

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS  
HOBBS OCD

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

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.

FEB 17 2012

RECEIVED

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **Strata Production Company**

3a. Address  
**P.O. Box 1030, Roswell, NM 88202**

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

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

**1683' FNL & 1650 FWL, S4-T21S-R32E**

5. Lease Serial No  
**NM-14791**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**New Mexico A Federal 001**

9. API Well No.  
**30-025-24374**

10. Field and Pool, or Exploratory Area  
**Hat Mesa Delaware**

11. County or Parish, State  
**Lea County, NM**

12. CHECK 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 type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 checked="" type="checkbox"/> Other <b>Variance</b>
	<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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Strata Production Company would like to request a paint color variance on the above listed tank battery.

*PAINT AS PER GENERAL REQUIREMENT FOR O&G OPERATIONS  
SEE ATTACHED*

*WELL PLUGGED 1/2002 FAC ON THIS LOCATION*

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**Frank S. Morgan**

Title **Vice President**

Signature

*[Signature]*

Date

**02/03/2012**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

**DENIED**

Approved by **/s/ JD Whitlock Jr**  
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.

Title **LPE7**

Date

**2/15/12**

Office

**CF0**

Title 18 USC Section 1001 and Title 43 USC 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)

FEB 21 2012

GENERAL REQUIREMENTS  
FOR  
OIL AND GAS OPERATIONS ON FEDERAL LEASES

The General Requirements apply universally to all oil and gas operations on Federal leases in the Roswell District.

Special Stipulations are in addition to the General Requirements and apply specifically to an individual well.

I. General

1. Documentation: A complete copy of the approved Application for Permit to Drill and the accompanying Surface Use and Operations Plan, along with any stipulations or conditions of approval will be made available to authorized government personnel at the drill site whenever active construction or drilling operations are underway.

2. Compliance: Full compliance is required with applicable laws and regulations: with the Code of Federal Regulations--43 CFR 3160, the lease terms, the approved Permit to Drill, the approved Surface Use and Operations Plans, Onshore Oil and Gas Orders, NTL's and with other orders, stipulations, and instructions of the Authorized Officer.

3. Bonding: Prior to operation on a lease, a bond for insuring compliance with Federal lease terms and regulations must be provided by the lessees or the operator of the lease in accordance with 43 CFR 3104, see also Department of the Interior Geological Survey Conservation Division Manual (CDM) 640.9.3D (9).

4. Approval: Prior approval is required for variance from the approved Surface Use Plan or drilling program. Similar approval is also required for addition to, or alteration of facilities, and before commencing cementing plugging operations, plug-back work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely. Emergency approval may be obtained orally; but such approval does not waive the written report requirements.

For changes to the Surface Use Plan, contact the Supervisory Mineral Resources Specialist.

For changes to the drilling plan, contact the Petroleum Engineer:

Carlsbad Resource Area (505) 887-6544  
Roswell Resource Area (505) 624-1790

5. Drilling Deadline: This permit is valid for a period of one year from the date of approval, or until lease expiration or termination, whichever is shorter. If the permit terminates, any surface disturbance created under the application must be rehabilitated in accordance with an approved plan. If construction does not commence within 90 days from the date of approval, the operator must contact the Surface Management Agency prior to beginning construction.

6. Site Management: Well area and lease premises will be maintained in a workmanlike manner with due regard to safety, conservation, and appearance. Unless otherwise required by the Authorized Officer, drill cuttings may be disposed of into the reserve pit. All waste associated with the drilling operations and any garbage or trash that is left on site will be contained and removed to an approved sanitary landfill. Hazardous wastes shall be isolated and dealt with according to the pertinent regulations: 15 U.S.C. 2601 (TSCA), 42 U.S.C. 9601, (CERCLA) 42 U.S.C. 6901 (RCRA), and 40 CFR, Parts 117 & 702-799. All remaining garbage, trash and debris will be removed from the site within 30 days

6. Painting Stipulations: All above-ground permanent facilities, including, but not limited to, tanks, separators, heater treaters, and piping 4-inches or greater shall be painted Carlsbad Canyon, Munsell Soil, Color-25Y 6/2 (old designation - Sandstone Brown) within 60 days of installation (unless contrary to State and Federal safety requirements). Any deviation must be authorized in advance by the BLM. Deviations from this color may be required by the Authorized Officer to fit special situations.

7. Monthly Report of Operations: A separate report Form 3160-6 must be filed monthly for each lease, a communitized or unitized area or for each participating area beginning with the month in which operations were first initiated. Such report must include all wells that are not approved as permanently plugged and abandoned. Wells must be identified by Federal or Indian lease number or by State or fee identification as appropriate. Separate lines should be used where necessary to identify leases, participating area, etc.

8. Abandonment:

A. If the well is dry and is to be plugged, approval of the proposed plugging program may be obtained orally. However, oral approval must be confirmed in writing by immediately filing six (6) copies of the Notice of Intention of Abandon on Form 3160-5 with the appropriate BLM area office. The report should show the total depth reached, the reason for plugging, and the proposed intervals by depths, where plugs are to be placed, type of plug type of plugging mud, etc.

B. Plugging procedures:

1. Plugging equipment used is to have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs.
2. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations.
3. All cement plugs are to be placed through tubing (or drill pipe) and shall be a minimum of 25 sacks or 100 feet in length, whichever is greater. The minimum length of plugs for deeper wells is 150 feet in length for depths 5,000' - 10,000' and 200 feet in length for depths below 10,000'.
4. Any cement plug placed when the well is not full of fluid, or when the well may be taking fluid, will be touched after cement has set to verify proper location.
5. Mud must be placed between plugs. Minimum consistency of plugging mud must be that obtained by mixing at the rate of 25 sacks (50 lbs each) of gel per 100 barrels of water.

C. Upon completion of approved plugging, erect a regulation well marker which should not be less than 4 inches in diameter and extend at least 4 feet above general ground level. The top of the marker must be closed or capped. The following minimum information shall be permanently placed on the marker with a plate, cap, or welded bead:

1. Operator
2. Well number and name
3. Section, Township, Range
4. 3 3 section or footage location from section lines
5. Lease number