Form 3160-5 (August 2007)

Approved By

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.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

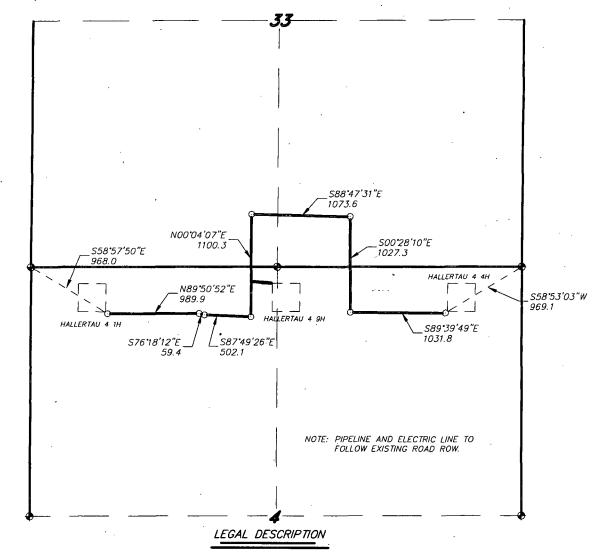
SUNDRY Do not use th abandoned we	5. Lease Serial No. NMNM0392082 6. If Indian, Allottee					
SUBMIT IN TRI	BBS OCD	7. If Unit or CA/Agre	ement, Name and/or No.			
Type of Well Gas Well ☐ Otl	2 9 2014	8. Well Name and No. HALLERTAU 4 F	EDERAL 9H /			
2. Name of Operator CIMAREX ENERGY COMPA	ECEIVED	9. API Well No. 30-025-41878	/			
3a. Address 600 N MARIENFELD STE 600 MIDLAND, TX 79701	3b. Phone No. (include area code Ph: 432-571-7848					
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description)	•	11. County or Parish,	and State	
Sec 4 T26S R32E 330FNL 25		LEA COUNTY,	NM .			
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE NATURE OF	NOTICE, RE	PORT, OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	☐ Acidize	☐ Deepen	☐ Production	on (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing	☐ Fracture Treat	☐ Reclamat	tion	■ Well Integrity	
☐ Subsequent Report	Casing Repair	■ New Construction	☐ Recompl	ete	⊠ Other	
☐ Final Abandonment Notice	□ Change Plans	□ Plug and Abandon	☐ Tempora	rily Abandon	Change to Original A PD	
	Convert to Injection	□ Plug Back	■ Water Di	sposal		
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 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 requests approval for an SWD line, a gas sales line, and a return gas line from the Hallertau 4 Federal 4H.						
SWD: SDR-11 above ground, exit the well pad from the southeast corner, east, to the southwest corner of the Hallertau 4 Federal 4H. The length will be 1092.3? The route is on lease, and does not require a ROW.						
Gas sales line and return gas line: Two 4? flex FP601 HP, 4500? in length, to follow route for approved BLM ROW (NM-130102), exiting the pad at the northwest corner, continue north, then east, then south, then east again to connect at the Hallertau 4 Federal 4H battery.						
Please see attached plats for r	oute.			•		
Surface OK- Se	e AHGULI COA	s. JZ 9/18/14				
14. I hereby certify that the foregoing is	Electronic Submission #2	54913 verified by the BLM We ENERGY COMPANY, sent to	II Information S the Hobbs	System		
Name (Printed/Typed) PAULA BR	RUNSON	Title REGUL	ATORY ANA	LYST .		
Signature (Electronic S	ubmission)	Date 07/29/2	014			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE						

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.

FIELD MANAGER

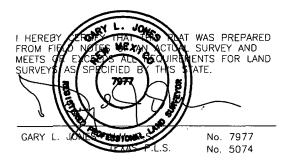
Office CARLSBAD FIELD OFFICE

SECTION 33, TOWNSHIP 25 SOUTH, RANGE 32 EAST, N.M.P.M., SECTION 4, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.



A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 33, TOWNSHIP 25 SOUTH, RANGE 32 EAST, AND SECTION 4, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 33 = 2175.3 FEET = 131.84 RODS = 0.41 MILES = 1.50 ACRES SECTION 4 = 3609.1 FEET = 218.73 RODS = 0.68 MILES = 2.48 ACRES TOTAL = 5784.4 FEET = 350.57 RODS = 1.09 MILES = 3.98 ACRES



BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 24493 Drawn By: J. M. SMALL

Date: 03-05-2013 Disk: JMS 24493

1000

2000 FEET

CIMAREX ENERGY CO.

REF: PROPOSED PIPELINE & ELECTRIC LINE TO THE HALLERTAU 4 4H

A PIPELINE AND ELECTRIC LINE CROSSING USA LAND IN

SECTION 33, TOWNSHIP 25 SOUTH, RANGE 32 EAST, SECTION 4, TOWNSHIP 26 SOUTH, RANGE 32 EAST,

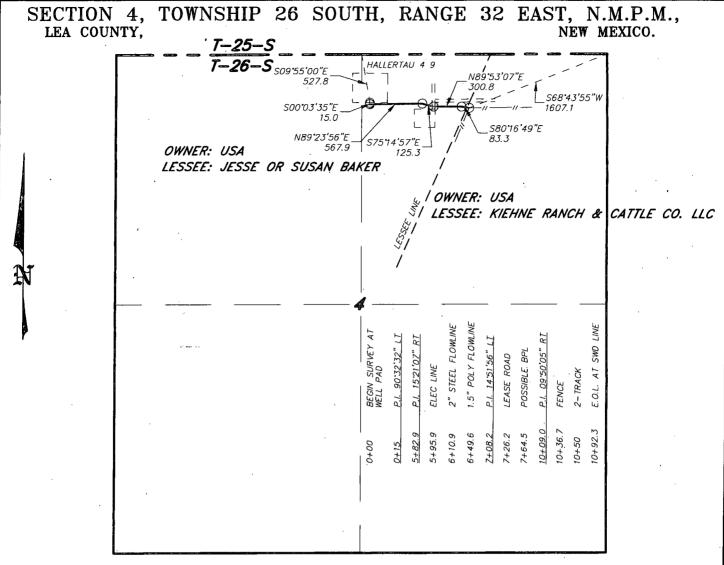
N.M.P.M., LEA COUNTY, NEW MEXICO.

THE MEXIC

Survey Date: VARIES

Sheet 1

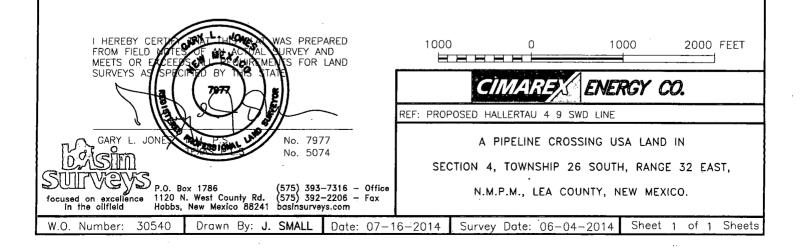
Sheets

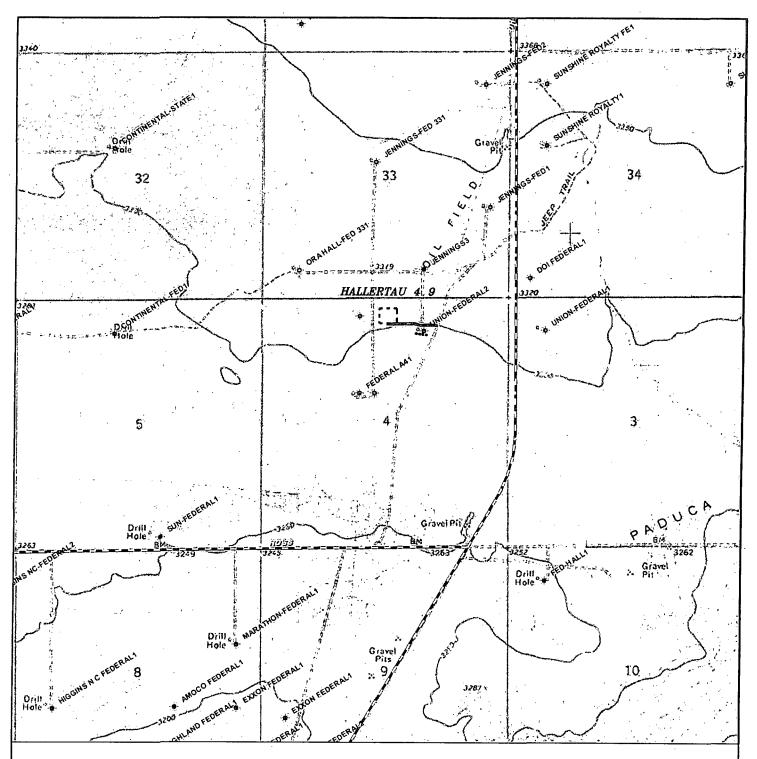


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 4, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 4 = 1092.3 FEET = 66.20 RODS = 0.21 MILES = 0.75 ACRES





PROPOSED HALLERTAU 4 9 SWD LINE Section 4, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

W.O. Number:



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

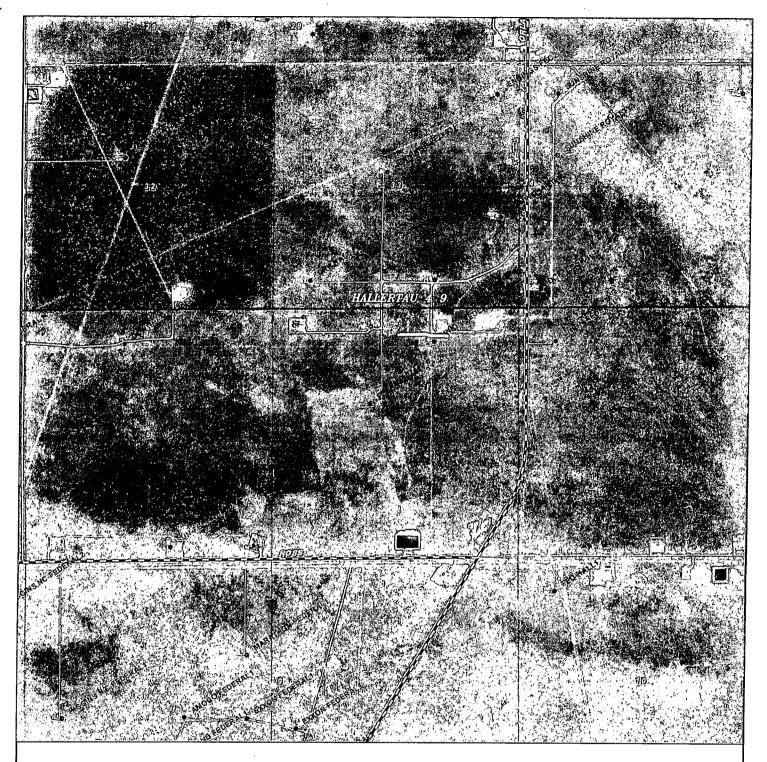
(575) 392-2206 - Fax basinsurveys.com

Survey Date: 06-04-2014 YELLOW TINT — USA LAND BLUE TINT — STATE LAND NATURAL COLOR — FEE LAND

30540

= 2000'





PROPOSED HALLERTAU 4 9 SWD LINE Section 4, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico.



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

١	0' 1000' 2000' 3000' 4000'	
	SCALE: 1" = 2000'	
	W.O. Number: 30540	100
	Survey Date: 06-04-2014	
	YELLOW TINT - USA LAND	ĺ
إ	BLUE TINT - STATE LAND	



<u>BLM LEASE NUMBER</u>: NMNM0392082A <u>COMPANY NAME</u>: Cimarex Energy Company

ASSOCIATED WELL NAME: Halleratu 4 Federal 9H

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

	(
	5. All construction and maintenance activity will	be confined to the authorized right-of-way.	
·	6. The pipeline will be buried with a minimum copipe and ground level.	over of <u>36</u> inches between the top of the	
	7. The maximum allowable disturbance for const	ruction in this right-of-way will be 30 feet:	·
		way will be allowed: maximum width of et. The trench is included in this area. (Blading sh and ground vegetation.)	
	clearing operations will not exceed <u>30</u> fer this area. (Clearing is defined as the ren	of-way will be allowed: maximum width of et. The trench and bladed area are included in noval of brush while leaving ground vegetation test accomplished by holding the blade 4 to 6	
		any) shall only be disturbed by compressing sed by vehicle tires, placement of equipment,	·
	8. The holder shall stockpile an adequate amount topsoil to be stripped is approximately6 in from other spoil piles from trench construction. To bladed area for the preparation of seeding.	ches in depth. The topsoil will be segregated	
,	9. The holder shall minimize disturbance to existilands. The holder is required to promptly repair in Functional use of these improvements will be main owner of any improvements prior to disturbing the line, the fence shall be braced on both sides of the permanent gates will be allowed unless approved by	inprovements to at least their former state. Intained at all times. The holder will contact the em. When necessary to pass through a fence passageway prior to cutting of the fence. No	
	10. Vegetation, soil, and rocks left as a result of corandomly scattered on this right-of-way and will notherwise approved by the Authorized Officer. The match the surrounding landscape. The backfilled so be left over the ditch line to allow for settling back	ot be left in rows, piles, or berms, unless are entire right-of-way shall be recontoured to soil shall be compacted and a 6 inch berm will	
	11. In those areas where erosion control structures holder will install such structures as are suitable for and which are in accordance with sound resource resource.	or the specific soil conditions being encountered	
	12. The holder will reseed all disturbed areas. See seeding requirements, using the following seed mix	_	
	(X) seed mixture 2 () seed mixture 3) seed mixture 4) Aplomado Falcon Mixture	

•

- 13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2.
- 14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.
- 15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.
- 16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.
- 17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.
- 18. <u>Escape Ramps</u> The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted 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 the trenches according to the following criteria:
 - a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife; remove all trapped wildlife, and release them at least 100 yards from the trench.
 - b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

Fence Requirement

Where entry is granted across a fence line, the fence must be braced and tied off on both sides of the passageway with H-braces prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Seed Mixture 2, for Sandy Sites

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 <u>no</u> 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 (9) months prior to purchase. Commercial seed will be either 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 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 doubled. 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:

Species		l <u>b/acre</u>
	Sand dropseed (Sporobolus cryptandrus)	1.0
	Sand love grass (Eragrostis trichodes)	1:0
	Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

BLM LEASE NUMBER: NMNM0392082A COMPANY NAME: Cimarex Energy Company ASSOCIATED WELL NAME: Hallertau 4 Federal 9H

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.

b. Activities of other parties including, but not limited to: (1) Land clearing. (2) Earth-disturbing and earth-moving work. (3) Blasting. (4) Vandalism and sabotage. c. Acts of God. The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred. This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States. 5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein. 6. All construction and maintenance activity will be confined to the authorized right-of-way feet. If the pipeline route follows an existing road or buried pipeline width of right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways. 7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer. 8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.

10. The holder shall minimize disturbance to existing fences and other improvements on public

state with no bumps or dips remaining in the road surface.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former

lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

- 11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
- 12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
- 13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
- 14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
- 15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.
- 16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.
- 17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

Fence Requirement

Where entry is granted across a fence line, the fence must be braced and tied off on both sides of the passageway with H-braces prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).