| Do not use this form | UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT NDRY NOTICES AND REPORTS ON V of for proposals to drill or to deepen or reentry to lise "APPLICATION FOR PERMIT" for such pro- | a different reservoir. | FORM APPROVED | | | |
|--|--|------------------------|--|--|--|--|
| 1. Type of Well | 7. If Unit or CA, Agreemen: Designation | | | | | |
| Oil Gas X Well Well Of 2. Name of Operator | Well Name and No. Papagayo Federal #1 9. API Well No. | | | | | |
| 3. Address and Telephone No. | STRATA PRODUCTION COMPANY Idress and Telephone No. P.O. Box 1030 Roswell, New Mexico 88202–1030 505–622–1127 | | | | | |
| 4. Location of Well (Footage, Sec | Bell Lake Delaware East 11. County or Parish, State Lea County, New Mexico | | | | | |
| 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER D | | | | | | |
| TYPE OF SUBMISS | TYPE OF SUBMISSION TYPE OF ACTION | | | | | |
| Notice of Intent Subsequent Report Final Abandonment N | Abandonment Recompletion Plugging Back Casing Repair Altering Casing OTHER | | Change of Plans New Construction Non – Routine Fracturing Water Shut – Off Conversion to Injection X Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | | | |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

In accordance with NTL-2B, the following is hereby submitted for your review and approval as the water disposal method for the Papagayo Federal #1:

- 1. Produced water is from the Delaware formation.
- 2. Approximately 25 barrels of water are produced per day.
- 3. Produced water is collected and stored in a fiberglass tank on the Papagayo Federal #1 location, and transferred via 3" poly pipe to the Antelope Ridge Unit #5 SWD well.
- 4. The Antelope Ridge Unit #5 SWD-578 well is operated by Strata Production Company and is located 2310' FSL & 990' FWL of Section 33, Township 23 South, Range 34 East, Lea County, New Mexico.
- 5. No pits are installed on the location.
- 6. Alternate produced water disposal method includes trucked by Steve Carter, Loco Hills Disposal Systems. **SEE ATTACHED FOR**

CONDITIONS OF APPROVAL

| 14. I hereby certify that the foregoing to true and correct . Signed <u>Carol</u> <u>Jaccin</u> | Title_ | Production Records Manager | Date | 1/27/99 |
|--|--------|----------------------------|------|--------------|
| (This space for Federal or State officere) LES BABYAF Approved by | Title_ | ROLEUM ENGINEER | Date | FEB 1 0 1999 |
| Conditions of approval, if any: | | | | |

Title 18 U.S.C. Section 1001, makes 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.

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