

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
NM114356

6. If Indian, Allottee or Tribe Name

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
PO Box 1030, Roswell, NM 88202-1030

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1979' FNL & 660' FWL, S24-T23S-R30E

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

10. Field and Pool or Exploratory Area
Forty Niner Ridge, Delaware

11. County or Parish, State
Eddy County, NM

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 type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Method of water disposal
	<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.)

Produced water from the Sandy Federal #1 is injected into the Forty Niner Ridge Unit #1 and Forty Niner Ridge Unit #6 SWD well's.

- Water is produced from the Delaware formation.
- The Sandy Federal #1 produces an average of 290 BWPD.
- Water is moved to disposal facility by pipeline.
- N/A
- Disposal Facility:
Strata Production Company
Forty Niner Ridge Unit #1 located 1980' FSL & 1980' FEL in Sec 16, T23S, R30E
Forty Niner Ridge Unit #6 located 990' FSL & 2050' FEL in Sec 22, T23S, R30E
- Forty Niner Ridge Unit #1 SWD - 1437
Forty Niner Ridge Unit #6 SWD - 1323

WJD 3/10/15
Accepted for record
NHODD

NM OIL CONSERVATION
ARTESIA DISTRICT

MAR 9 2015

RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Title Production Analyst

Signature *Jennifer R. Zapata*

Date 01/14/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

FEB 12 2015

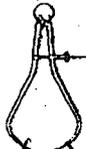
Date *JAMES A. AMOS*
SUPERVISOR-EP3

Approved by _____ Title _____

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.



PRECISION GAS MEASUREMENT, INC.
 P.O. Box 8323 ROSWELL, NM 88202 (575) 622-9874

ORIFICE METER TEST REPORT

Co. STRATA Production Date 8-8-14
 Gas Fr. STRATA Fed. Lse # _____
 Gas To ACPM Sta. # _____
 Lease SANDY 1 System _____

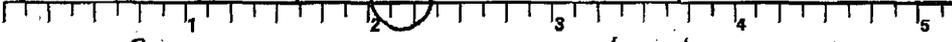
METER	Type	Serial #	Diff. Range	Static Range	Temp. Range
Barton <input type="checkbox"/>	<u>FS</u>	<u>10897</u>	<u>100</u>	<u>250</u>	<u>N/A</u>
American <input checked="" type="checkbox"/>	<u>3000</u>				
Foxboro <input type="checkbox"/>	CHART	ROTATION	PEN ARC	TIME LAG	Atmos. Press ON METER
EFM <input type="checkbox"/>	Sq. Rt. <input type="checkbox"/>	24 HR <input type="checkbox"/> 8 day <input type="checkbox"/> 31 day <input type="checkbox"/>	OK <input checked="" type="checkbox"/>	OK <input type="checkbox"/>	<input checked="" type="checkbox"/> Yes
Other <input type="checkbox"/>	Linear <input checked="" type="checkbox"/>	7 day <input type="checkbox"/> 16 day <input type="checkbox"/> Other _____	Reset <input checked="" type="checkbox"/>	Reset <input checked="" type="checkbox"/>	<u>13.2</u> <input type="checkbox"/> No

Diff Ave. Found	Diff Ave. Left	Static Ave. Found	Static Ave. Left	Temp Ave. Found	Temp Ave. Left	Tube & Plate Size
<u>0</u>	<u>0</u>	<u>40</u>	<u>35</u>	<u>N/A</u>	<u>N/A</u>	<u>2.067 x 0.375</u>

		DIFFERENTIAL TEST		ZERO TEST + - OK		TYPE CONNECTION	
Found	CAL	<u>0</u>	<u>10</u>	<u>100</u>	<u>50</u>	<u>30</u>	Flange <input checked="" type="checkbox"/> Pipe <input type="checkbox"/>
	MTR	<u>2.0</u>	<u>10.0</u>	<u>100.0</u>	<u>50.0</u>	<u>30.0</u>	ORIFICE FITTING
Left	CAL	<u>0</u>	<u>10</u>	<u>100</u>	<u>50</u>	<u>30</u>	Flanges <input type="checkbox"/> Simplex <input checked="" type="checkbox"/>
	MTR	<u>0.0</u>	<u>10.0</u>	<u>100.0</u>	<u>50.0</u>	<u>30.0</u>	Jr. Fitting <input type="checkbox"/> Sr. Fitting <input type="checkbox"/>

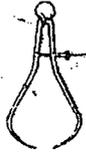
STATIC TEST				TEMPERATURE TEST			
CONNECTION Up <input type="checkbox"/> Down <input checked="" type="checkbox"/>				Thermometer _____			
FOUND		LEFT		Mtr. Found <u>N/A</u>			
DW	METER	DW	METER	Meter Left _____			
<u>20</u>	<u>40</u>	<u>0</u>	<u>13.2</u>	GAS GRAVITY _____			
<u>8</u>	<u>18</u>	<u>22</u>	<u>55.0</u>	SAMPLE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

ORIFICE PLATE INSPECTION				ORIFICE PLT. CHANGE			
Inspected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			IN <u>2 x 0.375</u>			
Clean	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			OUT <u>2 x 0.500</u>			
Sharp	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			Chart Changed Yes <input type="checkbox"/> No <input type="checkbox"/>			
Damaged	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			1 Hr. Coeff. _____			
Seal Condition	<input checked="" type="checkbox"/> Good <input type="checkbox"/> Bad			24 Hr. Coeff. SCFD _____			
Seal Replaced	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			24 Hr. Coeff. MCF/D <u>0.830</u>			
				Left Corr. Calibrated Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			



Remarks: RSZERO SP. & D.P. PLT. CHANGE
REPLACE PENS, METER TUBE FULL OF OIL.

 Tester _____ Witness _____



PRECISION GAS MEASUREMENT, INC.
 P.O. Box 8323 ROSWELL, NM 88202 (575) 622-9874

ORIFICE METER TEST REPORT

Co. Strata Date 11-24-14
 Gas Fr. Strata Fed. Lse # _____
 Gas To Dcp Sta. # _____
 Lease Sandy Unit #1 System _____

METER	Type	Serial #	Diff. Range	Static Range	Temp. Range
Barton <input checked="" type="checkbox"/>					
American <input checked="" type="checkbox"/>		12897	100	1000	N/A
Foxboro <input type="checkbox"/>	CHART	ROTATION		PEN ARC	TIME LAG
EPM <input type="checkbox"/>	Sq. Rt. <input type="checkbox"/>	24 HR <input type="checkbox"/>	8 day <input checked="" type="checkbox"/>	31 day <input type="checkbox"/>	OK <input checked="" type="checkbox"/>
Other <input type="checkbox"/>	Linear <input checked="" type="checkbox"/>	7 day <input type="checkbox"/>	16 day <input type="checkbox"/>	Other _____	Reset <input type="checkbox"/>
					Atmos. Press ON METER
					15.2 <input checked="" type="checkbox"/> Yes
					<input type="checkbox"/> No

Diff. Ave. Found	Diff. Ave. Left	Static Ave. Found	Static Ave. Left	Temp Ave. Found	Temp Ave. Left	Tube & Plate Size
0.0	0.0	13.2	13.2	N/A	N/A	2.067 x 0.375

DIFFERENTIAL TEST		ZERO TEST + - <input checked="" type="checkbox"/>				TYPE CONNECTION	
Found	CAL	0	10	100	50	30	Flange <input checked="" type="checkbox"/> Pipe <input type="checkbox"/>
	MTR	0.0	10.0	100.0	50.0	30.0	ORIFICE FITTING
	CAL	SAME					Flanges <input type="checkbox"/> Simplex <input checked="" type="checkbox"/>
	MTR	SAME					Jr. Fitting <input type="checkbox"/> Sr. Fitting <input type="checkbox"/>
Left	CAL	SAME					ORIFICE CONSTANT ↓
	MTR	SAME					Basic Orifice Flow

STATIC TEST				CONNECTION Up <input type="checkbox"/> Down <input checked="" type="checkbox"/>	TEMPERATURE TEST		Press B.S. @	F P B
FOUND		LEFT		Thermometer	Mtr. Found	Meter Left	Specific Gravity	F G
DW	METER	DW	METER		N/A		Sq. Rt. Chart Factor	C S
0	13.2			GAS GRAVITY	SAMPLE <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		1 Hr. Coeff.	
0	13.2	SAME					24 Hr. Coeff. SCF/D	
							24 Hr. Coeff. MCF/D	

ORIFICE PLATE INSPECTION				ORIFICE PLT. CHANGE			
Inspected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			IN			
Clean	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			X			
Sharp	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			OUT			
Damaged	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			X			
Seal Condition	<input checked="" type="checkbox"/> Good <input type="checkbox"/> Bad			Chart Changed		Left Corr. Calibrated	
Seal Replaced	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	



Remarks: No Flow

Tester: [Signature] Witness: _____

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. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. 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.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14