

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

APR - 1 2010

OCD Artesia

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

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
NM114356

6. If Indian, Allottee or Tribe Name

N/A

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

STRATA PRODUCTION COMPANY

3a. Address

P.O. BOX 1030, ROSWELL, NM 88202-1030

3b. Phone No. (include area code)

(505) 622-1127

7. If Unit of CA/Agreement, Name and/or No.  
35251

8. Well Name and No.

SANDY FEDERAL 001

9. API Well No.

30-015-21126

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1879 FNL & 660 FVL

24-235-302

10. Field and Pool or Exploratory Area

FORTY NINER RIDGE; DELAWARE

11. Country or Parish, State

EDDY COUNTY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

**TYPE OF SUBMISSION**

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

**TYPE OF ACTION**

- |   |   |  |   |
|---|---|--|---|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input type="checkbox"/> Other          |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |   |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input checked="" type="checkbox"/> Water 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 recompleat 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 recompleat 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.)

- 1) Water is stored in a 300 bbl steel tank.
- 2) Approximately 169 bbls of water are produced each day.
- 3) Water is transferred to water disposal via 2" poly-line to the Forty Niner Ridge Unit #1 SWD.

**Attachments:**

Water Analysis

Administrative approval for the Forty Niner Ridge Unit #1 SWD.

SWD 845

Accepted for record

NMOCD

4/20/10

ACCEPTED FOR RECORD

MAR 30 2010

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

SUBJECT TO LIKE  
APPROVAL BY STATE

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

JENNIFER ZAPATA

Title PRODUCTION ANALYST

Signature

Date 02/09/2010

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

Analytical Laboratory Report for:

**STRATA PRODUCTION**



BJ Chemical Services

Account Representative:

Richard D Nailon

## Production Water Analysis

Listed below please find water analysis report from: SANDY, 1

Lab Test No: 2009123146

Sample Date:

05/20/2009

Specific Gravity: 1.201

TDS: 309756

pH: 5.50

Cations:	mg/L	as:
Calcium	33185	(Ca <sup>++</sup> )
Magnesium	5447	(Mg <sup>++</sup> )
Sodium	81300	(Na <sup>+</sup> )
Iron	45.31	(Fe <sup>++</sup> )
Potassium	1739.0	(K <sup>+</sup> )
Barium	5.81	(Ba <sup>++</sup> )
Strontium	1901.00	(Sr <sup>++</sup> )
Manganese	9.23	(Mn <sup>++</sup> )
Anions:	mg/L	as:
Bicarbonate	49	(HCO <sub>3</sub> <sup>-</sup> )
Sulfate	75	(SO <sub>4</sub> <sup>-2</sup> )
Chloride	186000	(Cl <sup>-</sup> )
Gases:		
Carbon Dioxide	320	(CO <sub>2</sub> )
Hydrogen Sulfide	0	(H <sub>2</sub> S)

STRATA PRODUCTION

Lab Test No: 2009123146

**DownHole SAT™ Scale Prediction**  
**@ 100 deg. F**



Chemical Services

Mineral Scale	Saturation Index	Momentary Excess (lbs/1000 bbls)
Calcite (CaCO <sub>3</sub> )	0.06	-0.00
Strontianite (SrCO <sub>3</sub> )	0.00	-0.35
Anhydrite (CaSO <sub>4</sub> )	0.06	-64.93
Gypsum (CaSO <sub>4</sub> *2H <sub>2</sub> O)	0.06	-78.56
Barite (BaSO <sub>4</sub> )	0.03	-41.47
Celestite (SrSO <sub>4</sub> )	0.01	-542.62
Siderite (FeCO <sub>3</sub> )	0.01	-0.01
Halite (NaCl)	0.50	-94191.76
Iron sulfide (FeS)	0.00	-3.12

**Interpretation of DHSat Results:**

The Saturation Index is calculated for each mineral species independently and is a measure of the degree of supersaturation (driving force for precipitation) under the conditions modeled. This value ranges from 0 to infinity with 1.0 representing a condition of equilibrium where scale will neither dissolve nor precipitate. Values less than 1.0 are undersaturated and values greater than 1.0 are supersaturated. The Momentary excess is a measure of how much scale would have to precipitate to bring the system back to a non-scaling condition. This value ranges from negative (dissolving) to positive (precipitating) values. The Momentary Excess represents the amount of scale possible while the Saturation Level represents the probability that scale will form.

**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Disposal of Produced Water From Federal Wells  
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval

- 1 This agency shall be notified of any change in your method or location of disposal
2. Compliance with all provisions of Onshore Order No 7
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4 This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5 All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations This is to be done within 90 days, if you have not already done so.
- 6 Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife
- 7 This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument
- 8 If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Subject to like approval by NMOCD.

3/25/2010