

# R. T. HICKS CONSULTANTS, LTD.

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January 30, 2017

Mr. Mike Bratcher  
NMOCD District 2  
811 S. First Street  
Artesia, New Mexico 88210  
*Via e-mail to mike.bratcher@state.nm.us*

RE: Strata - Roadrunner Federal #2H Temporary Pit, In-place Burial Notice  
API #30-015-41041, Permit #P2-13-0016  
Unit D, Section 25, T23S, R30E, Eddy County

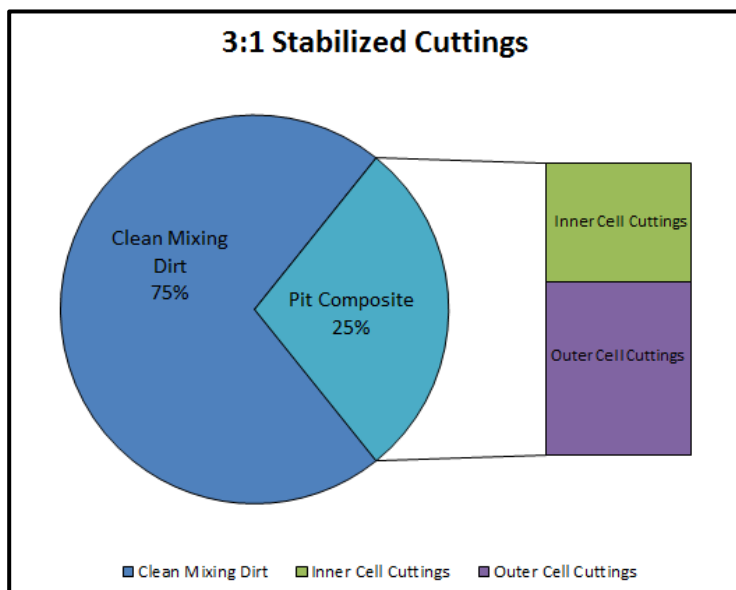
Mr. Bratcher:

On behalf of Strata Production Company, R. T. Hicks Consultants provides this notice to NMOCD with a copy to the BLM (email and hand-delivery with receipt stamp) that closure operations at the above-referenced pit is scheduled to begin on **Thursday, February 2, 2017**. The closure process should require about three weeks, depending on the weather and the availability of machinery.

The "In-place Burial" closure plan for the pit was submitted with the C-144 temporary pit application. NMOCD approved the application with the exception of the closure plan on June 19, 2014. In several email communications, NMOCD deferred to BLM regarding the in-place pit closure and the sundry that applied for in-place closure was approved by BLM on June 4, 2014. The rig moved from the well on September 1, 2014 and the pit was then used to contain flow-back fluids from the completion portion of the lateral. Hydraulic stimulation of the remainder of lateral and final completion of the well will occur within the next few months.

Samples collected on January 5, 2017 consisted of a 3-point composite from the inner horseshoe cell, a 4-point composite from the outer horseshoe cell, and a 4-point composite from the clean soil on site that will be used for stabilization mixing. The table on page 2 of this notice demonstrates the calculated concentration for "3:1 stabilized" material that results when the pit contents are combined with available mixing soil during the closure process. The calculated value mathematically mixes 3 parts clean soil (mixing dirt) with 1 part of the weighted pit composite calculation, as depicted in the adjacent chart. The pit

composite consists of 48.64% solids from the inner cell of the drilling pit and 51.36% of the solids from the outer cell, representative of the volume of cuttings in each cell.



Roadrunner Federal #2H Sample Name	Sample Type	Sample Date	Chloride 80,000	Benzene 10	BTEX 50	GRO+ DRO 1000	TPH GRO+DRO +extDRO 2500
Inner Composite	3-pt field comp.	1/5/2017	80,000	0.064	1.694	123	123
Outer Composite	4-pt field comp.	1/5/2017	52,000	0.69	16.59	1,190	1,600
Mixing Dirt	4-pt field comp.	1/5/2017	ND	ND	ND	ND	ND
<b>3:1 Stabilized CALCULATED</b> (3 parts mixing dirt, 1 part weighted pit cuttings)			<b>16,404.80</b>	<b>0.10</b>	<b>2.34</b>	<b>167.75</b>	<b>220.40</b>

ND = Not detected at the laboratory's reporting limit

All values are mg/kg

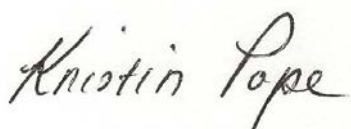
The formula used in the table:

$$3:1 \text{ Stabilized Solids} = \frac{[(\text{Outer Composite} \times 0.5136) + (0.4864 \times \text{Inner Composite}) + (3 \times \text{Mixing Dirt})]}{4}$$

Laboratory analyses of the component samples and the calculation of 3:1 stabilized cuttings "demonstrate that, after the waste is solidified or stabilized with soil or other non-waste material at a ratio of no more than 3:1 soil or other non-waste material to waste, the concentration of any contaminant in the stabilized waste is not higher than the parameters listed in Table II of 19.15.17.13 NMAC." Thank you for your consideration of this notice of in-place closure. I will follow-up this notice to you with a phone call today as required by the Pit Rule.

Sincerely,

R.T. Hicks Consultants



Kristin Pope

Copy: Strata Production Co., BLM-Carlsbad Field Office