Form 3160-5

Approved By JERRY BLAKLEY

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

OCD Artesia UNITED STATES FORM APPROVED (August 2007) OMB NO. 1004-0135 DEPARTMENT OF THE INTERIOR Expires: July 31, 2010 **BUREAU OF LAND MANAGEMENT** Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NMNM0560353 Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side. 1. Type of Well 8. Well Name and No CRESCENT HALE 11 FEDERAL 1 ☑ Oil Well ☐ Gas Well ☐ Other Name of Operator Contact: MICHELLE C MICHELLE CHAPPELL API Well No 30-015-38494-00-S1 10. Field and Pool, or Exploratory 3b. Phone No. (include area code) 600 NORTH MARIENFELD STREET SUITE 600 Ph: 432-620-1959 BENSON Fx: 432-620-1940 MIDLAND, TX 79701 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, and State Sec 11 T19S R30E NENE 345FNL 545FEL EDDY COUNTY, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ■ Water Shut-Off □ Production (Start/Resume) ☐ Acidize Deepen Notice of Intent ☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ■ Well Integrity ■ Subsequent Report Casing Repair ■ New Construction ☐ Recomplete Other Venting and/or Flari □ Change Plans □ Plug and Abandon ☐ Final Abandonment Notice □ 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. 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.) Cimarex Energy Co. of Colorado respectfully requests permission to flare the Crescent Hale 11 Federal 1 CDP oil well gas beginning March 5, 2013 for a period of 90 days, or until June 5, 2013. Accepted for record An extension will be requested if flare is to continue past June 5, 2013. This is a one well battery. DCPs pipeline is down for repairs and we are unable to sell the gas. SEE ATTACHED FOR Cimarex anticipates flaring 9000 MCF for the 90 day period ending June 5, 2013. CONDITIONS OF APPROVAL A subsequent flare sundry will be submitted on June 5, 2013 or at completion of the DCP pipeline repairs, which will report actual volume flared. RECEIVED 14. I hereby certify that the foregoing is true and correct. Electronic Submission #202541 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY OF CO, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 03/27/2013 (13KMS5610SE) APR **01** 2013 NMOCD ARTESIA Name(Printed/Typed) MICHELLE CHAPPELL Title REGULATORY TECHNICIAN (Electronic Submission) Date 03/26/2013 Signature THIS SPACE FOR FEDERAL OR STATE 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 FALL OF A MANAGEMENT of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CARL SBAD FIELD OFFICE

TitleLEAD PET

Office Carlsbad

MAR 2 7 2013

03/27/2013

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Cimarex Energy Co. of Colorado Crescent Hale 11 Federal #1 NMNM0560353

March 27, 2013

Condition of Approval to Flare Gas

- 1. Report all volumes on OGOR reports.
- 2. Comply with NTL-4A requirements
- 3. Subject to like approval from NMOCD
- 4. Flared volumes will still require payment of royalties
- 5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
- 6. This approval does not authorize any additional surface disturbance.
- 7. Submit updated facility diagram as per Onshore Order #3.
- 8. Approval not to exceed 90 days for date of approval.
- 9. Submit Subsequent Report matching approval with actual volumes of gas flared for each month gas is flared.