

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

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
NM-17103

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
Lee Federal 004y

2 Name of Operator
Strata Production Company

9. API Well No.
30-015-24889

3a. Address
P O Box 1030, Roswell, NM 88202-1030

3b Phone No. (include area code)
575-622-1127

10. Field and Pool or Exploratory Area
Scanlon Delaware

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
2100' FSL & 330' FWL, S25-T20S-R28E

11. County or Parish, State
Eddy County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input checked="" 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 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 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.)

Attachment.

See attached "Written Order"

Accepted for record
NMOCD
RWade 10/16/12

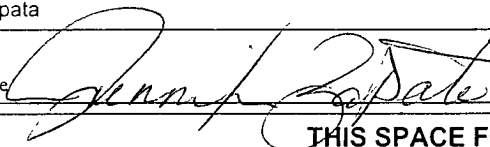
RECEIVED
OCT 16 2012
NMOCD ARTESIA

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

Jennifer Zapata

Title Production Analyst

Signature



Date 07/23/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

ACCEPTED FOR RECORD
OCT 12 2012
Date
WESLEY W. INGRAM
PETROLEUM ENGINEER

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.

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)

Lee Federal #4

Eddy County, New Mexico Burton Flats Frank Morgan
Repair Holes In Casing Delaware - 5452'-5470', Bone Springs - 5586'-5608'
5.5" 15.5# csg at 6700' PBTD DV Tool @ 3995'

6/1/2012

Move in T&C anchor truck. Pull test achors to all anchors to 15K. Had to replace one anchor.

6/2-3/2012

Shut Down for weekend.

6/4/2012

Rig down and move Aries well service rig #45 from Lee Fed #1. Move in and rig up rig 45 on Lee Fed #4-Y.
Move in and rig up Select well services kill truck. Un-Hang unit head and lay down polish rod & liner. Work to un-set pump for 3 hours. Pump finally came loose. Pull out of hole with 219 - 3/4" rods and pump. Make up TIW valve on tubing and shut in. Secure well and shut down for night.

6/5/2012

SITP- 80 psi, SICP - 750 psi

Drive to location. Hold tailgate safety meeting. SIP - 100 psi. Bleed gas pressure down. Nipple down wellhead. Un seat TAC and nipple up 7 1/16" 3M Hyd BOP. Pull out of hole as follows: 160 joints 2 7/8" 6.5# J-55 EUE tubing, TAC, 10 joints 2 7/8" tubing, SN, 1 joint as Mud joint. Joint was full of sand and paraffin. Stood back all tubing in derrick. Secure well and shut down for night.

6/6/2012

Go in the hole with Baker Oil tools 5.5" RBP & Packer. Set RBP at 5,178'. Rig up pump and start tesing casing from 5,178' to 1,600'. Packer started leaking after numerous times of setting. Pull out of hole with packer. Secure well and shut down for night.

06/07/2012

Drive to location. Hold tailgate safety meeting. Make up Baker oil tools Full bore 5.5" packer. GIH and place EOT at 5,100'. Rig up pump truck and circulate well with 160 barrels 2% KCL water. Pull up and start looking for holes in casing. Found leak from 4,430' to 4,461'. Pressured up on casing to 1,000 psi and shut down. Pressure on casing immediately dropped to zero within 30 seconds. Repeated 3 times with same result each time. Rig down and release pump truck. Stand by waiting for winch truck to arrive on location to move half pit from Lee Fed #1 location. While waiting well started flowing up 2 7/8" tubing at 40 GPM. Pick up swab and GIH. IFL - Surf. FFL - 4,420' (SN depth) Recovered 25 barrels load water. Total swab runs - 5. Lay down swab. Secure well and shut down for night.

06/08/2012

SITP - 80 psi, SICP - 0 psi Drive to location. Hold tailgate safety meeting. Bleed well pressure down into half pit Pick up swab and GIH. IFL - 400' from surface. FFL - 4,420' (SN depth). Make 4 swab runs recovering 20 barrels formation water. Release packer and GIH to 4,461'. MIRU Elite well services acid equipment. Break circulation with 2% KCL and spot 1 barrel 15% HCL from 4,461'-4,430'. POOH and lay down 3 joints 2 7/8" tubing placing packer at 4,365'. Pressure test treating lines to 4,000 psi. OK. Release pressure and open well head. Pressure up to 3,000 psi and shut down to let pressure drop. Pressure fell to 2,000 psi in 1 minute. Repeated this process 6 times. Increase pressure to 3,600 psi and let pressure drop. Pressure fell to 2,000 psi in 1 1/2 minute Repeated this process 6 times. Able to establish injection rate of 2/10 BPM- 3,460 psi. Shut down and open bypass on packer.

Break circulation and spot 1,000 gallons 15% HCL to within 1/2 barrel of packer. Shut down and close bypass on packer. Resume rate at 2/10 BPM 3,460 psi. Once acid entered hole in casing increased rate up to 1.7 BPM - 2,600 psi. Increased rate to 2.0 BPM - 3,360 psi increased rate up to 2.6 BPM -3,407 psi. Hold rate and over flush by 15 barrels. ISIP - 881 psi, 5 - minute - 857 psi, 10 minute - 843 psi, 15 minute - 800 psi. Rig down and release Elite acid crew and open well to half pit. To at l load 69 barrels Let well flow back for 2 hours recovering 22 barrels load water. Pick up swab and GIH Made 4 swab runs recovering 12 barrels load water. FFL at seating nipple. Release packer and go in the hole with 4 joints 2 7/8" tubing. EOT at 4,489'. Dump 150#'s sand down tubing and chase to EOT with 20 barels 2% KCL water. Rig down and release pump truck. Let sand fall for 10 minutes. Pull out of hole and stand back 4 joints 2 7/8" tubing back in derrick. Secure well and shut doen for weekend. **Plan to squeeze on Monday 6-11-12**

06/11/2012

SIP - 40 psi Drive to location. Hold tailgate saefy meeting. MIRU Rising Star services cementing equipment. Hold pre job safety meeting and pressure test treating lines. Place cementing retainer at 4,325'. Squeeze from 4,430'-4,461'. Cement with 100 sacks class "C" with 3/10% C-25 & .25% R-38. Weight 14.8 ppg Yld - 1.33 gal/sk 6.30 Load tubing and sting into retainer. Pressure up on annulus to 500 psi. Establish injection rate at 1 BPM-2,900 psi. Mix all 100 sacks and place in tubing. Shut down and wash up pump and lines. Resume pumping cement at 1 bpm-2,062 psi. on displacement. Squeeze 75 sacks into formation. Start hesitation of cement with last 25 sacks. Achieved 1230 psi squeeze. Sting out of retainer and reverse circulate tubing two times volume until good and clean. Rig down and release RSS cementers. POOH and stand back tubing in the derrick. Release Baker oil tools.

06/12/2012

Move in and rig up WRH reverse unit and swivel. Move in pump truck and vacuum truck and jet cement out of half pit. Keep well shut in to let cement squeeze cure.

06/13/2012

SIP - 0 psi Drive to location. Hold tailgate safety meeting. Make up and go in the hole with 4 3/4" skirted mill tooth reverse bit, bit sub 3 5/8" OD x 2 3/16" ID, 6 - 3 1/2" Drill collars 3 3/8" OD x 1 5/8" ID, XO 3 1/2" x 1 1/2" and 129 joints 2 7/8" 6.5# EUE tubing. Pick up 2.5" Bowen Power swivel and nipple up stripper head w/rubber. Tag cement at 4,323'. Break circulation with water and start drilling cement. Drilled through cement and tagged on cement retainer at 4,325'. Drill on cement retainer for 8 hours. Finally broke through and drilled cement 20' down to 4,350'. Pick up 5' and circulate well bore clean twice volume. Laydown swivel and make up TIW valve. Secure well and shut down for night.

06/14/2012

Drive to location. Hold tailgate safety meeting. POOH with 129 joints 2 7/8" tubing and stand back in derrick. Stand back 6 - 3 1/2" DC's. Break out 4 3/4" skirted mill tooth reverse bit. Found 1 skirt bent inwards preventing 1 cone from turning. Make up new 4 3/4" skirted mill tooth reverse bit. Go back in the hole with DC's and 129 joints of tubing. Replace stripper rubber. Pick up swivel and break circulation. Continue drilling cement. Fall through cement at 4,450' with 132 joints of tubing in the hole. Lay down swivel and continue in the hole. Tag sand on top of RBP at 5,155'. Wash sand down to RBP at 5,178' with 154 joints in the hole. POOH and stand back tubing in the derrick. Break out and laydown XO, 6 - 3 1/2" DC's, bit sub and 4 3/4" bit. Nipple down stripper head. Make up Baker Oil tools retrieving head and go back in the hole with 20 joints 2 7/8" tubing. Secure well and shut down for night.

06/15/2012

Drive to location. Hold tailgate safety meeting. Go in the hole with remaining 140 joints 2 7/8" tubing. Rig up pump and circulate 2' of sand from the top of RBP at 5,178'. Wash down and latch onto RBP. Release RBP and POOH with 160 joints of tubing and stand back in derrick. Break out XO, retrieving head and RBP. Release Baker Oil tools. Make up BHA and run production tubing as follows from surface:

160 - Joints 2 7/8" 6.5# J-55 tubing - 5165.73

Baker TAC 5197.83 10 Joints 2 7/8" 6.5# J-55 tubing- 5494.39

Seat Nipple-5495.49 4'

perforated sub - 5499.59

1 Joint 2 7/8" 6.5# J-55 Tubing as mud joint- 5531.86

2 7/8" Bull Plug-5532.70

Nipple down 7 1/16" 5M hydraulic BOP and set TAC in 12K tension. Nipple up B1 wellhead flange. Prep to RIH with pump and rods. RIH as follows from surface: **Polish Rod and Liner 219 - 3/4" rods 1 - 1' x 3/4" pony sub 1 - 2.5 x 1 1/4 x 22 RHBC pump Serial # SPC 144** Nipple up wellhead. Rig up pump to tubing. Load with 16 barrels 2% KCL water and pressure test to 500 psi. OK. Release pressure and long stroke pump. Tubing pressured up to 500 psi in 4 strokes. Release pressure. Space out pump 12" off bottom. Hang on unit head. Release all rental equipment. Rig down Aries rig #45.

Written Order of the Authorized Officer

Strata Production Company
Lee Federal – 04Y
API 30-015-24889
T20S-R28E, Sec 25
October 12, 2012

Operator performed cement squeeze of casing without approval. Operator is required by §43 CFR 3162.3-2 to obtain approval prior to any casing repair.

1. Operator did not report a casing integrity test to verify that the cement squeeze from 4,430'-4,461' on 6/11/2012 was successful.
2. Operator has not submitted a completion report for the Delaware recompletion performed in 1984 and the additional perforations added in 1993. Operator should be reporting to an S2 completion or a C1/C2. Was the RBP installed in 1984 left in the hole or removed? Are the Bone Spring perforations isolated? Is the operator down hole commingling the Bone Spring and Delaware formations? Operator has not submitted a request for down hole commingling approval.
3. Operator shall submit a (Sundry Form 3160-5) notice of intent requesting approval for the following activities:
 - Perform a BLM PET witnessed (charted) casing integrity test of 500 psig from 5,240'. Pressure leakoff may require remediation prior to returning the well to production. Include a copy of the chart in the subsequent sundry.
 - Provide BLM with an electronic copy (Adobe Acrobat Document) of a cement bond log from 5,200' or below to top of cement. The CBL may be attached in an e-mail to pswartz@blm.gov.
 - Remove the retrievable bridge plug set on 7/16/1984 at 5,550' and replace it with a CIBP to be set at 5,565'. Dump bail cement on the CIBP and tag the top of cement at 5,480' or less. If operator is down hole commingling, submit a sundry notice requesting approval; include allocation percentages, oil gravity, gas BTU, etc.

PRS/WW1 101212

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.