

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.

Carlsbad Field Office
OCD Artesia
5. Lease Serial No. NM114356
6. Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. SANDY FEDERAL 3	
2. Name of Operator STRATA PRODUCTION COMPANY	Contact: GRACE CHARBONEAU E-Mail: GRACE@STRATANM.COM	9. API Well No. 30-015-40055-00-S1
3a. Address ROSWELL, NM 88202-1030	3b. Phone No. (include area code) Ph: 575-622-1127 Ext: 20 Fx: 575-623-3533	10. Field and Pool or Exploratory Area FORTY NINER RIDGE
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T23S R30E SWSW 330FSL 330FWL		11. County 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"/> 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 Venting and/or Flaring
	<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 RESPECTFULLY SUBMITS THIS SUNDRY FOR NOTICE OF INTENT TO INTERMITTENTLY FLARE GAS UNTIL ANOTHER PURCHASER IS PUT IN PLACE. ENTERPRISE NOTIFIED US TO DISCONTINUE DELIVERIES DUE TO THEIR SYSTEM BEING "FULL AND THEY ARE NO LONGER ACCEPTING IT DELIVERIES". THEY ALSO NOTIFIED US THAT "THIS IS NOT A SHORT-TERM ISSUE." STRATA IS IN THE PROCESS OF GETTING ANOTHER PURCHASER AT THIS TIME. HOWEVER, FOR THE WELLS TO STAY IN PRODUCTION, FLARING IS UNAVOIDABLE.

WELLS CONTRIBUTING TO THE FLARING VOLUME ARE AS FOLLOWS:
LEASE NUMBER - WELL NAME - API NUMBER - LOCATION
NM114356 - SANDY #3 - 30-015-40055 - T23S-R30E-S24 330'FSL & 330'FWL ✓
NM114978 - ROADRUNNER #1H - 30-015-39361 - T23S-R30E-S25 460'FNL & 330'FWL ✓
NM114978 - ROADRUNNER #2H - 30-015-41041 - T23S-430E-S25 1220'FNL & 660'FWL ✓

Accepted for record 11/7/18
NIMOC RECEIVED AB

NOV 06 2018

NEEDS DOCUMENTS LISTED IN 3179, 201(c)1

14. I hereby certify that the foregoing is true and correct.		Electronic Submission #440901 verified by the BLM Well Information System For STRATA PRODUCTION COMPANY, sent to the Carlsbad District II-ARTESIA O.C.D. Committed to AFMSS for processing by PRISCILLA PEREZ on 10/24/2018 (19PP0220SE)	
Name (Printed/Typed)	PAUL RAGSDALE	Title	OPERATIONS MANAGER
Signature (Electronic Submission)		Date	10/23/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>DeVries</u>	Title	Date <u>10/26/2018</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	<u>J. SHEPARD</u>

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.

Additional data for EC transaction #440901 that would not fit on the form

32. Additional remarks, continued

FLARING IS NECESSARY DUE TO ENTERPRISE'S SYSTEM BEING "FULL AND THEY ARE NO LONGER ACCEPTING IT DELIVERIES" AND FOR THE WELLS TO STAY IN PRODUCTION. THIS IS AN UNAVOIDABLE LOSS OF GAS. THE FLARE WILL OCCUR UNTIL ANOTHER PURCHASER IS PUT IN PLACE. DUE TO THE FACT IT WAS AN UNAVOIDABLE FLARE, STRATA REQUESTS THAT THIS BE NON-ROYALTY BEARING. ENTERPRISE NOTIFIED US THAT THEIR SYSTEM WAS "FULL AND THEY ARE NO LONGER ACCEPTING IT DELIVERIES" AND "THIS IS NOT A SHORT-TERM ISSUE." SALES WILL RESUME AS SOON AS ANOTHER PURCHASER IS PUT IN PLACE AND ROYALTIES WILL RESUME WHEN SALES OCCUR.

THIS SUNDRY IS SUBMITTED FOR FLARING STARTING ON 9/27/18 UNTIL A NEW PURCHASER IS PUT IN PLACE. THE AMOUNT OF GAS FLARED IS APPROXIMATELY 750 MCF PER DAY. STRATA RESPECTFULLY REQUESTS THAT THE AMOUNT BE NON-ROYALTY BEARING DUE TO THE FACT IT IS UNAVOIDABLE AND NECESSARY.