Form 3160-4
(March 2012)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

# WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
NM-114356

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

6. If Indian, Allottee or Tribe Name

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

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

9. API Well No.
30-015-40055

4. Location of Well *(Report location clearly and in accordance with Federal requirements)**

At surface 330' FSL & 330' FWL

10. Field and Pool or Exploratory
Forty Niner Ridge Delaware

11. Sec., T., R., M., on Block and Survey or Area S24-T23S-R30E

At top prod. interval reported below

At total depth 528' FNL & 338' FEL

12. County or Parish
Eddy

13. State
NM

| 14. Date Spudded | 15. Date T.D. Reached | 16. Date Completed | 17. Elevations (DF, RKB, RT, GL)* |
|---|---|---|---|
| 07/13/2012 | 08/24/2012 | ☐ D & A ☑ Ready to Prod. 09/30/2012 | 3305 DF, 3288 GL, 3306 KB |

| 18. Total Depth: | 19. Plug Back T.D.: | 20. Depth Bridge Plug Set: |
|---|---|---|
| MD 12183' TVD 7737' | MD TVD | MD TVD |

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

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 Sks. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | See Attached | | | | |

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 | 26. Perforation Record: 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

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

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 | 8212' | 8225' | Sand & Shale | Rustler | 172' |
| Delaware | 8580' | 8590' | Sand & Shale | | |
| Delaware | 9280' | 9290' | Sand & Shale | Salado | 478' |
| Delaware | 9695' | 9705' | Sand & Shale | | |
| Delaware | 10150' | 10160' | Sand & Shale | Castile | 2232' |
| Delaware | 10450' | 10460' | Sand & Shale | | |
| Delaware | 10950' | 10960' | Sand & Shale | Delaware | 3876' |
| Delaware | 11410' | 11420' | Sand & Shale | | |
| Delaware | 11855' | 11865' | Sand & Shale | | |
| Delaware | 12106' | 12116' | 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)

**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" ? | ? ✓ | Surface | 3846' | 1st Stage: 1850 sx 35/65 w/ add.<br>Circ 200 sx<br>2nd Stage: 685 sx 35/65<br>Circ 10 sx to pit | | Circ |
| 8 3/4" | 7" | 26# HCP | Surface | 8000' | 1st Stage: 560 sx CL H<br>Circ 54 sx to pit<br>2nd Stage: 800 sx 35/65<br>Circ 109 sx to pit | | Circ |
| 6 1/8" | 4 1/2" | 15.10 # L 80 BTC<br>11.60# HCP 110 | 7060' | 12183' | 430 sx PVL<br>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 |