

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD-HOBBS

FORM APPROVED
GME 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 (A) for such proposals.

5. Lease Serial No. NM15035
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Siana Operating, LLC		8. Well Name and No. Triple A Federal #2
3a. Address PO Box 10303 Midland, Texas 79701	3b. Phone No. (include area code) 432-687-6600	9. API Well No. 30-025-27521
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit J; 1980' - from the South Line and 1980' from the East Line Sec 10, T 23S, R 34 E		10. Field and Pool or Exploratory Area Antelope Ridge/Cherry Canyon
		11. Country or Parish, State Lea County, New Mexico

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 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 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 checked="" 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 recompleat 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.)

Request for approval for water disposal. See attached information sheet.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Bobbi Brice	Title Agent
Signature <i>Bobbi Brice</i>	Date 05/3 /2007

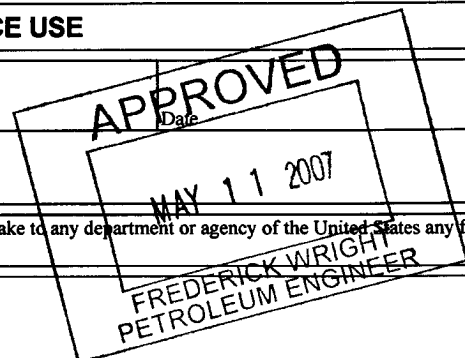
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title
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)

GWW



Water Production & Disposal Information

Triple A Federal #2

In order to process your disposal request, the following information must be completed:

- 1 Name of formations producing water on the lease: Cherry Canyon.
2. Amount of water produced from all formations in barrels per day: 30 BBLS per day.
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates: Attached
4. How water is stored on the lease: Water is not stored on lease, it is transferred directly to the APD facility.
5. How water is moved to the disposal facility: Water is moved in a pipeline.
6. Identify the Disposal Facility by:
 - A. Operator's Name: Siana Operating, LLC
 - B. Well Name: San Simon SWD APD Federal #1
 - C. Well Type and Well Number: SWD
 - D. Location: section, township and range: UL 0, Sec 10 T-23S, R-34E
7. Attach a copy of the State issued permit for the disposal facility. Attached

Submit to this office, 414 West Taylor, Hobbs NM 88240, the above required information on a Sundry Notice 3160-5. Submit one (1) original and five (5) copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.) Call me at 505-393-3612 if you need to further discuss this matter.



Mobile Analytical Laboratories, Inc.

LABORATORIES IN ODESSA, GIDDINGS & STACY DAM

Billing Address: P.O. BOX 69210 • ODESSA, TEXAS 79769-0210

Shipping Address: 2800 WESTOVER STREET • ODESSA, TEXAS 79764

PHONE (432) 337-4744

FAX (432) 337-8781

February 28, 2007

Mr. Mike Christianson
Siana Operating LLC
PO Box 10303
Midland, Texas 79702

Sample ID: Trip No. 020507SR2
Sampled 02/05/2007
TRIPLE A #2 FED
UJ SEC 10 T 235 R 34 E
LEA COUNTY NEW MEXICO 15035

**HYDROGEN
SULFIDE**

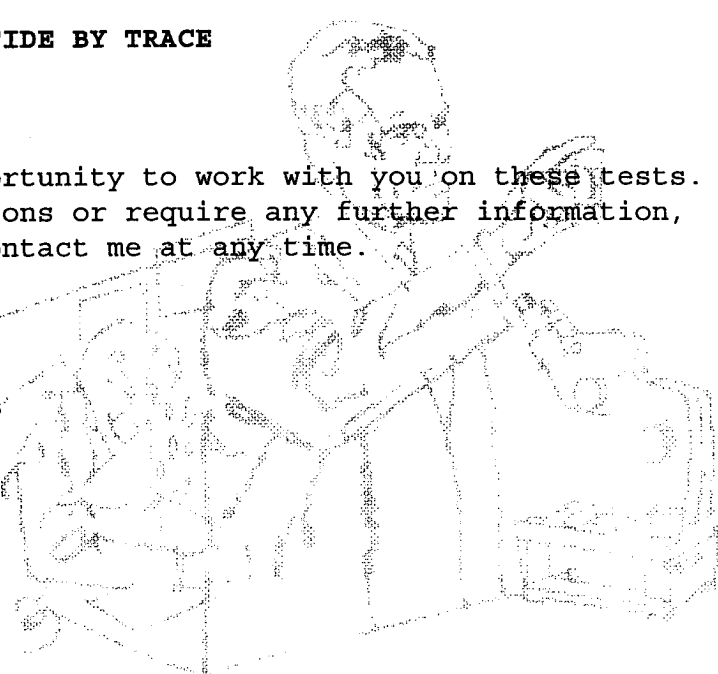
0.11 ppm

METHOD - HYDROGEN SULFIDE BY TRACE

We appreciate the opportunity to work with you on these tests.
If you have any questions or require any further information,
please feel free to contact me at any time.

Sincerely,

Stephen Reid
SR/ge



From Operator SAN SIMON WATER DISPOSAL CO INC OGRID 20722

To Operator SIANA OPERATING LLC OGRID 168687

Wells Selected for Transfer, Permit 6109

Permit Status: APPROVED

OCD District Hobbs

Property Well

301182 APD FEDERAL #001

Lease
Type

ULSTR

F

O-10-23S-34E

OCD

API

O

30-023-20334

Well
Type

S

Pool
ID

Pool Name

96769 SWD;BELL CANYON

Permit^{no:} SWD - 712 for San Simon Facility

Per Chris Williams w/ the OCS

@ 505-393-6111 - Should you need further information, he can get you the permit for this facility.