

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

RECEIVED  
AUG 19 2009  
HOBBSOCD

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.

**SUBMIT IN TRIPLICATE**

1. Type of Well Oil <input type="checkbox"/> Gas <input type="checkbox"/> <input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other <input type="checkbox"/>	2. Name of Operator STRATA PRODUCTION COMPANY	3. Address and Telephone No. P. O. Box 1030 Roswell, NM 88202-1030 505-622-1127	4. Location of Well (Footage, Sec T., R., M.; or Survey Description) 330' FNL & 860' FWL Section 4, T21S-R32E	6. If Indian, Allottee or Tribe Name	7. If Unit or C.A. Agreement Designation	8. Well Name and No. New Mexico A Federal #5	9. API Well No. 30-025-31146	10. Field and Pool, or Exploratory Area Hat Mesa Delaware	11. County or Parish, State Lea County, NM
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12. CHECK APPROPRIATE BOX(s) 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 of Plans <input type="checkbox"/> Plug & 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 Operations (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 recomplate 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 recompletion 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.)

Per Notice of Incidents of Noncompliance No. KAH-063-06

The water production and disposal information on the above referenced lease is as follows:  
Producing water on the lease is from the Delaware formation. Water produced is 49 BWPD. Attached is a copy of the Water Analysis Report. The water is not stored on the lease, it is transferred by the heater treater pressure. Water is moved to the disposal facility through 3" poly line to the Cleary State #1 which is a water disposal well located in the SW/4 of Section 32, T20S-R33E, 990' FSL & 1980' FWL in Lea County, New Mexico. A copy of the Administrative Order No. SWD-397 is attached.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Kelly M. Britt		Title Production Records	PETROLEUM ENGINEER
Signature <i>Kelly M. Britt</i>		Date 07/18/06	APPROVED
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by		Title J. R. S.	Date AUG 17 2009
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 J.	WESLEY W. INGRAM PETROLEUM ENGINEER

# TRETOLITE

Chemicals and Services



16010 Barker's Point Lane • Houston, Texas 77079  
713 558-5200 • Telex: 4620346 • FAX: 713 589-4737

Reply to: P.O. Box FF  
Artesia, New Mexico 88210  
(505) 746-3588 Phone  
(505) 746-3580 Fax

## WATER ANALYSIS REPORT

Company : STRATA PRODUCTIONS  
Address : ARTESIA, NEW MEXICO  
Lease : NEW MEXICO "A" FED.  
Well : #5  
Sample Pt. : WELLHEAD

Date : 11/25/92  
Date Sampled : 11/20/92  
Analysis No. : 2807

ANALYSIS		mg/L	* meq/L	
-----		----	-----	
1.	pH	5.3		
2.	H <sub>2</sub> S	3 PPM		
3.	Specific Gravity	1.185		
4.	Total Dissolved Solids	282340.1		
5.	Suspended Solids	NR		
6.	Dissolved Oxygen	NR		
7.	Dissolved CO <sub>2</sub>	80 PPM		
8.	Oil In Water	NR		
9.	Phenolphthalein Alkalinity (CaCO <sub>3</sub> )			
10.	Methyl Orange Alkalinity (CaCO <sub>3</sub> )	30.0		
11.	Bicarbonate	HCO <sub>3</sub> 36.6	HCO <sub>3</sub>	0.6
12.	Chloride	Cl 176974.4	Cl	4992.2
13.	Sulfate	SO <sub>4</sub> 15.0	SO <sub>4</sub>	0.3
14.	Calcium	Ca 26100.1	Ca	1302.4
15.	Magnesium	Mg 6354.6	Mg	522.8
16.	Sodium (calculated)	Na 72830.9	Na	3167.9
17.	Iron	Fe 28.5		
18.	Barium	Ba NR		
19.	Strontium	Sr NR		
20.	Total Hardness (CaCO <sub>3</sub> )	91342.1		

## PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter				Compound	Equiv wt	X meq/L	= mg/L
+-----+				-----			
1302	*Ca <-----	*HCO <sub>3</sub>	1	Ca (HCO <sub>3</sub> ) <sub>2</sub>	81.0	0.6	49
-----	/----->		-----	CaSO <sub>4</sub>	68.1	0.3	21
523	*Mg ----->	*SO <sub>4</sub>	0	CaCl <sub>2</sub>	55.5	1301.5	72220
-----	<-----/		-----	Mg (HCO <sub>3</sub> ) <sub>2</sub>	73.2		
3168	*Na ----->	*Cl	4992	MgSO <sub>4</sub>	60.2		
+-----+				MgCl <sub>2</sub>	47.6	522.8	24888
Saturation Values Dist. Water 20 C				NaHCO <sub>3</sub>	84.0		
CaCO <sub>3</sub> 13 mg/L				Na <sub>2</sub> SO <sub>4</sub>	71.0		
CaSO <sub>4</sub> * 2H <sub>2</sub> O 2090 mg/L				NaCl	58.4	3167.9	185134
BaSO <sub>4</sub> 2.4 mg/L							

### REMARKS:

----- D. CANADA / FILE

Petrolite Oilfield Chemicals Group

Respectfully submitted,  
SHELIA DEARMAN

SCALE TENDENCY REPORT  
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Company	: STRATA PRODUCTIONS	Date	: 11/25/92
Address	: ARTESIA, NEW MEXICO	Date Sampled	: 11/20/92
Lease	: NEW MEXICO "A" FED.	Analysis No.	: 2807
Well	: #5	Analyst	: SHELIA DEARMAN
Sample Pt.	: WELLHEAD		

STABILITY INDEX CALCULATIONS  
(Stiff-Davis Method)  
CaCO<sub>3</sub> Scaling Tendency

S.I. =	-0.7	at	60 deg. F	or	16 deg. C
S.I. =	-0.7	at	80 deg. F	or	27 deg. C
S.I. =	-0.7	at	100 deg. F	or	38 deg. C
S.I. =	-0.7	at	120 deg. F	or	49 deg. C
S.I. =	-0.7	at	140 deg. F	or	60 deg. C

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CALCIUM SULFATE SCALING TENDENCY CALCULATIONS  
(Skillman-McDonald-Stiff Method)  
Calcium Sulfate

S =	473	at	60 deg. F	or	16 deg C
S =	527	at	80 deg. F	or	27 deg C
S =	560	at	100 deg. F	or	38 deg C
S =	574	at	120 deg. F	or	49 deg C
S =	583	at	140 deg. F	or	60 deg C

Petrolite Oilfield Chemicals Group

Respectfully submitted,  
SHELIA DEARMAN



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

*ADMINISTRATIVE ORDER NO. SWD-397*

*APPLICATION OF STRATA PRODUCTION COMPANY*

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Strata Production Company made application to the New Mexico Oil Conservation Division on July 20, 1990, for permission to complete for salt water its New Mexico "SL" State Com No. 1, located in Unit N of Section 32, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations.
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

- (1) The applicant herein, Strata Production Company is hereby authorized to complete its New Mexico "SL" State Com Well No. 1 located in Unit N of Section 32, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Delaware formation at approximately 5575 feet to approximately 5615 feet through 2 3/8-inch plastic lined tubing set in a packer located at approximately 5500 feet.

**received**  
8-30-90

**IT IS FURTHER ORDERED THAT:**

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1115 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Delaware formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

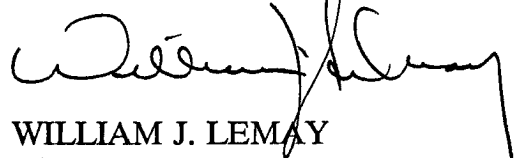
**PROVIDED FURTHER THAT,** jurisdiction of this cause is hereby retained by the Division for such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

*Administrative Order No. SWD-397*  
*Strata Production Company*  
*August 22, 1990*  
*Page 3*

Approved at Santa Fe, New Mexico, on this 22nd day of August, 1990.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe  
Tim Gallegos