Form 3160-5 (August 2007)

UNITED OT A THE INTLANCAS BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137

Expires. July 31, 2010	
5. Lease Serial No. SHL NM-0531075 BHL NM-104965	
6. If Indian, Allottee or Tribe Name	

7. If Unit of CA/Agreement, Name and/or No.

SUNDRY NOTICES AND REPORTS ON WELLS OCD Artesia

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

	1 T £ W-11	NM-070951C						
	1. Type of Well Oil Well Gas V	Vell Other				RIDGE UNIT #14 🥤		
	2. Name of Operator STRATA PRODUCTION COMPAN	Y		- · · · · · · · · · · · · · · · · · · ·	9. API Well No.	30015 3858	3	
- ;	3a. Address PO BOX 1030, ROSWELL, NM 88202-1030		Phone No. (include of	rea code)	10. Field and Pool	or Exploratory Area RIDGE DELAWARE		
	4. Location of Well (Footage, Sec., T., SHL 330' FSL & 2480' FWL, SEC 10,T23S-R30 BHL 360' FNL & 1470' FEL, SEC 9, T23S-R30	R.,M., or Survey Description) E E			11. Country or Par EDDY, NM	ish, State		
	12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA							
	TYPE OF SUBMISSION	TYPE OF ACTION			· · ·			
	Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat	=	uction (Start/Resume	Well Integr	ity	
	Subsequent Report	☐ Casing Repair ✓ Change Plans	New Constructi Plug and Aband		omplete porarily Abandon	Other UP	DATE	
	Final Abandonment Notice	Convert to Injection	Plug Back	☐ Wat	er Disposal			
	13 Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)							
	UPDATED CEMENTING PLAN - NO DV TOOL ON 7" CSG. 7" CEMENT TO SURFACE. 4 1/2" LINER CEMENT WITH 590' TIEBACK TO 7" CSG. Details: 13 3/8 Conductor @ 250'. 285 sacks Class C +.005 lbs/sk Static Free + 2% bwoc CaCL + 1 gal/100sk FP-6L + 56.3% Fresh Water. 14.8 ppg, 1.34 cf/sk yield							
1160	9 5/8'Surface @ 3600'. Lead: 736 sacks (35:65) Poz (Fly Ash): Class C + .005 lb/sk Static Free + 5% bwow NaCL·+.125 lb/sk Cello Flake + 5 lb/sk LCM-1 + 1 gal/100 sk FP-6L + 4% bwoc Bentonite + 1.3% bwoc Sodium Metasilicate + 5% bwoc MPA-5 + 107.2% Fresh Water. 12.5 ppg, 2.13 cf/sk yield. Tail: 485 sacks Class C + .005 lb/sk Static Free + .15% bwoc R-3 + 1 gal/100sk FP-6L + 56% Fresh Water. 14.8 ppg, 1.33 cf/sk yield.							
K-1 8	7" Intermediate @ 7790'. Lead. 580 sacks (35:65) Poz (Fly Ash): Class H + .005 lb/sk Static Free + 5% bwow NaCL + 125 lb/sk Cello Flake + 5 lb/sk LCM-1 + 2% bwoc FL-52 + 1 gal/100 sk FP-6L + 4% bwoc Bentonite + 2% bwoc Sodium Metasilicate + 5% bwoc MPA-5 + 106 5% Fresh Water. 12.5 ppg, 2.11 cf/sk yield. Tail: 253 sacks Class H + .005 lb/sk Static Free + 1% bwow NACL + .2% bwoc FL-52 + 1 gal/100sk FP-6L + 46.5% Fresh Water. 15.6 ppg, 1.19 cf/sk yield.							
P	4 1/2" Liner @ 7200'-12468' 610 sa 15.6 ppg, 1.19 cf/sk yield Attached are updated Choke Manif	acks Class H + .005 lb/sk Sta	itic Free + 1% bywyv	NaCl + .2% bwoo	FL-52 + 1 gal/100) sk FP-6L + 46.5% f	Fresh Water.	
MAGOCI	Attached are updated Choke Manif	old and BOP configurations.	MAFIN	STANCE I	SEE ATTA CONDITIONS	ACHED FOR OF APPROVAL		
12	14. I hereby certify that the foregoing is	true and correct. Name (Printed/)	Typed)	_			,	
Josa		MARK B. MUR	PHY Title	President				
Ş	Signature A	Mere B. Murphy	Date	6-28-11	APPR	ROVED		
Accepted	THIS SPACE FOR FEDERAL OR STATE OFFICE USE							
Ao	Approved by				Ancincer	Dete		
	Conditions of approval, if any, are attache that the applicant holds legal or equitable entitle the applicant to conduct operations	d. Approval of this notice does notitle to those rights in the subject thereon.	ot warrant or certify lease which would Of	fice	BUREAU OF LAN CARLSBAD	ND-MANAGEM ENT FIELD OFFICE		
	Title 18 U.S.C. Section 1001 and Title 43 fictitious or fraudulent statements or repr	3 U.S.C. Section 1212, make it a cresentations as to any matter within	rime for any person kno n its jurisdiction	vinglyand willfully	to make to any depart	tment or agency of the U	Inited States any false	
	(Instructions on page 2)	The state of the s		JUL 1				

NMOCD ARTESIA

Forty Niner Ridge Unit #14 Strata Production Company 30-015-38563 July 7, 2011 Conditions of Approval

Summary of Current Status:

- Original APD Approved Feb 2011 as horizontal well.
- Location is Secretary's Potash.
 - Original APD included.

 2 stage cement job on 7" Production Casing.

 Use of hydraulic set isolation packer assy on 4-1/2" casing.

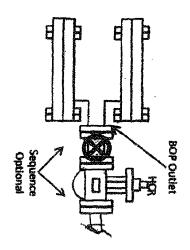
Requests:

- 1. Operator is requesting to revise cementing procedures on the well by:
 - conducting a single stage cement job instead of a two stage cementing the 7" production casing
 - cementing the 4-1/2" production liner in the drainhole and delete use of the hydraulic set packers.

Conditions of Approval:

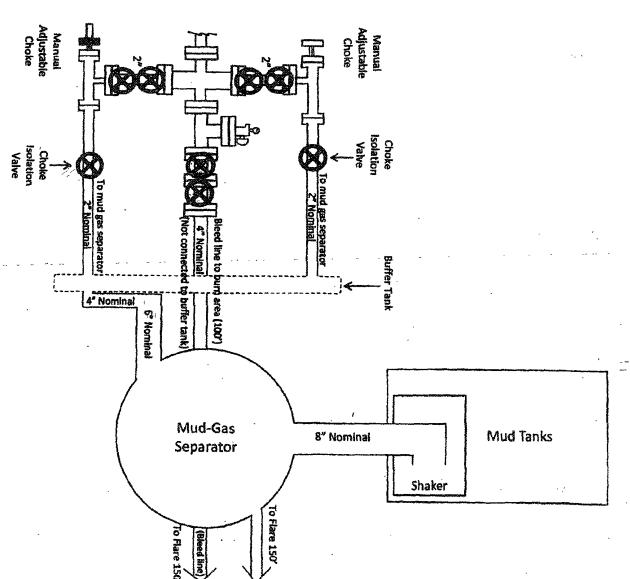
- a) While utilization of a single stage cement job on the 7" casing is possible, the use of two stage cementing procedure will increase the likelihood of successfully getting cement returns to surface. Hydrostatic pressure on the formation below 4500" will be reduced by approximately 800 psi (3.5 ppg x .052 x 4500") by use of the two stage cement job procedure. Therefore, a two stage cementing procedure is required.
- b) Cementing of the 4-1/2" liner in the drainhole as an alternative to the isolation packers system is approved.
- c) Centralizers suitable for horizontal sections shall be used on the 4-1/2" liner in the drainhole.
- d) The revised BOPE equipment specifications are approved.
- e) All other terms of the previous drilling Conditions of Approval will still apply.

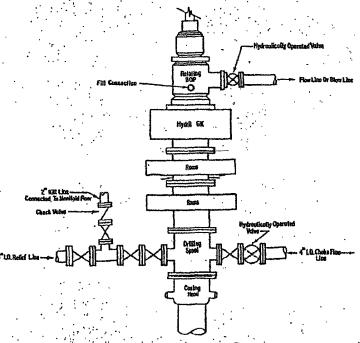
TMM 07/07/2011



Drilling Operations Choke Manifold

FORTY NINER RIDGE UNIT #14





3000# PSI WORKING PRESSURE BLOWOUT PREVENTER HOOK-UP The blowout preventer assembly shall consist of one single type blind rum preventer and one single type pipe rum preventer, both hydroulically operated; a Hydril "GK" preventer; a rotating blowout preventer; valves; chokes for and connections, as illustrated. If a topered drill string is used, a rum preventer must be provided for each size of drill pipe. Caving and tubing rums to fit the proventers are to be available as needed. If currect in size, the lingual autiets of the sum preventer may be used for connecting to the 4-inch 1,D, choke flow line and 4-inch 1,D, telef line, except when air or got drilling. All preventer connections are to be open-face flanged.

Minimum operating equipment for the preventers and hydrautically operated volves shell be as follows: (1) Multiple pumps, driven by a continuous source of power, capable of fluid charging the total occumulator volume from the nitrogen precharge pressure to its rated pressure within manufactures. Also, the pumps are to be cannected to the

nitrogen prechange pressure to its rated pressure within minutes. Also, the pumps are to be cannected to the hydraulic operating system which is to be a closed system. (2) Accumulators with a pracharge of nitrogen of not less than 750 PSI and connected so as to receive the alcomentationed fluid charge. With the charging pumps that down, the pressurized fluid volume stored in the occumulators must be sufficient to close all the pressure-operated devices simultanously, within seconds; after closure, the remaining occumulator fluid volume at least percent of the ariginal. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pamps or there shall be additional pumps operated by separate power and equal to performance capabilities.

The closing manifold and remote closing manifold shall have a separate control for each prassure-operated device. Controls are to be lobeled, with control bondles indicating open and closed positions.

A pressure reducer and regulator must be provided for operating the Hydril preventer. When requested, a second pressure reducer shall be available to limit operating fluid pressures to rom proventers.

Gulf Legion No. 38 hydraulic oil, an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

The choke manifold, chake flow line, relief line, and choke lines are to be supported by metal stands and adequately anchored. The chake flow line, relief line, and choke lines shall be constructed as straight as possible and without sharp bands. Easy and safe access is to be maintained to the choke manifold. If deemed nacessary, walkways and stairways shall be created in and around the choke manifold. All valves are to be selected for operation in the presence of ail, gas, and drilling fluids. The choke flow line valves and relief line, valves connected to the drilling spool and all twen type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the detrick substructure. All other valves are to be equipped with handles.

* To include derrick floor mounted controls