

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.
NMNM114356

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
SANDY 1

2. Name of Operator

STRATA PRODUCTION COMPANY

Contact: PAUL RAGSDALE

E-Mail: pragsdale@stratanm.com

9. API Well No.

30-015-21126-00-S2

3a. Address

ROSWELL, NM 88202-1030

3b. Phone No. (include area code)

Ph: 575-622-1127 Ext: 18

10. Field and Pool or Exploratory Area
FORTY NINER RIDGE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 24 T23S R30E SWNW 1979FNL 660FWL

11. County or Parish, State

EDDY COUNTY, NM

Carlsbad Field Office
OCD Artesia**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 type="checkbox"/> Other
	<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 recompleat 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.

1)Cut Window in 7 5/8 in. casing from 7200 ft. to 7211 ft. Cut curve and land lateral at 7667 ft. TVD. Drill lateral to 9548 ft. MD with 6 3/4 in. bit.

2)Run a tapered casing string with 7100 ft. 5 1/2 17# HCP-110, 8RD LT&C new seamless casing, a 5 1/2 in. x 4 1/2 in. crossover and 2450 ft. 4 1/2 in. 13.5 HCP-110 8RD LT&C new seamless casing. Set a DV tool at 5400 ft.

3)Cement 1st stage with 545 sks, 50/50 POZ/H mixed at 14.2 lb./gal, 1.34 cu. ft/sk, 6.08 gal/sk, 25% excess.

4)Circulate 6 to 8 hours

RECEIVED

SEP 12 2018

DISTRICT II-ARTESIA O.C.D.

GC 9-12-18
Accepted for record - NMOC

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #432844 verified by the BLM Well Information System
For STRATA PRODUCTION COMPANY, sent to the Carlsbad
Committed to AFMS for processing by PRISCILLA PEREZ on 08/30/2018 (18PP2561SE)

Name (Printed/Typed) SHAMMY DENNIS

Title ADMINISTRATIVE SUPPORT

Signature (Electronic Submission)

Date 08/27/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ZOTA STEVENS

Title PETROLEUM ENGINEER

Date 09/07/2018

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 Carlsbad

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #432844 that would not fit on the form

32. Additional remarks, continued

5)Cement 2nd stage with 545 sks Class C Neat mixed at 14.8 lb/gal, 1.32 cu. ft, 6.3 gal/sk, 25% excess.

6)Wait on cement for six hours and then nipple up wellhead and move L & R off location.

REQUEST NEW BOTTOM HOLE LOCATION. CHANGE FROM 330' FNL & 330' FWL TO
NEW BHL 75' FNL & 330' FWL

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	STRATA PRODUCTION COMPANY
LEASE NO.:	NMNM114356
WELL NAME & NO.:	SANDY FEDERAL 1
SURFACE HOLE FOOTAGE:	1980' FNL & 660' FWL
BOTTOM HOLE FOOTAGE:	75' FNL & 330' FWL
LOCATION:	Section 24, T. 23 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico

COA

All previous COAs still apply expect the following.:

H2S	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Potash	<input type="radio"/> None	<input type="radio"/> Secretary	<input checked="" type="radio"/> R-111-P
Cave/Karst Potential	<input type="radio"/> Low	<input type="radio"/> Medium	<input checked="" type="radio"/> High
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input checked="" type="radio"/> Conventional	<input type="radio"/> Multibowl	<input type="radio"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP

A. CASING

1. The minimum required fill of cement behind the 5-1/2 x 4 1/2 inch production casing is:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool: Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Operator shall submit a C-102 when submitting the completion report.

B. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) psi**.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ Chaves and Roosevelt Counties

Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.

During office hours call (575) 627-0272.

After office hours call (575)

☒ Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

ZS 090718

R111P High

16	surface csg in a	20	inch hole.	Design Factors			SURFACE		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	65.00	H 40	ST&C	14.52	3	0.8	465	30,225	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 945				Tail Cmt	does	circ to sfc.	Totals:	465	30,225
Comparison of Proposed to Minimum Required Cement Volumes									
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
20	0.7854	425	561	560	0	8.70	1188	2M	1.50

Burst Frac Gradient(s) for Segment(s) A, B = , b All > 0.70, OK.

Proposed

10 3/4	casing inside the	16	Design Factors				INTERMEDIATE		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	51.00	K 55	ST&C	3.05	1.32	1.14	3,900	198,900	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig:						Totals:	3,900	198,900	
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		465	overlap.	
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
12 1/4	0.1882	2950	3894	966	303	10.10	1910	2M	0.25

Tail cmt

7 5/8	casing inside the	10 3/4	Design Factors				INTERMEDIATE		
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight	
"A"	26.40	N 80	BUTT	3.08	0.96	1.59	7,404	195,466	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 983							Totals:	7,404	195,466
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		3900	overlap.	
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
9 1/2	0.1751	2400	3168	1452	118	9.20	2096	3M	0.50

5 1/2 casing inside the 7 5/8				Design Factors			PRODUCTION		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	17.00	HCP 110	LT&C	3.47	3.21	3.28	7,100	120,700	
"B"	13.50	HCP 110	LT&C	3.04	2.32	3.28	2,448	33,048	
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,562							Totals:	9,548	153,748
Begment Design Factors would be:				44.47	2.97	if it were a vertical wellbore.			
No Pilot Hole Planned		MTD	Max VTD	Csg VD	Curve KOP	Dogleg°	Severity°	MEOC	
		9548	7663	7663	7424	91	22	7834	
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		7404	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
6 3/4	0.0835	look v	0	922		9.50			0.88
ting Depths for D V Tool(s):			5400			sum of sx	sum of CuFt	Σ% excess	
% excess cmt by stage:			33			1090	1450	57	
Capitan Reef est top XXXX.									

PROPOSED CASING EXT

General	Company:		Strata Production Company		Prospect:		Forty Niner Ridge	
	Well Name:		Sandy Federal #1		TD (MD/TVD):		14,856' TVD	
	County:		Eddy		Elevation:		3267' GL & 3290' KB	
	State:		New Mexico		Latitude & longitude:		33.???? N & 103.?? W	
	API Number:		30-015-21126		Section-Township-Range		Section 24 - T23S - R30E	
	Directions: Estate Highway 176 to Mile Marker 5 and turn south to location				Surface Location:		660' FWL & 1980' FNL	
					Bottom Hole Location:		660' FWL & 1980' FNL	

Formation	Depth		Casing Profile	Hole Size	Casing Specifications	Mud Program
	MD	TVD				
16" casing @ 465'				18"	16" 65# H-40 STC	
Top Rustler				15"	10 3/4" 51# K-55 STC	
Salado						
Yates						
San Andres						
10 3/4" Casing @ 3900'						
5897-5917				9 1/2"	7 5/8", 26.4# & 29.7# Hydri flush joint and super fj	
5962-5980						
6206-6214	*	C				
6320-6324	*	D				
6350-6356, 6374-6378	*	D-1 & D-3				
6410-6420	* Frac	D-shale				
CIBP @ 6420'						
6453-6462						
6514-6532						
7363-7372						
CIBP @ 7630						
7666-7694						
DV Tool	7700'	7700'				
7 5/8" Casing @ 12,070						

5 1/2" 17# P110 Casing

Casing Window at 7200' at 3°

4 1/2" B.6# Casing
IN LATERAL

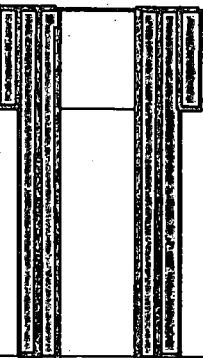
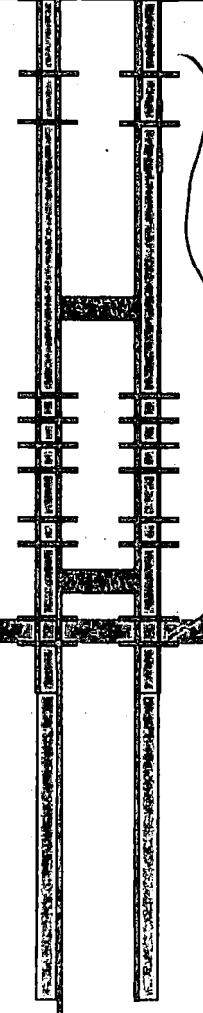
THIS IS THE TARGET

PROPOSED END OF LATERAL
320 FNL & 330 FWL
75

Comments	

Company: **Strata Production Company**Prospect: **Forty Niner Ridge**Well Name: **Sandy Federal #1**TD (MD/TVD): **14,856' TVD**County: **Eddy**Elevation: **3267' GI & 3290' KB**State: **New Mexico**Latitude & Longitude: **33.7777 N & 102.23**API Number: **30-015-21126**Section-Township-Range: **Section 24 - T23S - R30E**Directions: **Estate Highway 176 to Mile Marker 5 and turn south to location**Surface Location: **560' FWL & 1980' FNL**Bottom Hole Location: **560' FWL & 1980' FNL**

General

Formation	Depth		Casing Profile	Hole Size	Casing Specificaitons	Mud Program			
	MD	TVD							
				18"	16" 65# H-40 STC				
16" casing @ 465'									
Top Rustler					15"	10 3/4" 51# K-55 STC			
Salado									
Yates									
San Andres									
10 3/4" Casing @ 3900'									
				9 1/2"	7 5/8 ", 26.4# & 29.7# Hydril flush joint and super fj				
5897-5917		AAA							
5962-5980		AA							
6206-6214		C							
6320-6324		D			9 1/2"	7 5/8 ", 26.4# & 29.7# Hydril flush joint and super fj	All of these Perfs are Squeezed		
6350-6356, 6374-6378	* Frac	D-1 & D-3							
6410-6420		D-shale							
CIBP @ 6420'									
					9 1/2"	7 5/8 ", 26.4# & 29.7# Hydril flush joint and super fj	THIS IS THE TARGET!!		
6453-6462									
6514-6532		D-4							
7363-7372		I-2							
CIBP@7630				9 1/2"	7 5/8 ", 26.4# & 29.7# Hydril flush joint and super fj				
7666-7694		L							
DV Tool	7700'	7700'							
7 5/8" Casing @ 12,070									

Comments

Also proposed lateral landing in L zone with lateral length of approx. 1800'