OCD-ARTESIA

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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 page 2.

1. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other	5. Lease Serial No.: SH NM-0531075 BH 0531277
	6. If Indian, Allottee or Tribe Name:
	7. If Unit of CA/Agreement, Name and/or No.: NM-70951C
	8. Well Name and No.: FORTY NINER RIDGE UNIT #13H
2. Name of Operator: STRATA PRODUCTION COMPANY	9. API Well No.: 30-015-38562
3a. Address: P.O. BOX 1030, ROSWELL, NM 88202-1030 / 3b. Phone No. *(include area code)*: (575) 622-1127	10. Field and Pool or Exploratory Area: FORTY NINER RIDGE DELAWARE
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*: SHL 330' FSL & 2555 FWL, S10-T23S-R30E; BHL 1010' FSL & 1253' FWL S15-T23S-R30E	11. Country or Parish, State: EDDY, NM

12. CHECK THE 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 Update
	☑ 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 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.)

Attached is an updated cementing plan which includes a change to cement the 4 1/2" liner and updated BOP and Choke Manifold configurations.

No - DV tool on 7" csg per Operator - (Frank Morgan)
7" csg Cement to Surface
4½" line cement with 600' tieback To 7" csg
Original COA Applies

Accepted for record - NMOCD
DD 5-31-11

RECEIVED
MAY 27 2011
NMOCD ARTESIA

APPROVED
MAY 23 2011
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*: Frank S. Morgan — Title: Vice President

Signature: Frank S Morgan — Date: 05/16/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

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)

Operator Name:	Strata Production
Well Name:	FORTY NINER RIDGE UNIT #13H
Job Description:	13 3/8" Conductor @ 250'
Date:	April 20, 2011

Proposal No: 1001143328A

FLUID SPECIFICATIONS

FLUID	VOLUME CU-FT		VOLUME FACTOR	AMOUNT AND TYPE OF CEMENT
Cement Slurry	383	/	1.34	= 285 sacks Class C Cement + 0.005 lbs/sack Static Free + 2% bwoc Calcium Chloride + 1 gals/100 sack FP-6L + 56.3% Fresh Water
Displacement				33.0 bbls Displacement Fluid

CEMENT PROPERTIES

	SLURRY NO.1
Slurry Weight (ppg)	14.80
Slurry Yield (cf/sack)	1.34
Amount of Mix Water (gps)	6.34
Amount of Mix Fluid (gps)	6.35

Operator Name:	Strata Production
Well Name:	FORTY NINER RIDGE UNIT #13H
Job Description:	9 5/8" Surface @ 3600'
Date:	April 20, 2011

Proposal No: 1001143328A

FLUID SPECIFICATIONS

FLUID	VOLUME CU-FT		VOLUME FACTOR	AMOUNT AND TYPE OF CEMENT
Lead Slurry	1566	/	2.13	= 736 sacks (35:65) Poz (Fly Ash):Class C Cement + 0.005 lbs/sack Static Free + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 5 lbs/sack LCM-1 + 1 gals/100 sack FP-6L + 4% bwoc Bentonite + 1.3% bwoc Sodium Metasilicate + 5% bwoc MPA-5 + 107.2% Fresh Water
Tail Slurry	643	/	1.33	= 485 sacks Class C Cement + 0.005 lbs/sack Static Free + 0.15% bwoc R-3 + 1 gals/100 sack FP-6L + 56% Fresh Water
Displacement				269.9 bbls Displacement fluid

CEMENT PROPERTIES

	SLURRY NO.1	SLURRY NO.2
Slurry Weight (ppg)	12.50	14.80
Slurry Yield (cf/sack)	2.13	1.33
Amount of Mix Water (gps)	11.18	6.31
Amount of Mix Fluid (gps)	11.19	6.32
Estimated Pumping Time - 70 BC (HH:MM)	4:17	
COMPRESSIVE STRENGTH		
12 hrs @ 106 ° F (psi)	500	
24 hrs @ 106 ° F (psi)	804	

RHEOLOGIES

FLUID		TEMP	600	300	200	100	6	3
Lead Slurry	@	80 ° F	76	65	59	52	33	27

Operator Name:	Strata Production
Well Name:	FORTY NINER RIDGE UNIT #13H
Job Description:	7" Intermediate @ 7810'
Date:	April 20, 2011

Proposal No: 1001143328A

FLUID SPECIFICATIONS

Weighted Spacer — 20.0 bbls SealBond + 87.1 lbs/bbl Barite - Sacked @ 10 ppg

FLUID	VOLUME CU-FT		VOLUME FACTOR		AMOUNT AND TYPE OF CEMENT
Lead Slurry	1224	/	2.11	=	580 sacks (35:65) Poz (Fly Ash):Class H Cement + 0.005 lbs/sack Static Free + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 5 lbs/sack LCM-1 + 0.2% bwoc FL-52 + 1 gals/100 sack FP-6L + 4% bwoc Bentonite + 0.2% bwoc Sodium Metasilicate + 5% bwoc MPA-5 + 106.5% Fresh Water
Tail Slurry	304	/	1.19	=	257 sacks Class H Cement + 0.005 lbs/sack Static Free + 1% bwow Sodium Chloride + 0.2% bwoc FL-52 + 1 gals/100 sack FP-6L + 46.5% Fresh Water

Displacement — 297.3 bbls Displacement Fluid

CEMENT PROPERTIES

	SLURRY NO.1	SLURRY NO.2
Slurry Weight (ppg)	12.50	15.60
Slurry Yield (cf/sack)	2.11	1.19
Amount of Mix Water (gps)	11.10	5.24
Amount of Mix Fluid (gps)	11.11	5.25

Operator Name:	Strata Production
Well Name:	FORTY NINER RIDGE UNIT #13H
Job Description:	4 1/2" Liner 7200' - 11209'
Date:	April 20, 2011

Proposal No: 1001143328A

FLUID SPECIFICATIONS

Weighted Spacer — 20.0 bbls SealBond + 87.1 lbs/bbl Barite - Sacked @ 10 ppg

FLUID	VOLUME CU-FT		VOLUME FACTOR		AMOUNT AND TYPE OF CEMENT
Slurry	939	/	1.19	=	792 sacks Class H Cement + 0.005 lbs/sack Static Free + 1% bwow Sodium Chloride + 0.2% bwoc FL-52 + 1 gals/100 sack FP-6L + 46.5% Fresh Water

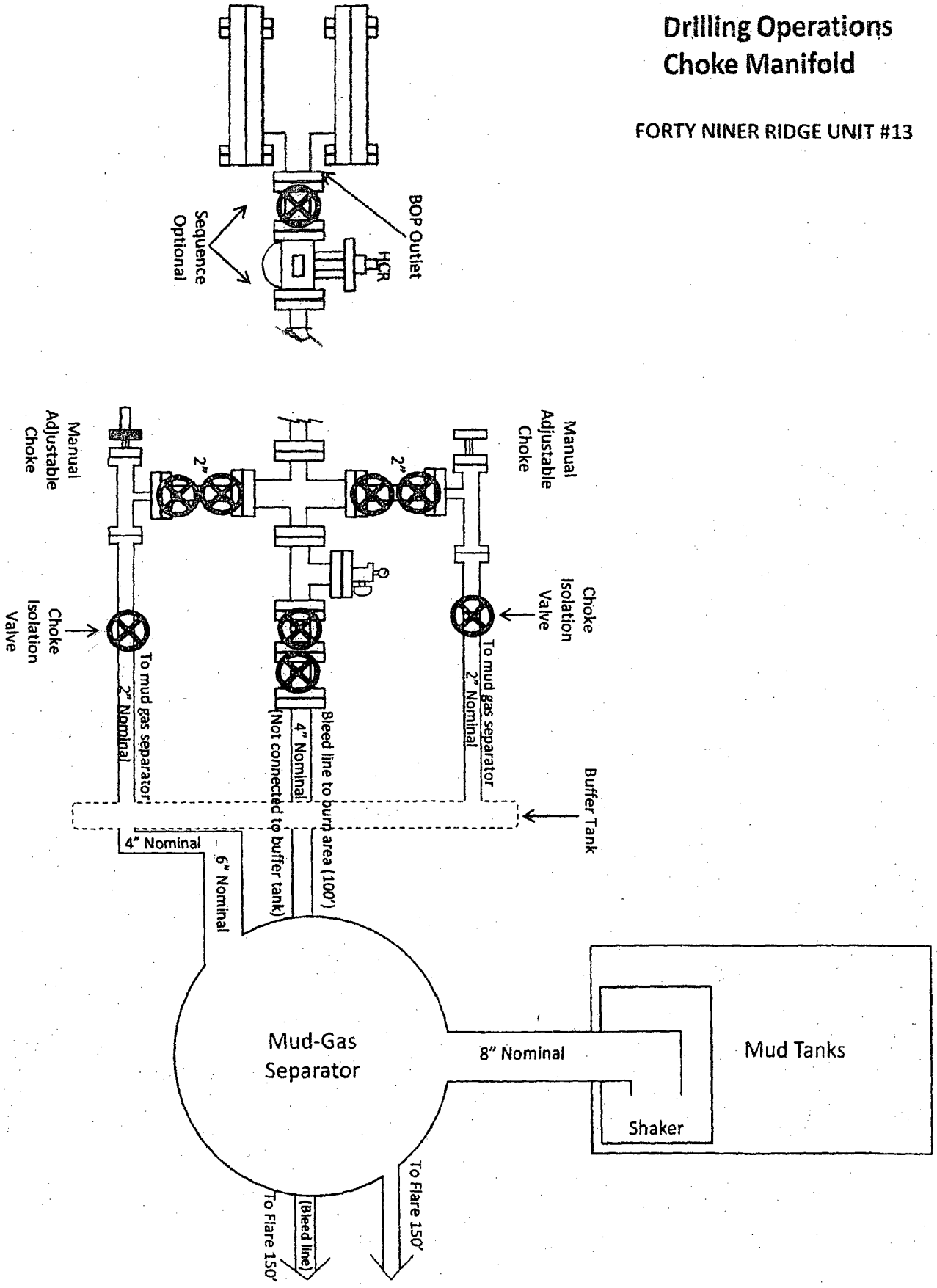
Displacement — 173.6 bbls Displacement Fluid

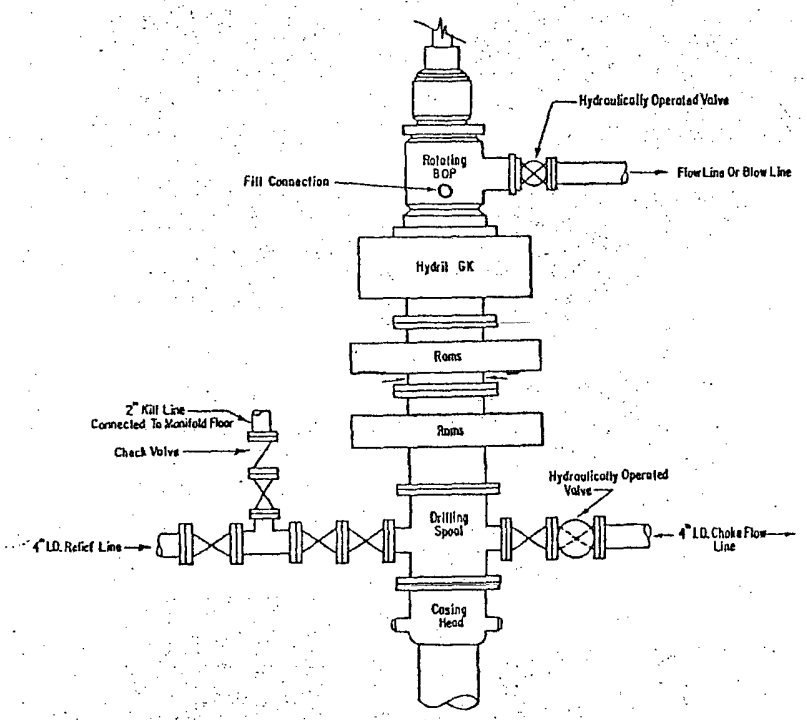
CEMENT PROPERTIES

	SLURRY NO.1
Slurry Weight (ppg)	15.60
Slurry Yield (cf/sack)	1.19
Amount of Mix Water (gps)	5.24
Amount of Mix Fluid (gps)	5.25

Drilling Operations
Choke Manifold

FORTY NINER RIDGE UNIT #13





3000# PSI WORKING PRESSURE
BLOWOUT PREVENTER HOOK-UP

The blowout preventer assembly shall consist of one single type blind ram preventer and one single type pipe ram preventer, both hydraulically operated; a Hydril "GK" preventer; a rotating blowout preventer; valves; chokes and connections, as illustrated. If a tapered drill string is used, a ram preventer must be provided for each size of drill pipe. Casing and tubing rams to fit the preventers are to be available as needed. If correct in size, the flanged outlets of the ram preventer may be used for connecting to the 4-inch I.D. choke flow line and 4-inch I.D. relief line, except when air or gas drilling. All preventer connections are to be open-face flanged.

Minimum operating equipment for the preventers and hydraulically operated valves shall be as follows: (1)Multiple pumps, driven by a continuous source of power, capable of fluid charging the total accumulator volume from the nitrogen precharge pressure to its rated pressure within_____ minutes. Also, the pumps are to be connected to the hydraulic operating system which is to be a closed system. (2) Accumulators with a precharge of nitrogen of not less than 750 PSI and connected so as to receive the aforementioned fluid charge. With the charging pumps shut down, the pressurized fluid volume stored in the accumulators must be sufficient to close all the pressure-operated devices simultaneously within_____ seconds; after closure, the remaining accumulator pressure shall be not less than 1000 PSI with the remaining accumulator fluid volume at least_____ percent of the original. (3) When requested, an additional source of power, remote and equivalent, is to be available to operate the above pumps; or there shall be additional pumps operated by separate power and equal in performance capabilities.

The closing manifold and remote closing manifold shall have a separate control for each pressure-operated device. Controls are to be labeled, with control handles indicating open and closed positions. A pressure reducer and regulator must be provided for operating the Hydril preventer. When requested, a second pressure reducer shall be available to limit operating fluid pressures to ram preventers. Gulf Legion No. 38 hydraulic oil, an equivalent or better, is to be used as the fluid to operate the hydraulic equipment.

The choke manifold, choke flow line, relief line, and choke lines are to be supported by metal stands and adequately anchored. The choke flow line, relief line, and choke lines shall be constructed as straight as possible and without sharp bends. Easy and safe access is to be maintained to the choke manifold. If deemed necessary, walkways and stairways shall be erected in and around the choke manifold. All valves are to be selected for operation in the presence of oil, gas, and drilling fluids. The choke flow line valves and relief line valves connected to the drilling spool and all ram type preventers must be equipped with stem extensions, universal joints if needed, and hand wheels which are to extend beyond the edge of the derrick substructure. All other valves are to be equipped with handles.

* To include derrick floor mounted controls.