Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

| BUREAU OF LAND MANAG | BUREAU OF LAND MANAGEMENT | | 5. Lease Serial No. SHL: NM-114978 BHL: NM-0532769 | | |
|--|--|---|--|--|--|
| SUNDRY NOTICES AND REPORT Do not use this form for proposals to d abandoned well. Use Form 3160-3 (APD) | rill or to re-enter an | 6. If Indian, Allottee or Tribe | | | |
| SUBMIT IN TRIPLICATE – Other insti | 7. If Unit of CA/Agreement, | 7. If Unit of CA/Agreement, Name and/or No. | | | |
| 1. Type of Well ✓ Oil Well Gas Well Other | | 8. Well Name and No. ROADRUNNER FED COM | 1 #3H | | |
| 2. Name of Operator Strata Production | | 9. API Well No. 30-015-42114 | | | |
| PO Drawer 1030, Roswell, NM 88202 | Phone No. (include area code) i-622-1127 ext 18 | 10. Field and Pool or Explora FORTY NINER RIDGE DE | - | | |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 1980 FNL & 750 FEL SECTION 23 TOWNSHIP 23S RANGE 30E | | 11. Country or Parish, State Eddy | | | |
| 12. CHECK THE APPROPRIATE BOX(E: | S) TO INDICATE NATURE O | F NOTICE, REPORT OR OTHER DA | ГА | | |
| TYPE OF SUBMISSION | OF ACTION | MON | | | |
| Acidize Alter Casing Casing Repair Change Plans Convert to Injection 13. Describe Proposed or Completed Operation: Clearly state all pertinent the proposal is to deepen directionally or recomplete horizontally, ging Attach the Bond under which the work will be performed or provide following completion of the involved operations. If the operation retesting has been completed. Final Abandonment Notices must be filled determined that the site is ready for final inspection.) APD was approved 2/20/2014. Request an extension of the APD Potash Area and Drill Islands. | ve subsurface locations and mee the Bond No. on file with BLM sults in a multiple completion o ed only after all requirements, in | asured and true vertical depths of all per I/BIA. Required subsequent reports must recompletion in a new interval, a Form according reclamation, have been completed arsuant to our conversation regarding. | rtinent markers and zones. sst be filed within 30 days n 3160-4 must be filed once eted and the operator has g proposed wells in the | | |
| | | A CONTROL NIVIC | Jaalus Ortuscord CD | | |
| • | CONSERVATION | | | | |
| DEC 2 1 2015 APPROVED FOR 12 MONTH PERIOD DEC 2 1 2015 ENDING 2-20-2017 | | NTH PERIOD | | | |
| R | ECEIVED | | | | |
| | | | | | |
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) aul Ragsdale | Title Operations | Manager | | | |
| Signature Van Or Kanschulo | Date 10/14/2015 | | | | |

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 +8 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, tictitious or fraudulent statements or representations as to any matter within its jurisdiction.

THIS SPACE FOR FEDERAL OR STATE OFFICE USE



/s/ JD Whitlock Jr

Approved by

Attachment 2

Form 3160-3

ner 2.1 2015

FORM APPROVED

| (March 2012) DEC 2 1 2011 | | | Expires October 31, 2014 | | | |
|--|--|--|--|--|----------------------------|--|
| UNITED STATES OCD Artesia RECEIVEES ARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT | | | 5. Lease Serial No. SHL:NM-114978 BHL: NM-0532769 | | | |
| APPLICATION FOR PERMIT TO | | REENTER | | 6. If Indian, Allotee | or Tribe Name | |
| la. Type of work: DRILL REENTI | ER | | | 7 If Unit or CA Agreement, Name and No. | | |
| lb. Type of Well: Oil Well Gas Well Other | ✓ Single Zone | | | 8. Lease Name and Well No. ROADRUNNER FED COM #3H < 40422 | | |
| 2 Name of Operator STRATA PRODUCTION COMPANY | | <217/2 | > | 9. API Well No. | 42/14 | |
| P.O. DRAVICK 1030 | | Phone No. (include area code) | | 10. Field and Pool, or Exploratory | | |
| ROSWELL, NM 88202-2107 | 575-622-1127 | | FORTY NINER RIDGE DELAWARE < 242 | | | |
| 4. Location of Well (Report location clearly and in occordance with any State requirements.*) | | | | H. Sec., T. R. M. or Bik and Survey or Area | | |
| At surface 1980 FNL & 750 FEL | | | | SHL SEC 23-T23S-R30E BHL SEC 14-T23S-R30E | | |
| At proposed prod. zone 2310 FSL & 520 FEL | | | | 12. County or Parish | 13. State | |
| 14. Distance in miles and direction from nearest town or post office* 14 miles east of Loving, NM | | | EDDY_ | NM | | |
| 15. Distance from proposed* SHL: 750 location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any) | | cres in lease 8 960 acres 769 320 acres | 17. Spacin 160 acre | acing Unit dedicated to this well acres | | |
| 18. Distance from proposed location* SHL: 150' to nearest well, drilling, completed, BHL: 1790 applied for, on this lease, ft. | 19. Proposed TVD: 7665 MD: 11755 | Pepth 20. BLM/BIA Bond No. on file NM-1538 | | | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) | 22. Approxim | Approximate date work will start* | | 23. Estimated duration | | |
| GL - 3253' | 02/01/2014 | 02/01/2014 | | 30 DAYS | | |
| | 24. Attac | hments | | | | |
| The following, completed in accordance with the requirements of Onsho | te Oil and Gas (| Order No.1, must be a | tached to th | is form: | | |
| Well plat certified by a registered surveyor. A Drilling Plan. Bond to cover the operation litem 20 above). | | | | ns unless covered by an | existing bond on file (see | |
| A Surface Use Plan (if the location is on National Forest System SUPO must be filed with the appropriate Forest Service Office). | Lands, the | Operator certific Such other site BLM. | * 1 | ormation and/or plans as | s may be required by the | |
| 25. Signature Vaul Rayrdule | Name (Printed/Typed) PAUL RAGSDALE | | | | Date 09/10/2014 | |
| Title OPERATIONS MANAGER | | | | | | |
| Approved by (Signature) George MacDonell | Name (Printed/Typed) | | | | PEB 2 0 2014 | |
| Title FIELD MANAGER | Office | Office CARLSBAD FIELD OFFICE | | | | |

Application approval 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.

Conditions of approval, if any, are attached.

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.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

FEB 25 2014

Approval Subject to General Requirements & Special Stipulations Attached

NMOCD ARTESIA SEE ATTACHED FOR CONDITIONS OF APPROVAL

Flaring Conditions of Approval

- 1. Report all volumes on OGOR B as disposition code 08.
- 2. Comply with NTL-4A requirements
- 3. Subject to like approval from NMOCD
- 4. Flared volumes will still require payment of royalties
- 5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5. Include meter serial number on sundry.
- 6. This approval does not authorize any additional surface disturbance.
- 7. Submit updated facility diagram as per Onshore Order #3.
- 8. Approval not to exceed 90 days from date requested on sundry.
- 9. Submit Subsequent Report to this sundry with actual volumes of gas flared monthly on 3160-5 (sundry notice).
- 10. If flaring is still required past 90 days submit new request for approval.
- 11. If a portable unit is used to flare gas it must be monitored at all times.
- 12. Comply with any restrictions or regulations when on State or Fee surface.

JAM 101415