Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.***

***SUBMIT IN TRIPLICATE*** *– Other instructions on page 2.*

5. Lease Serial No.
SHL NM-114978

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
ROADRUNNER FED #2H

2. Name of Operator
Strata Production

9. API Well No.
30-015-41041

3a. Address
PO Drawer 1030, Roswell, NM 88202

3b. Phone No. *(include area code)*
575-622-1127 ext 18

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

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1220 FNL & 660 FWL Section 25 Township 23S Range 30E D-25-23S-30E

11. Country or Parish, State
Eddy

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| ☐ Notice of Intent | ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| | ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Subsequent Report | ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☐ Other |
| | ☑ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | |
| ☐ Final Abandonment Notice | ☐ Convert to Injection | ☐ Plug Back | ☐ 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.)

Today, BLM will recieve an email-transmission of a C-144 Permit for a reserve pit at this location. The current APD for this well did not anticipate reserve pits and on-site burial of drilling waste. The purpose of this sundry notice is to change plans to allow for a reserve pit an on-site burial of drilling waste pursuant to the NM Pit Rule and BLM mandates.

A paper copy of the NMOCD pit permit application is attached. We hope that BLM will issue Conditions of Approval that are similar to those recently issued with the following variances:

1) ENCLOSURE NETiING: After the well is drilled, 24-hour activity typically continues on site for approximately 15-25 days for fracturing, flowback,and monitoring of the well. Strata will remove free fluids from the pit during this time. If this cannot be achieved, Strata will install netting that is protective of humans, wildlife.and livestock over remaining free fluids after 24-hour activity has ceased.

(2) ESCAPE RAMPS: In lieu of escape ramps describedin the COA and to prevent entrapment of wildlife, humans, and wlidilfe, a felt-like geotextile fabric is proposed to be installed over the liner across the entire rig side of the pit,at the far corners of the outer horse shoe cell, and in the center of the outside walls of the discharge and suctionlegs of the outer cell.

Accepted for record
NMOCD
6-16-14

NM OIL CONSERVATION
ARTESIA DISTRICT
JUN 16 2014
RECEIVED

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

Title Operations Manager

Signature Paul Ragsdale

Date 04/23/2014

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by
/S/ STEPHEN J. CAFFEY

Title FIELD MANAGER

Date JUN - 4 2014

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 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)

# PECOS DISTRICT
# CONDITIONS OF APPROVAL

The Conditions of Approval attached to the original APD for the Roadrunner Federal #2H still apply, including the following additional Conditions of Approval for the reserve Pit:

The pit will be closed in accordance with NMOCD pit rules, with the following additional stipulations:

## Construction:

***Burial***
The reserve pit shall be constructed, so that upon completion of drilling operations, the dried pit contents shall be buried a minimum depth of four (4) feet below ground level. Should the pit content level not meet the four foot minimum depth requirement, the excess contents shall be removed until the required minimum depth of four feet below ground level has been met. The operator shall properly dispose of the excess contents at an authorized disposal site.

***Below Ground Level***
The reserve pit will be constructed entirely below ground level (as opposed to pushing up dirt to form the sides of the pit).

***Liner and Contents***
All pits that may contain liquid material shall be lined with a 20 ml liner or greater to prevent seepage into the ground. The pit liner shall be maintained in good working condition, with no tears or holes, until the pit is closed. No trash, pipe, barrels, wireline, or metal equipment is permitted in the pit.

***Freeboard***
Pits shall be constructed to preclude the accumulation of precipitation runoff and maintain a minimum of 2 feet of freeboard between the maximum fluid level and the lowest point of containment at all times. If pit fluids threaten to rise to a level allowing less than 2 feet of freeboard, steps shall immediately be taken to prevent introduction of additional fluids until sufficient pit capacity has been restored through fluid removal or an alternative containment method is approved and installed.

**Exclosure netting** will be only needed if proponent can not keep free standing fluids out of pit area. Netting will be required if any free standing fluids are present **after 24 hour activity ceases**. Proponent will be required to net all areas where free standing fluids are present.Netting requirements and standards are below.

***Exclosure Netting***
The operator will prevent humans, wildlife (*including avian wildlife*), and livestock access to fluid pits that contain or have potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will install approved netting over reserve pits containing fluid in accordance with the requirements below.

(***Note**: The BLM does not approve of the use of flagging, strobe lights, metal reflectors, or noise makers as techniques for deterring wildlife.*)

(Entire Reserve Pit) Minimum Netting Requirements - The operator will:

- Construct a rigid structure made of steel tubing or wooden posts with cable strung across the pit at no more than seven (7) foot intervals along the X- and Y-axes to form a grid of 7 foot squares.
- Suspend netting a minimum of 4 to 5 feet above the fluid surface.
- Use a maximum netting mesh size of 1 ½ inches to exclude most birds.
- Cover the top and all sides of the netting support frame with netting and secure the netting at the ground surface around the entire pit to prevent wildlife entry at the netting edges. (***Note**: Hog wire panels or other wire mesh panels or fencing used on the sides of the netting support frame is ineffective in excluding small wildlife and birds unless covered by the smaller mesh netting.*)
- Installation of the net must commence immediately after high activity operations cease. High activity operations include drilling operations and fracturing operations.
- Monitor and maintain the netting sufficiently to ensure the netting is functioning as intended, has not entrapped wildlife, and is free of holes and gaps greater than 1 ½ inches.

***Exclosure Fence***

The operator will install and maintain exclosure fencing on all sides of the reserve pit to prevent access to public, livestock, and large forms of wildlife. Only one side of the reserve pit fence may be set aside during drilling or fracturing operations, but must be reconstructed when these operations are not being performed.

- The fence shall be installed at least two (2) feet from the edge of the pit.
- Construction of the fence shall consist of steel and/or wooden posts set firmly into the ground.
- All corners shall be braced.
- Use a fence with four (4) separate wires (smooth or barbed) or hog panel (16 ft. length by 50 in. height) with connectors such as fence staples, clips, hog rings, hose clamps, twisted wire, etc. The fencing must be secured to the posts.
- The wire (if used) must be stretched tightly and spaced evenly to effectively exclude animals.
- Do not use electric fences.
- The erected fence shall be maintained in adequate condition until the dried reserve pit undergoes backfilling.
- (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

***Escape Ramps***

The operator will construct and maintain reserve pits to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in reserve pit. Escape ramps must be installed at every corner of the reserve pit and in the center of each side if that side exceeds 100 feet in length. Escape ramps must be in contact with the side of the reserve pit, bottom of the reserve pit, and the top of the reserve pit berm. Escape ramps cannot be made of metal and cannot be steeper than a 3:1

slope (Horizontal Distance: Vertical Distance) or 30% slope. (*Examples of escape ramps: 12" wide wooden planks wrapped in matting, felt lining, etc.*)

## Maintenance:

***Hydrocarbons***

Any hydrocarbons (condensate, paraffin, diesel, etc.) introduced to the reserve pit shall be removed within 24 hours.

## Closure:

***NMOCD***

The pit will be closed in accordance with NMOCD pit closure rules, with the following additional stipulations:

***Drying***

When drilling is completed, the fluids must be drawn off the pit within 60 days and the pit reclaimed within six months. The pit should also be fully enclosed with fencing on 4 sides during the drying process.

***Notificaiton***

The operator will notify a BLM Environmental Protection Specialist (575-234-5972) three days prior to beginning closure operations.

**Sampling**

The BLM may wish to witness the sampling of the pit contents and excavation bottoms. The operator will notify a BLM Environmental Protection Specialist three days prior to sampling pit contents or excavation bottoms.

***Solidifying Pit Contents***

Only mineral materials can be used to solidify pit contents. The operator is prohibited from using topsoil materials stockpiled on location for this purpose.

***Burial (Onsite)***

If onsite burial is approved by the NMOCD, the pit liner sides will be folded over the pit contents and a separate liner installed atop the encapsulated pit materials. The top liner must be located four feet below the natural ground surface. Should the pit content level not meet the four foot minimum depth requirement, the excess contents shall be removed until the required minimum depth of four feet below ground level has been met. The operator shall properly dispose of the excess contents at an authorized disposal site.

***Burial (Trench)***

If trench burial is elected as a closure method, the trench burial must be located within the confines of the approved pad. The operator should consider where the trench burial will be located in advance of pad and facility construction in order to accommodate this requirement. The trench will be fully lined, the reserve pit materials fully encapsulated, and liner installed over the top of the containment. The top liner must be located four feet below the natural ground surface.

## Surface Restoration:

***Backfilling***

For both onsite and trench burials: clean mineral materials may be used to backfill on top of the liner installation or to backfill excavated pit areas to a backfill level that reaches the natural topsoil depth of the surrounding terrain or 1 foot below surface level, whichever is greater. (In sandy soils, 2 feet of topsoil material is required.) Clean and viable topsoil must be used as the top fill on the excavations and reclamation areas in order to establish vegetation. Topsoil materials must be a good match to that of the surrounding terrain.

***Contouring***

The surface of the reserve pit reclamation and/or trench burial should be recontoured to match that of the native terrain.

***Erosion Control***

Erosion control measures must be installed to ensure that reclamation stabilizes and establishes vegetation. If erosion issues develop, the erosion issues must be addressed immediately by bringing in additional backfill material and re-establishing erosion control measures.

***Seeding***

The location must be seeded with an appropriate BLM seed mix for the soil type of the area. See attached seed mixture.

Seed Mixture for Sandy Soils

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

| Species | lb/acre |
|---|---|
| Plains Bristlegrass | 5lbs/A |
| Sand Bluestem | 5lbs/A |
| Little Bluestem | 3lbs/A |
| Big Bluestem | 6lbs/A |
| Plains Coreopsis | 2lbs/A |
| Sand Dropseed | 1lbs/A |

*Pounds of pure live seed:

Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed