

NM OIL CONSERVATION

ARTESIA DISTRICT UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

OCT 19 2016

SUNDRY NOTICES AND REPORTS ON WELLS

QCD Artesia

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 reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator STRATA PRODUCTION COMPANY		6. If Indian, Allottee or Tribe Name
Contact: GRACE CHARBONEAU E-Mail: GRACE@STRATANM.COM		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
3a. Address ROSWELL, NM 88202-1030	3b. Phone No. (include area code) Ph: 575-622-1127 Ext: 20 Fx: 575-623-3533	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory FORTY NINER RIDGE
		11. County or Parish, and State EDDY 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<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.)

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)

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 19 2016

RECEIVED

AND TO PROVIDE OFF LEASE GAS MEASUREMENT FOR THE ROADRUNNER FEDERAL WELLS AT THE SALES POINT

14. I hereby certify that the foregoing is true and correct. Electronic Submission #348204 verified by the BLM Well Information System For STRATA PRODUCTION COMPANY, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 08/23/2016 (16DLM0679SE)	
Name (Printed/Typed) PAUL RAGSDALE	Title OPERATIONS MANAGER
Signature (Electronic Submission)	Date 08/17/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J.D. Whitlock</i>	Title <i>TLPET</i>	Date <i>10/12/16</i>
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 <i>CFO</i>

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.

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

Additional data for EC transaction #348204 that would not fit on the form

5. Lease Serial No., continued

NMNM0532769
NMNM114356
NMNM114978

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM114356	NMNM114356	SANDY 1	30-015-21126-00-S2	Sec 24 T23S R30E SWNW 1979FNL 660FWL
NMNM114356	NMNM114356	SANDY FEDERAL 3	30-015-40055-00-S1	Sec 24 T23S R30E SWSW 330FSL 330FWL
NMNM114356	NMNM114356	SANDY FEDERAL 4	30-015-41042-00-X1	Sec 24 T23S R30E NWSW 2180FSL 0500FWL
NMNM114978	NMNM114978	ROADRUNNER FEDERAL 1	30-015-39361-00-S1	Sec 25 T23S R30E NWNW 460FNL 330FEL
NMNM114978	NMNM114978	ROADRUNNER FEDERAL 2	30-015-41041-00-S1	Sec 25 T23S R30E NWNW 1220FNL 0660FWL
NMNM0532769	NMNM0532769	ROADRUNNER FEDERAL COM 380	30-015-42114-00-X1	Sec 23 T23S R30E SENE 1980FNL 0750FEL
NMNM0532769	NMNM0532769	ROADRUNNER FEDERAL COM 480	30-015-42080-00-X1	32.173228 N Lat, 103.504325 W Lon Sec 23 T23S R30E SENE 1980FNL 775FEL 32.173229 N Lat, 103.504524 W Lon

32. Additional remarks, continued

LOCATED AT THE SANDY FEDERAL #1 BATTERY.

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

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 (#12897) to measure the gas. The Sandy Fed #3 has its own 3 phase separator and gas allocation meter 3388073. The undrilled Sandy Fed #4 will have its own three phase separator with a gas allocation meter to measure the gas. This well has not been drilled and no construction or equipment exists. Meter numbers will be furnished upon completion.

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. RR #1 meter # 918695 and RR #2 meter #157127.

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. These wells have not been drilled and no construction or equipment exists. Meter numbers will be furnished upon completion.

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. A natural gas compressor will be installed and will compress all the commingled gas to the Enterprise line pressure (approximately 800-900 psi). The high pressure gas will be discharged from the compressor and be dehydrated to less than 7 lbs/mcf of water vapor by a glycol dehydrator. Dehydrated fuel gas will be supplied to the compressor from downstream of the glycol dehy. Fuel gas will not be measured but will be calculated using 8 c.f./HP-Hr. times the operating hours for each month.

Fuel gas will be allocated to each lease based on a proportional allocation of the total amount of gas from each lease versus the total amount of gas sold. i.e. If the Roadrunner produces 75% of the gas sold and Sandy produces 25% of the gas sold, then each lease will be allocated proportionally.

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, communization 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: _____

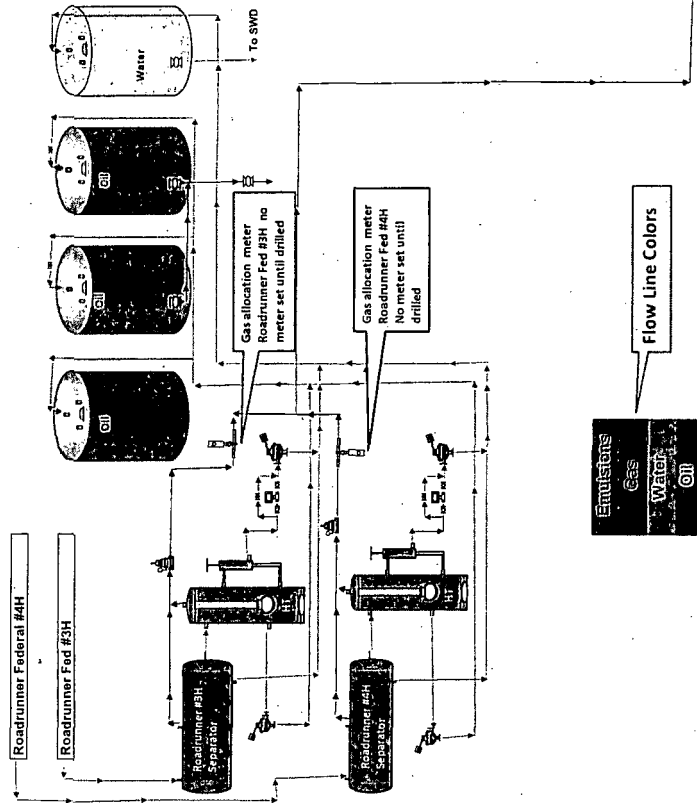
Paul Ragsdale

Operations Manager

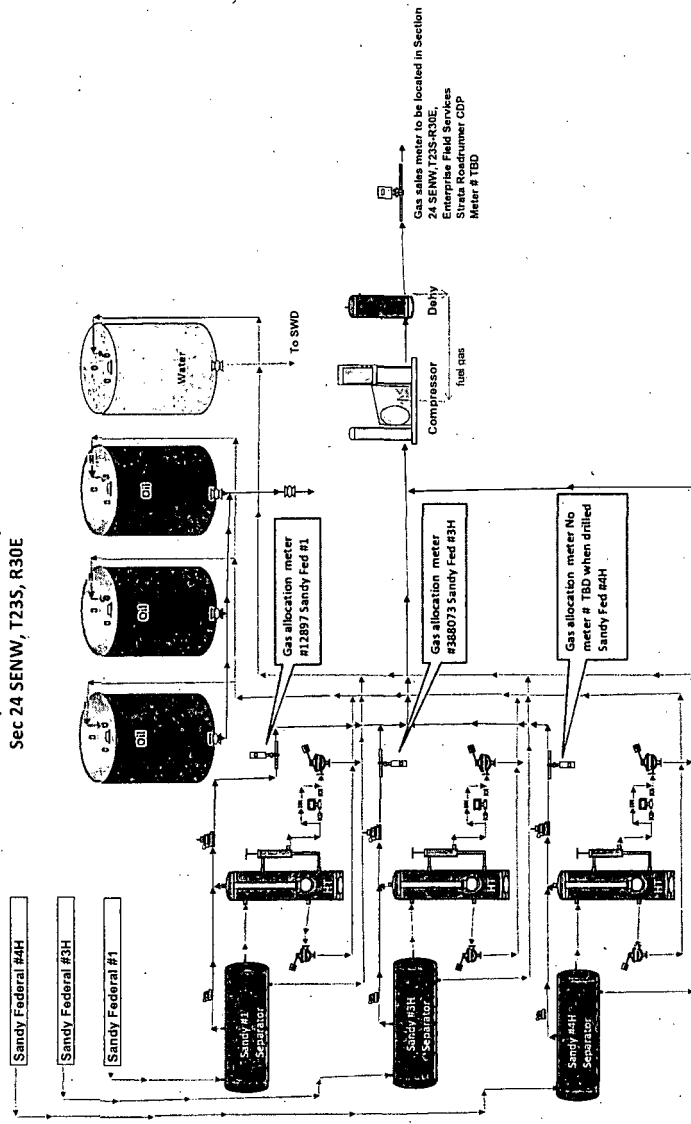
Date: _____

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

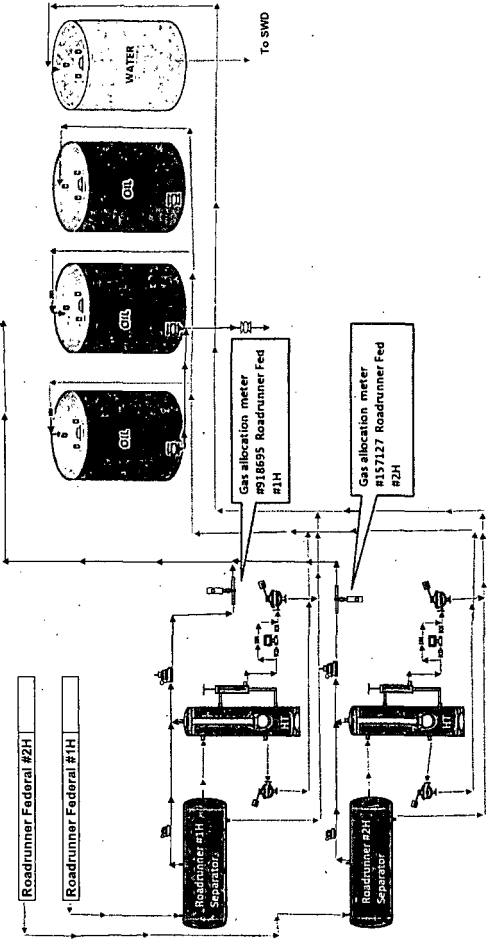
Roadrunner Federal #3H & #4H Tank Battery
Sec 23, SENE, T23S-R30E



Sandy Federal Tank Battery
Sec 24 SENW, T23S, R30E



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



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

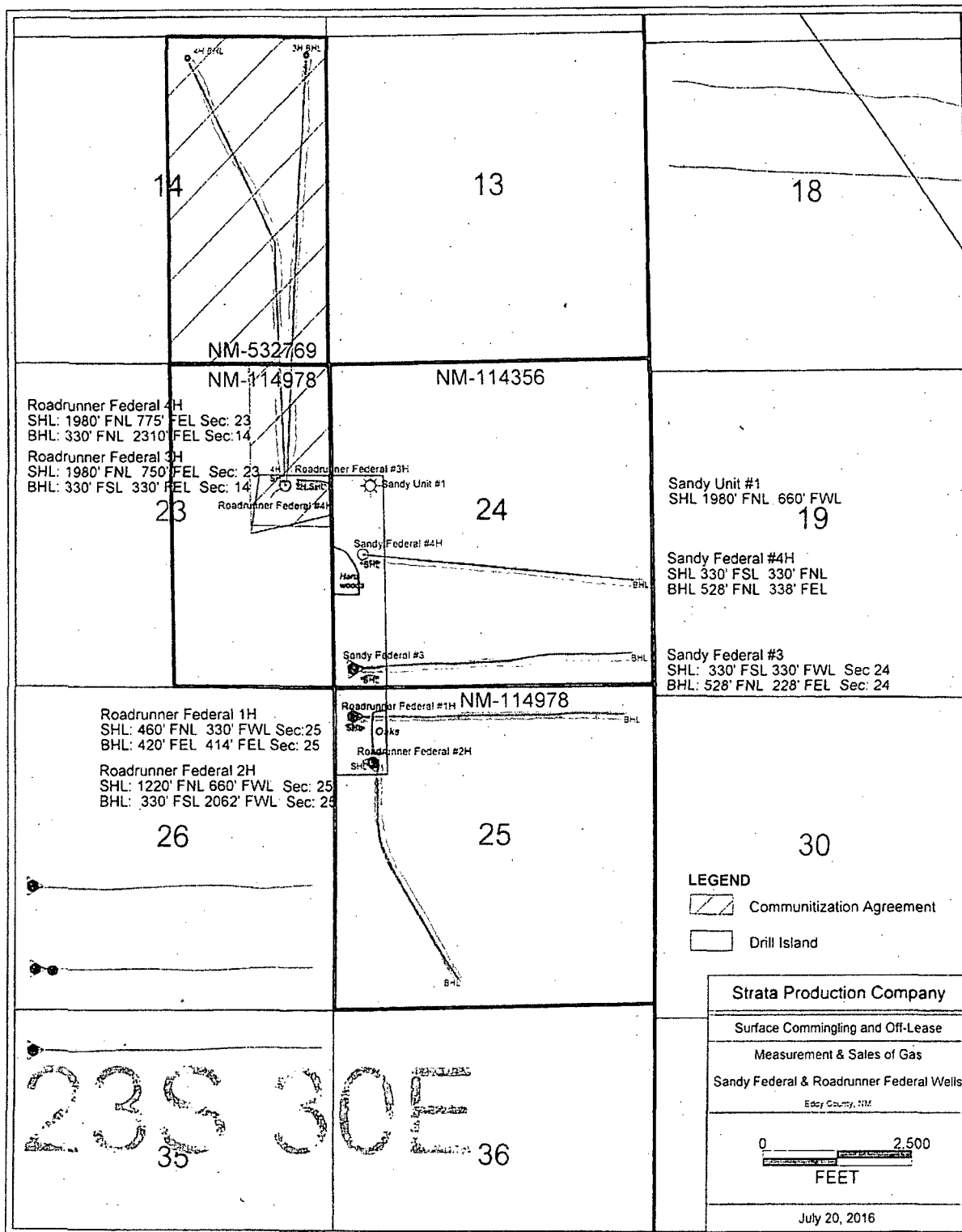
Federal Lease: NM-114356 Royalty Rate 12.5%

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,

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	KELEHER & MCLEAD, P.A.			
C/O RICHARD K. BARLOW, ESQ.	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

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 12:04 PM

Page 1 of 2

Run Date: 07/19/2016

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

640.000

NMNM-- - 114356

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 114356

Name & Address			Int Rel	% Interest
ANCHOR PRODUCTION LLC	10092 CR 36	YUMA CO 80759	OPERATING RIGHTS	0.000000000
BANE BIGBIE INC	PO BOX 998	ARDMORE OK 73402	LESSEE	1.000000000
BROWN DUANE	PO BOX 2168	ALBUQUERQUE NM 87103	OPERATING RIGHTS	0.000000000
CARRIGAN BETH	PO BOX 1908	GILBERT AZ 852991908	OPERATING RIGHTS	0.000000000
CARRIGAN WADE P	PO BOX 1908	GILBERT AZ 852991908	OPERATING RIGHTS	0.000000000
DERKSEN DANIEL J	PO BOX 523882	MIAMI FL 331523882	OPERATING RIGHTS	0.000000000
EURO AMERICAN OIL LLP LLC	5620 MODESTO AVE NE	ALBUQUERQUE NM 871132517	OPERATING RIGHTS	0.000000000
HARROUN ENTERPRISES INC	7020 EDITH BLVD NE	ALBUQUERQUE NM 871131141	OPERATING RIGHTS	0.000000000
HAT MESA OIL CO	PO BOX 1216	ALBUQUERQUE NM 871031216	LESSEE	1.000000000
HAT MESA OIL CO	3235 CALLE DEBORAH	ALBUQUERQUE NM 87104	OPERATING RIGHTS	0.000000000
HUTCHINGS OIL CO	PO BOX 1216	ALBUQUERQUE NM 871021216	LESSEE	4.000000000
HUTCHINGS OIL CO	PO BOX 1216	ALBUQUERQUE NM 871021216	OPERATING RIGHTS	0.000000000
ICHTER IV JOSEPH THOMPSON	PO BOX 523882	MIAMI FL 331523882	OPERATING RIGHTS	0.000000000
JMW ENTERPRISES LLC	PO BOX 10400	ALBUQUERQUE NM 871840400	OPERATING RIGHTS	0.000000000
MK B PROPERTIES LLC	201 3RD ST NW STE 1130	ALBUQUERQUE NM 871023368	OPERATING RIGHTS	0.000000000
SCOTT INVESTMENT CORP	PO BOX 1834	ROSWELL NM 882021834	LESSEE	1.000000000
SCOTT-WINN LLC	PO BOX 1834	ROSWELL NM 882021834	LESSEE	2.000000000
SEA BEE LLC	7513 LA MADERA RD NE	ALBUQUERQUE NM 871093860	OPERATING RIGHTS	0.000000000
SJR ENTERPRISES INC	11621 JOAN OF ARC DR	HOUSTON TX 770242638	OPERATING RIGHTS	0.000000000
STRATA PRODUCTION CO	PO BOX 1030	ROSWELL NM 882021030	OPERATING RIGHTS	0.000000000
STRATA PRODUCTION CO	1301 N SYCAMORE AVE	ROSWELL NM 88201	LESSEE	90.000000000
VAILE PILAR	PO BOX 2168	ALBUQUERQUE NM 871032168	OPERATING RIGHTS	0.000000000
WADE PETROLEUM CORP	2406 NORTHWOOD CT NW	LOS RANCHOS NM 871073127	LESSEE	1.000000000
WADE PETROLEUM CORP	2406 NORTHWOOD CT NW	LOS RANCHOS NM 871073127	OPERATING RIGHTS	0.000000000
WARREN ASSOCIATES	PO BOX 10400	ALBUQUERQUE NM 871840400	OPERATING RIGHTS	0.000000000
WARREN INC	PO BOX 10400	ALBUQUERQUE NM 871840400	OPERATING RIGHTS	0.000000000
WINN INVESTMENT CO	706 BRAZOS ST	ROSWELL NM 882013372	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 114356

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0230S	0300E	024	ALL	ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 114356

Act Date	Code	Action	Action Remark	Pending Office
07/19/2005	387	CASE ESTABLISHED	200507035;	
07/20/2005	143	BONUS BID PAYMENT RECD	\$1280.00;	
07/20/2005	191	SALE HELD		
07/20/2005	267	BID RECEIVED	\$640000.00;	
08/02/2005	143	BONUS BID PAYMENT RECD	\$638720.00;	
08/17/2005	237	LEASE ISSUED		
08/17/2005	974	AUTOMATED RECORD VERIF	GSE	
09/01/2005	496	FUND CODE	05;145003	
09/01/2005	530	RLTY RATE - 12 1/2%		
09/01/2005	568	EFFECTIVE DATE		
11/15/2005	963	CASE MICROFILMED/SCANNED		
12/27/2005	140	ASGN FILED	BOLD ENER/COG OIL &;1	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 12:04 PM

Page 1 of 3

Run Date: 07/19/2016

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

960.000

NMNM-- - 114978

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 114978

Name & Address			Int Rel	% Interest
ANCHOR PRODUCTION LLC	10092 CR 36	YUMA CO 80759	OPERATING RIGHTS	0.000000000
BROWN DUANE	PO BOX 2168	ALBUQUERQUE NM 87103	OPERATING RIGHTS	0.000000000
CARRIGAN BETH	PO BOX 1908	GILBERT AZ 852991908	OPERATING RIGHTS	0.000000000
CARRIGAN WADE P	PO BOX 1908	GILBERT AZ 852991908	OPERATING RIGHTS	0.000000000
CIMAREX ENERGY CO OF COLORADO	1700 LINCOLN ST STE 1800	DENVER CO 802034518	OPERATING RIGHTS	0.000000000
COG OPERATING LLC	600 WILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
DERKSEN DANIEL J	PO BOX 523882	MIAMI FL 331523882	OPERATING RIGHTS	0.000000000
EURO AMERICAN OIL LLP LLC	5620 MODESTO AVE NE	ALBUQUERQUE NM 871132517	OPERATING RIGHTS	0.000000000
HARROUN ENTERPRISES INC	7020 EDITH BLVD NE	ALBUQUERQUE NM 871131141	OPERATING RIGHTS	0.000000000
HAT MESA OIL CO	3235 CALLE DEBORAH	ALBUQUERQUE NM 87104	OPERATING RIGHTS	0.000000000
HAT MESA OIL CO	PO BOX 1216	ALBUQUERQUE NM 871031216	OPERATING RIGHTS	0.000000000
HUTCHINGS OIL CO	PO BOX 1216	ALBUQUERQUE NM 871021216	OPERATING RIGHTS	0.000000000
ICHTER IV JOSEPH THOMPSON	PO BOX 523882	MIAMI FL 331523882	OPERATING RIGHTS	0.000000000
JMW ENTERPRISES LLC	PO BOX 10400	ALBUQUERQUE NM 871840400	OPERATING RIGHTS	0.000000000
LIBERTY ENERGY LLC	175 BERKELEY 8TH FL	BOSTON MA 02116	OPERATING RIGHTS	0.000000000
MCCOMBS ENERGY LTD	5599 SAN FELIPE ST # 1220	HOUSTON TX 770562724	OPERATING RIGHTS	0.000000000
MK B PROPERTIES LLC	201 3RD ST NW STE 1130	ALBUQUERQUE NM 871023368	OPERATING RIGHTS	0.000000000
OXY USA WTP LP	PO BOX 4294	HOUSTON TX 772104294	OPERATING RIGHTS	0.000000000
RUBICON OIL & GAS II LLP	508 W WALL ST STE 500	MIDLAND TX 797015062	LESSEE	100.000000000
SEA BEE LLC	7513 LA MADERA RD NE	ALBUQUERQUE NM 871093860	OPERATING RIGHTS	0.000000000
SJR ENTERPRISES INC	11621 JOAN OF ARC DR	HOUSTON TX 770242638	OPERATING RIGHTS	0.000000000
STRATA PRODUCTION CO	1301 N SYCAMORE AVE	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
STRATA PRODUCTION CO	PO BOX 1030	ROSWELL NM 882021030	OPERATING RIGHTS	0.000000000
VAILE PILAR	PO BOX 2168	ALBUQUERQUE NM 871032168	OPERATING RIGHTS	0.000000000
WADE PETROLEUM CORP	2406 NORTHWOOD CT NW	LOS RANCHOS NM 871073127	OPERATING RIGHTS	0.000000000
WARREN ASSOCIATES	PO BOX 10400	ALBUQUERQUE NM 871840400	OPERATING RIGHTS	0.000000000
WARREN INC	PO BOX 10400	ALBUQUERQUE NM 871840400	OPERATING RIGHTS	0.000000000
WNN INVESTMENT CO	706 BRAZOS ST	ROSWELL NM 882013372	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 114978

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 02305 0300E 023	ALIQ		E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 02305 0300E 025	ALL		ENTIRE SECTION	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 114978

Act Date	Code	Action	Action Remark	Pending Office
10/18/2005	387	CASE ESTABLISHED	200510040;	
10/19/2005	143	BONUS BID PAYMENT RECD	\$1920.00;	
10/19/2005	191	SALE HELD		
10/19/2005	267	BID RECEIVED	\$1246000.00;	
11/01/2005	143	BONUS BID PAYMENT RECD	\$1246000.00;	
11/22/2005	237	LEASE ISSUED		
11/22/2005	974	AUTOMATED RECORD VERIF	LR	
12/01/2005	496	FUND CODE	05;145003	
12/01/2005	530	RITY RATE - 12 1/2%		
12/01/2005	568	EFFECTIVE DATE		

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 12:08 PM

Page 1 of 2

Run Date: 07/19/2016

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres
320.000

Serial Number
NMNM-- 0 532769

Case Type 311211: O&G LSE SIMO PUBLIC LAND

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- 0 532769

Name & Address	Int Rel	% Interest
CONOCOPHILLIPS CO PO BOX 7500 BARTLESVILLE OK 740057500	LESSEE	100.000000000

Serial Number: NMNM-- 0 532769

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0230S 0300E 014	ALIQ		E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 0 532769

23 0230S 0300E 711	FF	NW, N2SW, SWSW SEGR;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0230S 0300E 713	FF	ALL REJ;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 532769

Act Date	Code	Action	Action Remark	Pending Office
02/23/1964	387	CASE ESTABLISHED		
02/24/1964	368	DRAWING HELD		
04/22/1964	126	APLN REJ/DEN IN PART		
04/22/1964	237	LEASE ISSUED		
05/01/1964	496	FUND CODE	05,145003	
05/01/1964	530	RLTY RATE - 12 1/2%		
05/01/1964	868	EFFECTIVE DATE		
09/09/1973	500	GEOGRAPHIC NAME	JAMES RANCH FIELD;	
09/09/1973	510	KMA CLASSIFIED		
12/02/1973	700	LEASE SEGREGATED	INTO NMNM21638;	
12/03/1973	232	LEASE COMMITTED TO UNIT	SANDY	
01/11/1974	315	RENTAL RATE DET/ADJ	\$2.00;	
07/03/1974	235	EXTENDED	THRU 04/03/76;	
01/20/1976	235	EXTENDED	THRU 04/30/76;	
01/20/1976	336	UNIT AGRMT TERMINATED	SANDY	
09/01/1977	676	SUS OPS & PROD/NO BMT	POTASH;	
05/19/1987	963	CASE MICROFILMED/SCANNED	CNUM 561,038 RW	
08/31/1988	974	AUTOMATED RECORD VERIF	MRS/CS	
01/11/1999	140	ASGN FILED	PHILLIPS/POGO	
01/27/1999	139	ASGN APPROVED	EFF 02/01/99;	
01/27/1999	974	AUTOMATED RECORD VERIF	JLV	
01/16/2003	517	MERGER RECOGNIZED	CONOCO/CONOCOPHILLIPS	
02/12/2008	517	MERGER RECOGNIZED	POGO PROD/PXP ACQ;	
02/12/2008	940	NAME CHANGE RECOGNIZED	PXP ACQ/POGO LLC;	
03/08/2008	974	AUTOMATED RECORD VERIF	BTM	
08/10/2011	140	ASGN FILED	PLAINS EX/CONOCOPHI;1	
01/27/2012	567	ASGN RETURNED UNAPPROVED		
01/27/2012	974	AUTOMATED RECORD VERIF	JS	
04/03/2012	269	ASGN DENIED	CONOCOPHILLIPS CO	
04/03/2012	974	AUTOMATED RECORD VERIF	JS	
05/17/2012	140	ASGN FILED	POGO PROD/CONOCO PH;1	
08/08/2012	139	ASGN APPROVED	EFF 06/01/12;	
08/08/2012	974	AUTOMATED RECORD VERIF	ANN	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-803
Administrative Application Reference No. pMAM1623652461

October 6, 2016

Strata Production Company
Attention: Mr. Paul Ragsdale

Strata Production Company (OGRID 21712) "Applicant" is hereby authorized to surface commingle gas production from diversely owned federal leases from the Forty Niner Ridge; Delaware Pool (Pool code 24750) located in Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico:

Lease: Federal lease NMNM-114356
Description: W/2 NW/4, and S/2 of Section 24, Township 23 South, Range 30 East, NMPM
Wells: Sandy Federal Well No. 1 30-015-21126
Sandy Federal Well No. 3 30-015-40055
Sandy Federal Well No. 4 30-015-41042

Lease: Federal lease NMNM-114978
Description: N/2 N/2, SW/4 NW/4, and SW/4 of Section 25, Township 23 South, Range 30 East, NMPM
Wells: Roadrunner Federal Well 1H 30-015-39361
Roadrunner Federal Well 2H 30-015-41041

Lease: Pending Roadrunner Federal Communitization Agreement
Description: E/2 SE/4 of Section 14, and E/2 NE/4 of Section 23, Township 23 South, Range 30 East, NMPM
Wells: Roadrunner Federal Well 3H 30-015-42114
Roadrunner Federal Well 4H 30-015-42080

The combined project area for these wells include the E/2 SE/4 of Section 14, E/2 NE/4 of Section 23, W/2 NW/4 and S/2 of Section 24, and N/2 N/2, SW/4 NW/4, and SW/4, of Section 25.

The commingled gas production from the wells detailed above shall be measured and sold at the Sandy Federal Well No. 1 central tank battery (CTB) in Unit E of Section 23, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Strata Production Company

October 12, 2016

Condition of Approval

Surface commingling and off lease measurement and sales of gas only

Sandy Fed. #1, 3001521126 / Sandy Fed. #3, 3001540055 / Sandy Fed. #4, 3001541042

Roadrunner Fed. #1, 3001539361 / Roadrunner Fed. #2, 3001541041

Roadrunner Fed. Com #3H, 3001542114 / Roadrunner Fed. Com 4H, 3001542080

Leases NMLC0532769, NMNM114356, & NMNM114978, There will also be a Communitization Agreements covering leases NMNM114978 & NMNM0532769 for the Roadrunner Fed. Com 3H and 4H which are presently not approved.

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.