:

LE 26.7(A): Identified Tracts?

er Conditions:

itonal COAs: