

Correspondence pertaining to
Drill Pit C-144 Permit Number:
2-13-0016

From: [Paul Ragsdale](#)
To: [Bratcher, Mike, EMNRD](#)
Cc: [Amos, James](#); tnygren@blm.gov; [Randy Hicks](#)
Subject: Roadrunner Fed #2H
Date: Wednesday, April 23, 2014 9:28:13 AM
Attachments: [3160-5_reservepit.pdf](#)
[RR2PermitApplication.pdf](#)

Mike,

Please find the attached C-144 and 3160-5 requesting a reserve pit for the RoadRunner Fed #2H.

Please let me know if you need more info.

Thanks,

Paul



From: [Randall Hicks](#)
To: [Dawson, Scott, EMNRD](#)
Cc: [Dade, Randy, EMNRD](#); [Bratcher, Mike, EMNRD](#)
Subject: FW: Strata Pits
Date: Monday, April 21, 2014 5:06:24 PM

Note the response below with highlight.

I hope the new map is based more on geology rather than Section lines. While I think new BLM will be more precise, it still may contain errors – especially where unstable ground exists in “low” potential areas.

I hope this helps iron out any policy decisions.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Stockton, Aaron [mailto:astockto@blm.gov]
Sent: Friday, April 11, 2014 8:56 AM
To: r@rthicksconsult.com; Cody Layton
Subject: Strata Pits

Randy,

Cody had talked to me about these wells earlier this week. As I mentioned to you a while back on the phone, we have been planning a revision of the Karst map. Well, that finally happened and we are getting ready to put the new map into use. **On the new map, the proposed locations fall under low karst occurrence potential, just barely out of medium. In this area, medium buffers high by 1 mile based on the average dip of the rustler formation.** So in summary, this project is in Low, roughly one mile from High. Although this new map is not in use yet, I would not have a problem with a reserve pit from a karst standpoint. However, any other stipulations currently on the permits will stay. When we finalize the new map, it will be put onto the base map CD that we distribute to companies. We will also make sure that the State gets the new information. **Since the new map is more precisely drawn, there will not be any exceptions, waivers, or modifications in the future to the "no pit" policy in High Karst.** Additionally there will be areas in Medium Karst that pits will also not be allowed in due to minor (if any) top soil and an abundance of at-surface bedrock. Thanks, and I hope this helps.

--

Aaron J. Stockton
Natural Resource Specialist - Cave/Karst
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220
575-234-5971

----- Forwarded message -----

From: **Randall Hicks** <r@rthicksconsult.com>
Date: Thu, Apr 10, 2014 at 10:05 PM
Subject: Strata Production - Roadrunner 3&4 - Reserve pits
To: "Layton, Cody" <clayton@blm.gov>
Cc: Paul Ragsdale <pragsdale@stratanm.com>, andrew@rthicksconsult.com

Cody:

I understand from Paul Ragsdale of Strata that you need to have your karst team take a look at the proposed use of drilling pits in Sections 23 and 25 T23S R30E to determine if this area, which is labeled as "high cave/karst potential" on the BLM Map, is suitable for such surface pits. The attached document and maps provide a synopsis of published reports and the results of my field investigation of two locations in Section 23. While voids in the underlying Rustler (about 275 feet below land surface at these locations) may exist, we saw no physical evidence of unstable ground in the areas that would preclude the use of surface pits for drilling or holding treated produced water for stimulation (in lieu of using fresh water) at these locations. We also verified that the location of the pits meets all of the setback requirements of the Pit Rule. If BLM has any questions regarding this DRAFT Appendix, please let me know. We anticipate the first sundry notice and pit permit to be submitted to BLM and OCD next week. This Appendix is an integral part of the submission. Two more permits and sundries will follow. Note that Figure 8 of the attachment is the Figure for the permit to show OCD that the area is mapped as "high karst".

This is a DRAFT and we will finalize it when the permit is submitted. If your team has comments, we can incorporate them into the final. Thanks for working with us on these permits as we believe the proper use of pits reduces the environmental footprint of oil and gas development relative to closed loop and haul off.

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

[Geology-Geomorph AppendixA-DRAFT.pdf](#)

From: [Randall Hicks](#)
To: [Layton, Cody](#); tnygren@blm.gov
Cc: [Paul Ragsdale](#); grice_bobby@yahoo.com; jctrucking@pvtnetworks.net; [Bratcher, Mike, EMNRD](#)
Subject: : Strata - Roadrunner #2
Date: Friday, April 25, 2014 8:58:44 AM
Attachments: [rrFed2Rev1.pdf](#)

Cody and Tanner

Attached is the revised diagram showing the layout of the pad and pit. Soil can be stockpiled east of the pad and east of the pit. The rig requires 150-feet to the west of the well and 185 feet to the east. We need 150 feet from the south side of the location to the well and 90 feet from the well to the edge of the pit. Do I need to send this minor change in pad/pit geometry to the adjudication group via regular mail or is transmission to you sufficient?

The very large depth to groundwater, the nature of the stabilized dunes surrounding the area, the lack of surface water, low cave/karst potential and other environmental criteria (including the condition of the roads and truck traffic) make this an excellent location for a reserve pit with on-site burial. Our problem is that we changed the plans to use a pit rather than closed loop a bit late in the game with respect to getting the paperwork through your office – construction on the location is starting in earnest today and the rig will be ready to spud in . I will call Tanner to discuss how we may be able to proceed with what we believe is a better program from an environmental standpoint than the currently approved closed-loop program.

Jim Amos indicated that we do not need to keep him in the loop on this – so he is not copied in this email.

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

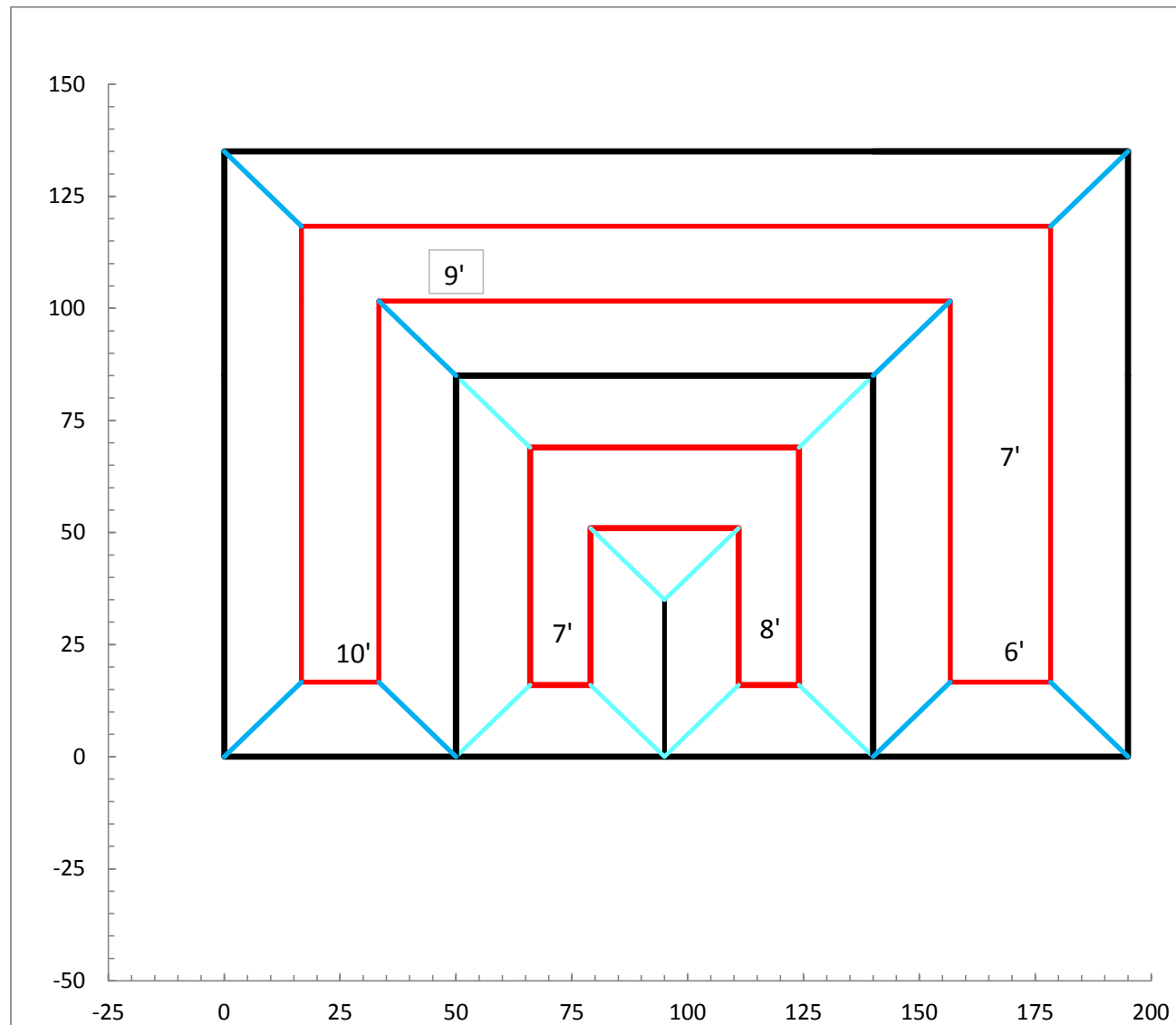
From: Randall Hicks [<mailto:r@rthicksconsult.com>]
Sent: Thursday, April 24, 2014 1:01 PM
To: jamos@blm.gov; tnygren@blm.gov
Cc: Paul Ragsdale (pragsdale@stratanm.com); jctrucking@pvtnetworks.net; 'grice_bobby@yahoo.com'
Subject: Strata - Roadrunner #2

Jim and Tanner -

I met with Jason Ciempa (contractor) and Bobby Grice (drilling consultant) at the Roadrunner Federal #2 this morning to stake the location for using drilling pits – in anticipation of BLM approval of the sundry notice. We found that the rig demands a different pad geometry than what was shown in the survey and in my site diagram with pit. I will ship the new layout tomorrow and give you a call, Jim. I think we end up with the same surface area of disturbance, more or less, just a different length/width. Let me see how it pencils and we will talk tomorrow.

It's windy!

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)



Inner Horseshoe Capacity 6599 bbl
Outer Horseshoe Capacity 18551 bbl

Fluid Cell Capacity 0 bbl
Total Capacity 25150 bbl

Drilling Cell Dimensions

Drilling Cell Total Width	195.0
Drilling Cell Total Length	135.0

Slopes of Pit Horizontal Distance	2.00
Slopes of Pit Vertical Distance	1.00
Horseshoe divider width at surface	0.0

Inner Horseshoe Dimensions

Total Width (left right)	90.0
Total Length (up down)	85.0
Depth	8.0
Length of Divider	35.0
Divider Width	0.0
Width of discharge floor	13.0
Width of suction floor	13.0

Outer Horseshoe Dimensions

Width Discharge Side	55.0
Width Suction Side	50.0
Length Far Side (up down)	50.0
Width of discharge Floor	31.0
Width of Suction Floor	10.0
Width of Far Side Floor (right-left dimension)	111.0
Length of far side floor (Up-down dimension)	14.0
Depth of Discharge Side	6.0
Depth of Far Side	9.0
Depth of Suction Side	10.0

North



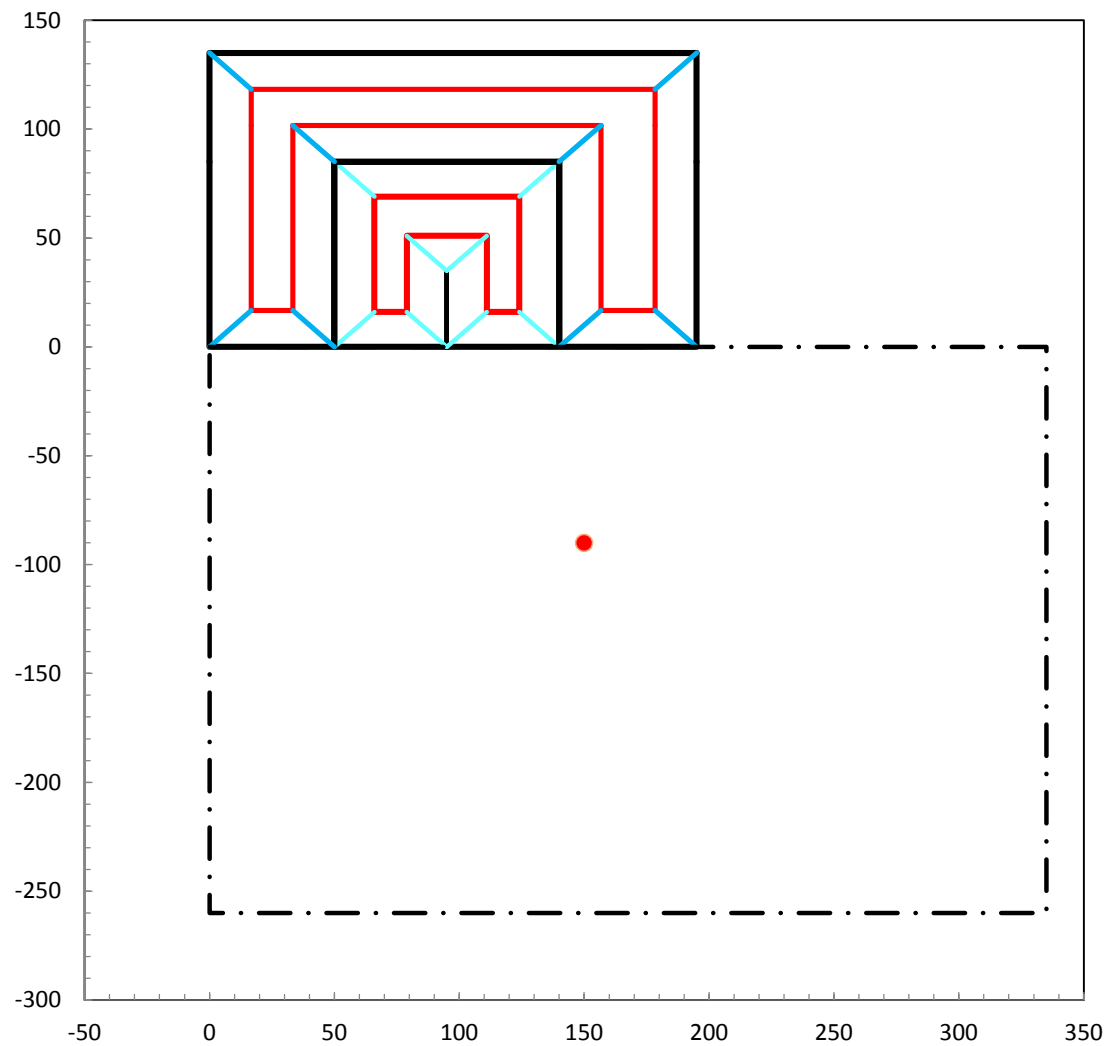
R.T. Hicks Consultants
901 Rio Grande Blvd. NW
Suite F-142
Albuquerque, N. M. 87104

Drawing of Drilling Cell
Bottom of Cell Not to Scale

Strata Production - Roadrunner Federal #2

Plate 1

April 2014



R.T. Hicks Consultants
 901 Rio Grande Blvd. NW
 Suite F-142
 Albuquerque, N. M. 87104

Drawing of Temporary Pit and Well in Relation to Pad Boundary

Strata Production - Roadrunner Federal #2

Plate 2

April 2014

From: [Randall Hicks](#)
To: ["Paul Ragsdale"; Bratcher, Mike, EMNRD](#)
Cc: reception@stratanm.com
Subject: Strata : Roadrunner Fed #2H
Date: Wednesday, April 30, 2014 4:05:47 PM

Mike

On April 23, you got a transmission of the permit package for the Roadrunner Fed 2H reserve pit. We believe that the paper copy was sent to you from Roswell on Monday.

While you received a Strata pit permit ahead of this one, it is the Roadrunner Fed 2H that is most important, as a dozer is starting the location right now. So please push any Strata permits in your hopper to one side and focus on this one instead.

BLM is processing the sundry notice to change the COAs to allow for a pit rather than closed loop/haul off. As you know from BLM communications, this location is no longer considered "high karst potential" as BLM has reviewed their old map and changed the classification to "low karst potential".

In theory, moving this pit permit should not take to long – especially after BLM approves new COAs for the pit.

If you do not get the paper copy today or tomorrow, we will hand deliver one to the office ASAP.

Thanks

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Paul Ragsdale [mailto:pragsdale@stratanm.com]
Sent: Wednesday, April 23, 2014 9:27 AM
To: mike.bratcher@state.nm.us
Cc: Amos, James; tnygren@blm.gov; Randy Hicks
Subject: Roadrunner Fed #2H

Mike,

Please find the attached C-144 and 3160-5 requesting a reserve pit for the RoadRunner Fed #2H. Please let me know if you need more info.

Thanks,

Paul

Paul Ragsdale

Strata Production Company
Operations Manager

(575) 622-1127 ext 18 Work

(575) 626-7903 Mobile

pragsdale@stratanm.com

PO Drawer 1030

Roswell NM 88202

From: [Randall Hicks](#)
To: "Rice, Jesse"; pragsdale@stratanm.com
Cc: [Bratcher, Mike, EMNRD](#)
Subject: RE: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
Date: Tuesday, May 13, 2014 6:50:23 AM
Attachments: [ROADRUNNER FEDERAL 3H-30381.pdf](#)
[War Horse Federal Com 1 H.pdf](#)

Jesse

Here is the survey for RR Fed 3H. I am putting it in the mail today to adjudication. I think I will also be able to do the same for the Sandy Federal survey today.

We understand that a change in plans on our part does not make an emergency on your part – but we are hoping that the sundry could be approved for a pit shortly. Equipment is on site ready to construct the pit and the rig will move soon. OCD also must approve the permit, but generally will not complete their review until the COAs from BLM are released. We are expecting the same set of COAs as was written for War Horse Fed 1 (amendment attached).

Please let us know if there is anything we should do to help move this forward.

When/if the COAs for the RR Fed 2H are “ready for signature” but working through a multi-day signature process, can you give us a heads up so that OCD can either begin their review or put the permit aside for a while? Thanks for your help on this short-notice change of plans.

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

From: Rice, Jesse [<mailto:jrice@blm.gov>]
Sent: Monday, May 05, 2014 12:30 PM
To: pragsdale@stratanm.com; r@rthicksconsult.com; kristin@rthicksconsult.com
Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

Mr. Ragsdale and Mr. Hicks,

I wanted to contact you and let you know that I have received Sundry Notices for the Roadrunner Fed #2 and the Sandy Fed #4. I understand that you were working with Tanner on the Roadrunner reserve pit and that he had requested a survey plat (which he has forwarded me) since the reserve pit would cause additional ground disturbance. Tanner has accepted a job in another BLM office, and over the next month and a half he will be transferring new Strata projects to me.

I am going to start working on these sundries today. I was wondering if there would be additional ground disturbance for the Sandy #4's reserve pit? If not, a diagram showing the location of the pit within the well pad will suffice for the sundry.

Jesse Rice

Natural Resource Specialist
Surface Protection Program
Bureau of Land Management
Carlsbad Field Office
620 E. Greene St
Carlsbad, NM 88220
Office: 575-234-5913
Cell: 575-499-3719
Fax: 575-234-5927

----- Forwarded message -----

From: **Nygren, Tanner** <tnygren@blm.gov>
Date: Mon, May 5, 2014 at 11:07 AM
Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
To: Jesse Rice <jrice@blm.gov>

----- Forwarded message -----

From: **Randall Hicks** <r@rthicksconsult.com>
Date: Wed, Apr 30, 2014 at 3:00 PM
Subject: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
To: "Nygren, Tanner" <tnygren@blm.gov>, dmckinne@blm.gov
Cc: Paul Ragsdale <pragsdale@stratanm.com>, jctrucking@pvtnetworks.net,
kristin@rthicksconsult.com

Tanner and Ms. McKinney:

First, I hope I am guessing correctly that the Debby with whom I spoke in the adjudication group is Ms. McKinney. If not, I apologize.

Here is the survey requested by Tanner that shows where the pits would be located for this well.

Your prompt attention to the previously-submitted sundry is most appreciated, as the rig will be moving to this location shortly. We clearly understand that our changed plans does not necessitate an emergency on your part. But we do believe that using pits at this location will reduce the environmental footprint over closed-loop/haul off. We will owe you one if you can push this through and we will try very hard to avoid doing this in the future.

Kristin Pope of my Carlsbad office will hand deliver a paper copy of this survey and this email today to the BLM office adjudication group. Is there anything I am forgetting?

Thanks again

Randall Hicks

RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

--

Tanner E. Nygren
Bureau of Land Management
Natural Resource Specialist
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220
Office: (575) 234-5975
Fax: (575) 234-5927
tnygren@blm.gov

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name ROADRUNNER FEDERAL	Well Number 3H
OGRID No.	Operator Name STRATA PRODUCTION CO.	Elevation 3252

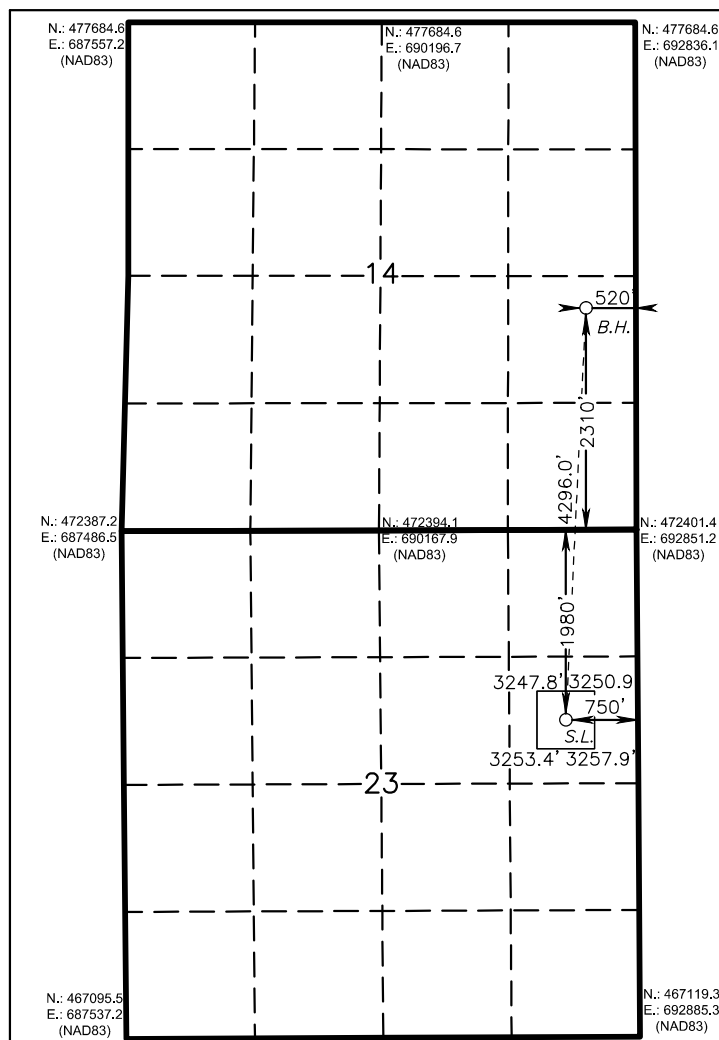
Surface Location

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



**PROPOSED BOTTOM
HOLE LOCATION**
Lat - N 32°18'14.76"
Long - W 103°51'01.68"
NMSPCE- N 474904.6
E 690534.2
(NAD-83)

SURFACE LOCATION
Lat - N 32°17'32.35"
Long - W 103°50'43.42"
NMSPCE- N 470419.8
E 692114.6
(NAD-83)

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.

Signature _____ Date _____

Printed Name _____

Email Address _____

SURVEYOR CERTIFICATION

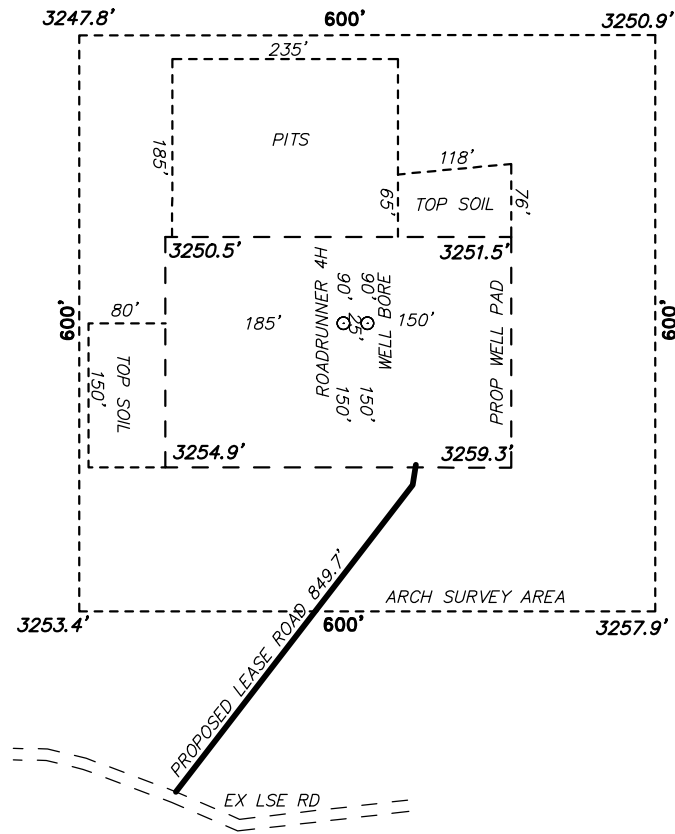
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed _____
Signature & Seal of Professional Surveyor

Certificate No. 7977
BASIN SURVEYS

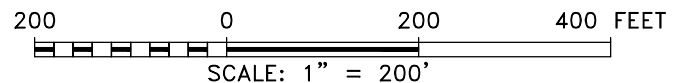
0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'
WO Num.: 30381

SECTION 23, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



STRATA PRODUCTION CO.
ROADRUNNER FEDERAL #3H
ELEV. - 3252'
Lat - N 32°17'32.35"
Long - W 103°50'43.42"
NMSPCE- N 470419.8
E 692114.6
(NAD-83)

LOVING, NM IS ±14 MILES TO THE WEST OF LOCATION.



Directions to Location:

FROM THE JUNCTION OF HWY 128 AND MOBLEY, GO SOUTH ON MOBLEY FOR 0.5 MILES TO LEASE ROAD, GO SOUTHEASTERLY 2.5 MILES, EAST 0.8 MILES TO PROPOSED LEASE ROAD.



P.O. Box 1786 (575) 393-7316 - Office
1120 N. West County Rd. (575) 392-2206 - Fax
Hobbs, New Mexico 88241 basin-surveys.com

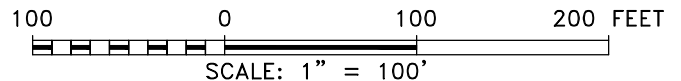
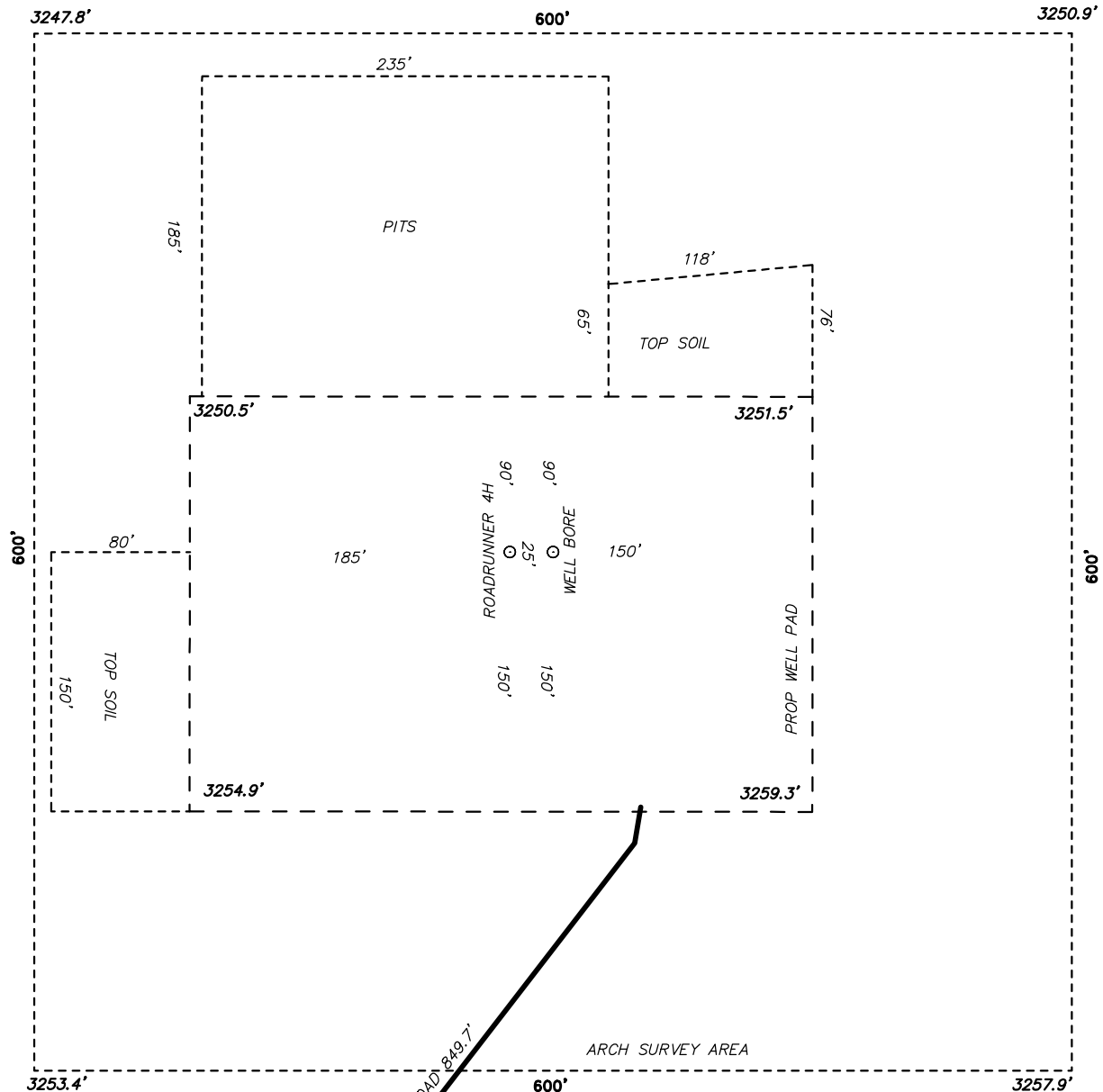
STRATA PRODUCTION CO.

REF: ROADRUNNER FEDERAL #3H / WELL PAD TOPO

THE ROADRUNNER FEDERAL #3H LOCATED 1980'

FROM THE NORTH LINE AND 750' FROM THE EAST LINE OF
SECTION 23, TOWNSHIP 23 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

SECTION 23, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



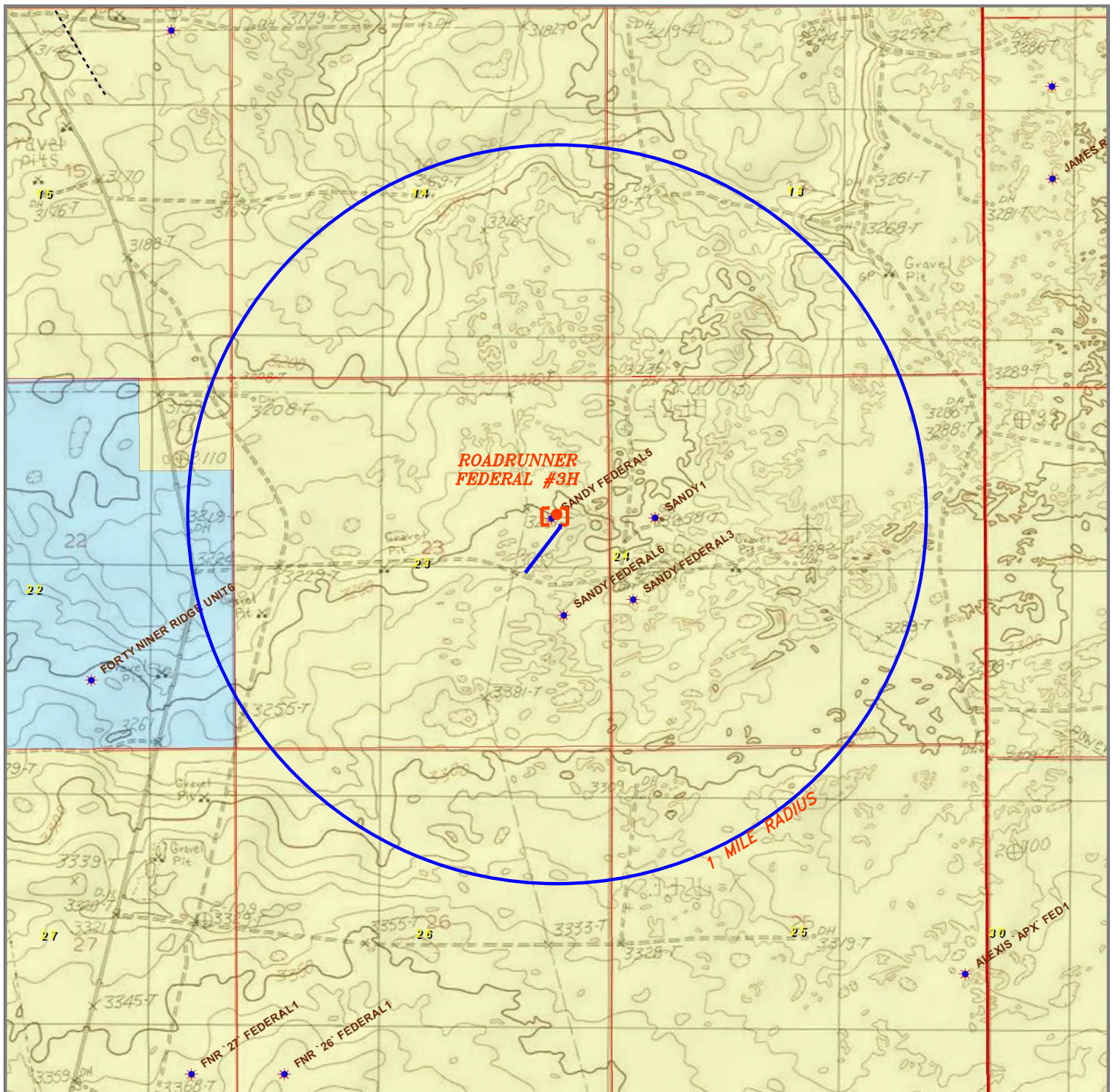
STRATA PRODUCTION CO.

REF: ROADRUNNER FEDERAL #3H / WELL PAD TOPO

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SECTION 23, TOWNSHIP 23 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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1120 N. West County Rd. (575) 392-2206 - Fax
Hobbs, New Mexico 88241 basin-surveys.com



ROADRUNNER FEDERAL #3H

Located 1980' FNL and 750' FEL
 Section 23, Township 23 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

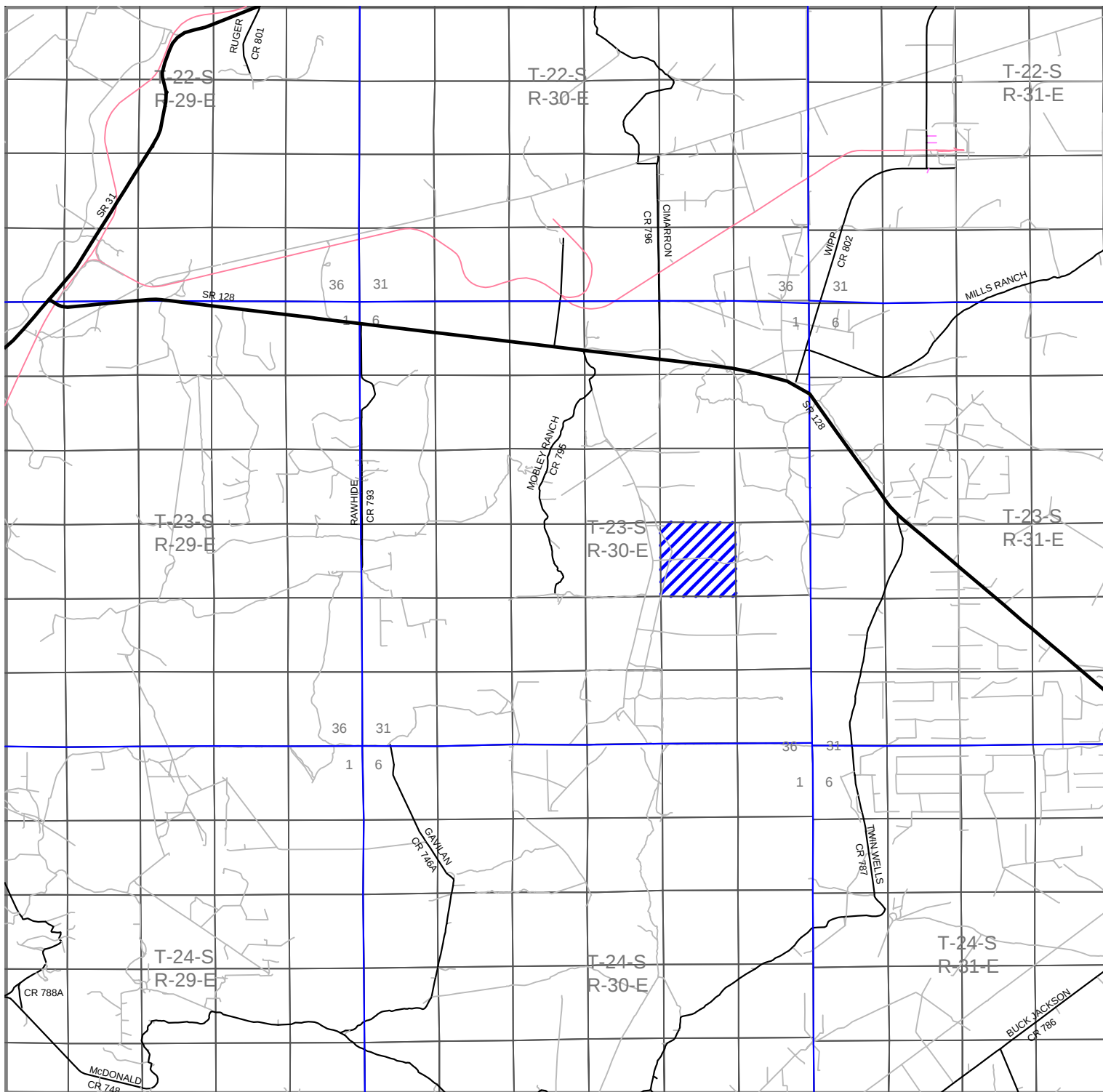
W.O. Number: KAN 30381

Survey Date: 04-29-2014

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



STRATA
 PRODUCTION
 CO.



ROADRUNNER FEDERAL #3H

Located 1980' FNL and 750' FEL
 Section 23, Township 23 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com



SCALE: 1" = 2 MILES

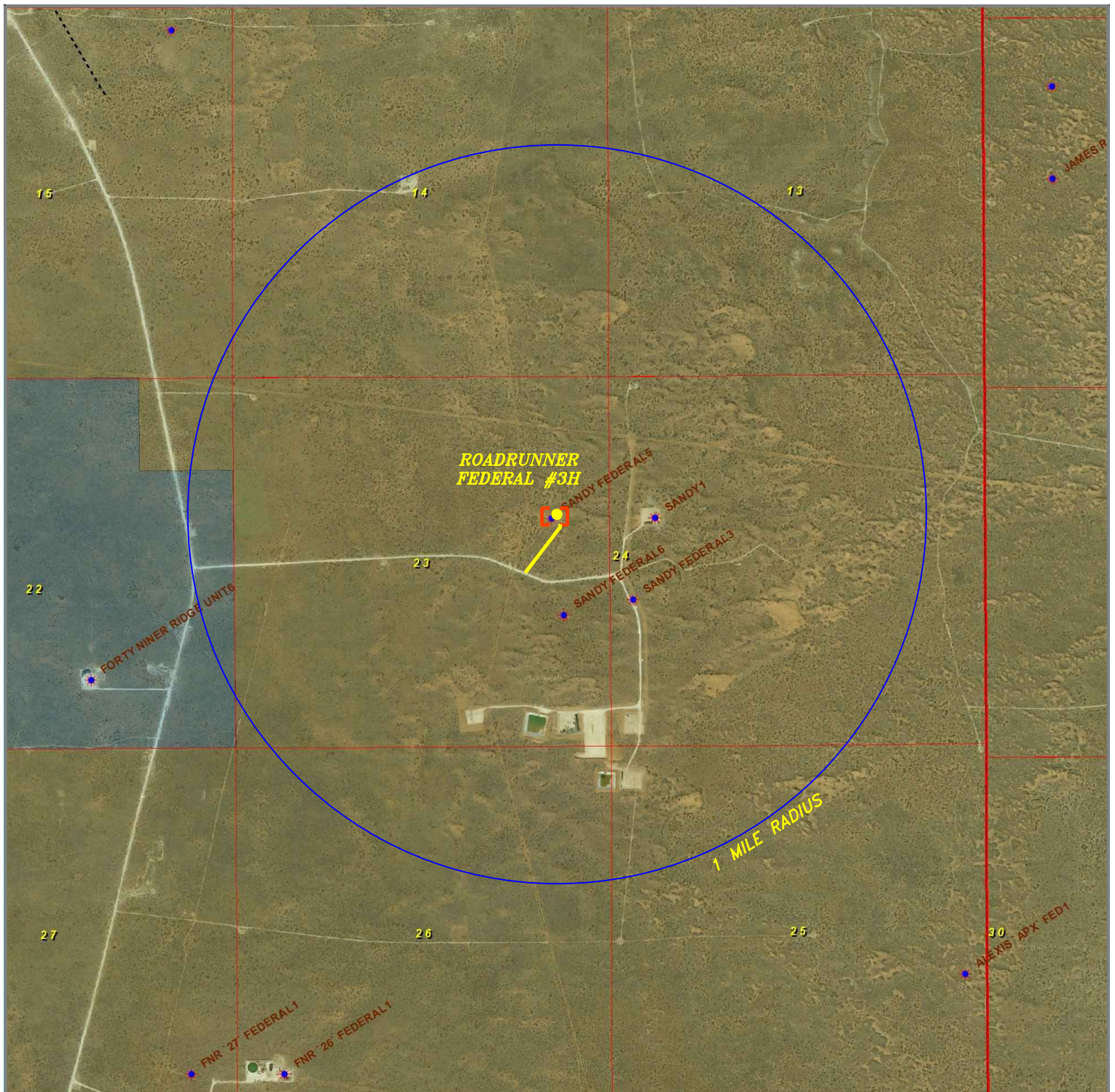
W.O. Number: KAN 30381

Survey Date: 04-29-2014

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



STRATA
 PRODUCTION
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ROADRUNNER FEDERAL #3H

Located 1980' FNL and 750' FEL
 Section 23, Township 23 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
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 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

0' 1000' 2000' 3000' 4000'
 SCALE: 1" = 2000'

W.O. Number: KAN 30381

Survey Date: 04-29-2014

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



STRATA
 PRODUCTION
 CO.

From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#)
Cc: [Paul Ragsdale](#)
Subject: Strata - Roadrunner Federal #2
Date: Wednesday, May 14, 2014 3:09:03 PM

Mike

Jesse Rice of BLM just told me that he is waiting on 2 other specialists to sign off on the sundry, then it is good to go. Neither should have a problem as archeology has already signed off on this once and the other specialist also signed off on the location earlier. It is a matter of BLM workload – they just need to get to it.

Speaking of workload....if we can get you to look at the permit in advance of the BLM COAs, then we may be able to get the pit built and lined before the rig shows up.

Thanks for your help.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#); [Rice, Jesse](#)
Cc: [Paul Ragsdale](#)
Subject: Strata - RR Fed #2
Date: Thursday, May 15, 2014 10:08:40 AM

Men,

We had some rig trouble and we need the sundry approved and pit permit approved in 10-14 days – not next week. So we all can relax a little.

Thanks – if things change (if we get more time) I will let you know

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#); [Rice, Jesse](#)
Cc: [Paul Ragsdale](#); jctrucking@pvtnetworks.net
Subject: RE: Strata - RR Fed #2
Date: Thursday, May 22, 2014 10:36:39 AM

Mike and Jesse

Have a good long weekend and tell the 2 BLM specialists working on the Roadrunner Fed #2 sundry to leave their workload behind for a few days and come back refreshed.

If you can approve the Sundry and C-144 pit permit by close of business on the 28th, we can get the pit built and lined in time for the spud.

If not – let us know on the 28th what options we may have, if any, to move forward with the excavation of the hole for the pit in anticipation of sundry and permit approval. On State and Fee land, we have been allowed to excavate a hole in the area of the pit and consider “construction of the pit” occurring when the contractor installs the liner. Prior to lining, it is a hole that could be filled in.

Let’s talk on the 28th.

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

From: Randall Hicks [mailto:r@rthicksconsult.com]
Sent: Thursday, May 15, 2014 10:09 AM
To: 'Bratcher, Mike, EMNRD'; Rice, Jesse (jrice@blm.gov)
Cc: Paul Ragsdale (pragsdale@stratanm.com)
Subject: Strata - RR Fed #2

Men,

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Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

From: [Randall Hicks](#)
To: ["Rice, Jesse"](#); [Bratcher, Mike, EMNRD](#)
Cc: [pragsdale@stratanm.com](#); [jctrucking@pvtnetworks.net](#)
Subject: RE: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
Date: Thursday, May 29, 2014 11:39:32 AM

Mr. Rice

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Got any ideas that would let us start to dig in order to keep the schedule and use reserve pits?

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Rice, Jesse [mailto:jrice@blm.gov]
Sent: Monday, May 05, 2014 12:30 PM
To: [pragsdale@stratanm.com](#); [r@rthicksconsult.com](#); [kristin@rthicksconsult.com](#)
Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

Mr. Ragsdale and Mr. Hicks,

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Jesse Rice

Natural Resource Specialist
Surface Protection Program
Bureau of Land Management
Carlsbad Field Office
620 E. Greene St
Carlsbad, NM 88220
Office: 575-234-5913
Cell: 575-499-3719
Fax: 575-234-5927

----- Forwarded message -----

From: **Nygren, Tanner** <tnygren@blm.gov>
Date: Mon, May 5, 2014 at 11:07 AM
Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
To: Jesse Rice <jrice@blm.gov>

----- Forwarded message -----

From: **Randall Hicks** <r@rthicksconsult.com>
Date: Wed, Apr 30, 2014 at 3:00 PM
Subject: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
To: "Nygren, Tanner" <tnygren@blm.gov>, dmckinne@blm.gov
Cc: Paul Ragsdale <pragsdale@stratanm.com>, jctrucking@pvtnetworks.net,
kristin@rthicksconsult.com

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Bureau of Land Management
Natural Resource Specialist
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220
Office: (575) 234-5975
Fax: (575) 234-5927
tnygren@blm.gov

From: [Rice, Jesse](#)
To: [Randall Hicks](#)
Cc: [Bratcher, Mike, EMNRD](#); pragsdale@stratanm.com; jctrucking@pvtnetworks.net
Subject: Re: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
Date: Thursday, May 29, 2014 3:23:53 PM

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Sent: Monday, May 05, 2014 12:30 PM

To: pragsdale@stratanm.com; r@rthicksconsult.com; kristin@rthicksconsult.com

Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

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Date: Mon, May 5, 2014 at 11:07 AM

Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

To: Jesse Rice <jrice@blm.gov>

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Date: Wed, Apr 30, 2014 at 3:00 PM

Subject: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

To: "Nygren, Tanner" <tnygren@blm.gov>, dmckinne@blm.gov

Cc: Paul Ragsdale <pragsdale@stratanm.com>, jctrucking@pytnetworks.net,
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620 E. Greene St.
Carlsbad, NM 88220

Office: (575) 234-5975
Fax: (575) 234-5927
tnygren@blm.gov

From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#)
Cc: [Paul Ragsdale](#); jctrucking@pvtnetworks.net
Subject: FW: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
Date: Thursday, May 29, 2014 4:03:53 PM

Mike

Based upon the email from BLM, below, Paul Ragsdale will be contacting BLM to get approval to begin excavation in anticipation of OCD approval of the reserve pit for the RR Fed #2.

When/if that BLM approval comes through, we will let you know. I would hope that OCD can complete the review the application next week to allow us to line the pit so we can stay on schedule.

Thanks for your attention to this and I will drop in next week.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Rice, Jesse [<mailto:jrice@blm.gov>]
Sent: Thursday, May 29, 2014 3:23 PM
To: Randall Hicks
Cc: mike.bratcher@state.nm.us; pragsdale@stratanm.com; jctrucking@pvtnetworks.net
Subject: Re: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

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Sent: Monday, May 05, 2014 12:30 PM
To: pragsdale@stratanm.com; r@rthicksconsult.com; kristin@rthicksconsult.com
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From: **Nygren, Tanner** <tnygren@blm.gov>
Date: Mon, May 5, 2014 at 11:07 AM
Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
To: Jesse Rice <jrice@blm.gov>

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Date: Wed, Apr 30, 2014 at 3:00 PM
Subject: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
To: "Nygren, Tanner" <tnygren@blm.gov>, dmckinne@blm.gov
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620 E. Greene St.
Carlsbad, NM 88220
Office: (575) 234-5975
Fax: (575) 234-5927
tnygren@blm.gov

From: [Randall Hicks](#)
To: [Sanchez, Daniel J., EMNRD](#); [Griswold, Jim, EMNRD](#); [Dawson, Scott, EMNRD](#); [Bratcher, Mike, EMNRD](#)
Cc: [Paul Ragsdale](#)
Subject: Strata - Roadrunner Federal #2 Pit Permit
Date: Thursday, May 29, 2014 5:04:39 PM

Daniel – I think the response to my request may be yours to decide. If not, I have copied others in the Santa Fe Office.

The OCD policy is “first in, first out” with respect to permits. Here is my problem:

1. The C-144 pit permit for the Strata Production Roadrunner Federal is 4th “in line” for review in District 2.
2. Ahead of RR Fed #2 are two other Strata pit permit applications – Sandy Federal and Roadrunner Fed #3/#4
3. Due to the constantly changing drilling “schedules”, RR Fed #2 is next in line to be drilled with a spud date of about 10 days from now (if the schedule holds).
4. The second Strata well spud date is at least 40 days from now.
5. Swapping the order for the Strata permits to place RR Fed #2 ahead of the other two should be an easy way to accommodate the operator.
6. I think the Marbob 10H permit is 3rd in line – and we should not need to change that order.
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Let us know if we need to do anything.

Incidentally, the Strata wells are within the HIGH karst potential of the old, outdated, inaccurate BLM Karst map. Email communication with BLM (supplied to OCD) document that the new BLM map (release date July 1) has changed the classification from high to low karst potential for the Strata wells. Moreover, BLM has approved the Strata location for pits.

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Office: 505-266-5004
Cell: 505-238-9515

From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#)
Cc: jctrucking@pvtnetworks.net; [Paul Ragsdale](#)
Subject: FW: Strata - Roadrunner Federal #2 Pit Permit
Date: Tuesday, June 10, 2014 12:51:34 PM

Mike

BLM has given Strata verbal approval to begin excavation of a hole where the pit for the Roadrunner #2H pit would be. Construction of the pit (lining the pit) will not commence until OCD grants approval. The location meets all siting criteria and the design/construction plan and O&M Plan have been reviewed and approved by OCD in the recent past.

Although we are still working through some issues of a closure plan for Yates (discussed at our meeting), the closure plan in the Roadrunner #2 application has been approved and implemented for several pits.

Therefore, in anticipation of OCD approval of the permit, I have recommended to Strata that they begin the excavation of the hole for the pit in order for them to maintain their drilling schedule.

I heard nothing back from Santa Fe that would preclude you from reviewing the #2 ahead of the other Strata permits – so we hope you might be able to finish the review sometime this week.

Thanks as always!

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Office: 505-266-5004
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From: Randall Hicks [mailto:r@rthicksconsult.com]
Sent: Thursday, May 29, 2014 5:01 PM
To: 'Sanchez, Daniel J., EMNRD'; jim.griswold@state.nm.us; scott.dawson@state.nm.us; 'Bratcher, Mike, EMNRD'
Cc: Paul Ragsdale (pragsdale@stratanm.com)
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From: Bratcher, Mike, EMNRD
To: ["Randall Hicks"](#)
Cc: jctrucking@pvtnetworks.net; [Paul Ragsdale](#)
Subject: RE: Strata - Roadrunner Federal #2 Pit Permit
Date: Tuesday, June 10, 2014 1:15:00 PM

Randall,

Did you get a BLM approved sundry for modification of the APD COA for this site yet? We will need one for the 3H/4H pit also. The 60 day period for that permit is up next week.

Mike Bratcher
NMOCD District 2
811 S. First Street
Artesia, NM 88210
O: 575-748-1283 X108
C: 575-626-0857
F: 575-748-9720

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Sent: Thursday, May 29, 2014 5:01 PM

To: 'Sanchez, Daniel J., EMNRD'; jim.griswold@state.nm.us; scott.dawson@state.nm.us; 'Bratcher, Mike, EMNRD'

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Office: 505-266-5004

Cell: 505-238-9515

From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#)
Cc: [Paul Ragsdale](#)
Subject: FW: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
Date: Tuesday, June 10, 2014 2:25:30 PM

Mike

On behalf of Strata Production, we respectfully request a variance from the 60-day review period shown below in yellow for the Roadrunner Federal 3&4 and the Sandy Federal #4 C-144 applications. We request this variance because the operator modified the drilling schedule and requested that OCD review the Roadrunner Federal #2 application in lieu of submittals delivered to OCD earlier, requiring a time slippage in OCD review of the two aforementioned applications.

19.15.17.16 PERMIT APPROVALS, CONDITIONS, DENIALS, REVOCATIONS, SUSPENSIONS, MODIFICATIONS OR TRANSFERS:

A. The division shall review all applications to permit facilities subject to 19.15.17 NMAC. Within 30 days of receiving an application the division shall make an administrative completeness determination or provide written notice of deficiencies to the application's signatory. The application will be considered complete if written notice is not provided by the division within the 30 day evaluation period.

B. Whether or not the division deems an application to be administratively complete within the 30 day evaluation period, the division shall also have an additional 30 days to approve, deny or approve with conditions an application. **If the division does not take action within the 60 days review period, then the application is deemed denied** and the operator may file an application for hearing with the division clerk.

Because the two pits that are the subject of this variance request will not be spud for at least 40 days, granting this variance to allow OCD an additional 20-30 days for review provides equal or better protection of fresh water, the environment and public health as would compliance with the specific mandate of the Rule.

On a separate note:

Below is an email confirmation that the sundry for the Roadrunner Federal #2 is "in process" (emphasis added). The verbal approval to begin digging the hole was provided to Mr. Ragsdale by Mr. Caffey.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Rice, Jesse [mailto:jrice@blm.gov]
Sent: Thursday, May 29, 2014 3:23 PM

To: Randall Hicks
Cc: mike.bratcher@state.nm.us; pragsdale@stratanm.com; jctrucking@pvtnetworks.net
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I understand that we are waiting on 2 reviews before BLM can issue a new set of COAs for the Roadrunner Federal #2 and these two reviewers approved for the existing closed-loop location. Because the new footprint for the pit is nearly the same, is there a way from the BLM side that we might proceed with starting the excavation in the pit area while we wait for the 2 reviews?

In theory, from an OCD side, Mike Bratcher could approve the pit permit with the condition that the BLM issue your approval. Thus, we could excavate, but we could not line the pit (construct the pit) until BLM issues the new set of COAs. I hesitate to ask Mike to look at the permit unless you believe

that the final approval from the two specialists is just perfunctory and a matter of working through the process over the next week or so.

Got any ideas that would let us start to dig in order to keep the schedule and use reserve pits?

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Rice, Jesse [mailto:jrice@blm.gov]
Sent: Monday, May 05, 2014 12:30 PM
To: pragsdale@stratanm.com; r@rthicksconsult.com; kristin@rthicksconsult.com
Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

Mr. Ragsdale and Mr. Hicks,

I wanted to contact you and let you know that I have received Sundry Notices for the Roadrunner Fed #2 and the Sandy Fed #4. I understand that you were working with Tanner on the Roadrunner reserve pit and that he had requested a survey plat (which he has forwarded me) since the reserve pit would cause additional ground disturbance. Tanner has accepted a job in another BLM office, and over the next month and a half he will be transferring new Strata projects to me.

I am going to start working on these sundries today. I was wondering if there would be additional ground disturbance for the Sandy #4's reserve pit? If not, a diagram showing the location of the pit within the well pad will suffice for the sundry.

Jesse Rice
Natural Resource Specialist
Surface Protection Program
Bureau of Land Management
Carlsbad Field Office
620 E. Greene St
Carlsbad, NM 88220
Office: 575-234-5913
Cell: 575-499-3719
Fax: 575-234-5927

----- Forwarded message -----

From: **Nygren, Tanner** <tnygren@blm.gov>

Date: Mon, May 5, 2014 at 11:07 AM

Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

To: Jesse Rice <jrice@blm.gov>

----- Forwarded message -----

From: **Randall Hicks** <r@rthicksconsult.com>

Date: Wed, Apr 30, 2014 at 3:00 PM

Subject: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

To: "Nygren, Tanner" <tnygren@blm.gov>, dmckinne@blm.gov

Cc: Paul Ragsdale <pragsdale@stratanm.com>, jctrucking@pvtnetworks.net,
kristin@rthicksconsult.com

Tanner and Ms. McKinney:

First, I hope I am guessing correctly that the Debby with whom I spoke in the adjudication group is Ms. McKinney. If not, I apologize.

Here is the survey requested by Tanner that shows where the pits would be located for this well.

Your prompt attention to the previously-submitted sundry is most appreciated, as the rig will be moving to this location shortly. We clearly understand that our changed plans does not necessitate an emergency on your part. But we do believe that using pits at this location will reduce the environmental footprint over closed-loop/haul off. We will owe you one if you can push this through and we will try very hard to avoid doing this in the future.

Kristin Pope of my Carlsbad office will hand deliver a paper copy of this survey and this email today to the BLM office adjudication group. Is there anything I am forgetting?

Thanks again

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

--

Tanner E. Nygren
Bureau of Land Management
Natural Resource Specialist
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220
Office: (575) 234-5975

Fax: (575) 234-5927

tnygren@blm.gov

From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#)
Cc: [Paul Ragsdale](#); jctrucking@pvtnetworks.net; mike@rthicksconsult.com; duffey@leaco.net; rcarrasco@novamud.com
Subject: Strata - Roadrunner Fed 2H
Date: Tuesday, June 10, 2014 4:26:38 PM
Attachments: [RRFed#2PitDesignREV1.pdf](#)

Mike

As of today, a Silver Oak rig will be ready to spud the Roadrunner Fed #2 well on the 20th. Although I think the email documentation that BLM has signed off on a pit for this site is sufficient, Paul Ragsdale is working to get the official sundry from BLM by the end of this week.

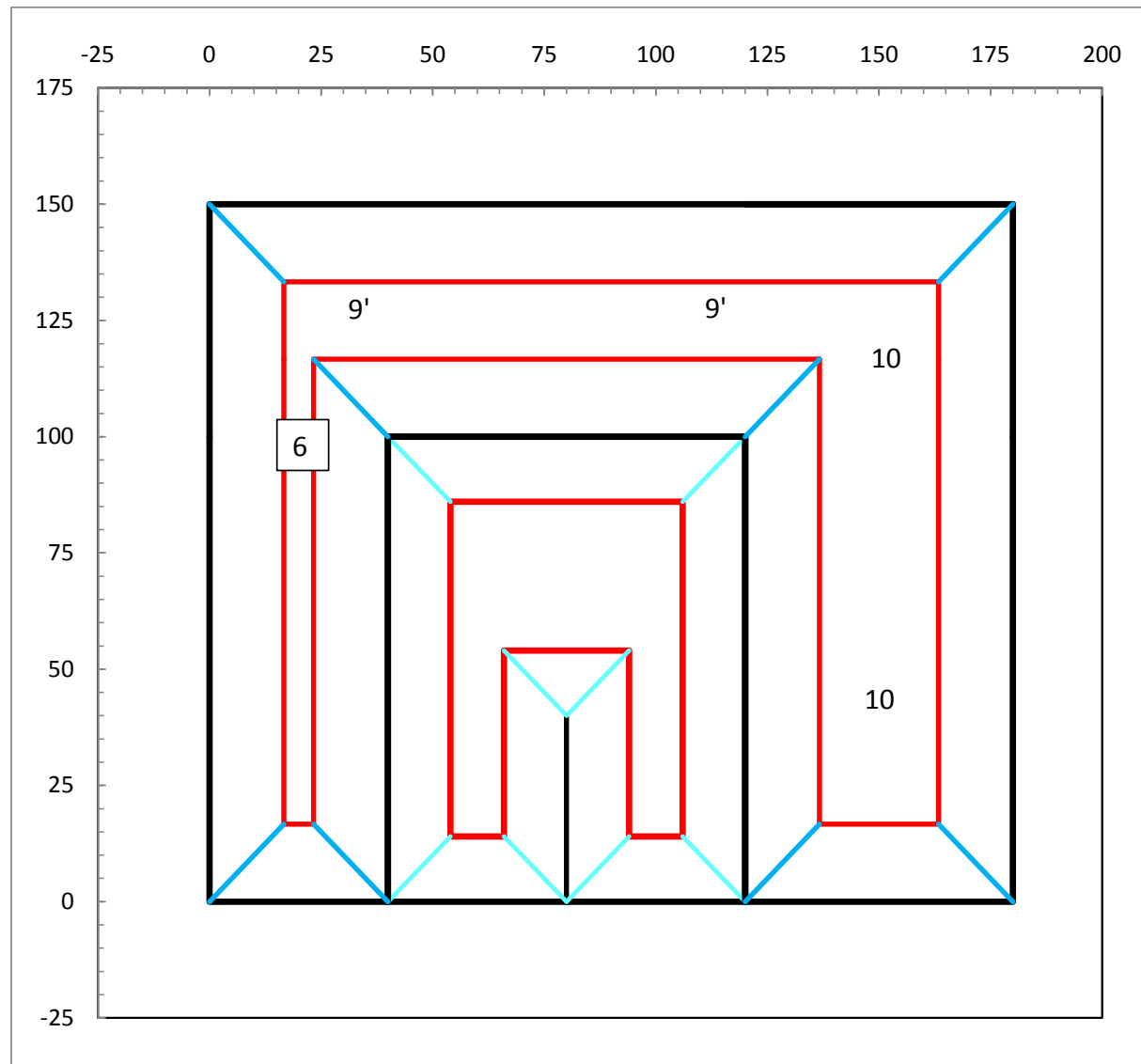
In anticipation of OCD approval, I have scheduled the lining of the pit for June 17. We need to get the pit lined and filled with fluid on this date in order to keep our schedule.

A revised pit design is attached. The pit geometry is correct but the distance between the rig and the pit may be a little off and we will adjust that in the next few days.

If you are having any problems with our submission and need clarity from me, just call or email. I am in the office all week and can get you what you need ASAP.

Thanks for your efforts.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515



Inner Horseshoe Capacity 6460 bbl
Outer Horseshoe Capacity 18663 bbl

Fluid Cell Capacity 0 bbl
Total Capacity 25123 bbl

Drilling Cell Dimensions

Drilling Cell Total Width	180.0
Drilling Cell Total Length	150.0

Slopes of Pit Horizontal Distance	2.00
Slopes of Pit Vertical Distance	1.00
Horseshoe divider width at surface	0.0

Inner Horseshoe Dimensions

Total Width (left right)	80.0
Total Length (up down)	100.0
Depth	7.0
Length of Divider	40.0
Divider Width	0.0
Width of discharge floor	12.0
Width of suction floor	12.0

Outer Horseshoe Dimensions

Width Discharge Side	60.0
Width Suction Side	40.0
Length Far Side (up down)	50.0
Width of discharge Floor	20.0
Width of Suction Floor	16.0
Width of Far Side Floor (right-left dimension)	110.0
Length of far side floor (Up-down dimension)	14.0
Depth of Discharge Side	10.0
Depth of Far Side	9.0
Depth of Suction Side	6.0

North



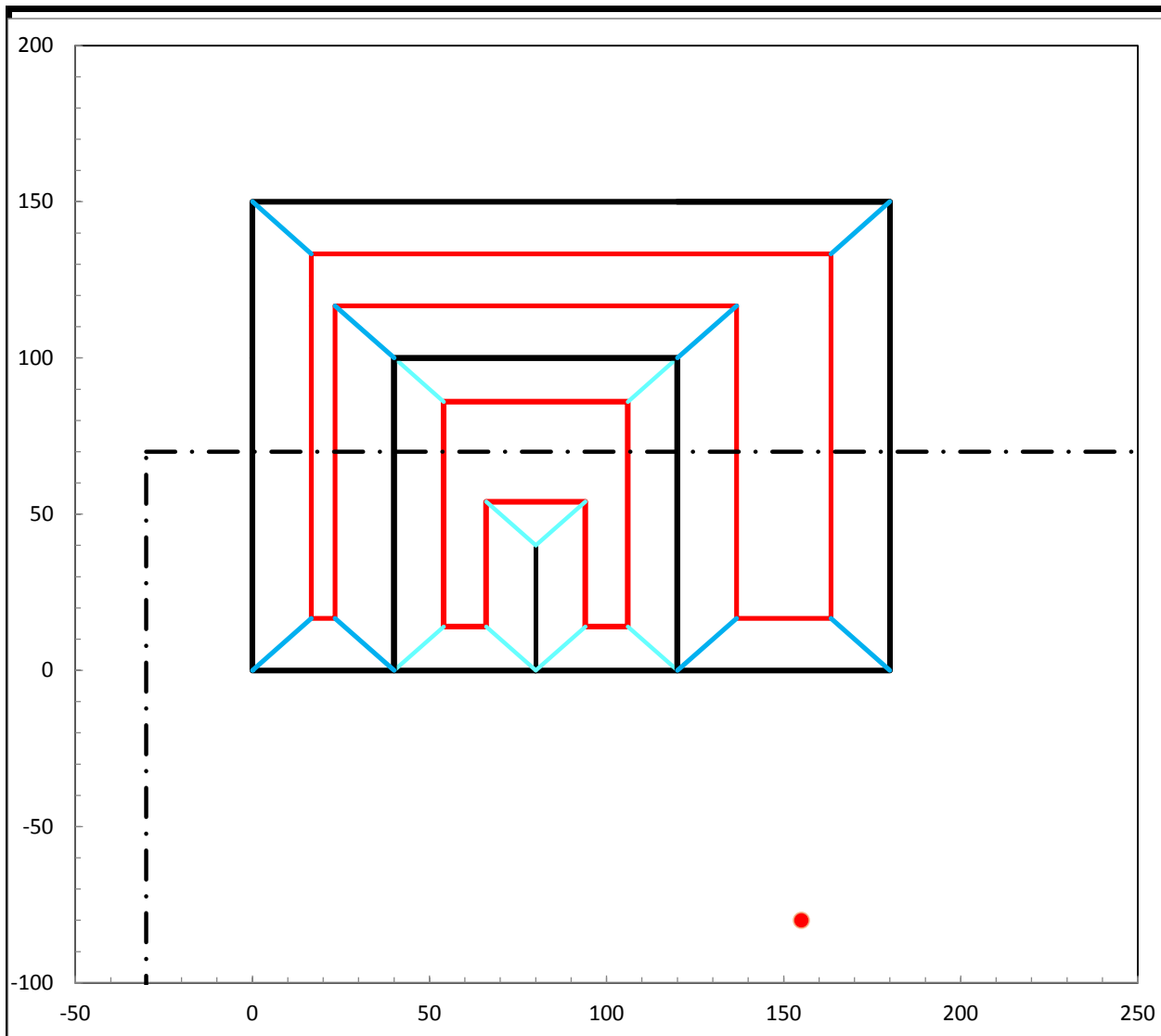
R.T. Hicks Consultants
901 Rio Grande Blvd. NW
Suite F-142
Albuquerque, N. M. 87104

Drawing of Drilling Cell
Bottom of Cell Not to Scale

Strata Production - Roadrunner Fed 2H

Plate 1

June 2014



Well (red) to in suction/out suction 115.00
 Well to inner/outer discharge berm 35.00
 Distance from well to pit edge 80.00

North



R.T. Hicks Consultants
 901 Rio Grande Blvd. NW
 Suite F-142
 Albuquerque, N. M. 87104

Drawing of Temporary Pit and Well in Relation to Pad Boundary

Strata Production - Roadrunner Fed 2H

Plate 2

June 2014

From: [Randy](#)
To: [Bratcher, Mike, EMNRD](#)
Subject: Fwd: Pit sundry for RR #2
Date: Wednesday, June 11, 2014 8:33:58 AM

Looks like the sundry for rr fed 2 is on the way

Sent from my iPhone

Begin forwarded message:

From: "Paul Ragsdale" <pragsdale@stratanm.com>
Date: June 10, 2014 at 4:53:29 PM MDT
To: "Randy Hicks" <r@rthicksconsult.com>
Subject: FW: Pit sundry for RR #2

fyi

From: Caffey, Stephen [<mailto:scaffey@blm.gov>]
Sent: Tuesday, June 10, 2014 4:23 PM
To: Paul Ragsdale
Subject: Re: Pit sundry for RR #2

Hey Paul, I signed it last week and it should have been sent out. I will check and see. If you do not receive it by tomorrow I will find a copy and scan it and send it to you. thanks Steve

On Tue, Jun 10, 2014 at 4:01 PM, Paul Ragsdale <pragsdale@stratanm.com> wrote:
Steve,
Silver Oak just called and said they would be ready to move on location next week. Can you check on the status of the sundry for the Roadrunner Fed #2 that requested using pits vs closed loop? You gave us a verbal approval to start construction but I need a copy to send to the OCD.

Thanks,
Paul



From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#)
Cc: [Paul Ragsdale](#)
Subject: Strata - Roadrunner #2
Date: Friday, June 13, 2014 4:13:10 PM

Mike

We plan to line the Roadrunner #2 pit on Wednesday morning. I do not see a scanned pit approval on the OCD website, so I assume it is still in process.

We have time before we drill the other Roadrunner wells, so this #2 is the only priority right now.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Bratcher, Mike, EMNRD
To: ["Randall Hicks"](#)
Cc: [Paul Ragsdale](#); [Griswold, Jim, EMNRD](#)
Subject: RE: Strata - Roadrunner #2
Date: Friday, June 13, 2014 4:49:00 PM

Randy,

Right now, the best I can tell you is that Strata does not have an approved permit for a pit at this site. As we discussed, there are four permits ahead of this one. The Roadrunner 3H/4H goes to automatic denial, I believe on the 17th, which is next Tuesday. Debra Hicks w/Pettigrew called me on 6/10 asking what OCD needed for pits in high karst areas. I explained that OCD wants to know what engineered measures will be taken, specifically. She indicated that the information would be sent to me right away for one of the pits in the karst limbo. I haven't received anything yet. I am copying Jim Griswold on this email and will try to touch base with him on Monday. Not sure what his schedule is, but I would think that by now, he is as covered up as we are in the District.

Mike Bratcher
NMOCD District 2
811 S. First Street
Artesia, NM 88210
O: 575-748-1283 X108
C: 575-626-0857
F: 575-748-9720

From: Randall Hicks [<mailto:r@rthicksconsult.com>]
Sent: Friday, June 13, 2014 4:13 PM
To: Bratcher, Mike, EMNRD
Cc: Paul Ragsdale
Subject: Strata - Roadrunner #2

Mike

We plan to line the Roadrunner #2 pit on Wednesday morning. I do not see a scanned pit approval on the OCD website, so I assume it is still in process.

We have time before we drill the other Roadrunner wells, so this #2 is the only priority right now.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: [Randall Hicks](#)
To: [Sanchez, Daniel J., EMNRD](#); [Griswold, Jim, EMNRD](#); [Dawson, Scott, EMNRD](#); [Bratcher, Mike, EMNRD](#)
Cc: ["Paul Ragsdale"](#)
Subject: RE: Strata - Roadrunner Federal #2 Pit Permit
Date: Saturday, June 14, 2014 9:27:10 AM

All

I am not exactly sure if you received the email below. My email shows it was sent on May 29 – but I had a dickens of a time finding it in my email strings.

This is the first of two emails to you all that should resolve the permitting of the Roadrunner Federal #2 reserve pit.

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

From: Randall Hicks [mailto:r@rthicksconsult.com]
Sent: Thursday, May 29, 2014 5:01 PM
To: 'Sanchez, Daniel J., EMNRD'; jim.griswold@state.nm.us; scott.dawson@state.nm.us; 'Bratcher, Mike, EMNRD'
Cc: Paul Ragsdale
Subject: Strata - Roadrunner Federal #2 Pit Permit

Daniel – I think the response to my request may be yours to decide. If not, I have copied others in the Santa Fe Office.

The OCD policy is “first in, first out” with respect to permits. Here is my problem:

1. The C-144 pit permit for the Strata Production Roadrunner Federal is 4th “in line” for review in District 2.
2. Ahead of RR Fed #2 are two other Strata pit permit applications – Sandy Federal and Roadrunner Fed #3/#4
3. Due to the constantly changing drilling “schedules”, RR Fed #2 is next in line to be drilled with a spud date of about 10 days from now (if the schedule holds).
4. The second Strata well spud date is at least 40 days from now.
5. Swapping the order for the Strata permits to place RR Fed #2 ahead of the other two should be an easy way to accommodate the operator.
6. I think the Marbob 10H permit is 3rd in line – and we should not need to change that order.
7. The last Strata well of their 3 permits will not spud for at least 70 days from today. We would be pleased to ask for a variance to allow OCD more time to review one of the Strata permits so that it is not “deemed denied” if OCD cannot get to the review within 60 days of submission.

Let us know if we need to do anything.

Incidentally, the Strata wells are within the HIGH karst potential of the old, outdated, inaccurate BLM Karst map. Email communication with BLM (supplied to OCD) document that the new BLM map (release date July 1) has changed the classification from high to low karst potential for the Strata wells. Moreover, BLM has approved the Strata location for pits.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: [Randall Hicks](#)
To: [Bratcher, Mike, EMNRD](#); [Griswold, Jim, EMNRD](#); [Sanchez, Daniel J., EMNRD](#); [Dawson, Scott, EMNRD](#)
Cc: ["Paul Ragsdale"](#)
Subject: Strata - Roadrunner Federal #2
Date: Saturday, June 14, 2014 9:43:19 AM

All

I found the email below in my "Sent" folder, so I am relatively sure that the variance request was sent. However, it is possible that the email sent a few minutes ago was caught in a "Drafts" folder or something. Therefore, my request for OCD to revise the "first-in/first-out" policy for permits may not be in your "in box". In any event, the previous email plus the email below should put things right.

OCD Hobbs has approved a previous variance request for Murchison due to a drilling schedule change – as it clearly makes sense to do so in this case. I have added some emphasis to the email below as **bold**.

Let me know if you need anything else from me.

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

From: Randall Hicks [mailto:r@rthicksconsult.com]
Sent: Tuesday, June 10, 2014 2:25 PM
To: 'Bratcher, Mike, EMNRD'
Cc: Paul Ragsdale
Subject: FW: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling

Mike

On behalf of Strata Production, we respectfully request a variance from the 60-day review period shown below in yellow for the Roadrunner Federal 3&4 and the Sandy Federal #4 C-144 applications. **We request this variance because the operator modified the drilling schedule and requested that OCD review the Roadrunner Federal #2 application in lieu of submittals delivered to OCD earlier**, requiring a time slippage in OCD review of the two aforementioned applications.

19.15.17.16 PERMIT APPROVALS, CONDITIONS, DENIALS, REVOCATIONS, SUSPENSIONS,
MODIFICATIONS OR
TRANSFERS:

A. The division shall review all applications to permit facilities subject to 19.15.17 NMAC. Within 30 days of receiving an application the division shall make an administrative completeness determination or provide written notice of deficiencies to the application's signatory. The application will be considered complete if written notice is not provided by the division within the 30 day evaluation period.

B. Whether or not the division deems an application to be administratively complete within the 30 day evaluation period, the division shall also have an additional 30 days to approve, deny or approve with conditions an application. **If the division does not take action within the 60 days review period, then the application is deemed denied** and the operator may file an application for hearing with the division clerk.

Because the two pits that are the subject of this variance request will not be spud for at least 40 days, granting this variance to allow OCD an additional 20-30 days for review provides equal or better protection of fresh water, the environment and public health as would compliance with the specific mandate of the Rule.

On a separate note:

Below is an email confirmation that the sundry for the Roadrunner Federal #2 is "in process" (emphasis added). The verbal approval to begin digging the hole was provided to Mr. Ragsdale by Mr. Caffey.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Rice, Jesse [<mailto:jrice@blm.gov>]
Sent: Thursday, May 29, 2014 3:23 PM
To: Randall Hicks
Cc: mike.bratcher@state.nm.us; pragsdale@stratanm.com; jctrucking@pytnetworks.net
Subject: Re: Strata - **Roadrunner Federal #2** - Sundry to change from closed loop to pit drilling

Mr. Hicks,

I was able to get all of the specialists to sign off today on the environmental assessment, so **I have signed off on the sundry notice**. After this point, a manager has to sign off to approve the sundry and prepared to be mailed out by Debbie McKinney. Due to the amount of projects that come in, this can take a few more days to get through that process before the approval package is sent out to you.

I am not in a position to give out a verbal approval to start construction...that would have to come from Steve Caffey, who is the Assistant Field Manager for the Mineral division. I will let him know what the status of this project is, and you can contact him to discuss it further. I don't believe it will be an issue since the resource specialists are aware of it and NEPA is complete.

I also wanted to let you know that the Sandy Federal #4 has also been signed off and should be headed your way soon. The sundries for the Roadrunner #3 and #4 have made it to my desk as well as the C-144 packet, but I haven't seen the survey plats yet.

Let me know if you have any further questions.

Thanks,

Jesse Rice

Natural Resource Specialist
Surface Protection Program
Bureau of Land Management
Carlsbad Field Office
620 E. Greene St
Carlsbad, NM 88220
Office: 575-234-5913
Cell: 575-499-3719
Fax: 575-234-5927

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Jesse Rice

Natural Resource Specialist
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Carlsbad Field Office
620 E. Greene St
Carlsbad, NM 88220
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Fax: 575-234-5927

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From: **Nygren, Tanner** <tnygren@blm.gov>
Date: Mon, May 5, 2014 at 11:07 AM
Subject: Fwd: Strata - Roadrunner Federal #2 - Sundry to change from closed loop to pit drilling
To: Jesse Rice <jrice@blm.gov>

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Tanner and Ms. McKinney:

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Kristin Pope of my Carlsbad office will hand deliver a paper copy of this survey and this email today to the BLM office adjudication group. Is there anything I am forgetting?

Thanks again

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

--

Tanner E. Nygren
Bureau of Land Management
Natural Resource Specialist
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220
Office: (575) 234-5975
Fax: (575) 234-5927
tnygren@blm.gov

From: [Randall Hicks](#)
To: ["Rice, Jesse"](#)
Cc: ["Paul Ragsdale"; Bratcher, Mike, EMNRD](#)
Subject: RE: Pit sundry for RR #2
Date: Monday, June 16, 2014 2:53:07 PM
Attachments: [image002.png](#)
[image003.png](#)
[DrillingFluidSummary - RR #2H.pdf](#)

Jesse

Strata plans to use produced water in lieu of fresh water for drilling the marine/producing rocks below the salt. Saving fresh water resources is always a good idea. The drilling summary from the approved APD is attached. I could find zero language that would cause me to think that we need a Sundry to use produced water in lieu of adding salt to fresh water in order to get the correct fluid weight (8.8-9.5 #/gal) and salinity (60-120 K mg/L chloride).

We are alerting BLM of this practice in an abundance of caution. The reserve pit (the NM Pit Rule allows a pit to hold produced water) will be filled with produced water for only a few days prior to drilling. The PW in the pit will NOT exhibit floating hydrocarbons. Rig up starts on Friday. Lining the pit is planned for Wednesday.

While the sundry is signed (see [below](#)), there is no copy of the sundry in the mail as of last Friday. It is probably in the box at Strata today.

We just want to keep everyone informed.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Paul Ragsdale [<mailto:pragsdale@stratanm.com>]
Sent: Tuesday, June 10, 2014 4:53 PM
To: Randy Hicks
Subject: FW: Pit sundry for RR #2

fyi

From: Caffey, Stephen [<mailto:scaffey@blm.gov>]
Sent: Tuesday, June 10, 2014 4:23 PM
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Subject: Re: Pit sundry for RR #2



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Thanks,
Paul



Drilling Fluid Summary

Strata Production Company

Roadrunner Federal #2

Hole Size	Depth (feet)	Density (lb/gal)	Viscosity (sec/qt)	YP (lb/100ft ²)	API FL (ml/30min)	Cl ⁻ (mg/L)	pH	Solids (% vol)
17 1/2"	0' - 330'	8.5 - 8.7	30 - 34	4 - 6	NC	< 6,000	9.0 - 10.0	< 5
Set 13 3/8" Surface Casing								
12 1/4"	330' - 3860'	9.7 - 10.1	29 - 32	1 - 2	NC	160 - 180 K	10.0 - 10.5	< 5
Set 9 5/8" Casing								
8 3/4"	3860' - 7978'	8.8 - 9.2	28 - 30	1 - 2	NC	60 - 110 K	10.0 - 10.5	< 5
Set 7" Casing								
6 1/8"	7978' - 11542'	9.1 - 9.5	34 - 38	6 - 10	8 - 10	80 - 120 K	10.0 - 10.5	< 5
Set 4 1/2" Production Liner								

1. Spud in with fresh water spud mud to 250' containing **Anco Gel** with a viscosity of 30 - 34 sec/qt. Add 1 sack **Drill Paper** every connection. Mix **Lime** for a 9.0 - 10.0 pH. At TD, sweep the hole with 100 bbls of premixed **Anco Gel** with a 45 - 50 sec/qt viscosity prior to tripping out of the hole, to ensure a clean well bore before running casing.
2. After setting 13 3/8" surface casing, drill out with native brine. Mix **Lime** to control the pH at 10.0 - 10.5. Add 1 gallon **Anco Drill N** at the flow line every 90' drilled. Add 1 sack **Drill Paper** every other connection for added hole cleaning and seepage control. Sweep the hole with 50 bbl **Anco Salt Gel** sweeps with a viscosity of 40 - 60 sec/qt every 250' drilled for hole cleaning. At interval TD, sweep the hole with 100 bbl **Anco Salt Gel** with viscosity of 60 - 80 sec/qt prior to POH to ensure a clean well bore to run intermediate casing.
3. After setting 9 5/8" intermediate casing, drill out with cut brine. Mix **Lime** for 10.0 - 10.5 pH. Add 1 gallon **Anco Drill N** at flow line every 90' drilled. Add 1 sack **Drill Paper** every other connection for seepage control. Sweep the hole with 50 bbl **Anco Salt Gel** sweeps with a viscosity of 40 - 60 sec/qt every 250' drilled. At interval TD, circulate a 100 bbls **Anco Salt Gel** sweep with viscosity of 60 - 80 sec/qt to ensure a clean well bore prior to running casing.
4. After setting 7" casing and prior to drilling the lateral interval, build 9.1 - 9.5 lb/gal **Anco Zan / Starch** system in steel pits with cut brine, **Anco Zan**, **Anco Starch White**, and **Caustic Soda**. Mix **Anco Zan** for a viscosity of 34 - 38 sec/qt and Yield Point of 6 - 10 lb/100ft². Mix **Anco Starch White** API filtrate control of 8 - 10 ml/30min. Mix **Caustic Soda** to control pH at 10.0 - 10.5. Add **WT-22** at 5 gallons per 100 bbls active drilling fluid for control of bacteria. Sweep the hole every 250' drilled with 50 bbls active fluid containing 10 - 15 lb/bbl **Walnut Hulls (M)** or 25 gallons **Tork Buster Plus**. Jet the Shale Pit every 4 hours or as needed to control solids concentration and fluid density. Circulate to move cuttings above BHA prior to connections to reduce packing off and/or stuck pipe. Prior to trips, circulate at least bottoms up to clean hole.
5. At TD, pump a low viscosity sweep, followed by a high viscosity sweep, and circulate for minimum of three hours prior to tripping out of the hole for logging and casing operations.

Mud weights for guidelines only, allow hole conditions to dictate actual mud weights



Anchor Drilling
Fluids USA, Inc.

P. O. Box 61310
Midland, Texas 79711-1310

From: [Rice, Jesse](#)
To: [Randall Hicks](#)
Cc: [Paul Ragsdale](#); [Bratcher, Mike, EMNRD](#)
Subject: Re: Pit sundry for RR #2
Date: Wednesday, June 18, 2014 10:24:42 AM
Attachments: [image003.png](#)

Randall/Paul,

I don't think there is an issue with this. The only concern I have is that there would need to make sure to follow the COA exception that was granted, which was to maintain 24-hour activity/monitoring of the pit while the produced water being stored. Otherwise we would need to have nets installed.

I need to run it by the wildlife staff and make sure they don't have an issue with it. I'll let you know this afternoon.

Thanks

Jesse Rice
Natural Resource Specialist
Surface Protection Program
Bureau of Land Management
Carlsbad Field Office
620 E. Greene St
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On Mon, Jun 16, 2014 at 2:52 PM, Randall Hicks <r@rthicksconsult.com> wrote:

Jesse

Strata plans to use produced water in lieu of fresh water for drilling the marine/producing rocks below the salt. Saving fresh water resources is always a good idea. The drilling summary from the approved APD is attached. I could find zero language that would cause me to think that we need a Sundry to use produced water in lieu of adding salt to fresh water in order to get the correct fluid weight (8.8-9.5 #/gal) and salinity (60-120 K mg/L chloride).

We are alerting BLM of this practice in an abundance of caution. The reserve pit (the NM Pit Rule allows a pit to hold produced water) will be filled with produced water for only few days prior to drilling. The PW in the pit will NOT exhibit floating hydrocarbons. Rig up starts on Friday. Lining the pit is planned for Wednesday.

While the sundry is signed (see [below](#)), there is no copy of the sundry in the mail as of last Friday. It is probably in the box at Strata today.

Drilling Fluid Summary

Strata Production Company

Roadrunner Federal #2

Hole Size	Depth (feet)	Density (lb/gal)	Viscosity (sec/qt)	YP (lb/100ft ²)	API FL (ml/30min)	Cl ⁻ (mg/L)	pH	Solids (% vol)
17 1/2"	0' - 330'	8.5 - 8.7	30 - 34	4 - 6	NC	< 6,000	9.0 - 10.0	< 5
Set 13 3/8" Surface Casing								
12 1/4"	330' - 3860'	9.7 - 10.1	29 - 32	1 - 2	NC	160 - 180 K	10.0 - 10.5	< 5
Set 9 5/8" Casing								
8 3/4"	3860' - 7978'	8.8 - 9.2	28 - 30	1 - 2	NC	60 - 110 K	10.0 - 10.5	< 5
Set 7" Casing								
6 1/8"	7978' - 11542'	9.1 - 9.5	34 - 38	6 - 10	8 - 10	80 - 120 K	10.0 - 10.5	< 5
Set 4 1/2" Production Liner								

We just want to keep everyone informed.

Randall Hicks

RT Hicks Consultants

Office: 505-266-5004

Cell: 505-238-9515

From: Paul Ragsdale [mailto:pragsdale@stratanm.com]

Sent: Tuesday, June 10, 2014 4:53 PM

To: Randy Hicks

Subject: FW: Pit sundry for RR #2

fyi

From: Caffey, Stephen [mailto:scaffey@blm.gov]

Sent: Tuesday, June 10, 2014 4:23 PM

To: Paul Ragsdale

Subject: Re: Pit sundry for RR #2

Hey Paul, I signed it last week and it should have been sent out. I will check and see. If you do not receive it by tomorrow I will find a copy and scan it and send it to you. thanks Steve

On Tue, Jun 10, 2014 at 4:01 PM, Paul Ragsdale <pragsdale@stratanm.com> wrote:

Steve,

Silver Oak just called and said they would be ready to move on location next week. Can you check on the status of the sundry for the Roadrunner Fed #2 that requested using pits vs closed loop? You gave us a verbal approval to start construction but I need a copy to send to the OCD.

Thanks,

Paul



From: [Dade, Randy, EMNRD](#)
To: [Bratcher, Mike, EMNRD](#)
Subject: FW: Strata Roadrunner #2H
Date: Wednesday, June 18, 2014 3:42:47 PM

From: Paul Ragsdale [mailto:pragsdale@stratanm.com]
Sent: Wednesday, June 18, 2014 3:42 PM
To: Dade, Randy, EMNRD
Cc: Randy Hicks; David Lanning
Subject: Strata Roadrunner #2H

Mr. Dade,

Pursuant to our phone conversation today, I appreciate your help in this matter. We are simply trying to get the C-144 approved prior to our drilling rig moving in this weekend.

While we understand that the OCD has to follow a policy in approval of these permits, we seem to be trapped in a quandary.

As we understand it,

The policy of first in first out is implemented as follows:

Lime Rock and Read & Stevens are ahead of Strata

After talking to Mike Bratcher and to Randy Hicks, it appears that Hicks engineer is working up an addendum to these permits

So these permits ahead of RR Fed 2 are not complete yet and OCD cannot work on our permit until these permits are either approved or denied.

None of these permits have a rig moving on like we do. Our permit was submitted quite some time ago, not just recently.

Therefore, considering all of the above, we respectfully request that you waive this policy, in this case, and allow Mr. Bratcher to approve the permit.

Please let me know if there is anything we can do to resolve this.

Thanks,
Paul Ragsdale

Paul Ragsdale

Strata Production Company
Operations Manager

(575) 622-1127 ext 18 Work
(575) 626-7903 Mobile
pragsdale@stratanm.com
PO Drawer 1030
Roswell NM 88202

From: Bratcher, Mike, EMNRD
To: [Griswold, Jim, EMNRD](#)
Subject: District 2 Pit Permits
Date: Wednesday, June 18, 2014 4:20:00 PM

Jim,

I have received calls from Randall Hicks and Paul Ragsdale with Strata today, concerning the Roadrunner Fed 2H drilling pit permit. I am sure they have attempted to contact you also. I don't know if you need this, but, as we talked some about, here is a breakdown of where I am at with permits in District 2, in the order of receipt:

1. Strata Production Roadrunner Fed 3H/4H Drilling pit permit (3H & 4H are on same location) – rec'd 4/18/14. The issue with this permit is that it falls in BLM mapped High cave/karst. My understanding is that this area may be re-mapped by BLM to change the designation to medium or even low. The COA for both of these fed APDs specifies "no pits". At this time, there is no sundry approved or even in process, that I am aware of, to change the COAs. We did receive that type sundry for the Roadrunner 2 this past Tuesday, changing the COA on that well to allow for pits. I have asked for the engineering measures that will be used in an unstable area but haven't seen them yet. Randall indicated today that Pettigrew Engineering was still working on them. The 60 day review period for this permit was up yesterday 6/17/14.
2. Read & Stevens Marbob 10H Drilling pit permit. Same issue, high cave/karst, no engineering measures. This one is on State surface and has been denied once for the same reason. It was resubmitted with no changes on 4/22/14. 60 day review period is up 6/21/14. No indication that the karst designation will change.
3. LimeRock NW St. 19 Work Over pit – rec'd 4/22/14. High cave/karst – no indication of designation change – State surface – no engineering measures – 60 day review is up 6/21/14.
4. Strata Production Sandy Fed 4H Drilling pit permit. High cave/karst. Fed COA=no pits. This is the other site BLM approved a sundry to allow pits, we received it Tuesday of this week. – 60 day review is up 6/21/14.
5. Strata Production Roadrunner Fed 2 Drilling pit permit – rec'd 5/2/14. This is the site that Randall and Strata are calling about. My understanding is the pit has been constructed, lined today and set to spud this Friday. Original Fed COA called for no pits. We rec'd a BLM approved sundry Tuesday to allow pits. This is also in the area that BLM has indicated may change from high cave/karst to medium or low.
6. LimeRock All Thorn MWFM Pit – rec'd 5/9/14 High cave/karst, no indication the designation will change – State surface, etc. 60 days is up 7/8/14.

Randall and I discussed what was needed to approve the permits that are ahead of the Roadrunner 2, weeks ago. We had the same conversation when the first Read & Stevens permit was denied earlier this year. He indicated that the operator would take it to hearing, which I encouraged them to do, but instead, they just re-submitted it. I had a phone call from Debra Hicks w/Pettigrew on 6/10, asking what OCD wanted for the high karst areas, I explained what the rule requires and she indicated that OCD would have what is needed that day. I still don't have it and was told today, it is

still being worked on. I do have a variance request for more time to review, I believe the Roadrunner 3H/4H, but not sure if that can even be approved as a variance.

I will also forward you an email from Paul Ragsdale to Randy Dade, but you may have one similar.

Mike Bratcher
NMOCD District 2
811 S. First Street
Artesia, NM 88210
O: 575-748-1283 X108
C: 575-626-0857
F: 575-748-9720

From: [Rice, Jesse](#)
To: [Randall Hicks](#); [John Chopp](#)
Cc: [Bratcher, Mike, EMNRD](#); [Paul Ragsdale](#); mike@rthicksconsult.com
Subject: Re: Strata - Roadrunner #2H - Schedules - BLM on site meeting Tuesday or Wednesday of next week?
Date: Wednesday, July 23, 2014 10:22:25 AM

Johnny and I will be available Wednesday morning. We both need to be back by 11 for two webinars that are going to run into the afternoon. I was thinking that we could meet at the site around 830 if that works with everyone else.

Jesse Rice

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Carlsbad, NM 88220
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On Tue, Jul 22, 2014 at 2:42 PM, Randall Hicks <r@rthicksconsult.com> wrote:

Jesse

Here is the plan as of today

1. Well will TD on Thursday or Friday – best case
2. Rig will move off Saturday and/or Sunday
3. Brine and useable drilling water from the reserve pit will be moved to another location Monday and/or Tuesday
4. We are relatively certain that constant and continual activities will be occurring at the location after the rig move for a few days
5. **BLM STAFF, STRATA AND HICKS CONSULTANTS MEET** AT THE LOCATION ON Tuesday AFTERNOON OR Wednesday TO
 - a. SEE THE NATURE OF THE FLUID IN THE PIT
 - b. UNDERSTAND HOW MUCH ACTIVITY WILL BE ONGOING AT THE LOCATION BETWEEN JULY 30 AND THE STIMULATION EVENT

c. DISCUSS THE BEST METHOD TO MEET THE INTENT OF THE COAs REGARDING NETTING AND ESCAPE RAMPS

d. MAKE THE SCHEDULE TO IMPLEMENT THE MEASURES AT THE PIT THAT WILL COMPLY WITH THE COAs

6. The smallest of two hydraulic fracturing events will occur on or about August 6.

7. During the frac and flowback, there is a presence at the location 24/7

Since this pit is only 30 minutes, more or less, from BLM Carlsbad Office, can you corral your bird specialist (unless that is you) to come to this 1-3 hour site meeting so we can nail down the best plan to protect birds and other critters? Pick a day – Tuesday (afternoon) or anytime on Wednesday.

Of course, OCD is invited.

Randall Hicks

RT Hicks Consultants

Office: 505-266-5004

Cell: 505-238-9515

From: [Randall Hicks](#)
To: ["Rice, Jesse"](#); ["John Chopp"](#)
Cc: [Bratcher, Mike, EMNRD](#); ["Paul Ragsdale"](#); mike@rthicksconsult.com
Subject: RE: Strata - Roadrunner #2H - Schedules - BLM on site meeting Tuesday or Wednesday of next week?
Date: Wednesday, July 23, 2014 11:20:40 AM

That works for me.

We will run a tight meeting on-site and I will ship you some specific thoughts on the go-forward on Monday.

Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Rice, Jesse [<mailto:jrice@blm.gov>]
Sent: Wednesday, July 23, 2014 10:22 AM
To: Randall Hicks; John Chopp
Cc: Bratcher, Mike, EMNRD; Paul Ragsdale; mike@rthicksconsult.com
Subject: Re: Strata - Roadrunner #2H - Schedules - BLM on site meeting Tuesday or Wednesday of next week?

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Randall Hicks
RT Hicks Consultants
Office: 505-266-5004
Cell: 505-238-9515

From: Bratcher, Mike, EMNRD
To: ["Paul Ragsdale" \(pragsdale@stratanm.com\)](mailto:pragsdale@stratanm.com); [Randall Hicks](#)
Cc: [Dawson, Scott, EMNRD](#); [Griswold, Jim, EMNRD](#)
Subject: Roadrunner Federal 2H Drilling Pit Permit Application
Date: Thursday, June 19, 2014 3:49:00 PM

RE: Strata Production * Roadrunner Federal 002H * 30-015-41041 * D-25-23s-30e * Eddy County,
New Mexico

Drilling Pit Permit Application * **OCD Permit Number: 2-13-0016**

-
Mr. Ragsdale,

With the exception of the closure portion of the permit, your application for use of a drilling pit at the above referenced site is approved. OCD is in receipt of an approved BLM sundry for modification of the original APD Conditions of Approval, which disallowed the use of earthen pits in this area. This approval should allow Strata to maintain the drilling schedule for this well, and, OCD will continue to work with Strata and your consultant to resolve the issues with the closure portion of the permit.

OCD does request the pit log be submitted with the closure report for this pit.

Be advised that the signed, approved copy of the Form C-144 may not be available online until next week.

If you have any questions or concerns, please contact me.

Mike Bratcher
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