

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

HOBBS
FEB 06 2018
RECEIVED

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		5. Lease Serial No. NM185939
2. Name of Operator CIMAREX ENERGY COMPANY OF CO-Mail: GRACE@STRATANM.COM		6. If Indian, Allottee or Tribe Name
3a. Address 202 S CHEYENNE AVE. SUITE 1000 TULSA, OK 74103		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 575-622-1127 Ext: 20 Fx: 575-623-3533		8. Well Name and No. COLIBRI FEDERAL 24H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T23S R32E NENW 326FNL 1749FWL 32.325533 N Lat, 103.664933 W Lon		9. API Well No. 30-025-42220-00-X1
		10. Field and Pool or Exploratory Area DIAMONDTAIL
		11. County or Parish, State LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Successor of Operator
	<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 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.

his is notification that Strata Production Company is taking over the the approved ADP dated October 30, 2014. Extended to October 30, 2018.

Strata Production Company, as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease, or portion of lease described.

Bond Coverage: BLM Bond File No. BO1392

Change of Operator Effective: 8/20/2015

Former Operator: Cimarex Energy Co. (215099)

Carlsbad Field Office
OCD Hobbs

14. I hereby certify that the foregoing is true and correct. Electronic Submission #364618 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY OF CO, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 02/06/2017 (16DLM1067SE)	
Name (Printed/Typed) PAUL RAGSDALE	Title OPERATIONS MANAGER
Signature (Electronic Submission)	Date 01/23/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>ZOTA STEVENS</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>02/02/2018</u>
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 Hobbs

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-8181 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505
Change of Operator

Form C-145
August 1, 2011
Permit 200802

Previous Operator Information

OGRID: 216089
Name: CIMAREX ENERGY CO.
Address: 800 N MARIENFELD STREET
SUITE 800
City, State, Zip: MIDLAND, TX 79701

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 21712
Name: STRATA PRODUCTION CO
Address: PO BOX 1030
City, State, Zip: ROSWELL, NM 882021030

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, STRATA PRODUCTION CO certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(i) NMAC.

STRATA PRODUCTION CO understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, STRATA PRODUCTION CO agrees to the following statements:

1. I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
2. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.8.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See 19.15.9.8.C(2) NMAC.
3. I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See 19.15.7.24.C NMAC.
4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. I am responsible for reporting releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
7. I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits. See 19.15.26.8 NMAC.
8. For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
9. I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See 19.15.9.8.C NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.8.B NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

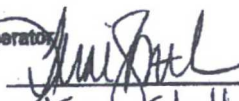
Previous Operator

Signature:

Printed Name:

Title:

Date:



Terri Statham

Manager Regulatory

8-17-15 Phone: 432-6201936

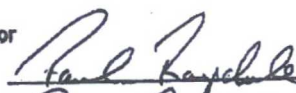
New Operator

Signature:

Printed Name:

Title:

Date:



Paul Ragsdale

Operations Manager

8-17-15 Phone: 575-622-1127

District I
1825 N. French Dr., Hobbs, NM 88240
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District III
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District IV
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Phone:(505) 478-3470 Fax:(505) 478-3482

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Wells Selected for Transfer

Permit: 209692
Permit Status: DRAFT

Wells Selected for Transfer

From:	CIMAREX ENERGY CO.	OGRID:	215099
To:	STRATA PRODUCTION CO	OGRID:	21712

OCD District Hobbs

Property	Well	Lease Type	ULSTR	OOD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
313792	COLIBRI FEDERAL #020H	F	D-10-238-32E	D	30-025-42180	O	17844	DIAMONDTAIL;BONE SPRING		0
	COLIBRI FEDERAL #023H	F	B-10-238-32E	B	30-025-42181	O	17844	DIAMONDTAIL;BONE SPRING		0
	COLIBRI FEDERAL #025H	F	C-10-238-32E	C	30-025-42182	O	17844	DIAMONDTAIL;BONE SPRING		0
	COLIBRI FEDERAL #026H	F	A-10-238-32E	A	30-025-42183	D	17844	DIAMONDTAIL;BONE SPRING		0
	COLIBRI FEDERAL #027H	F	A-10-238-32E	A	30-025-42184	O	17844	DIAMONDTAIL;BONE SPRING		0
	COLIBRI FEDERAL #024H	F	C-10-238-32E	C	30-025-42220	O	17844	DIAMONDTAIL;BONE SPRING		0

OCD District Artesia

Property	Well	Lease Type	ULSTR	OOD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
314857	LEE FEDERAL #021H	F	I-25-208-28E	I	30-015-43137	O	3713	AVALON;BONE SPRING, EAST		0
	LEE FEDERAL #022	F	H-25-208-28E	H	30-015-43142	O	3713	AVALON;BONE SPRING, EAST		0
314868	LEE FEDERAL COM #023H	F	A-25-208-28E	A	30-015-43151	O	3713	AVALON;BONE SPRING, EAST		0

Total Additional bond	0
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NMOCD ApprovalElectronic Signature: Paul Kautz, District 1Date: August 20, 2015

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Comments

Permit 208692

CHANGEOP COMMENTS

Operator: CIMAREX ENERGY CO. 600 N MARIENFELD STREET MIDLAND . TX 79701	OGRID: 215099
	Permit Number: 208692
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date
There are no Comments for this Permit		