

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Paul Ragsdale
Print or Type Name

Paul Ragsdale
Signature

Operations Manager
Title

08-17-2016
Date

pragsdale@stratanm.com
E-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: STRATA PRODUCTION COMPANY

OPERATOR ADDRESS: PO BOX 1030 ROSWELL, NM 88202-1030

APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
X Yes No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? Yes No
 (3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
 (4) Measurement type: Metering Other (Specify)
 (5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code. **FORTY NINER RIDGE DELAWARE (24750)**
 (2) Is all production from same source of supply? Yes No
 (3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
 (4) Measurement type: Metering Other (Specify)

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(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
 (2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
 (3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Paul Ragsdale

TITLE: OPERATIONS MANAGER

DATE: 08-17-2016

TYPE OR PRINT NAME: PAUL RAGSDALE

TELEPHONE NO.: 575-622-1127 Ext 19

E-MAIL ADDRESS: pragsdale@stratanm.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

5. Lease Serial No.
NM-114356

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
SANDY FEDERAL #1 (39123)

2. Name of Operator
STRATA PRODUCTION COMPANY (21712)

9. API Well No.
30-015-21126

3a. Address
PO BOX 1030 ROSWELL, NM 86202-1030

3b. Phone No. (include area code)
575-622-1127

10. Field and Pool or Exploratory Area
FORTY NINER RIDGE DELAWARE (24750)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1979 FNL & 667 FNL SEC 24, T23S-R30E

11. Country or Parish, State
EDDY COUNTY, NM

12. CHECK THE 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"/> After 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 SURFACE COMMINGLING & OFF LEASE MEASUREMENT
	<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 recomplete 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 recompletion 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.)

STRATA PRODUCTION COMPANY REQUESTS APPROVAL TO SURFACE COMMINGLE GAS PRODUCTION FROM THE FOLLOWING WELLS:

- SANDY FEDERAL #1 SEC 24 SENW, T23S-R30E, 30-015-21126
- SANDY FEDERAL #3 SEC 24 SWSW, T23S-R30E, 30-015-40055
- SANDY FEDERAL #4 SEC 24 NWSW, T23S-R30E, 30-015-41042 (NOT DRILLED YET)
- ROADRUNNER FEDERAL #1H SEC 25 NWNW, T23S-R30E, 30-015-39361
- ROADRUNNER FEDERAL #2H SEC 25 NWNW, T23S-R30E, 30-015-41041
- ROADRUNNER FEDERAL COM #3H SEC 23 SENE, T23S-R30E, 30-015-42114 (NOT DRILLED YET)
- ROADRUNNER FEDERAL COM #4H SEC 23 SENE, T23S-R30E, 30-015-42080 (NOT DRILLED YET)

AND TO PROVIDE OFF LEASE GAS MEASUREMENT FOR THE ROADRUNNER FEDERAL WELLS AT THE SALES POINT LOCATED AT THE SANDY FEDERAL #1 BATTERY.

SEE THE ATTACHED DETAILED COMMINGLING AND OFF LEASE MEASUREMENT INFORMATION, DIAGRAMS AND MAPS

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
PAUL RAGSDALE

Title OPERATIONS MANAGER

Signature *Paul Ragsdale* Date 08/17/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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 _____

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.

APPLICATION FOR SURFACE COMMINGLING AND OFF-LEASE MEASUREMENT OF GAS

Strata Production Company is requesting approval for the Surface Commingling and Off-Lease Measurement and Sales for gas production from the following wells:

Federal Lease NM-114356 (12.5%)

Well Name	Surface Location	API #	Pool 24750	MCFD	BTU
Sandy Fed #1	SENW Sec 24, T23S-R30E	30-015-21126	FORTY NINER RIDGE DELAWARE	**200	**1307
Sandy Fed #3	SWSW Sec 24, T23S-R30E	30-015-40055	FORTY NINER RIDGE DELAWARE	125	1307
*Sandy Fed #4	NWSW Sec 24, T23S-R30E	30-015-41042	FORTY NINER RIDGE DELAWARE	**400	**1307

Federal Lease: NM-114978 (12.5%)

Well Name	Surface Location	API #	Pool 24750	MCFD	BTU
Roadrunner Fed #1H	NWNW Sec 25, T23S-R30E	30-015-39361	FORTY NINER RIDGE DELAWARE	195	1664
Roadrunner Fed #2H	NWNW Sec 25, T23S-R30E	30-015-41041	FORTY NINER RIDGE DELAWARE	160	1300

Federal Lease: NM-114978 (12.5%), NM-0532769 (12.5%)

Well Name	Surface Location	API #	Pool 24750	MCFD	BTU
*Roadrunner Fed Com #3H	SENE Sec 23, T23S-R30E	30-015-42114	FORTY NINER RIDGE DELAWARE	**400	**1300
*Roadrunner Fed Com #4H	SENE Sec 23, T23S-R30E	30-015-42080	FORTY NINER RIDGE DELAWARE	**400	**1300

*Approved APD but well not drilled yet.

**MCFD & BTU estimated due to well either waiting on recompletion or not drilled yet.

The BLM's interest in all seven wells is the same.

Attached is a map which displays the federal leases, battery and well locations in Section 23, 24 & 25, T23S-R30E.

Gas metering:

The Sandy Federal tank battery is located on the pad for the Sandy Fed #1 located in SENW Sec. 24, T23S-R30E. The production from each Sandy well will have its own three phase separator with a gas allocation meter to measure the gas.

The Roadrunner Federal 1H & 2H tank battery is located on the pad for the Roadrunner Fed #1H located in NWNW, Sec 25, T23S-R30E. The production from each well will have its own three phase separator with a gas allocation meter to measure the gas.

The Roadrunner Federal Com 3H & 4H tank battery will be located on the common pad located in SENE, Sec 23, T23S-R30E. The production from each well will have its own three phase separator with a gas allocation meter to measure the gas.

The gas sales point to Enterprise Field Services will be the Strata Roadrunner CDP located on the Sandy Federal #1 pad located in SENW, Sec 24, T23S-R30E. The meter number will be provided when it is available.

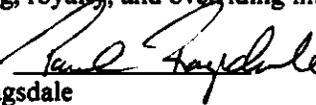
Gas production from all wells will be commingled and allocated on a daily basis based on the subtraction method from the Enterprise Field Services gas sales meter. These meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications. The BLM & OCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a map which shows the lease boundaries, communitization agreement boundaries, and location of wells, facilities and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Strata Production Company understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached).

Signed: 
Paul Ragsdale
Operations Manager
Date: 08/17/2016

**ECONOMIC JUSTIFICATION WORKSHEET
SANDY FEDERAL & ROADRUNNER FEDERAL GAS PRODUCTION**

**Surface commingling and off-lease measurement and sales proposal for leases:
NM-114356, NM-114978, NM-0532769**

Federal Lease: NM-114356 Royalty Rate 12.5%

<u>Well Name</u>	<u>MCFD</u>	<u>Dry BTU</u>	<u>Value/MMBTU</u>
*Sandy Fed #1	200	1307	\$ 2.06
Sandy Fed #3	125	1307	\$ 2.06
*Sandy Fed #4	400	1307	\$ 2.06

Federal Lease: NM-114978 Royalty Rate 12.5%

<u>Well Name</u>	<u>MCFD</u>	<u>Dry BTU</u>	<u>Value/MMBTU</u>
Roadrunner Fed #1H	195	1664	\$ 2.06
Roadrunner Fed #2H	160	1300	\$ 2.06

Federal Lease: NM-114978 & NM-0532769 Both Royalty Rate 12.5%

<u>Well Name</u>	<u>MCFD</u>	<u>Dry BTU</u>	<u>Value/MMBTU</u>
*Roadrunner Fed Com #3H	400	1300	\$ 2.06
*Roadrunner Fed Com #4H	400	1300	\$ 2.06

ECONOMIC COMBINED PRODUCTION

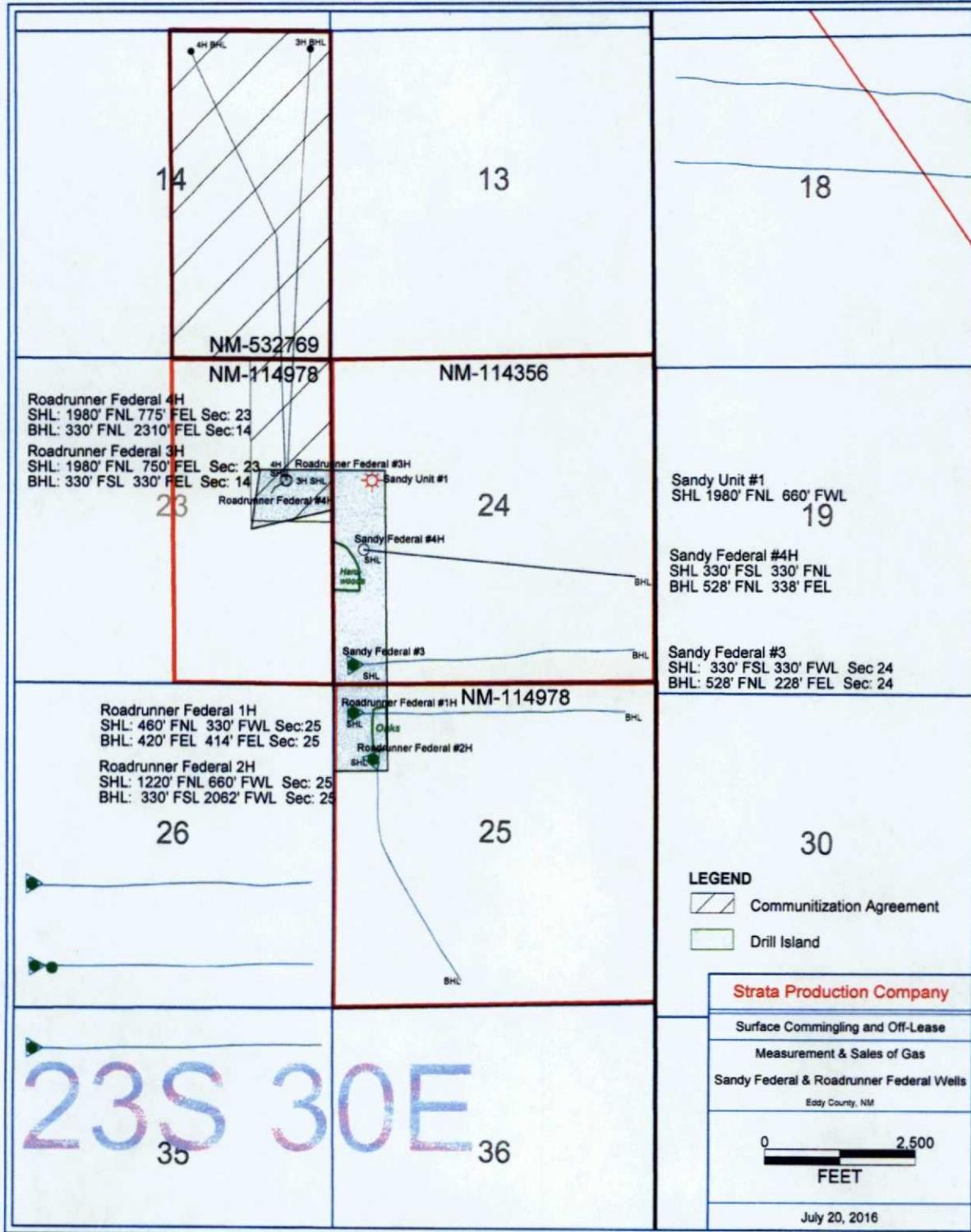
Federal Lease: NM-114356 Royalty Rate 12.5%

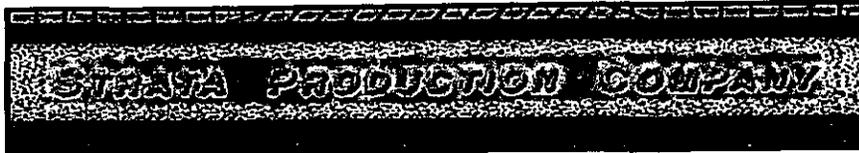
Federal Lease: NM-114978 Royalty Rate 12.5%

Federal Lease: NM-114978 & NM-0532769 Both Royalty Rate 12.5%

<u>Facility Name</u>	<u>MCFD</u>	<u>Dry BTU</u>	<u>Value/Mcf</u>
Strata Roadrunner CDP	1880	1340,455	\$ 2.06

*Wells not drilled and/or completed yet. Estimated initial MCFD and BTU based on offset wells





P.O. BOX 1030
ROSWELL, NM
88202-1030

PH (575) 622-1127
FAX (575) 623-3533

1301 N SYCAMORE
ROSWELL, NM
88201-8880

August 17, 2016

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for Surface Commingling and Off-Lease Measurement & Sales of Gas:

SANDY FEDERAL #1, API 30-015-21126
SANDY FEDERAL #3H, API 30-015-40055
SANDY FEDERAL #4H, API 30-015-41042 (Not Drilled Yet)
ROADRUNNER FEDERAL #1H, API 30-015-39361
ROADRUNNER FEDERAL #2H, API 30-015-41041
ROADRUNNER FEDERAL #3H, API 30-015-42114 (Not Drilled Yet)
ROADRUNNER FEDERAL #4H, API 30-015-42080 (Not Drilled Yet)
Sections 23, 24 & 25, T23S-R30E
Forty Niner Ridge Delaware (24750)
Eddy County, New Mexico

Gentlemen:

This is to advise you that Strata Production Company is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for Surface Commingling and Off-Lease Measurement and Sales of gas for the above mentioned wells.

A copy of our application submitted to the NMOCD is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the NMOCD Santa Fe office, 1220 S St Francis Dr, Santa Fe, NM 87505, within 20 days from the date of this letter.

Please contact the undersigned at (575) 622-1127 should you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Paul Ragsdale". The signature is written in black ink and is positioned above the typed name and title.

Strata Production Company
Paul Ragsdale
Operations Manager

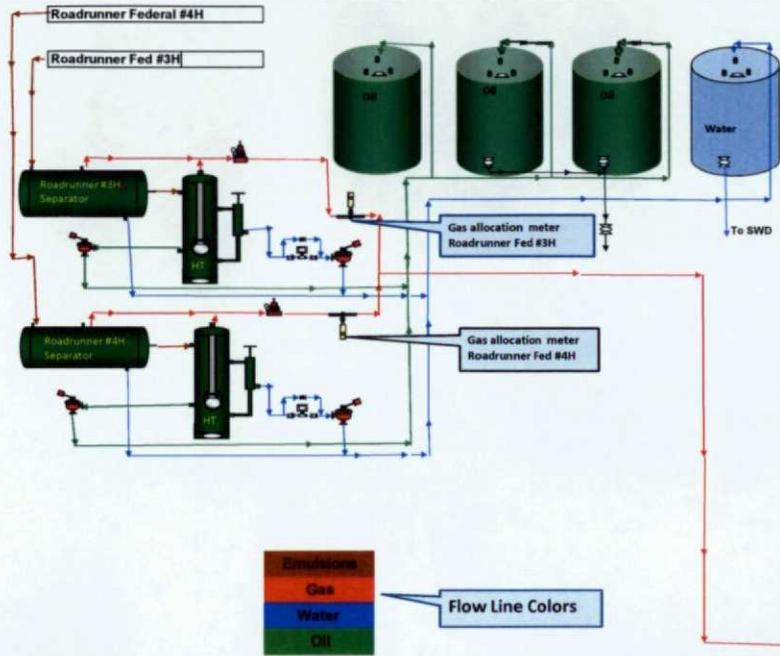
Enclosure

Working Interest and Overriding Royalty Interest Owners

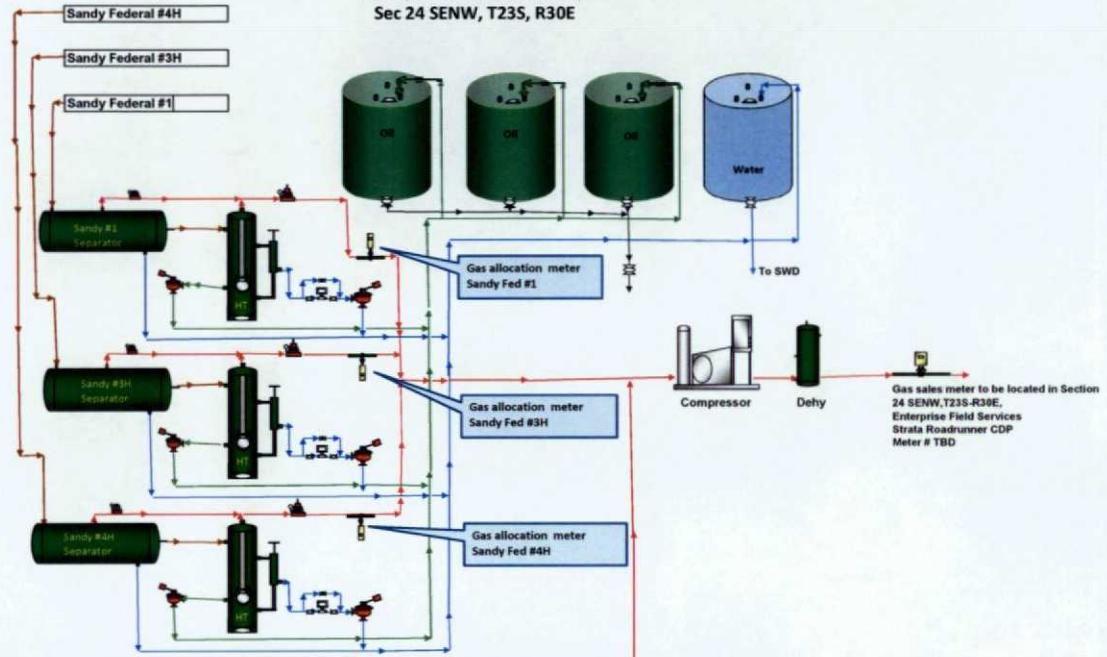
ANCHOR PRODUCTION LLC	10092 COUNTY ROAD 36	YUMA	CO	80759
BANE BIGBIE, INC	P.O. BOX 998	ARDMORE	OK	73402
CLIFFORD E. BLAUGRUND DBA SEA BEE, LLC	500 MARQUETTE NW #1300	ALBUQUERQUE	NM	87102
CONOCOPHILLIPS CO.	P.O. BOX 7500	BARTLESVILLE	OK	74005
DUANE BROWN	706 W APACHE DRIVE	YUMA	CO	80759
ROBIN L. MORGAN	135 WEST COTTONWOOD ROAD	ARTESIA	NM	88210
HARROUN ENTERPRISES, INC.	515 TRES LAGUNAS LANE, NE	ALBUQUERQUE	NM	87113
HAT MESA OIL COMPANY	P.O. BOX 1216	ALBUQUERQUE	NM	87103-1216
HUTCHINGS OIL COMPANY	P.O. BOX 1216	ALBUQUERQUE	NM	87103-1216
ICHTER DERKSEN, LLC	5216 SW BURTON DRIVE	PORTLAND	OR	97221
JMW ENTERPRISES, LLC	P.O. BOX 10400	ALBUQUERQUE	NM	87184-0400
JO MCINERNEY, LLC	1205 WEST SEVENTH	ROSWELL	NM	88201
LIBERTY ENERGY, LLC	175 BERKELEY STREET MAIL STOP 18K	BOSTON	MA	2116
MARK B. MURPHY IRREVOCABLE TRUST U/T/A DATED DEC. 11, 2012	P.O. BOX 2484	ROSWELL	NM	88202
MCCOMBS ENERGY LTD	5599 SAN FELIPE, SUITE 1200	HOUSTON	TX	77056
MICHAEL D. HAYES AND KATHRYN A. HAYES, CO-TRUSTEES OF THE HAYES REVOCABLE TRUST	3608 MEADOWRIDGE LANE	MIDLAND	TX	79707
NM STATE LAND OFFICE	P.O. BOX 1148	SANTA FE	NM	87504
O & G PROPERTIES, LLC C/O RICHARD K. BARLOW, ESQ.	KELEHER & MCLEAD, P.A. 201 THIRD STR. NW, 12TH FLOOR	ALBUQUERQUE	NM	87102
QUIENTESA ROYALTY, LP	508 W. WALL AVENUE, SUITE 500	MIDLAND	TX	79701
RUBICON OIL & GAS II LP	500 WEST WALL AVE, SUITE 500	MIDLAND	TX	79701
SCOTT EXPLORATION, INC.	P.O. BOX 1834	ROSWELL	NM	88202-1834
SCOTT INVESTMENT CORPORATION	PO BOX 1834	ROSWELL	NM	88202-1834
SJR ENTERPRISES, INC	11621 JOAN OF ARC DRIVE	HOUSTON	TX	77024
STRATA PRODUCTION COMPANY	P.O. BOX 1030	ROSWELL	NM	88202-1030
SUSAN S. MURPHY MARITAL TRUST U/T/A DATED NOV. 15, 2012	P.O. BOX 2484	ROSWELL	NM	
WADE P. CARRIGAN	P.O. BOX 1908	GILBERT	AZ	85299-1908
WADE PETROLEUM CORPORATION	2406 NORTHWOOD CT. NW	ALBUQUERQUE	NM	87107
WARREN ASSOCIATES	P.O. BOX 10400	ALBUQUERQUE	NM	87184-0400
WARREN, INC.	P.O. BOX 10400	ALBUQUERQUE	NM	87184-0400
WINN INVESTMENT COOMPANY, INC.	706 W. BRAZOS	ROSWELL	NM	88201
WORRALL INVESTMENT CORPORATION	P.O. BOX 1834	ROSWELL	NM	88202

STRATA PRODUCTION COMPANY
 GAS COMMINGLING AND OFF-LEASE MEASUREMENT & SALES
 SANDY FEDERAL AND ROADRUNNER FEDERAL WELLS

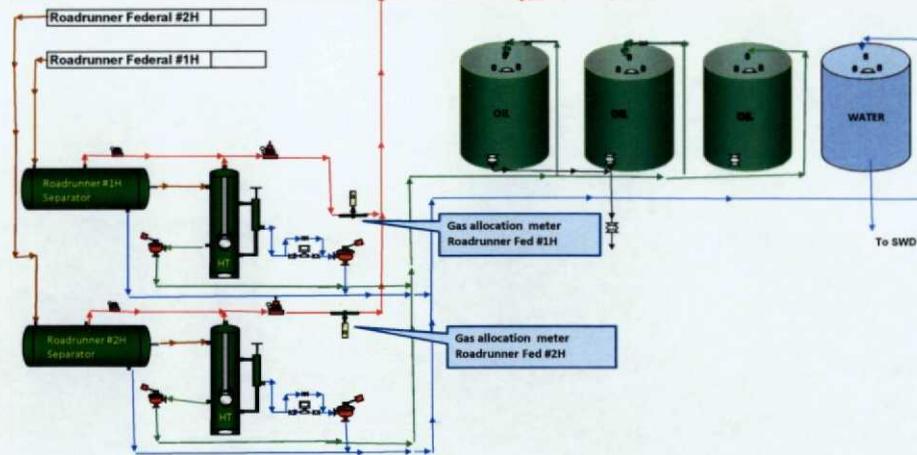
Roadrunner Federal #3H & #4H Tank Battery
 Sec 23, SENE, T23S-R30E



Sandy Federal Tank Battery
 Sec 24 SENW, T23S, R30E



Roadrunner Federal #1H & #2H Tank Battery
 Sec 25, NWNW, T23S-R30E



Sandy/Roadrunner Commingling Monthly Production

		Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Roadrunner #1H	Oil	4672	4539	4351	4492	4398	3340	4367
	Gas	3387	5229	5774	5663	6622	2455	3259
	Water	34241	33252	30389	29888	32402	24553	28307
Roadrunner #2H	Oil	2704	2299	2505	2021	1393	1755	1575
	Gas	5658	5084	3945	5731	3748	4447	5629
	Water	17595	17667	21592	18389	9658	12686	15618
Sandy #1 Well Shutin	Oil	0	0	0	0	0	0	0
	Gas	0	0	0	0	0	0	0
	Water	0	0	0	0	0	0	0
Sandy #3H	Oil	3852	3501	3768	3762	3649	3258	3341
	Gas	26	8	1	10	513	2996	2132
	Water	36949	32668	34323	38635	37912	33690	32376

Working Interest and Overriding Royalty Interest Owners

Name	Address				Delivery Confirmation #
ANCHOR PRODUCTION LLC	10092 COUNTY ROAD 36	YUMA	CO	80759	9171999991703603430280
BANE BIGBIE, INC	P.O. BOX 998	ARDMORE	OK	73402	9171999991703603430198
CLIFFORD E. BLAUGRUND DBA SEA BEE, LLC	500 MARQUETTE NW #1300	ALBUQUERQUE	NM	87102	9171999991703603430266
CONOCOPHILLIPS CO.	P.O. BOX 7500	BARTLESVILLE	OK	74005	9171999991703603430174
DUANE BROWN	706 W APACHE DRIVE	YUMA	CO	80759	9171999991703603426962
ROBIN L. MORGAN	135 WEST COTTONWOOD ROAD	ARTESIA	NM	88210	9171999991703603430167
HARROUN ENTERPRISES, INC.	515 TRES LAGUNAS LANE, NE	ALBUQUERQUE	NM	87113	9171999991703603430297
HAT MESA OIL COMPANY	P.O. BOX 1216	ALBUQUERQUE	NM	87103-1216	9171999991703603430303
HUTCHINGS OIL COMPANY	P.O. BOX 1216	ALBUQUERQUE	NM	87103-1216	9171999991703603426986
ICHTER DERKSEN, LLC	5216 SW BURTON DRIVE	PORTLAND	OR	97221	9171999991703603430181
JMW ENTERPRISES, LLC	P.O. BOX 10400	ALBUQUERQUE	NM	87184-0400	9171999991703603430242
JO MCINERNEY, LLC	1205 WEST SEVENTH	ROSWELL	NM	88201	9171999991703603430150
LIBERTY ENERGY, LLC	175 BERKELEY STREET MAIL STOP 18K	BOSTON	MA	2116	9171999991703603430228
MARK B. MURPHY IRREVOCABLE TRUST UT/A DATED DEC. 11, 2012	P.O. BOX 2484	ROSWELL	NM	88202	Hand delivered 8/17/16—9590940214915329473545
MCCOMBS ENERGY LTD	5599 SAN FELIPE, SUITE 1200	HOUSTON	TX	77056	9171999991703603430204
MICHAEL D. HAYES AND KATHRYN A. HAYES, CO-TRUSTEES OF THE HAYES REVOCABLE TRUST	3608 MEADOWRIDGE LANE	MIDLAND	TX	79707	9171999991703603430143
NM STATE LAND OFFICE	P.O. BOX 1148	SANTA FE	NM	87504	9171999991703603430136
O & G PROPERTIES, LLC C/O RICHARD K. BARLOW, ESQ.	KELEHER & MCLEAD, P.A. 201 THIRD STR. NW, 12TH FLOOR	ALBUQUERQUE	NM	87102	9171999991703603430211
QUIENTESA ROYALTY, LP	508 W. WALL AVENUE, SUITE 500	MIDLAND	TX	79701	9171999991703603426955
RUBICON OIL & GAS II LP	500 WEST WALL AVE, SUITE 500	MIDLAND	TX	79701	9171999991703603430259
SCOTT EXPLORATION, INC.	P.O. BOX 1834	ROSWELL	NM	88202-1834	9171999991703603426993
SCOTT INVESTMENT CORPORATION	PO BOX 1834	ROSWELL	NM	88202-1834	9171999991703603427006
SJR ENTERPRISES, INC	11621 JOAN OF ARC DRIVE	HOUSTON	TX	77024	9171999991703603430235
STRATA PRODUCTION COMPANY	P.O. BOX 1030	ROSWELL	NM	88202-1030	
SUSAN S. MURPHY MARITAL TRUST UT/A DATED NOV. 15, 2012	P.O. BOX 2484	ROSWELL	NM		Hand delivered 8/17/16—9590940214915329473538
WADE P. CARRIGAN	P.O. BOX 1908	GILBERT	AZ	85299-1908	9171999991703603426979
WADE PETROLEUM CORPORATION	2406 NORTHWOOD CT. NW	ALBUQUERQUE	NM	87107	9171999991703603430327
WARREN ASSOCIATES	P.O. BOX 10400	ALBUQUERQUE	NM	87184-0400	9171999991703603430273
WARREN, INC.	P.O. BOX 10400	ALBUQUERQUE	NM	87184-0400	9171999991703603430310
WINN INVESTMENT COMPANY, INC.	706 W. BRAZOS	ROSWELL	NM	88201	Hand delivered 8/17/16—9590940214915329473552
WORRALL INVESTMENT CORPORATION	P.O. BOX 1834	ROSWELL	NM	88202	9171999991703603426948

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-4726
District II
811 S First St., Artes, NM 88210
Phone (575) 748-1283 Fax (575) 748-9726
District III
1009 Rio Bronco Road, Artes, NM 88210
Phone (505) 734-6178 Fax (505) 334-6170
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APT Number 30-015-21126	² Pool Code 24750	³ Pool Name Forty Niner Ridge ; Delaware
⁴ Property Code 39123	⁵ Property Name Sandy Federal	⁶ Well Number 1
⁷ OGRID No. 21712	⁸ Operator Name Strata Production Company	⁹ Elevation 3257'

Surface Location

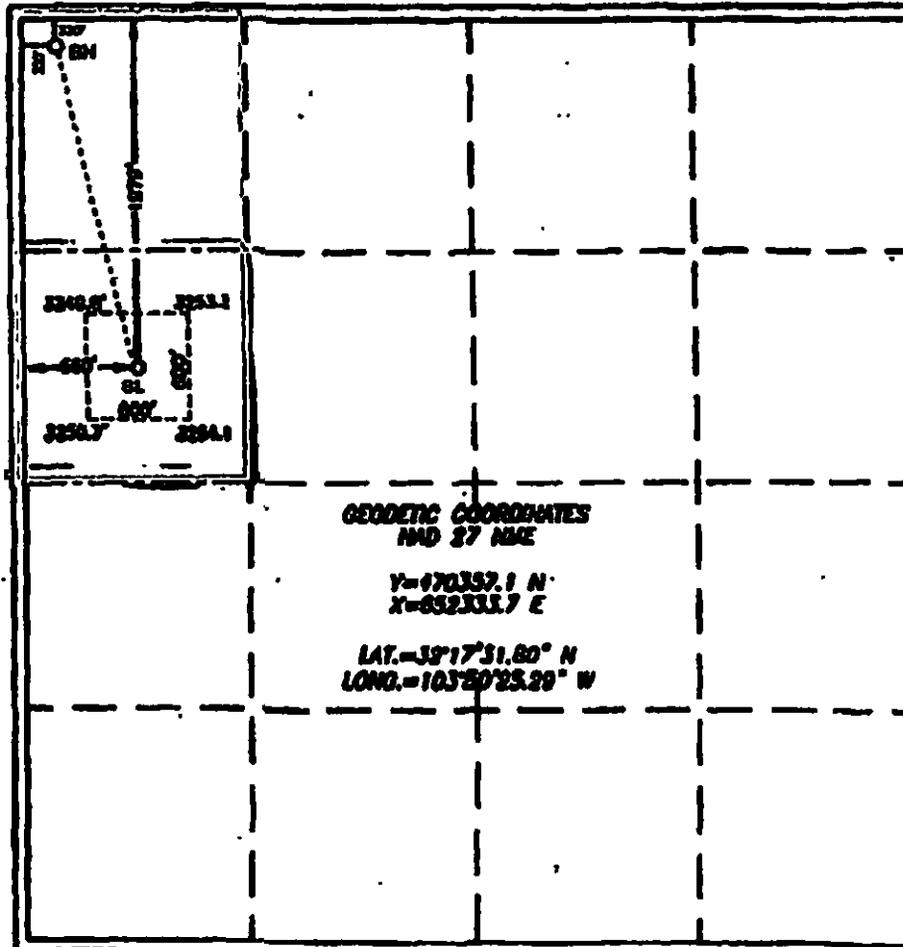
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	23S	30E		1979	South	660	West	Eddy

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	23S	30E		330	North	330	West	Eddy

¹⁰ Dedicated Acres 80	¹¹ Joint or Intj F	¹² Consolidation Code N/A	¹³ Order No. N/A
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

Signature: *Paul Ragsdale* Date: 9/14/2016
Printed Name: Paul Ragsdale
Email Address: pragsdale@stratanm.com

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: _____
Signature and Seal of Professional Surveyor: _____
Certificate Number: _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Aramis, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40055		Pool Code 24750		Pool Name FORTY NINER RIDGE DELAWARE	
Property Code 39123		Property Name Sandy Federal		Well Number 3	
OGRID No. 21712		Operator Name Strata Production Company		Elevation 3288	

10 Surface Location

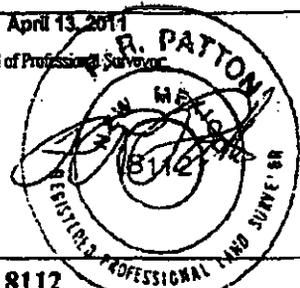
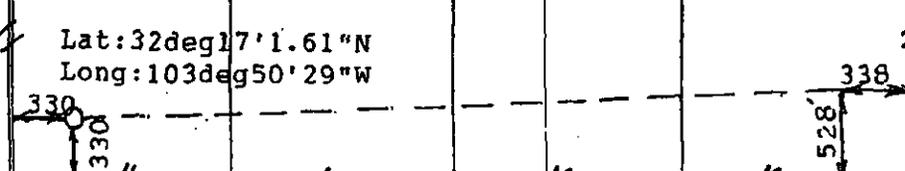
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	24	23 S	30 E		330	South	330	West	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	24	23 S	30 E		528	South	338	East	Eddy

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Francis S. Morgan</u> Date: <u>11-14-12</u> Printed Name: <u>Francis S. Morgan</u> E-mail Address: <u>F.MORGAN@STAMBAHA.COM</u>	
					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: <u>April 13, 2011</u> Signature and Seal of Professional Surveyor: <u>[Signature]</u>  Certificate Number 8112	
Lat: 32deg 17' 1.61"N Long: 103deg 50' 29"W 						

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 80210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
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1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-01541042		*Pool Code 24750	*Pool Name FORTY NINER RIDGE DELAWARE
*Property Code	*Property Name Sandy Federal		*Well Number 4
*OCRID No. 21712	*Operator Name Strata Production Company, Inc.		*Elevation 3263

10 Surface Location

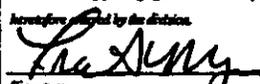
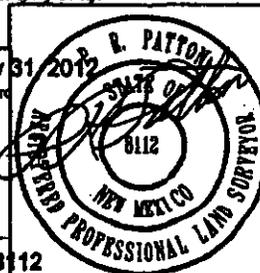
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	24	23s	30e		2180	South	500	West	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	24	23s	30e		1710	South	330	East	Eddy

*Dedicated Acres 160	*Joint or Infill	*Consolidation Code	*Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or subleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a subleased or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore granted by the division.  1-30-12 Signature Date FRANK MORGAN Printed Name	
Surface Location 500 2180 N 32°17'21.16001" W 103°50'28.80062" NAD 83				18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey May 31, 2012 Signature and Seal of Pro  Certificate Number 8112	
HORIZONTAL WELL BORE Bottom Hole Location 330 1710					

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
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District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-39361	² Pool Code 24750	³ Pool Name Forty Nines Ridge - Delaware
⁴ Property Code 38771	⁵ Property Name Roadrunner Federal	⁶ Well Number 1H
⁷ OGRID No. 21712	⁸ Operator Name Strata Production Company	⁹ Elevation 3307

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	23 S	30 E		460	North	330	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	23 S	30 E		430	North	414	East	Eddy

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>[Signature]</i> Date: 06/15/2012 Printed Name: Frank S. Morgan E-mail Address: <i>fmorgan@strata.com</i></p>
	<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: April 13, 2011 Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: 8112</p>

RECEIVED
AUG 15 2011
NMOCD ARTESIA

[Handwritten mark]

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1625 N. French Dr., Hobbs, NM 88240
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1381 W. Grand Avenue, Artesia, NM 88210
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1220 S. St. Francis Dr., Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-41041	Foot Code 24750	Foot Name FORTY NINER RIDGE DELAWARE
Property Code 38777	Property Name Roadrunner Federal	Well Number 2 A
OGRID No. 21712	Operator Name Strata Production Company, Inc.	Elevation 3310

10 Surface Location

UL or lot no.	Section	Township	Range	Lot ltn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	23s	30e		1220	North	660	West	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ltn	Feet from the	North/South line	Feet from the	East/West line	County
N	25	23s	30e		330	South	2062	West	Eddy

Dedicated Acres 240	Joint or Infill	Consolidation Code	Operator No. 25 11452
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>N 32°16'47.48770" W 103°50'27.09207" NAD 83 Surface Location 660 PROJECT AREA HORIZONTAL WELL BORE 2062 Bottom Hole Location 330</p>	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief, and that this organization either owns a working interest or retained mineral interest in the land including the proposed bottom hole location or has a right to drill the well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order hereinafter entered by the division.</p> <p><i>Frank Morgan</i> 7-30-12 Signature Date FRANK MORGAN Printed Name</p>
	<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey May 31 2012 Signature and Seal of P Certificate Number 8112</p>

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 334-5161 Fax: (575) 333-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-5178 Fax: (505) 334-8170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-42114	Pool Code 24750	Pool Name FortyNiner Ridge Delaware
Property Code 38771	Property Name ROADRUNNER FEDERAL COM	Well Number 3H
OGRID No. 21712	Operator Name STRATA PRODUCTION CO.	Elevation 3253'

Surface Location

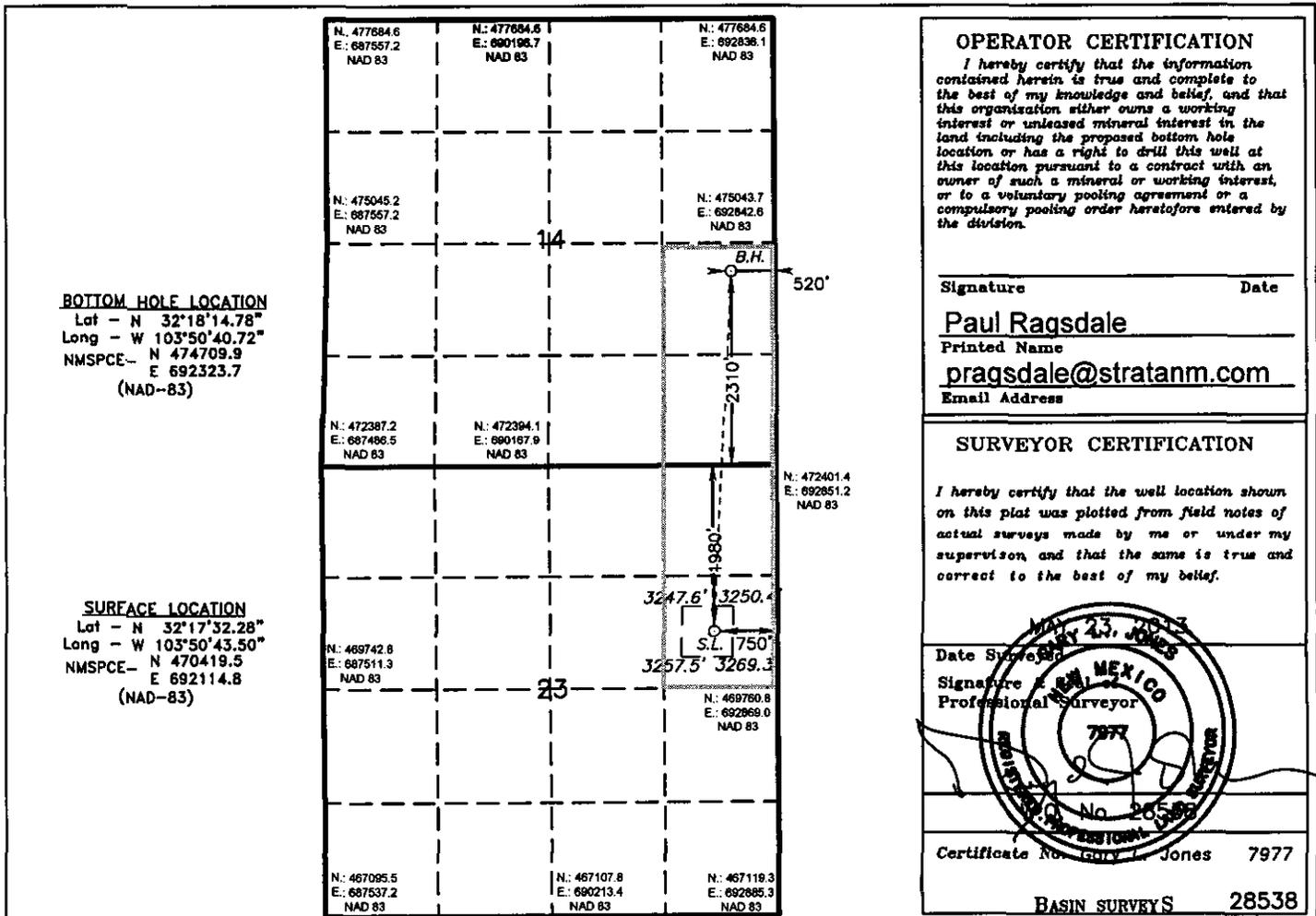
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	23 S	30 E		1980	NORTH	750	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	14	23 S	30 E		2310	SOUTH	520	EAST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



DISTRICT I
1628 S. French Dr., Albuquerque, NM 87102
Phone (505) 262-4122 Fax (505) 262-4222

DISTRICT II
511 S. First St., Artesia, NM 88210
Phone (505) 742-1122 Fax (505) 742-1122

DISTRICT III
1600 Rio Grande Ed., Aztec, NM 87410
Phone (505) 824-2170 Fax (505) 824-2170

DISTRICT IV
1628 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 426-2222 Fax (505) 426-2222

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Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87508

Form C-108
Revised August 1, 2011

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District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-42080	Well Code 24750	Well Name Forty Number Ridge: DOL
Property Code 38771	Property Name ROADRUNNER FEDERAL	Well Number 4H
Order No. 21712	Operator Name STRATA PRODUCTION CO.	Elevation 3254

Surface Location

UL or Lot No.	Section	Township	Range	Lot 1/4	Feet from the	SOUTH/South line	Feet from the	East/West line	County
H	23	23 S	30 E		1980	NORTH	775	EAST	EDDY

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	SOUTH/South line	Feet from the	East/West line	County
I	14	23 S	30 E		1980	SOUTH	900	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this application either came a verified interest or unfiled mineral interest in the land including the proposed bottom hole location or into a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

Frank Madigan
Signature Date

FRANK MADIGAN
Printed Name

EMERSON@STRATANM.COM
Email Address

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date: 7/27/12
Signature: *[Signature]*
Professional Surveyor

Certification No. 7977

SCALE: 1" = 3000'
NO. 30281

McMillan, Michael, EMNRD

From: David Lanning <dlanning@rocketmail.com>
Sent: Wednesday, October 5, 2016 3:05 PM
To: McMillan, Michael, EMNRD
Cc: Mitch Krakauskas; Paul Ragsdale
Subject: Re: Road Runner surface commingle application Eddy Co.

Mike

The surface facilities for the measurement/sales point to Enterprise will be located at the Sandy Federal #1 battery which is in Unit E of Sec 24.
The Com agreement is pending. Thanks. David

*David Lanning
Exploration & Development Manager
Strata Production Company
1301 N Sycamore Ave
PO Box 1030
Roswell, NM 88202-1030
575-622-1127 x19
575-365-8308 Cell*

From: "McMillan, Michael, EMNRD" <Michael.McMillan@state.nm.us>
To: David Lanning <dlanning@rocketmail.com>
Cc: Mitch Krakauskas <mkrakauskas@stratanm.com>
Sent: Wednesday, October 5, 2016 2:44 PM
Subject: RE: Road Runner surface commingle application Eddy Co.

David and Mitch

Is the surface facility located in Unit E of Section 23?

I am working on the Order this afternoon, and I would like to submit at either the end of the day or the first thing tomorrow

Mike

From: David Lanning [mailto:dlanning@rocketmail.com]
Sent: Tuesday, September 20, 2016 8:00 AM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Cc: Mitch Krakauskas <mkrakauskas@stratanm.com>
Subject: Road Runner surface commingle application Eddy Co.

Michael

Attached are spreadsheets with monthly production for the 4 existing wells in the commingling application and the certified mailing information. Please let me know if you require anything else.

Regards,
David Lanning