OCD HOBBS

JAN 14 2013

RECEIVED

Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
LC065525B & NM125054

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
See Below

2. Name of Operator
SandRidge Expl. & Prod., LLC

9. API Well No.
See Below

3a. Address
123 Robert S. Kerr Ave. OKC, OK 73102

3b. Phone No. *(include area code)*
405-429-6518

10. Field and Pool, or Exploratory Area
Wantz; Abo & Hare; Simpson

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
See Below

11. County or Parish, State
Lea Co., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **CTB, Lease Commingle, off-lease storage & Measurem**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SandRidge Expl. & Prod., LLC respectfully requests approval for a central tank battery, lease commingle, off lease storage & measurement for the following wells:
1. Elliott Federal #6: API #: 30-025-40434 Section 1-21S-37E Lease #: LC065525B Wantz; Abo (62700)
2. Coogan Federal #2: API #: 30-025-40362 Section 1-21S-37E Lease #: NM125054 Wantz; Abo (62700)
3. Elliott Federal #1: API #: 30-025-06329 Section 1-21S-37E Lease #: LC065525B Hare; Simpson (29830)

A central tank battery is located in the SW/4 of Section 1-21S-37E approximately 1320' west of the Elliott Federal #6 well. Oil, gas and water volumes for each well will be determined by using portable testers at the facility. Production will be allocated on a daily basis. The production from all wells will come to a common production header with isolation lines to route each wells production. The header is located on the North side of the facility and from this point one well is on test from the production header to the portable tester. The testing well's gas from the portable tester leaves the device and flows through the Targa gas sales meter # 0212142, where the total gas for the facility is metered and the custody transfer is made. The individual test well's daily gas test meter data is recorded for later utilization of gas allocation.
The testing well's oil from the portable tester enters the oil test line and can enter either one of the 500 bbl oil tanks (two 500 bbl). An individual daily oil test will be recorded for later utilization of oil allocation. See attached for complete detail.
The working, royalty interest for all wells are uniform. All interested owners have been notified via certified mail (attached).

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Spence Laird

Title **Regulatory Analyst**

Signature Spence Laird

Date **08/21/2012**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr

Title SPET

Date 1-11-13

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 CFO

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.

(Instructions on page 2)

JUN 03 2015

Elliott Monterey Battery

APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

Commingling proposal for leases:
Sandridge Expl. & Prod., LLC is requesting approval for Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales, & Storage from the following wells:

Federal Lease LC065525B

Well Name	Location	API #	Pool	BOPD	Oil Gravity	Mcfpd	BTU
Elliott Federal #6	Sec 1-T21S-37E	30-025-40434	Wantz ; Abo 62700	76	36	1	1438
Elliott Monterey Federal #1	Sec 1-T21S-37E	30-025-06329	Hare ; Simpson 29830	5	37.4	2	1385

Federal Lease NM125054

Well Name	Location	API #	Pool	BOPD	Oil Gravity	Mcfpd	BTU
Coogan Federal #2	Sec 1-T21S-37E	30-025-40362	Wantz ; Abo 62700	13	39	7	1438

A map is enclosed showing the Federal leases and well locations in Section 1, T21S, R37E. The working interest and royalty interest are uniform with respect to surface commingling production; however, overriding royalty interest owners are not identical; parties have been notified by certified mail (see attached).

Oil and Gas Metering:

Oil, gas, and water volumes from each well producing to this battery will be determined by using a test Heater Treater at the proposed facility, so that one well is producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas, and water. A 24 hr test per well will be done at a minimum of once a month.

The Elliot Monterey-Federal Battery is located at Section 1, McElvain 21S-37E, Lea County, New Mexico. The production from Coogan-Federal #2, Elliott Federal #6, and Elliott Federal #1 Well will come to a common upgraded production header with isolation lines to route each wells production. This header is located on the North side of the facility and from this point one well is on test from the production header to the tester.

The testing well's gas from the tester leaves the device and flows through the Targa gas sales meter # 0212142, where the total gas for the facility is metered and the custody transfer is made. The individual test well's daily gas test meter data is recorded for later utilization of gas allocation.

The testing well's oil from the tester enters the oil test line and can enter either one of the new 500 bbl oil tanks (two new 500 bbl). An individual daily oil test will be recorded for later utilization of oil allocation. The oil meter is a Turbine Meter (model #F012P) and the tanks will be hand gauged for verification. The two riveted 1,000 bbl oil tanks will be taken out of service and removed.

The testing well's water from the tester, then enters into the new 500 bbl produced water tank and can over flow into the open-top 210 bbl tank. The remaining well(s) off test enter the

production header and then to the new 6x20 heater treater. The old 3x15 heater treater will become the new tester. The month's total oil, gas, and water are allocated back to the individual wells based on their test for the month of production reported.
The turbine meters will be calibrated monthly on a regular basis per API, NMOCD, and BLM specifications. The BLM and NMOCD will be notified of any future changes in the facilities.

Process and Flow Descriptions:
Please see diagram below for the proposed Elliott Monterey-Federal production facility. The flow of produced fluids is shown in detail along with a description of each vessel. From the common production header, one well is on test and its production leaves the production header, and enters the tester.
The benefit of surface co-mingling the Coogan-Federal #2, Elliott Federal #6, and Elliott Federal #1 wells is that; they are all less than a mile from each other, and one facility will handle the production for all wells; reduced liability with primary exposure to one facility; and reduce surface disturbance due to having all the production at one facility.

Signed: _____
Printed Name: Spence Laird
Title: Regulatory Analyst
Date: 10/17/2012

Elliott Monterey-Federal Battery
Sec1, McElvain 21S-37E
Lea County, NM

SandRidge Energy

Production System: Open

1} Oil sales by tank gauge to tank truck.

2} Seal requirements:

A. Production Phase: On all Tanks.

(1) All valves 5 sealed closed.

Sales Phase: On Tank being hauled.

(1) Valve 1 sealed closed.

(2) Valve 3 sealed closed.

(3) Valve 4 sealed closed.

(4) Valve 5 sealed closed.

{5} Misc. Valves: Plugged or otherwise unaccessable.

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.

Ledger for Site Diagram

Valve #1: Production Line

Valve #2: Roll Line

Valve #3: Equilization Line

Valve #4: Circ./Drain Line

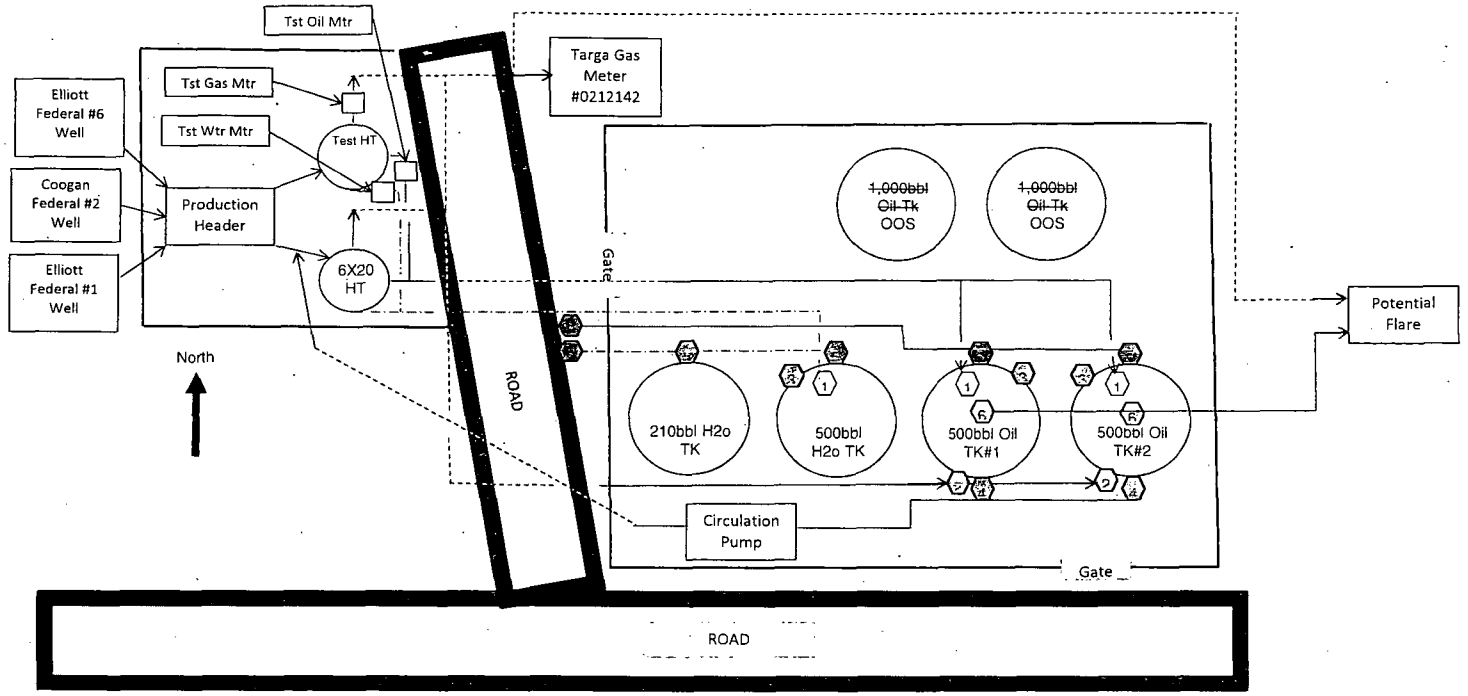
Valve #5: Sales Line

Valve #6: Vent Line

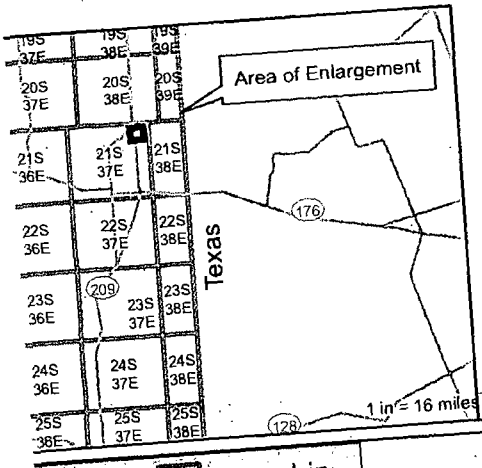
Buried Lines: ----------

Production Line: ——————

Water Line: -·-·-·-·-·-·-



Production System Open
Production Phase Oil Tk#1
{1} Valve 1 and 3 open.
{2} Valve 2,4, & 5 sealed closed.
{3} Valve on Oil Tk #2 positioned:
A. Valve 1,2,4,5 sealed close.
B. Valve 3 open.
Sales Phase Oil Tk#1
{1} Valves 1,2,3, & 4 sealed close.
{2} Valve 5 in open position.
{3} Oil Tk #2 positioned:
A. Valve 1,3 open.
B. Valve 2,4, & 5 sealed close.



COOGAN FEDERAL 3

COOGAN FEDERAL 1

COOGAN FEDERAL 2

2

1

21S 37E

ELLIOTT FEDERAL 1

ELLIOTT FEDERAL 6

Elliott Monterey Fed Gath Sys

New Mexico

Texas

12

Well
Pipeline
Battery
Township
Section
LEASEHOLD

0 250 500 1,000 Feet

1 in = 645 ft

21S, 37E
Lea County, New Mexico

SANDRIDGE
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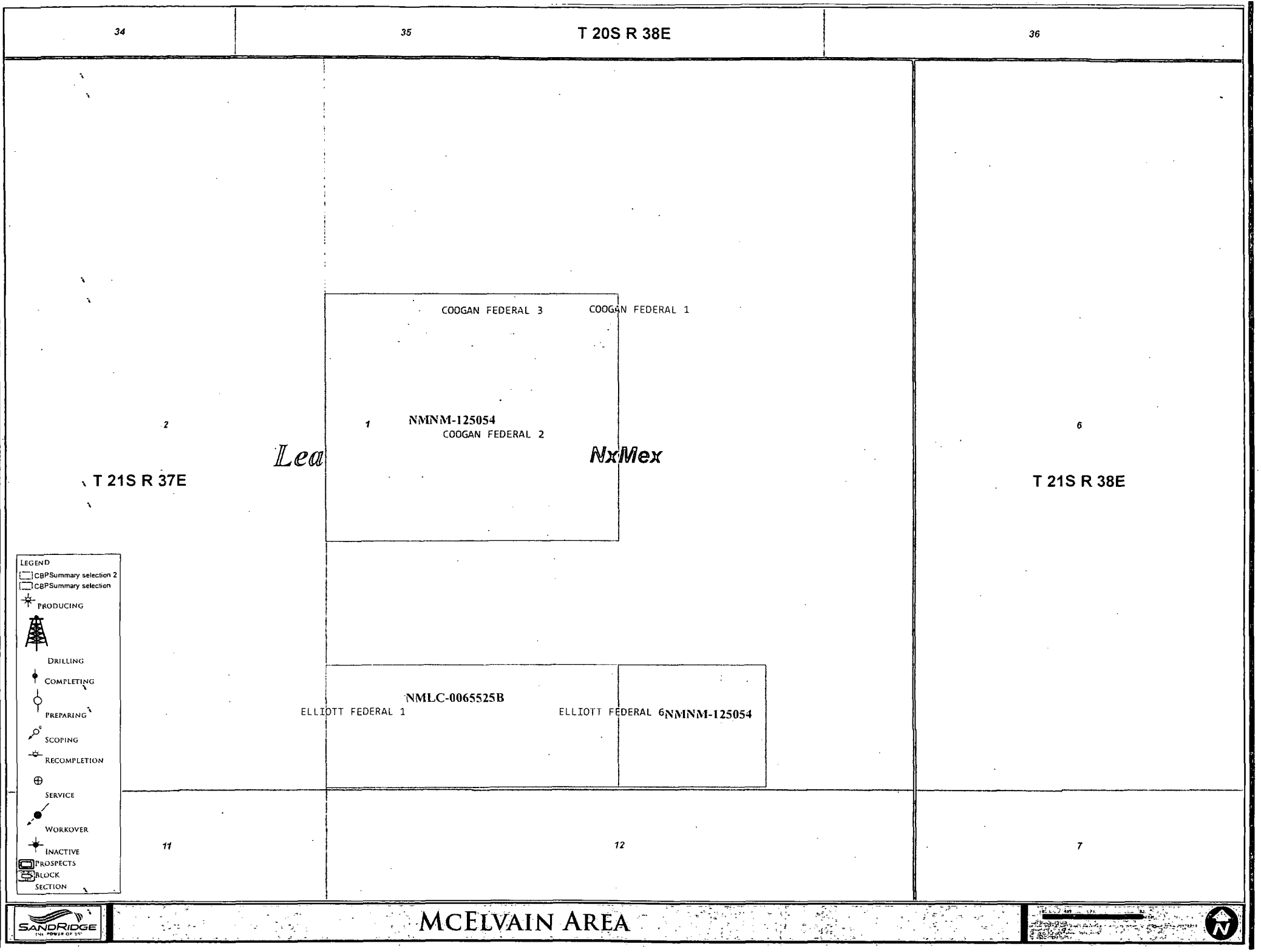
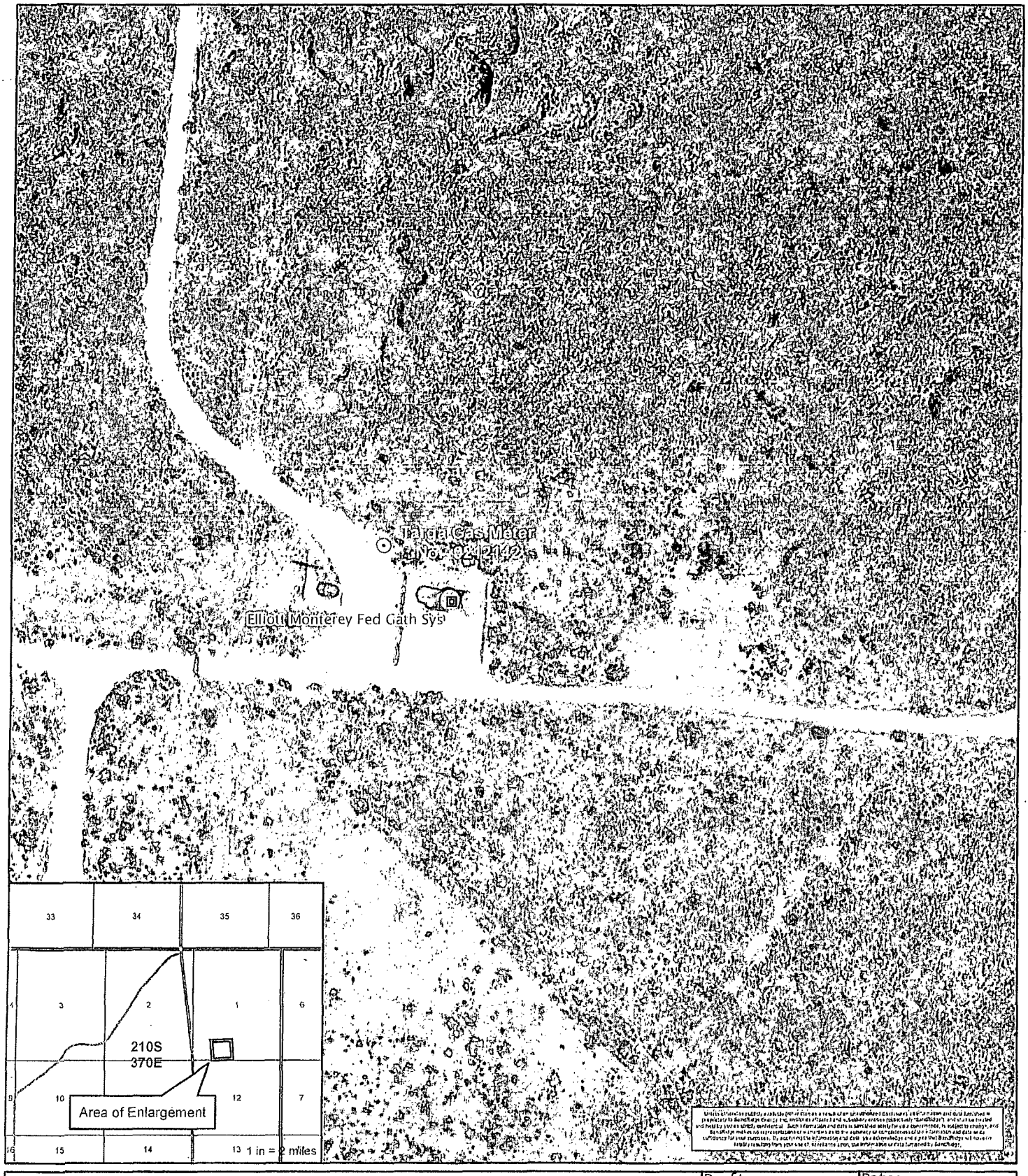
Draftsman:	Date:
Matt Landry	1/9/2013

Drawing Name/Number:
NewMexicoBLMPermits_120829S21E37.mxd

Coordinate System:
USA Contiguous Albers Equal Area Conic USGS version -- GCS NAD 1983


34
35
T 20S R 38E
36
COOGAN FEDERAL 3
COOGAN FEDERAL 1
2
1
NMNM-125054
COOGAN FEDERAL 2
6
Lea
NxMex
T 21S R 37E
T 21S R 38E
NMLC-0065525B
ELLIOTT FEDERAL 1
ELLIOTT FEDERAL 6
NMNM-125054
LEGEND
CBPSummary selection 2
CBPSummary selection
PRODUCING
DRILLING
COMPLETING
PREPARING
SCOPING
RECOMPLETION
SERVICE
WORKOVER
INACTIVE
PROSPECTS
BLOCK
SECTION
11
12
7
SANDRIDGE
MCELVAIN AREA

GIS Intranet Mapping:



Targa Gas Meter | Township
Battery | Section

Elliott Monterey Fed Gathering System
Location: 5 Miles NE of Eunice, New Mexico
Lea County, New Mexico
T21 S, R37 E, sec. 1

0 62.5 125 250 Feet

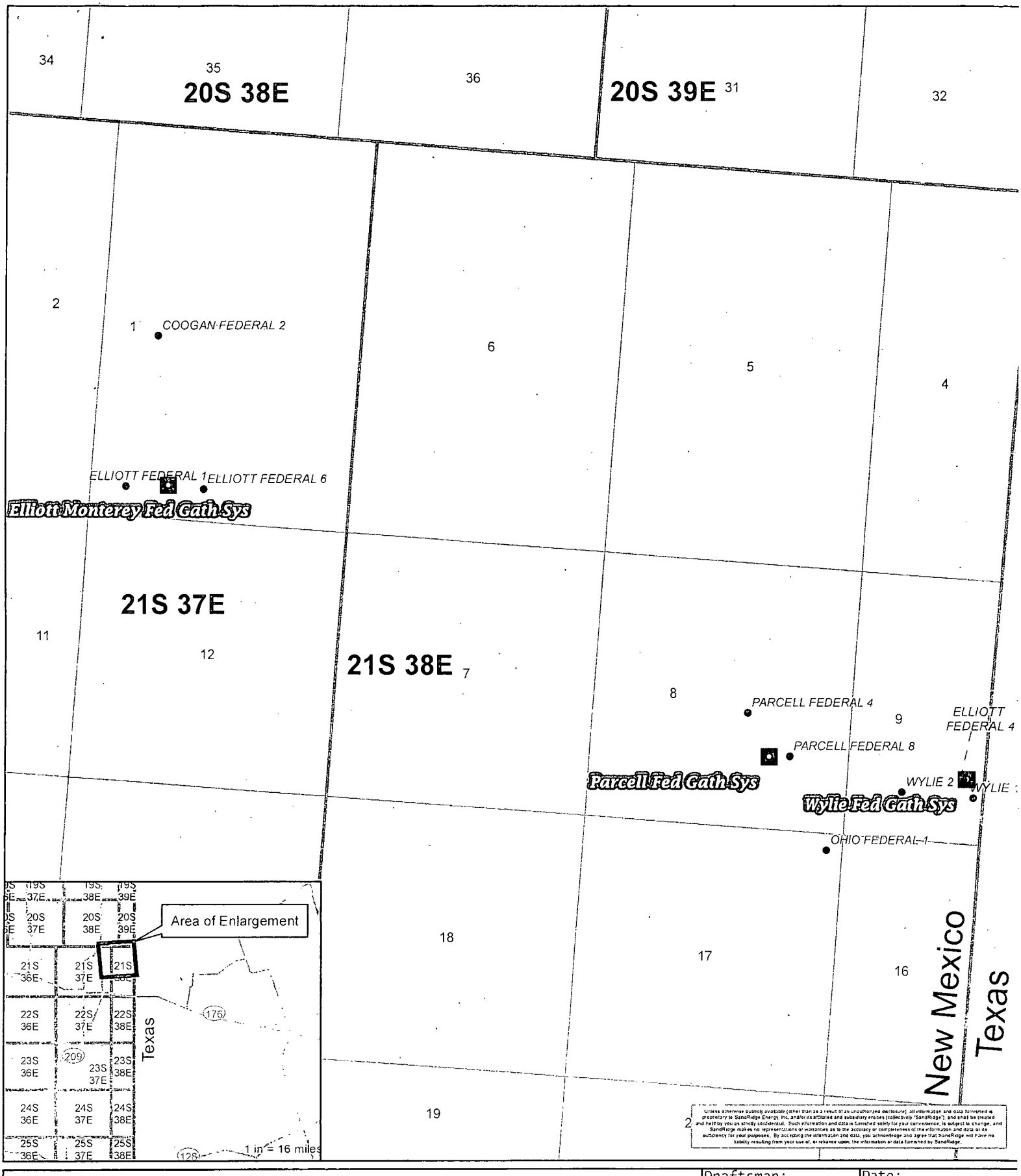
SANDRIDGE THE POWER OF US

1 in = 143 ft

Draftsman:	Date:
Matt Landry	10/18/2012

Drawing Name/Number:
ElliotMontereyFedBat_121018.mxd

Coordinate System:
USA Contiguous Albers Equal Area Conic USGS version -- GCS NAD 1983



- Well
- Battery
- Township
- Section
- SandRidge Lease

21S, 37E & 21S, 38E
Lea County, New Mexico

0 1,100 2,200 4,400 Feet

1 in = 2,537 ft

Draftsman:	Date:
Matt Landry	9/4/2012

Drawing Name/Number:
NewMexicoBLMPermits_120829.mxd

Coordinate System:
USA Contiguous Albers Equal Area Conic USGS version -- GCS NAD 1983

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
(432) 561-5579

Gas Analysis

Company:	SandRidge Mid-Stream (228)		
Producer:	SANDRIDGE	Sample Pressure:	31.0/28.0
Lease:	ELLIOTT MONTERAY FEDERAL #1	Sample Temp:	110.0
Station #:	N/A	Date Sampled:	8/2/2011
Date Run:	8/10/2011	Sampled by:	LM
Lab Ref #:	11-AUG-65969	Field Gravity:	
Cylinder:	1:30 PM	Field H2S:	0
Analyzed by:	Blake		

Physical Constants per GPA 2145-09
All values calculated @ 60.0 Deg. F.

	Mole %	14.65 psia GPM (Ideal)	14.73 psia GPM (Ideal)	14.65 psia BTU (Ideal Dry)
Nitrogen	11.3425			0.000
CO2	0.4000			0.000
Methane	57.5196			580.900
Ethane	12.9217	3.447	3.456	228.700
Propane	8.7915	2.416	2.422	221.200
N-Butane	3.5916	1.129	1.132	117.200
Iso-Butane	1.0965	0.358	0.359	35.700
N-Pentane	1.5575	0.563	0.565	62.400
Iso-Pentane	0.8538	0.311	0.312	34.200
Hexanes +	1.9253	0.852	0.854	101.600
TOTALS	**100.0000**	**9.076**	**9.101**	**1377.600**

GROSS HEATING VALUE @ 14.65 psia

Dry	Wet	
1385	1362	BTU/Real Cu.Ft.
0.9247	0.9202	Specific Gravity (Real)
1378	1354	BTU/Ideal Cu.Ft.
0.9203	0.9151	Specific Gravity (Ideal)
Z Factor :	0.9949	

GASOLINE CONTENT (GPM/Real)

Ethane and Heavier	9.123
Propane and Heavie	5.6583
Butane and Heavier	3.23
Pentane and Heavie	1.7351

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
(432) 561-5579

Gas Analysis

Company:	SandRidge Mid-Stream (228)		
Producer:	SANDRIDGE	Sample Pressure:	30.0/25.0
Lease:	ELLIOT FEDERAL #6	Sample Temp:	107.0
Station #:	N/A	Date Sampled:	8/2/2011
Date Run:	8/9/2011	Sampled by:	LM
Lab Ref #:	11-AUG-65985	Field Gravity:	
Cylinder:	12:15 PM	Field H2S:	0.0020
Analyzed by:	Blake		
	0.4% FIELD CO2		

Physical Constants per GPA 2145-09
All values calculated @ 60.0 Deg. F.

	Mole %	14.65 psia GPM (Ideal)	14.73 psia GPM (Ideal)	14.65 psia BTU (Ideal Dry)
Nitrogen	2.5390			0.000
CO2	0.1370			0.000
H2S	0.0020			0.000
Methane	71.1030			718.100
Ethane	10.5090	2.803	2.811	186.000
Propane	6.7538	1.856	1.861	169.900
N-Butane	3.0579	0.962	0.964	99.800
Iso-Butane	0.9679	0.316	0.317	31.500
N-Pentane	1.4210	0.514	0.515	57.000
Iso-Pentane	0.9845	0.359	0.360	39.400
Hexanes +	2.5249	1.117	1.120	133.300
TOTALS	**100.0000**	**7.926**	**7.948**	**1430.500**

GROSS HEATING VALUE @ 14.65 psia

Dry	Wet	
1438	1414	BTU/Real Cu.Ft.
0.8609	0.8575	Specific Gravity (Real)
1431	1406	BTU/Ideal Cu.Ft.
0.8568	0.8527	Specific Gravity (Ideal)
Z Factor :	0.9948	

GASOLINE CONTENT (GPM/Real)

Ethane and Heavier	7.9676
Propane and Heavie	5.1498
Butane and Heavier	3.2842
Pentane and Heavie	2.0001

Notes: Adjustment made for Field H2S

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
(432) 561-5579

Gas Analysis

Company:	SandRidge Mid-Stream (228)		
Producer:	SANDRIDGE	Sample Pressure:	30.0/25.0
Lease:	Coogan Federal #2	Sample Temp:	107.0
Station #:	N/A	Date Sampled:	8/2/2011
Date Run:	8/9/2011	Sampled by:	LM
Lab Ref #:	11-AUG-65985	Field Gravity:	
Cylinder:	12:15 PM	Field H2S:	0.0020
Analyzed by:	Blake		
	0.4% FIELD CO2		

Physical Constants per GPA 2145-09
All values calculated @ 60.0 Deg. F.

	Mole %	14.65 psia GPM (Ideal)	14.73 psia GPM (Ideal)	14.65 psia BTU (Ideal Dry)
Nitrogen	2.5390			0.000
CO2	0.1370			0.000
H2S	0.0020			0.000
Methane	71.1030			718.100
Ethane	10.5090	2.803	2.811	186.000
Propane	6.7538	1.856	1.861	169.900
N-Butane	3.0579	0.962	0.964	99.800
Iso-Butane	0.9679	0.316	0.317	31.500
N-Pentane	1.4210	0.514	0.515	57.000
Iso-Pentane	0.9845	0.359	0.360	39.400
Hexanes +	2.5249	1.117	1.120	133.300
TOTALS	**100.0000**	**7.926**	**7.948**	**1430.500**

GROSS HEATING VALUE @ 14.65 psia

Dry	Wet	
1438	1414	BTU/Real Cu.Ft.
0.8609	0.8575	Specific Gravity (Real)
1431	1406	BTU/Ideal Cu.Ft.
0.8568	0.8527	Specific Gravity (Ideal)
Z Factor :	0.9948	

GASOLINE CONTENT (GPM/Real)

Ethane and Heavier	7.9676
Propane and Heavie	5.1498
Butane and Heavier	3.2842
Pentane and Heavie	2.0001

Notes: Adjustment made for Field H2S

SANDRIDGE
THE POWER OF US™

September 7, 2012

RE: Elliott Monterey Federal Battery
Coogan Federal #2
Elliott Federal #6
Elliott Monterey Federal #1

Ladies & Gentlemen:

I have reviewed the files of Sandridge Exploration and Production, LLC ("Sandridge") regarding the ownership of the referenced wells and find that the ownership of the working interest and royalty interest are uniform with respect to Sandridge's request to surface commingle production into a single battery. Overriding royalty interest varies slightly between the wells, however, Sandridge will be installing test headers and connections for testing equipment at the battery which will adequately measure and allocate production to each producing well tying into the common battery.

Should you have any questions or concerns, please feel free to contact the undersigned at (405) 429-5673.

Very Truly Yours,
Sandridge Exploration and Production, LLC

Chad Pinkerton
Landman

Elliott Monterey Battery Ownership Exhibit

Daniel L. Veirs
36 Peters Pl BBH Rd
El Prado, NM 87529

91 7108 2133 3932 3742 1810

Elliott Industries Limited Partnership
P.O. Box 1328
Santa Fe, NM 87504

91 7108 2133 3932 3742 1803

Elliott Hall Company Limited Partnership
P.O. Box 1231
Ogden, UT 84402

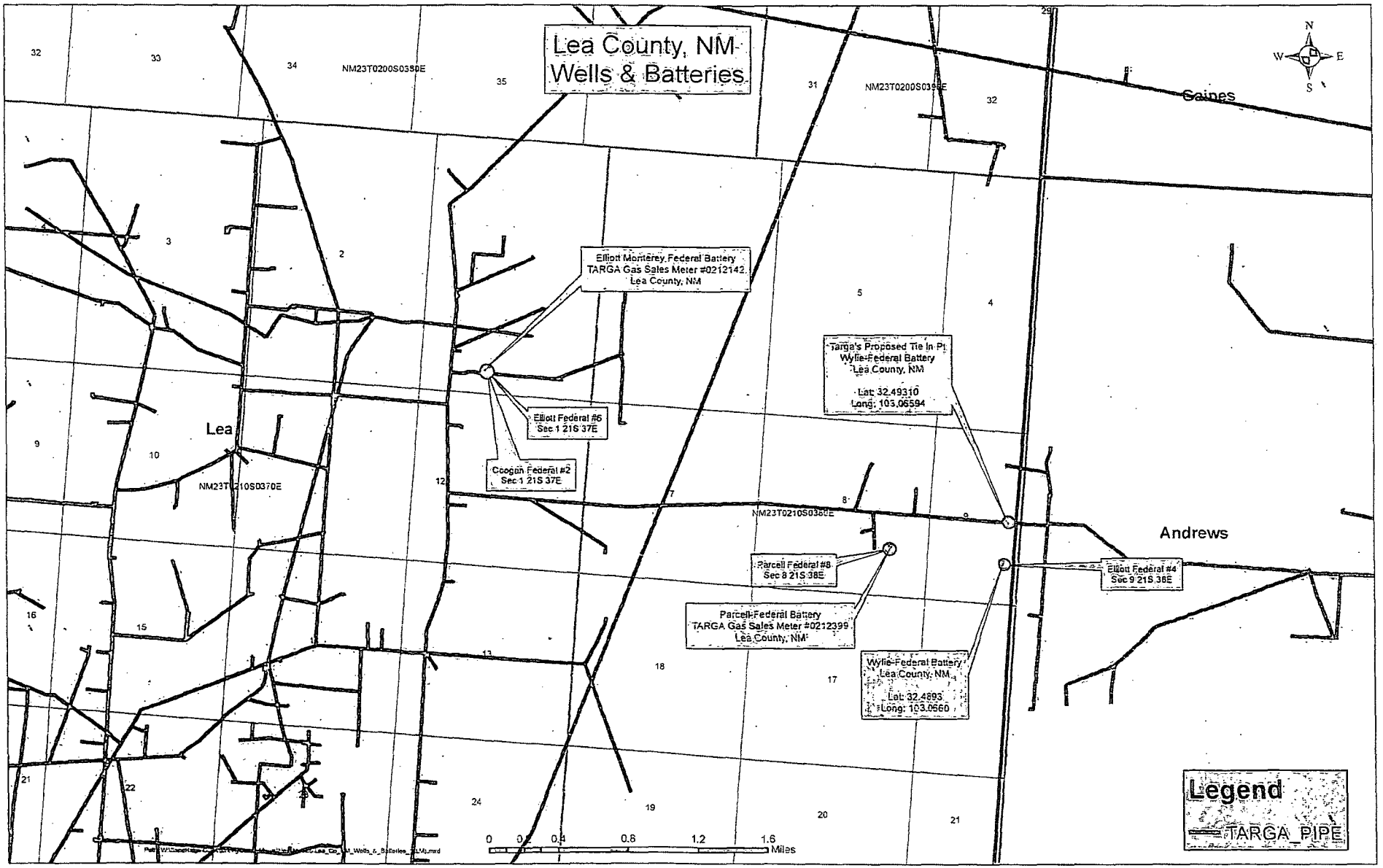
91 7108 2133 3932 3742 1797

Genesis Limited Partnership
P.O. Box 1363
Mount Pleasant, SC 29465

91 7108 2133 3932 3742 1780

Minerals Management Service
Royalty Management Program
P.O. Box 5810
Denver, CO 80217-5810

91 7108 2133 3932 3742 1773


Lea County, NM
Wells & Batteries
N
W
E
S
Gaines
Andrews
Lea
NM23T0200S0380E
NM23T0200S0390E
NM23T0210S0370E
NM23T0210S0380E
Elliott Monterey Federal Battery
TARGA Gas Sales Meter #0212142
Lea County, NM
Elliott Federal #6
Sec 1 21S 37E
Coogan Federal #2
Sec 1 21S 37E
Targa's Proposed Tie In Pt
Wylie Federal Battery
Lea County, NM
Lat: 32.49310
Long: 103.06594
Parcell Federal #8
Sec 8 21S 38E
Parcell Federal Battery
TARGA Gas Sales Meter #0212399
Lea County, NM
Wylie Federal Battery
Lea County, NM
Lat: 32.4893
Long: 103.0660
Elliott Federal #4
Sec 9 21S 36E
0 0.2 0.4 0.8 1.2 1.6
Miles
Legend
TARGA PIPE

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

SandRidge Exploration and Production, LLC
Elliott Federal #1, #6 and Coogan Federal #2
January 11, 2013

Condition of Approval
Commingle on and off lease

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.

2. This agency shall be notified of any spill or discharge as required by NTL-3A.

3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.

5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.

6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.

7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.

8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.

9. This agency shall be notified of any change in sales method or location of sales point.

10. Additional wells and/or leases require additional commingling approvals.

The public's interest in all these leases has been found to be identical at 12.5%. Therefore, this commingle is being approved. This does not mean that the allocation of production to each lease will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.