

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
SHLNM-114978 BHL: NM-0532769
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Strata Production

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

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

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

8. Well Name and No.
Roadrunner Federal 4H

9. API Well No.
30-015-42080

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
U/L or Qtr/Qtr H Section 23 Township 23S Range 30E

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

11. Country or Parish, State
Eddy

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 type="checkbox"/> Other _____
	<input checked="" 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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Today, BLM will recieve an email-transmission of a C-144 Permit for a reserve pit at this location. The current APD for this well did not anticipate reserve pits and on-site burial of drilling waste. The purpose of this sundry notice is to change plans to allow for a reserve pit an on-site burial of drilling waste pursuant to the NM Pit Rule and BLM mandates. The drilling pit will be employed for this well and for the Roadrunner Federal 4H as well. One pit for two wells.

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

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

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

Accepted for record
LPO NMOCD 8-19-14

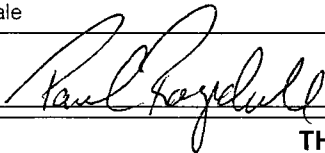
SUBJECT TO LIKE
APPROVAL BY STATE

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Title Operations Manager

Signature



Date 04/17/2014

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 13 2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

RECEIVED

Approved by

/s/ STEPHEN J. CAFFEY

FIELD MANAGER

Title

Date

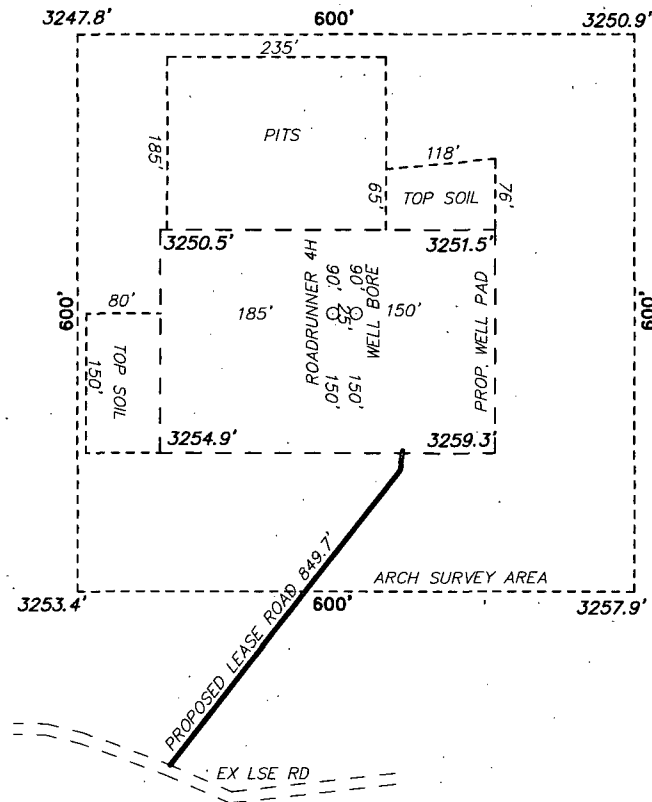
AUG 11 2014

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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"
NMSPEC - N 470419.8
E 692114.6
(NAD-83)

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

200 0 200 400 FEET
SCALE: 1" = 200'

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.

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surveys
focused on excellence
in the oilfield

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

STRATA PRODUCTION CO.

REF: ROADRUNNER FEDERAL #3H / WELL PAD TOPO

THE ROADRUNNER FEDERAL #3H LOCATED 1980'

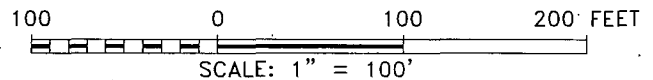
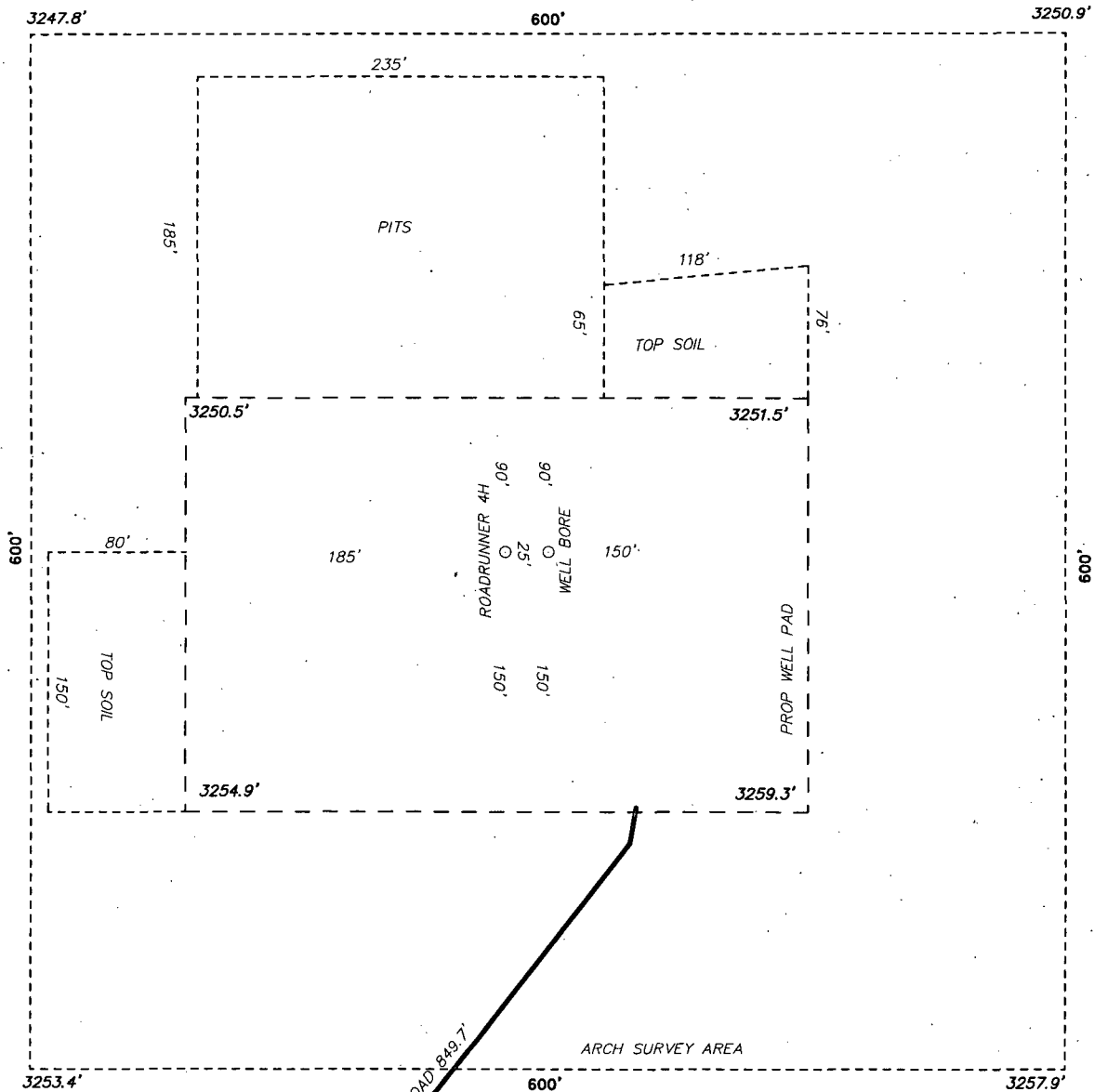
FROM THE NORTH LINE AND 750' FROM THE EAST LINE OF

SECTION 23, TOWNSHIP 23 SOUTH, RANGE 30 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 30381 Drawn By: K. NORRIS Date: 04-30-2014 Survey Date: 04-29-2014 Sheet 1 of 1 Sheets

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



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REF: ROADRUNNER FEDERAL #3H / WELL PAD TOPO

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PECOS DISTRICT CONDITIONS OF APPROVAL

The Conditions of Approval attached to the original APD for the Roadrunner Federal #3H and #4H still apply. The following additional Conditions of Approval are stipulated for the reserve pits:

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

Construction:

Burial

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

Below Ground Level

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

Liner and Contents

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

Freeboard

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

Exclosure Netting

No netting of the pit will be required while 24-hour activity is occurring at the location. After 24-hour activity ceases, the operator will be required to implement the following:

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

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

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

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

Exclosure Fence

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

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

Escape Ramps

The operator will construct and maintain reserve pits to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in reserve pit. **These As agreed, Geotextile felt will be used as an escape device and will be installed on the entire rig side, the far corners of the outer cell, and in the center of the outside walls. The felt must be in place the entire time that the pit contains fluids.** Escape ramps must be in contact with the side of the reserve pit,

bottom of the reserve pit, and the top of the reserve pit berm. Escape ramps cannot be made of metal and cannot be steeper than a 3:1 slope (Horizontal Distance: Vertical Distance) or 30% slope. (*Examples of escape ramps: 12" wide wooden planks wrapped in matting, felt lining, etc.*)

Maintenance:

Hydrocarbons

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

Closure:

NMOCD

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

Drying

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

Notificaiton

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

Sampling

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

Solidifying Pit Contents

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

Burial (Onsite)

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

Burial (Trench)

If trench burial is elected as a closure method, the trench burial must be located within the confines of the approved pad. The operator should consider where the trench burial will be located in advance of pad and facility construction in order to accommodate this requirement. The trench will be fully lined, the reserve pit materials fully encapsulated,

and liner installed over the top of the containment. The top liner must be located four feet below the natural ground surface.

Surface Restoration:

Backfilling

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

Contouring

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

Erosion Control

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

Seeding

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

SEED MIXTURE 2 (SANDY LOCATIONS)

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

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

growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre (note: if broadcasting seed, amounts are to be doubled):

Species	Pound/acre
Plains Bristlegrass (<i>Setaria macrostachya</i>)	2.0
Sand Lovegrass (<i>Eragrostis trichodes</i>)	1.0
Sand Dropseed (<i>Sporobolus cryptandrus</i>)	1.0

* Pounds of pure live seed = (Pounds of seed) x (Percent purity) x (Percent germination)