

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS HOBBS OCD

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

AUG 20 2012

Lease Serial No.

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.

RECEIVED

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other2. Name of Operator
RMR Operating LLC3a. Address
415 W. Wall Street Suite 1310 Midland, TX 797013b. Phone No. (include area code)
214.871.0400

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

W/2 SW/4 SW/4 of Sec.19, T-26S, R-36E

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
RMR Frac Pit

9. API Well No.

3002536645

10. Field and Pool, or Exploratory Area

11. County or Parish, State

Lea County, NM

12. CHECK 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 checked="" type="checkbox"/> Other Frac Pit
	<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 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 shall 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 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.)

We have surveyed a 300x300 area to build a 250x250 Fresh Water Frac Pit for the development of our Madera Prospect. We intend to push out a pit 250x250x14' with a 6x30x18' pump. The pit will be lined with 20 mill plastic liner and fenced on the outside of the burm with a 4 strand barbwired fence along with a gated access. We plan to install cameras to monitor pit security.

See attached survey and arc survey

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Tommy W. Folsom

Title Executive Vice President & Director of Exploration and Production

Signature

Date

03/19/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ Don Peterson
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 **FIELD MANAGER** Date **AUG 17 2012**
Office **CARLSBAD FIELD OFFICE**

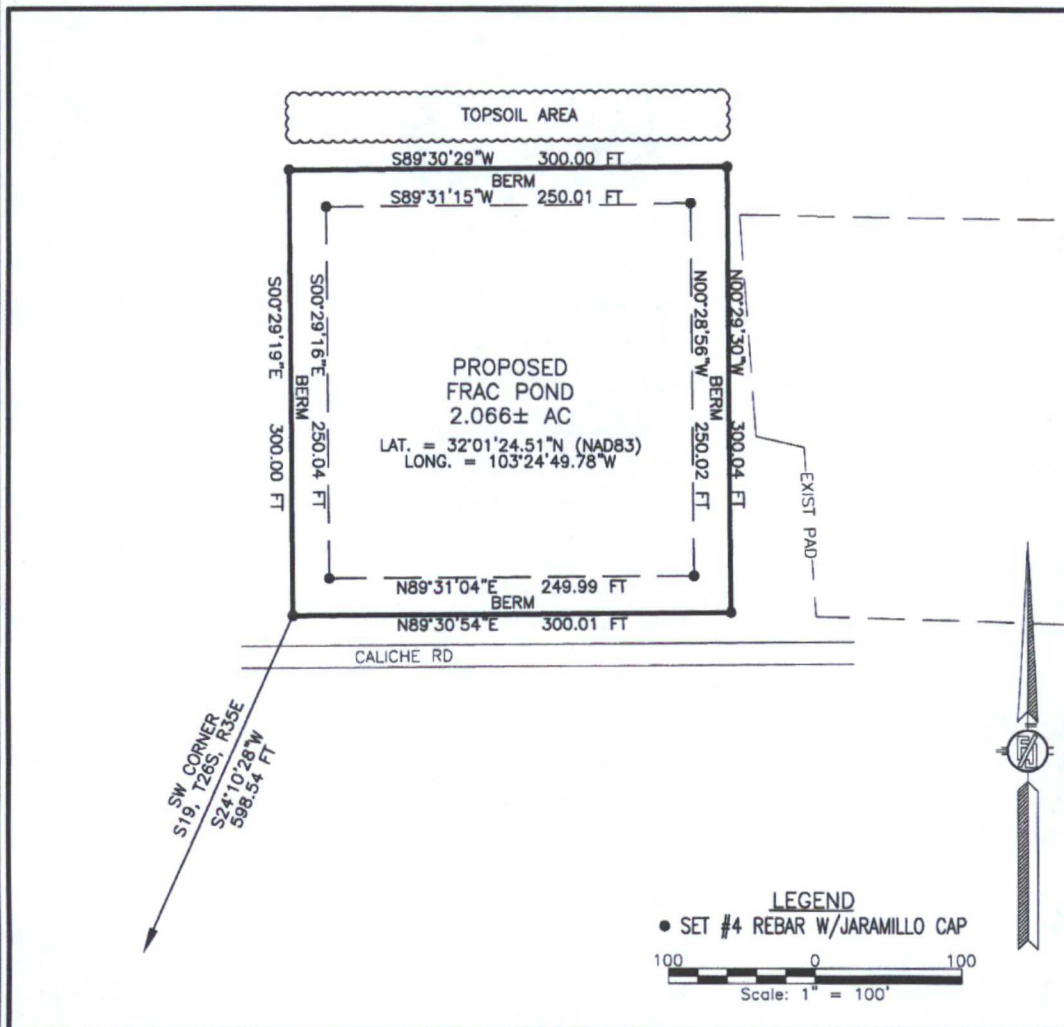
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

SURVEY OF A FRAC POND

RMR OPERATING, L.L.C.
IN THE W/2 SW/4 SW/4 OF
SECTION 19, TOWNSHIP 26 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

FEBRUARY 2012



DESCRIPTION

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE W/2 SW/4 SW/4 OF SECTION 19, TOWNSHIP 26 SOUTH, RANGE 35 EAST N.M.P.M., LEA COUNTY, NEW MEXICO.

BEGINNING AT THE SOUTHWEST CORNER OF THE PARCEL, WHENCE THE SOUTHWEST CORNER OF SECTION 19, TOWNSHIP 26 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS S24°10'28\"W, A DISTANCE OF 598.54 FEET;
THENCE N89°30'54\"E A DISTANCE OF 300.01 FEET TO THE SOUTHEAST CORNER OF THE PARCEL;
THENCE N00°29'30\"W A DISTANCE OF 300.04 FEET TO THE NORTHEAST CORNER OF THE PARCEL;
THENCE S89°30'29\"W A DISTANCE OF 300.00 FEET TO THE NORTHWEST CORNER OF THE PARCEL;
THENCE S00°29'19\"E A DISTANCE OF 300.00 FEET TO THE SOUTHWEST CORNER OF THE PARCEL, THE POINT OF BEGINNING;
CONTAINING 2.066 ACRES MORE OR LESS.

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 21ST DAY OF FEBRUARY 2012

GENERAL NOTES

- 1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A FRAC. POND
- 2.) BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST ZONE

SURVEY NO. 872 1-3

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

NMCRIS No.: 123225

NMCRIS INVESTIGATION ABSTRACT FORM (NIAF)

1. NMCRIS Activity No.: 123225	2a. Lead Agency: US Bureau of Land Management Carlsbad Field Office	2b. Other Agency(ies):	3. Lead Agency Report No.:
4. Title of Report: A Class III Archaeological Survey for the Madera Frac Pond Author(s) Hill, Rebecca			5. Type of Report <input checked="" type="checkbox"/> Negative <input type="checkbox"/> Positive
6. Investigation Type <input type="checkbox"/> Research Design <input checked="" type="checkbox"/> Archaeological Survey/Inventory <input type="checkbox"/> Architectural Survey/Inventory <input type="checkbox"/> Test Excavation <input type="checkbox"/> Excavation <input type="checkbox"/> Collections/Non-Field Study <input type="checkbox"/> Compliance Decision Based on Previous Inventory <input type="checkbox"/> Overview/Lit Review <input type="checkbox"/> Monitoring <input type="checkbox"/> Ethnographic Study <input type="checkbox"/> Site/Property Specific Visit <input type="checkbox"/> Historic Structures Report <input type="checkbox"/> Other			
7. Description of Undertaking (what does the project entail?): A pedestrian cultural resources survey was conducted on 8 Mar 2012 for the Madera Frac Pond. Red Mountain Resources proposed to construct a frac pond on federal lands managed by BLM-CFO in T26S R35E Section 19 in Lea County, NM. The frac pond is 300' x 300' including the surrounding berm for a total of 2.06 acres of excavation and disturbance. The proposed location is partially located within a previously disturbed area which had been previously culturally surveyed. During pre-field research it was noted that most of the proposed frac pond area had a cultural survey. Bruce Boeke (BLM archaeologist) was consulted as to the amount of survey needed which he determined to be only the west half of the frac pond and a 100 foot buffer.			
[] Continuation			
8. Dates of Investigation: from: 08-Mar-2012 to: 08-Mar-2012		9. Report Date: 09-Mar-2012	
10. Performing Agency/Consultant: Boone Arch Svcs of NM Principal Investigator: Rebecca L. Hill Field Supervisor: Rebecca L. Hill Field Personnel Names: Rebecca L. Hill Hans Schmid Historian / Other:			
11. Performing Agency/Consultant Report No.: BASNM 03-12-06			
12. Applicable Cultural Resource Permit No(s): BLM Permit # 190-2920-11-P			

NMCRIS No.: 123225

13. Client/Customer (project proponent):

Red Mountain Resources

Contact: Mike Huber

Address: 415 W. Wall Suite 1310, Midland, TX 79701

Phone: 575-302-2226

14. Client/Customer Project No.:

15. Land Ownership Status (must be indicated on project map):

Land Owner (By Agency)

Acres Surveyed Acres in APE

US Bureau of Land Management Carlsbad Field Office	2.40	2.07
TOTALS	2.40	2.07

16. Records Search(es): Table of known archaeological sites within 1/4 of a mile is located on page 5.

Date(s) of HPD/ARMS File Review: 7Mar2012	Name of Reviewer(s): Rebecca Hill	
Date(s) of Other Agency File Review: 7Mar2012	Name of Reviewer(s): Hans Schmid	Agency: BLM Carlsbad

17. Survey Data:

a. Source Graphics [] NAD 27 [x] NAD 83 Note: NAD 83 is the NMCRIS standard.

☒ USGS 7.5' (1:24,000) topo map ☐ Other topo map, Scale:

☒ GPS Unit Accuracy ☐ <1.0m ☐ 1-10m ☐ 10-100m ☐ >100m

☐ Aerial Photo(s)

Other Source Graphic(s):

b. USGS 7.5' Topographic Map Name

USGS Quad Code

Andrews Place, NM

32103-A4

c. County(ies): LEA

d. Nearest City or Town: Jal, NM

e. Legal Description:

Township (N/S)

Range (E/W)

Section

26S

35E

19

Projected legal description? [] Yes [] No [] Unplatted

f. Other Description (e.g. well pad footages, mile markers, plats, land grant name, etc.):

[] Continuation

18. Survey Field Methods:

Intensity: ☒ 100% coverage

☐ <100% coverage

Configuration: ☒ block survey units

☐ linear survey units (l x w):

NMCRIS No.: 123225

☐ other survey units (specify):

Scope: ☒ non-selective (all sites/properties recorded) ☐ selective/thematic (selected sites/properties recorded)

Coverage Method: ☒ systematic pedestrian coverage

☐ other method (describe):

Survey Interval (m): 15 Crew Size: 2 Fieldwork Dates: from: 08-Mar-2012 to: 08-Mar-2012

Survey Person Hours: 0.50 Recording Person Hours: Total Hours: 0.50

Additional Narrative:

There are no known archaeological sites located within 1/4 of a mile of the project, but there are six known sites within one mile of the project area: LA 149802, LA 149772, LA 125875, LA 149805, LA 155819, LA 149773 and LA 118353 all are at a sufficient distance and will not be affected by the project. Several previous survey projects are within the project limits.

[] Continuation

19. Environmental Setting (NRCS soil designation; vegetative community; elevation; etc.):

NRCS (online database) describes soils within the project are as being Pyote and maljamar fine sands (83.2%) and Pyote soils and dune land (16.8%). Historically this is a grassland dominated by black grama, dropseeds, and bluestem grasses. Vegetation today consists of mesquite, black grama, soapweed yucca, cholla, and broom snakeweed. Topography is relatively flat with small dunes with Javelina Basin approximately 6 miles east of the project. No known permanent water sources are located close to the project area

[] Continuation

20.a. Percent Ground Visibility: 75%

b. Condition of Survey Area (grazed, bladed, undistributed, etc.):

The area is heavily grazed with oil/gas development.

[] Continuation

21. CULTURAL RESOURCE FINDINGS

☐ Yes, see next report section

☒ No, discuss why:

It is uncertain why the aboriginal population did not use this particular area, but the lack of natural resources could be a factor.

[] Continuation

22. Attachments (check all appropriate boxes):

[x] USGS 7.5 Topographic Map with sites, isolates, and survey area clearly drawn (required)

[x] Copy of NMCRIS Map Check (required)

[] LA Site Forms - new sites (with sketch map & topographic map) if applicable

[] LA Site Forms (update) - previously recorded & un-relocated sites (first 2 pages minimum)

[] Historic Cultural Property Inventory Forms, if applicable

[] List and Description of Isolates, if applicable

[] List and Description of Collections, if applicable

23. Other Attachments:

[] Photographs and Log

[] Other Attachments
(Describe)

NMCRIS No.: 123225

24. I certify the information provided above is correct and accurate and meets all applicable agency standards.

Principal Investigator/Qualified Supervisor: Printed Name: Rebecca L. Hill

Signature: 

Date: 9Mar2012

Title: Principal Investigator

25. Reviewing Agency

Reviewer's Name/Date:

Accepted []

Rejected []

26. SHPO

Reviewer's Name/Date:

HPD Log #:

Date sent to ARMS:

CULTURAL RESOURCE FINDINGS

[fill in appropriate section(s)]

SURVEY RESULTS:

Archaeological Sites discovered and registered: 0

Archaeological Sites discovered and NOT registered: 0

Previously recorded archaeological sites revisited (site update form required): 0

Previously recorded archaeological sites not relocated (site update form required): 0

TOTAL ARCHAEOLOGICAL SITES (visited & recorded): 0

Total isolates recorded: 0

☒ Non-selective isolate recording?

HCPI properties discovered and registered: 0

HCPI properties discovered and NOT registered: 0

Previously recorded HCPI properties revisited: 0

Previously recorded HCPI properties not relocated: 0

TOTAL HCPI PROPERTIES (visited & recorded, including acequias): 0

MANAGEMENT SUMMARY:

No cultural resources were discovered during this survey; therefore, it is recommended the project be approved as staked. If cultural resources are discovered during construction, construction should cease and BLM Carlsbad notified.

[] Continuation

IF REPORT IS NEGATIVE, YOU ARE DONE AT THIS POINT.

SURVEY LA/HCPI NUMBER LOG

Sites/Properties Discovered:

LA/HCPI No. Field/Agency No.

Eligible? (Y/N/U, applicable criteria)

NMCRIS No.: 123225

Previously recorded revisited sites/HCPI properties:

LA/HCPI No. Field/Agency No.

Eligible? (Y/N/U, applicable criteria)

MONITORING LA NUMBER LOG (site form required)

Sites Discovered (site form required):

Previously recorded sites (site update form required):

LA No. Field/Agency No.

LA No. Field/Agency No.

Areas outside known nearby site boundaries monitored? [] Yes

[] No, Explain
why.

TESTING & EXCAVATION LA NUMBER LOG (site form required)

Tested LA number(s)

Excavated LA number(s)

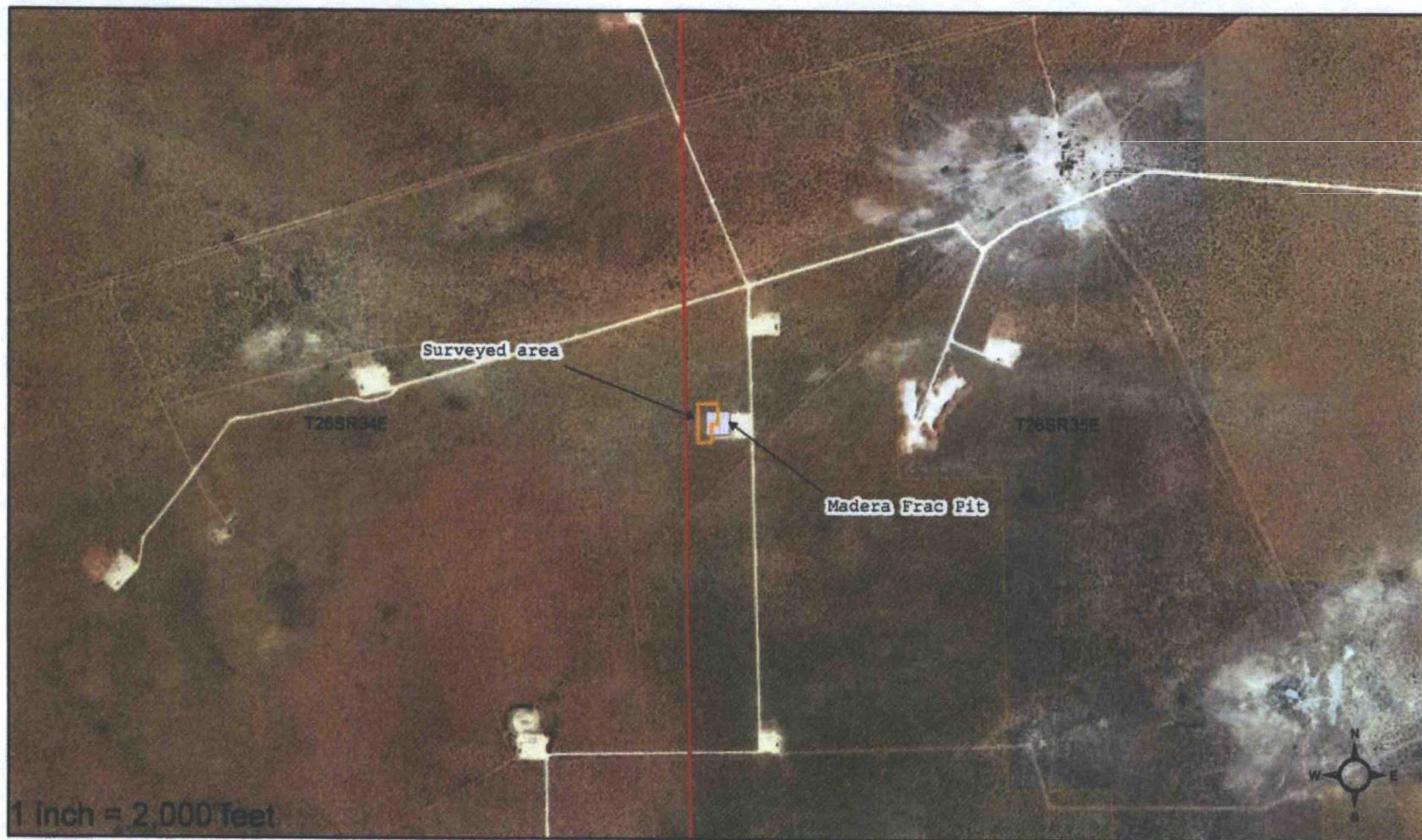
LA No.	Cultural/Temporal Affiliation	Eligibility
149805	Unknown Aboriginal (9500BC- 1880AD)	Not Eligible
155819	US Territorial-WWII (1846-1945AD)	Not Eligible
149773	US Territorial-Present (1846-2005 AD)	Not Eligible
118353	US Territorial – NM Statehood-WWII (1846-1945AD)	Eligible (ARMS)
149802	Late Archaic (1800 BC – 200 AD)	Eligible, D
149772	Unknown Aboriginal (9500 BC- 1880AD) NM Statehood – Present (1912 AD – Present)	Not Eligible
125875	Jornada Mogollon Late Pithouse – Late Pueblo (750-1400 AD)	Eligible, D

Topographic map showing the Madera Frac Pit area. The map includes contour lines, section numbers (19, 20, 23, 24, 25, 26, 29, 30), and various landmarks. A 'Surveyed area' is indicated with a dashed line and an arrow pointing to a yellow square labeled 'P'. Other labels include 'Gravel Pit', 'Drill Hole', 'Andrews Place', 'Andrews South Tract', 'T26SR34E', 'T26SR85E', and 'Madera Frac Pit'. A scale bar at the bottom left indicates 1 inch = 2,000 feet. A compass rose at the bottom right shows North, South, East, and West.

Andrews Place
32103-A4
T26S R35E Sec 19



Red Mountain Resources Madera Frac Pit



1:24,000

Andrews Place
32103-A4
T26S R35E Sec 19

Legend			
	Surveyed Area		SD-1
	State Units		USF
	BLM		Private
	BLM		1992 State Trust Lands
	DOH		1992 State Trust & Park
	Forest Service		1992 State Park

RMR OPERATING, L.L.C.
IN THE W/2 SW/4 SW/4 OF
SECTION 19, TOWNSHIP 26 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

TOPSOIL AREA

S89°30'29"W 300.00 FT

S89°31'15"W 250.01 FT

BERM

500°28'19"E 300.00 FT

500°29'16"E 250.04 FT

BERM

PROPOSED
FRAC POND
2.066± AC

LAT. = 32°01'24.51"N (NAD83)
LONG. = 103°24'49.78"W

N00°28'56"W 250.02 FT

N00°29'30"W 300.04 FT

BERM

N89°31'04"E 249.99 FT

N89°30'54"E 300.01 FT

BERM

EXIST. PAD

CALICHE RD

SW CORNER
S19°12'26"E
S24°10'28"W
598.54 FT

LEGEND

• SET #4 REBAR W/JARAMILLO CAP

100 0 100

Scale: 1" = 100'

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE W/2 SW/4 SW/4 OF SECTION 19, TOWNSHIP 26 SOUTH, RANGE 35 EAST N.M.P.M., LEA COUNTY, NEW MEXICO.

BEGINNING AT THE SOUTHWEST CORNER OF THE PARCEL, WHENCE THE SOUTHWEST CORNER OF SECTION 19, TOWNSHIP 26 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS S24°10'28"W, A DISTANCE OF 598.54 FEET;
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CONTAINING 2.066 ACRES MORE OR LESS.

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAN MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD.

NEW MEXICO, THIS 24 DAY OF FEBRUARY 2012

1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A FRAC. POND

2.) BASIS OF BEARING IS NEW MEXICO STATE
PLANE EAST ZONE

MADRON SURVEYING, INC. 307 SOUTH CAMP CARLSBAD, NEW MEXICO
(972) 234-3347

Frank Pennington
PILLING P. JAMES, D.P.S. 19787
301 SOUTH CANAL
(975) 234-3341
CARLSBAD, NEW MEXICO

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87401
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

HOBBS OGD

OIL CONSERVATION DIVISION

AUG 20 2012

1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-36645

5. Indicate Type of Lease

STATE ☐ FEE ☐ Fed ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
Frac Pond

Madera 19 Federal

8. Well Number

#1

9. OGRID Number

10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☐ Other X (Frac Pond)

2. Name of Operator RMR Operating LLC

3. Address of Operator

415 W. Wall Street Suite 1310 Midland, Texas 79701

4. Well Location

Unit Letter L : 1980 feet from the S line and 1000 feet from the W line
Section 19 Township 26S Range 35E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Fresh Water Frac Pond



OTHER:



13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

We propose to build a fresh water frac pond in the W/2 SW/4 SW/4 of Section 19, T-26S, R-35E in Lea County, NM. The inside of the pond will be 10' deep, 250 x 250 with a 10 x 10 x 14' sump in the southeast corner. The pit will be lined with a 20 mill plastic and fenced outside of the berms. The pond will be used for fresh water supplies for fracture treatments to proposed wells. See attached pond diagrams/ surveys.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

TITLE Executive VP & Director of E&P

DATE

8/10/12

Type or print name Tommy W. Folsom

E-mail address: tommy@redmountainresources.com PHONE: 214-871-0400

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):