

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 25 2007

FORM APPROVED
OMB No 1004-0135
Expires July 31, 1996



OCD-ARTESIA

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

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

2. Name of Operator
Cimarex Energy Co. of Colorado

3a. Address
PO Box 140907; Irving, TX 75014-0907

3b. Phone No (include area code)
972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1940' FNL & 330' FWL
25-17S-29E

5. Lease Serial No

LC-028784-C

6. If Indian, Allottee or Tribe Name

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

NW 70954 A
Grayburg Deep Unit

8. Well Name and No.

Grayburg Deep Unit No. 22

9. API Well No

30-015-35598

10. Field and Pool, or Exploratory Area

Loco Hills; Wolfcamp, NE

11. County or Parish, State

Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 checked="" 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 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, included estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple 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 recomple 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.)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Cimarex is changing the casing plans for this well to the following:

Surface:

In 17-1/2" hole, set 375' 13-3/8" 48# H-40 STC. Cement with lead of 134 sx Light Premium Plus + 0.125# Poly-E-Flake + 1% CaCl and tail of 220 sx Premium Plus + 2% CaCl. TOC 0.'

Intermediate:

In 11" hole, set 4700' 8-5/8" 32# J/K-55 LTC. Cement with lead of 733 sx Interfill C + 0.125# Poly-E-Flake and tail of 200 sx Premium Plus + 1% CaCl. TOC 0.'

Production:

In 7-7/8" hole, set 9400' 5-1/2" 17# N-80 LTC. Cement with lead of 305 sx Super H + 0.5% Halad-344 + 0.4% CFR-3 + 1# Salt + 5# Gilsonite + 0.125# Poly-E-Flake + 0.35% HR-7 and tail of 311 sx Super H + 0.5% Halad-344 + 0.4% CFR-3 + 1# salt + 5# Gilsonite + 0.125# Poly-E-flake + 0.35% HR-7. TOC 4500.'

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Natalie Krueger

Signature

Title

Reg Analyst 1

Date

June 19, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

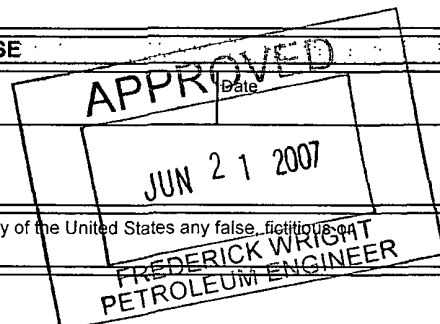
Title

Office

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.

Title 18 U.S.C. Section 1001, makes 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 reverse)



CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Cimarex Energy Co. of Colorado
Well Name & No. Grayburg Deep Unit # 22
Location: 1940' FNL, 330'FWL, SEC25, T17S, R29E, Eddy County, NM
Lease: LC-028784-C

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I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
 2. Setting and/or Cementing of all casing strings
 3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the Seven Rivers formation.
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- D. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

II. CASING:

- A. The 13.375 inch surface casing shall be set at least 25 feet into the Rustler Anhydrite and at least 25 feet above the salt, should it occur more shallow @ approximately 375 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the 8.625 inch intermediate casing is cementing to surface. If cement does not circulate see A.1 thru 4.

- C. The minimum required fill of cement behind the 5.5 inch production casing is cement shall circulate to at least **200 feet above the shoe of the 8.625 inch intermediate casing.**
- D. If hard band drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

III. PRESSURE CONTROL:

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 psi.
- C. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 8.625 inch Intermediate casing shoe shall be 3000 psi.
- D. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - 1. The tests shall be done by an independent service company.
 - 2. The results of the test shall be reported to the appropriate BLM office.
 - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53, section 17. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
 - 5. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
 - 6. A variance to test the surface casing to the reduced pressure of 1000 psi with the rig pumps is approved.
 - 7. A variance to use the proposed steel flexline between the BOP stack and the choke manifold is granted.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

- 1. Recording pit level indicator to indicate volume gains and losses.
- 2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- 3. Flow-sensor on the flow line to warn of abnormal mud returns from the well

V. Hazards:

1. Our geologist has indicated that there is potential for flows in the Salado and Artesia Groups.
2. Our geologist has indicated that there is potential for abnormal pressure in the Wolfcamp formation.

Engineering can be reached at 505-706-2779 for variances.

FWright 6/21/07