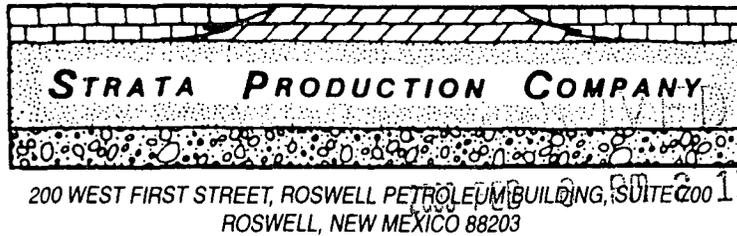


POST OFFICE DRAWER 1030
ROSWELL, NM 88202-1030



TELEPHONE (505) 622-1127
FACSIMILE (505) 623-3533

RECEIVED
2009 FEB 6 PM 2 1

June 2, 2008

State of New Mexico
Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

RE: FORTY NINER RIDGE UNIT
First Revision to the Delaware Participating Area
T23S, R320E, NMPM
Sections 9, 10 (except NW/4NW/4), 15, 16,
21 and 22
Eddy County, New Mexico

Ladies & Gentlemen:

In accordance with correspondence dated October 10, 2007, the State of New Mexico approved the First Revision to the Forty Niner Ridge Delaware Participating Area. The State's approval was contingent upon Strata Production Company, Sub-Operator, spudding a well in Sections 9, 10 or 15-23S-30E on or before April 30, 2008.

Enclosed for your files and information is part of our Permit to Drill (APD) which sets out the spud date of the Forty Niner Ridge Unit #9 as February 19, 2008. Please also note that a copy of the Completion Report which is being sent to the OCD for approval is also enclosed for your information.

Thank you for your cooperation and if you have any questions, please contact the undersigned.

Sincerely,

Jo McInerney, CPL

cc: BLM-Roswell, Attn: Mr. John Simitz
OCD-Santa Fe Attn: Mr. David Catanach

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COPY

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

OPERATOR'S COPY

1a. Type of Well: Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
 Other: _____

2. Name of Operator
STRATA PRODUCTION COMPANY

3. Address: P.O. BOX 1030, ROSWELL, NM 88202-1030

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface 330' FSL & 2630' FWL.
 At top prod. interval reported below
 At total depth 8951' & 8214'

5. Date Set No.
NMNM0531075

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
FORTY NINER RIDGE UNIT

9. AFI Well No.
#9

10. Field and Pool or Exploratory
FORTY NINER RIDGE, DELAWARE

11. Sec., T., R., M., on Block and Survey or Area
S10, T23S, R30E

12. County or Parish
EDDY

13. State
NM

14. Date Spudded
02/19/2008

15. Date T.D. Reached
03/20/2008

16. Date Completed
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
3159' KB

18. Total Depth: MD 8951'
TVD

19. Plug Back T.D.: MD 8942'
TVD 7436'

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
SCHLUMBERGER EXPRESS; DLL/CNL

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2"	133/8"-H-40	48#	SURFACE	492'	492'	600SX CL "C"			
						1"-60SX		CIRC.	
11"	8 5/8" - K:55	32#	SURFACE	3640'	3640'	1200SX POZ C			
						200SX CL "C"		CIRC.	
7 7/8"	13	17#	SURFACE	8950'	8950'	625 SX LITE			
						400SX CL "C"		CIRC.	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	65	65	5 1/2"					

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) DELAWARE	3606'	7500'	8842'-8847'	.45	21	SI
B) DELAWARE	3606'	7500'	8214'-8219'	.45	21	PRODUCING
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
8842'-8847'	ACIDIZE W/ 2500 GAL 7 1/2% NEFE. FRAC VIA 5 1/2" CSG W/ 100,000# 16/30 SAND.
8214'-8219'	ACIDIZE W/ 2500 GAL 7 1/2% NEFE. FRAC VIA 5 1/2" CSG W/ 150,000# 16/30 SAND.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
6/8/08	8/23/08	24 HRS	→	125	171	172	41		GAS LIFT
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
1/2"	200#	750#	→	125	171	172		FLOWING	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
06/08/08	08/23/08	24	→	218	218	203	41		GAS LIFT
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
1/2"	200#	750#	→	218	218	203	1/1	FLOWING	

ACCEPTED FOR RECORD

 SEP 15 2008

 JERRY FANT
 PETROLEUM GEOLOGIST

*(See instructions and spaces for additional data on page 2)