OCD-HOBBS

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE *- Other instructions on reverse side.*

5. Lease Serial No.
NMNM94096

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Redchecker 14 Federal #1

2. Name of Operator
Sunset Well Service, Inc.

9. API Well No.
30-025-32764

3a. Address
P.O. Box 7139, Midland, Texas 79708

3b. Phone No. *(include area code)*
432-561-8600

10. Field and Pool, or Exploratory Area
W. Red Tank Del./Red Tank Bone Spring

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
UL-P, 330' FSL & 990' FEL
Sec. 14-T22S-R32E

11. County or Parish, State
Lea, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☑ 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SUNDRY WAS REQUESTED BY KATHY HASTON, BLM-HOBBS OFFICE

METHOD OF PRODUCED WATER DISPOSAL: The produced water for this well is stored in Tank #892242 on location and comes from a separator on location and is gauged daily and then is transported by truck to either the water disposal well operated by Fulfer Oil & Cattle LLC known as the Brown #5 well located 1,650' FNL & 990' FWL, UL-E,Sec.25-T25S-R36E in Lea County, New Mexico under permit order #R5196 or to the evaporation pond operated by Controlled Recovery Inc. in the S1/2 N1/2 & N1/2 S1/2 of Section 27-T20S-R32E in Lea County, New Mexico under permit order #R9166.
Produced water is from the Delaware formation and the Bone Spring formation. Formations are downhole commingled and well produces approx. 90 BWPD (see attached water analysis)
First loads of water disposed by Sunset Well Service, Inc. was made on 4/5/2006 to both CRI and Brown #5 wells.

OIL: The oil for this well is stored at battery on location in Tank #892241 and is gauged daily. The oil is gathered by Shell Trading, 600 N. Marienfeld, Midland, Texas 79701 (Transporter OGRID 035246).

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
M. Lee Roark Title **Operations Manager**

Signature M. Lee Roark Date **07/28/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Wesley W. Ingram Title Pet. Engr Date 8/23/2006

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 CFO

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)

GWW

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	~~LEE ROARK CO~~ Sunset Well Servic	Sales RDT:	33521
Region:	ROCKY MOUNTAINS	Account Manager:	SHAWNA MATTHEWS (505) 910-9393
Area:	HOBBS, NM	Sample #:	362535
Lease/Platform:	RED CHECKER "14"	Analysis ID #:	60488
Entity (or well #):	1	Analysis Cost:	$40.00
Formation:	~~UNKNOWN~~ Delaware/Bone Spring		
Sample Point:	WELLHEAD		

Summary	
Sampling Date:	04/18/06
Analysis Date:	04/24/06
Analyst:	SALLY MOORE
TDS (mg/l or g/m3):	181987.1
Density (g/cm3, tonne/m3):	1.123
Anion/Cation Ratio:	1
Carbon Dioxide:	350.0 PPM
Oxygen:	
Comments:	

Analysis of Sample 362535 @ 75 °F

Anions	mg/l	meq/l	Cations	mg/l	meq/l
Chloride:	**109227.0**	**3080.9**	**Sodium:**	**66562.7**	**2895.31**
Bicarbonate:	**519.0**	**8.51**	**Magnesium:**	**524.0**	**43.11**
Carbonate:	**0.0**	**0.**	**Calcium:**	**2959.0**	**147.65**
Sulfate:	**1135.0**	**23.63**	**Strontium:**	**175.0**	**3.99**
Phosphate:			**Barium:**	**0.4**	**0.01**
Borate:			**Iron:**	**30.0**	**1.08**
Silicate:			Potassium:	854.0	21.84
			Aluminum:		
Hydrogen Sulfide:			Chromium:		
pH at time of sampling:		5.7	Copper:		
pH at time of analysis:			Lead:		
pH used in Calculation:		**5.7**	Manganese:	1.000	0.04
			Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite $CaCO_3$		Gypsum $CaSO_4*2H_2O$		Anhydrite $CaSO_4$		Celestite $SrSO_4$		Barite $BaSO_4$		CO_2 Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	-0.32	0.00	-0.50	0.00	-0.48	0.00	-0.06	0.00	0.42	0.00	7.71
100	0	-0.23	0.00	-0.58	0.00	-0.49	0.00	-0.09	0.00	0.21	0.00	9.4
120	0	-0.14	0.00	-0.65	0.00	-0.48	0.00	-0.11	0.00	0.03	0.00	11.05
140	0	-0.03	0.00	-0.70	0.00	-0.45	0.00	-0.11	0.00	-0.13	0.00	12.58

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.