

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SURFACE 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 <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. Newkumet Federal #1
3a. Address PO Box 10303 Midland, Texas 79701	3b. Phone No. (include area code) 432-687-6600	9. API Well No. 30-025-32937
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310' FNL & 720' FEL Section 10, T-23S, R34E		10. Field and Pool or Exploratory Area Antelope Ridge
		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.



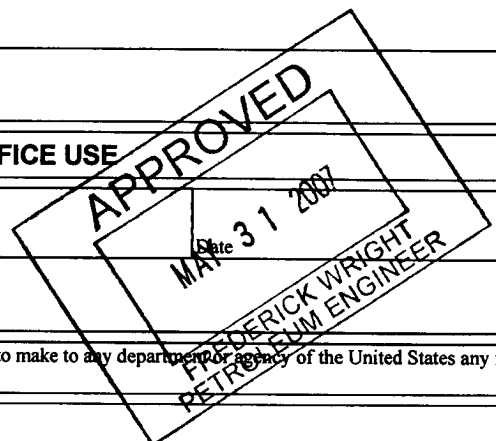
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Bobbi Brice		Title Agent
Signature <i>Bobbi Brice</i>		Date 05/ 1/2007

**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)



# Water Production & Disposal Information

**Newkumet Federal #1**

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: **40 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. Water is transferred directly to the San Simon SWD facility APD Federal #1.**
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.

P.O. BOX 98  
MIDLAND, TX. 79702  
PHONE (432) 683-4521

Martin Water Laboratories, Inc.

709 W. INDIANA  
MIDLAND, TEXAS 79701  
FAX (432) 682-8819

RESULT OF WATER ANALYSIS

TO: ATTN: Lezlie LABORATORY NO. 507-81  
2605 Garden City Hwy, Midland, TX 79701 SAMPLE RECEIVED 5-4-07  
RESULTS REPORTED 5-10-07

COMPANY Onaga Treating Chemicals LEASE Siana Operating, LLC

FIELD OR POOL \_\_\_\_\_

SECTION \_\_\_\_\_ BLOCK \_\_\_\_\_ SURVEY \_\_\_\_\_ COUNTY \_\_\_\_\_ STATE \_\_\_\_\_

SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 APD Fed #1. 5-3-07

NO. 2 \_\_\_\_\_

NO. 3 \_\_\_\_\_

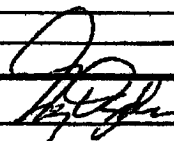
NO. 4 \_\_\_\_\_

REMARKS: \_\_\_\_\_

CHEMICAL AND PHYSICAL PROPERTIES				
	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.1680			
pH When Sampled				
pH When Received	6.02			
Bicarbonate as HCO <sub>3</sub>	98			
Supersaturation as CaCO <sub>3</sub>				
Undersaturation as CaCO <sub>3</sub>				
Total Hardness as CaCO <sub>3</sub>	93,000			
Calcium as Ca	27,200			
Magnesium as Mg	6,075			
Sodium and/or Potassium	64,452			
Sulfate as SO <sub>4</sub>	687			
Chloride as Cl	164,764			
Iron as Fe	18.8			
Barium as Ba	0			
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	263,276			
Temperature °F.				
Carbon Dioxide, Calculated	156			
Dissolved Oxygen,				
Hydrogen Sulfide	0.0			
Resistivity, ohm/cm at 77° F.	0.049			
Suspended Oil				
<del>Barium Sulfate Scaling Tendency</del> Corrosiveness	Severe			
<del>Barium Sulfate Scaling Tendency</del>	None			
CaCO <sub>3</sub> S.I. @ 77° F. (Stiff-Davis)	1.68			
CaCO <sub>3</sub> S.I. @ 122° F. (Stiff-Davis)	2.92			
Calcium Sulfate Scaling Tendency	None			
Results Reported As Milligrams Per Liter				
Additional Determinations And Remarks				
CaCO <sub>3</sub> S.I. - A positive fig. signifies a scaling potential proportionate to the magnitude of the number, and a negative fig. signifies no scaling potential.				
Please feel free to contact us for any details or discussions concerning these results.				

Form No. 3

By



Greg Ogden, B.S.