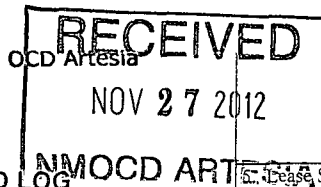


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other		6. If Indian, Allottee or Tribe Name
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr., Other: _____		7. Unit or CA Agreement Name and No.
2. Name of Operator Strata Production Company		8. Lease Name and Well No. Sandy Federal 003
3. Address P.O. Box 1030, Roswell, NM 88201		9. API Well No. 30-015-40055
3a. Phone No. (include area code) 575-622-1127		10. Field and Pool or Exploratory Forty Niner Ridge Delaware
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 330' FSL & 330' FWL At top prod. interval reported below At total depth 528' FNL & 338' FEL		11. Sec., T., R., M., on Block and Survey or Area S24-T23S-R30E
14. Date Spudded 07/13/2012		12. County or Parish Eddy
15. Date T.D. Reached 08/24/2012		13. State NM
16. Date Completed 09/30/2012 ☐ D & A ☒ Ready to Prod.		17. Elevations (DF, RKB, RT, GL)* 3305 DF, 3288 GL, 3306 KB
18. Total Depth: MD 12183' TVD 7737'		20. Depth Bridge Plug Set: MD TVD
19. Plug Back T.D.: MD TVD		22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit report) Directional Survey? ☐ No ☒ Yes (Submit copy)
21. Type Electric & Other Mechanical Logs Run (Submit copy of each)		

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

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled

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"	7021'	None						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)						
B)						
C)						
D)						

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

Depth Interval	Amount and Type of Material

RECLAMATION
DUE 3-30-13

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
09/30/12	10/10/12	24	→	18	6	70			Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
	400	280	→	440	153	1676	.35	Producing	

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
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

NOV 24 2012

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Delaware Delaware	8212' 8580'	8225' 8590'	Sand & Shale Sand & Shale	Rustler	172'
Delaware Delaware	9280' 9695'	9290' 9705'	Sand & Shale Sand & Shale	Salado	478'
Delaware Delaware	10150' 10450'	10160' 10460'	Sand & Shale Sand & Shale	Castile	2232'
Delaware Delaware	10950' 11410'	10960' 11420'	Sand & Shale Sand & Shale	Delaware	3876'
Delaware Delaware	11855' 12106'	11865' 12116'	Sand & Shale Sand & Shale		

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

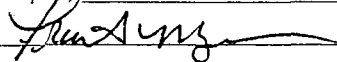
- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☒ Directional Survey
- ☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Frank S. Morgan

Title Vice-President

Signature



Date 11/05/2012

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.

(Continued on page 3)

(Form 3160-4, page 2)

Casing and Liner Record

Hole Size	Size/Grade	Wt.	Top (MD)	Bottom (MD)	No. of Sks & Type of Cement	Slurry Vol.	Cement Top
17 1/2"	13 3/8" H-40	48#	Surface	350'	650 sx CL C		Circ
12 1/4"	9 5/8" <u>?</u>	<u>?</u> ✓	Surface	3846'	1st Stage: 1850 sx 35/65 w/ add. Circ 200 sx 2nd Stage: 685 sx 35/65 Circ 10 sx to pit		Circ
8 3/4"	7"	26# HCP	Surface	8000'	1st Stage: 560 sx CL H Circ 54 sx to pit 2nd Stage: 800 sx 35/65 Circ 109 sx to pit		Circ
6 1/8"	4 1/2"	15.10 # L 80 BTC 11.60# HCP 110	7060'	12183'	430 sx PVL Circ 64 sx to pit		
Top of Liner 7060'							

Producing Intervals

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	Delaware			8215'-8225'	0.42	60	Open
B)	Delaware			8580'-8590'	0.42	60	Open
C)	Delaware			9280'-9290'	0.42	60	Open
D)	Delaware			9695'-9705'	0.42	120	Open
E)	Delaware			10150'-10160'	0.42	60	Open
F)	Delaware			10450'-10460'	0.42	60	Open
G)	Delaware			10950'-10960'	0.42	60	Open
H)	Delaware			11410'-11420'	0.42	60	Open
I)	Delaware			11855'-11865'	0.42	60	Open
J)	Delaware			12106'-12116'	0.42	60	Open

Acid, Frac, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
8215'-8225'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 150,000# 30/50 RC. Place 149,939# on formation
8580'-8590'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 100,000# 30/50 RC. Place 95,044# on formation
9280'-9290'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 100,000# 30/50 RC. Place 80,848# on formation
9695'-9705'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 100,000# 30/50 RC. Place 92,330# on formation
10150'-10160'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 100,000# 30/50 RC. Place 92,433# on formation
10450'-10460'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 100,000# 30/50 RC. Place 99,867# on formation
10950'-10960'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 150,000# 30/50 RC. Place 153,268# on formation
11410'-11420'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 150,000# 30/50 RC. Place 150,640# on formation
11855'-11865'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 100,000# 30/50 RC. Place 104,156# on formation
12106'-12116'	Acidize w/ 1500 gals 7 1/2% NEFE. Frac w/ 150,000# 30/50 RC. Place 156,274# on formation