

DATE IN <i>4/13/2016</i>	SUSPENSIF	ENGINEER <i>WAM</i>	LOGGED IN <i>4/13/2016</i>	TYPE <i>OLM</i>	APP NO. <i>pmAm1610440807</i>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Cimarex Energy Co. - 215099
 Well: Triste Draw 25 Federal Com #311
 30025-41150
 Pool: Triste Draw; Bone Spring → *96603*

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☒ Working Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Terri Stathem

Print or Type Name

[Signature]

 Signature

Regulatory

Title

4-6-16

Date

tstathem@cimarex.com

 e-mail Address

RECEIVED

CIMAREX

2016 APR 12 PM 3:47

Cimarex Energy Co.

202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936

• A NYSE Listed Company • "XEC"

April 7, 2016

New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, NM 87505

Attn: Mr. Michael McMillian

Re: Off Lease Measurement
Triste Draw 25 Federal Com 3H API: 30025-41150
Lea County, NM

Dear Mr. McMillian:

Cimarex Energy Co. respectfully requests administrative approval of off lease measurement for its Triste Draw 25 Federal Com #3H well. No surface commingling of gas production is requested.

Three gas sales meter were installed at the Triste Draw 25 Federal #1H battery, one off lease gas sales meter to accommodate the Triste Draw Federal Com #3H well, one off lease gas sales meter to accommodate the Triste Draw 30 Federal #1 battery wells, and one on lease gas sales meter to accommodate the Triste Draw 25 Federal #1H battery wells. In order to minimize surface damage while leaving surface area available for future development the gas meters were installed at a central location by DCP.

Working interest owners and the BLM have been notified of the request to measure off lease by copy of the application.

Thank you for your consideration of the enclosed application. Should you have any questions please contact me at 432-620-1936.

Thank you,


Terri Stathem

Manager Regulatory Compliance

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Cimarex Energy Co.
OPERATOR ADDRESS: 202 S. Cheyenne Ave, Ste 1000, Tulsa, OK 74103
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: [Signature]

TITLE: Manager Regulatory Compliance

DATE: 4-6-16

TYPE OR PRINT NAME Terr Stathem

TELEPHONE NO.: 432-620-1936

E-MAIL ADDRESS: tstathem@cimarex.com

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3463

OIL CONSERVATION DIVISION RECEIVED
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Submit one copy to appropriate District Office

☒ AMENDED REPORT

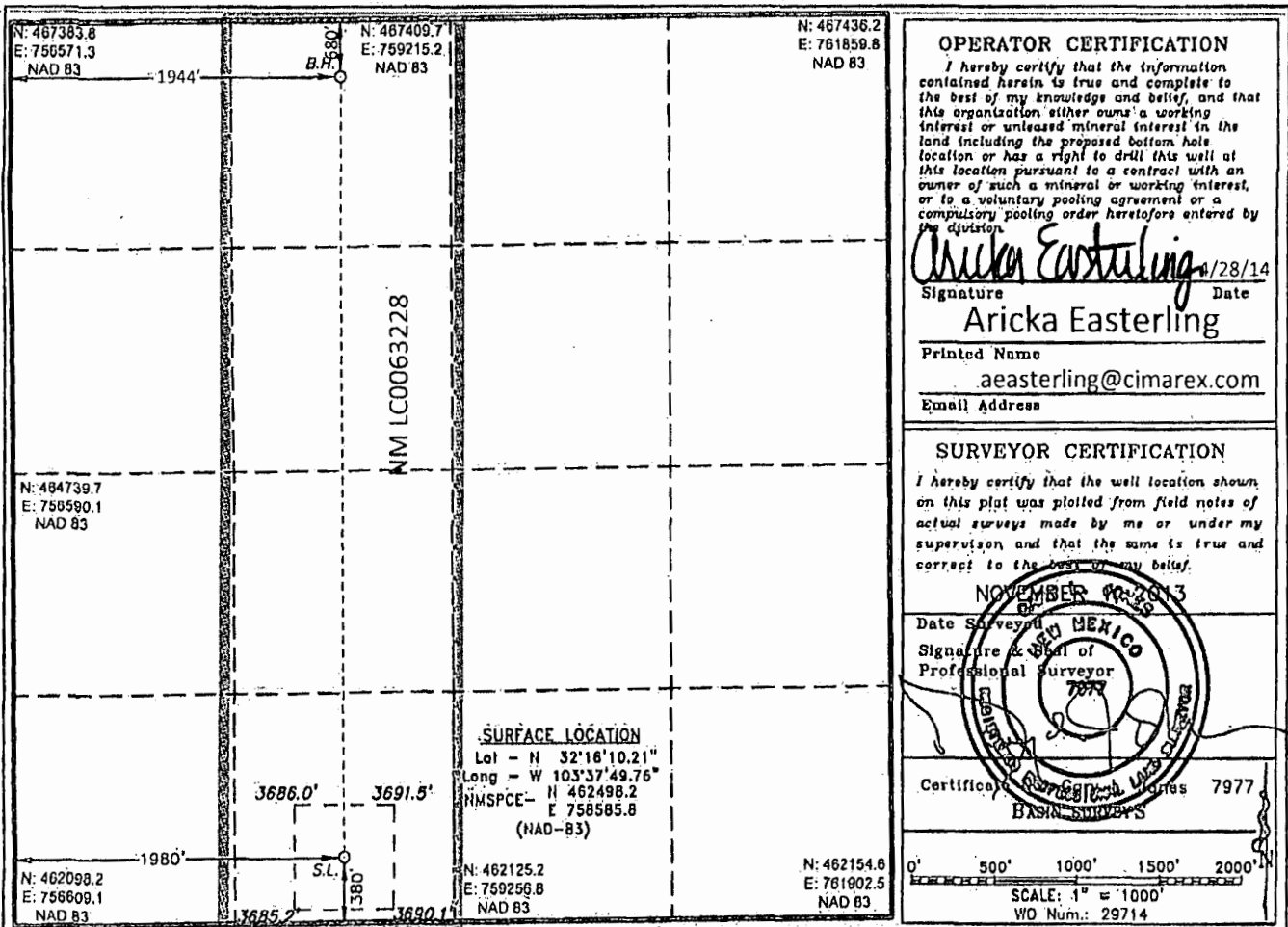
API Number 30-025-41150	Pool Code 96603	Pool Name Triste Draw ; Bone Spring
Property Code 39851	Property Name TRISTE DRAW 25 FEDERAL Com	Well Number 318 H
OGRID No. 215099	Operator Name CIMAREX ENERGY CO.	Elevation 3688

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	25	23 S	32 E		380	SOUTH	1980	WEST	LEA

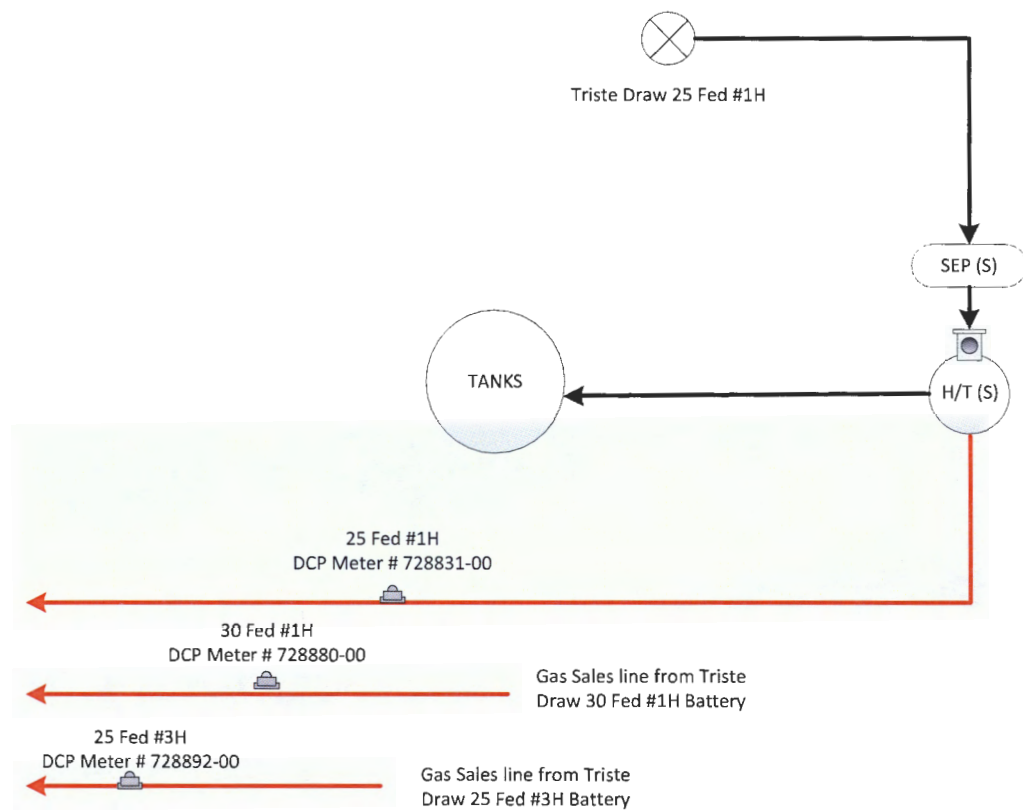
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	23 S	32 E		680	NORTH	1944	WEST	LEA

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No. 2770
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



MAY 19 2014



Triste Draw 25 Federal #1 Battery Overview



Triste Draw 25 Federal Com #3H

Sec. 25, 23S, 32E

Lea County, NM



TRISTE DRAW 25 FEDERAL COM #3

Located 330' FSL and 1980' FWL

Section 25, Township 23 South, Range 32 East,
N.M.P.M., Lea County, New Mexico.

- #1H Battery
- Gas Pipeline
- Lease Road



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

W.O. Number: JG 25893

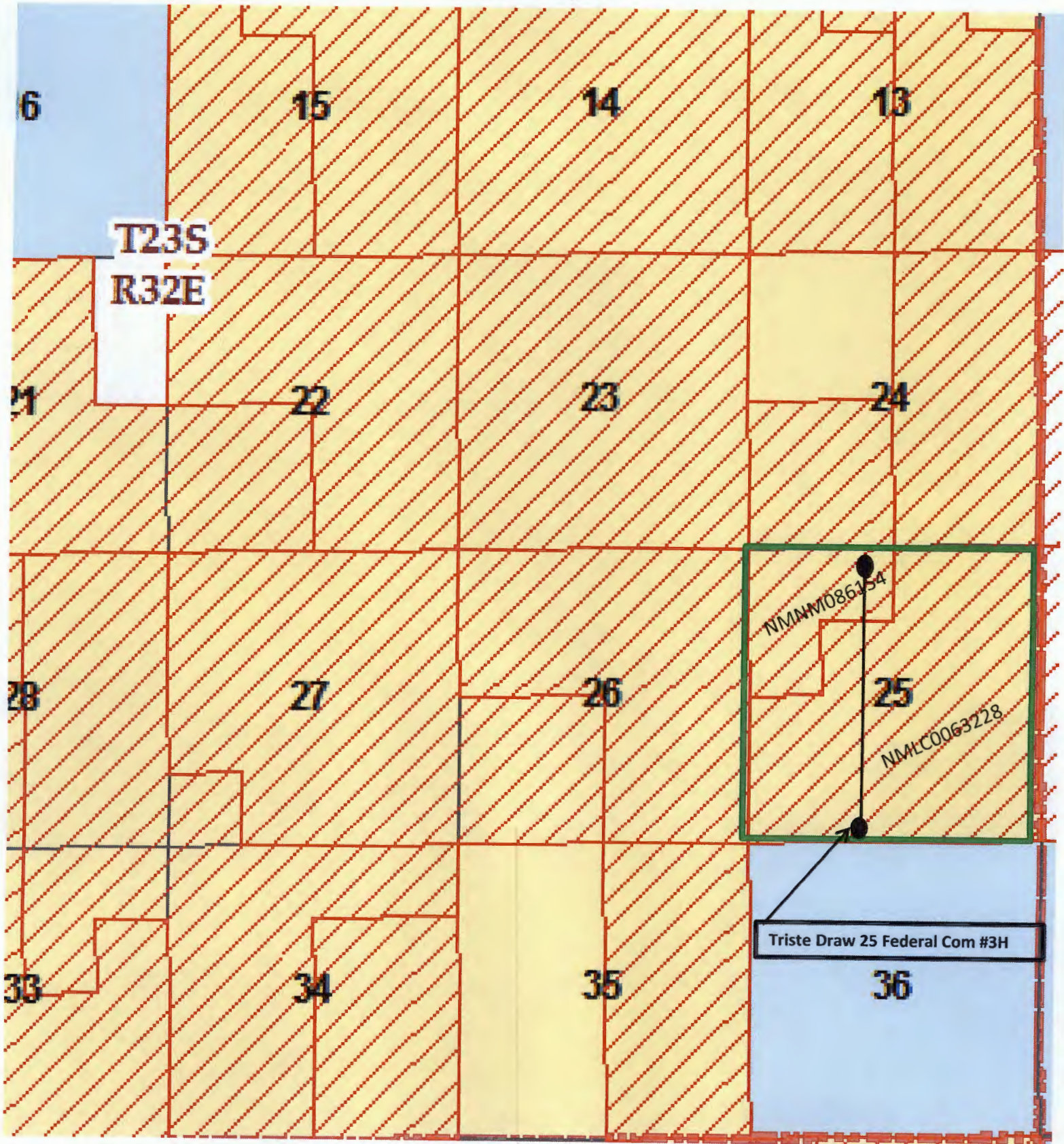
Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND



**CIMAREX
ENERGY CO.
OF COLORADO**

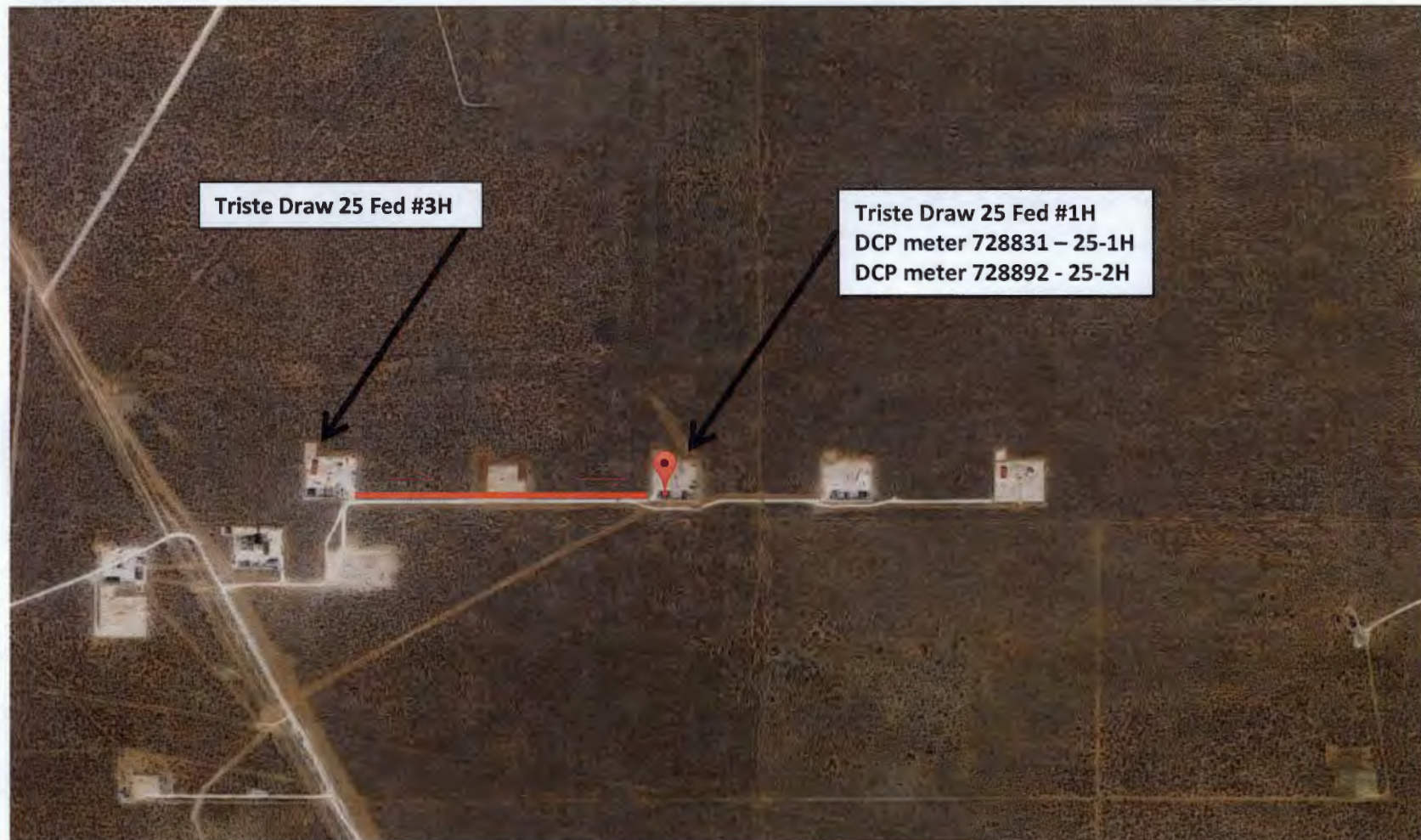
Federal Lease Information
Triste Draw 25 Federal
Sec. 25, 23S, 32E
Lea County, NM



NMNM086154 – 280 total acres – 120 acres Sec. 25

NMLC0063228 – 1600 total acres – 520 acres Sec. 25

**Triste Draw 25 Federal #3H
Gas Pipeline Route
Off Lease Measurement/Sales**



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC063228
2. Name of Operator CIMAREX ENERGY COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 202 S. CHEYENNE AVE, STE 1000 TULSA, OK 74103		7. If Unit or CA/Agreement, Name and/or No
3b. Phone No. (include area code) Ph: 432-620-1936		8. Well Name and No. TRISTE DRAW 25 FEDERAL COM 3H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T23S R32E 330FSL 1980FWL		9. API Well No. 30-025-41150
		10. Field and Pool, or Exploratory TRISTE DRAW BONE SPRING
		11. County or Parish, and State LEA 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 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measuremen t
	<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 shall 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 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. respectfully requests approval for off-lease measurement and sales of gas production as depicted on the attached exhibits for the Triste Draw 25 Federal Com #3H well.

NO Federal royalties will be reduced nor improper measurement will occur as a result of approval of this request.

Working Interest Owners are being notified concurrently with this submission. List attached.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #335924 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY, sent to the Hobbs	
Name (Printed/Typed) TERRI STATHEM	Title MANAGER REGULATORY COMPLIANCE
Signature (Electronic Submission)	Date 04/07/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
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 _____

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****



Cimarex Energy Co.

202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936

• A NYSE Listed Company • "XEC"

April 7, 2016

ConocoPhillips Company

P.O. Box 2197

Houston, Texas 77252-2197

Re: Off Lease Measurement
Triste Draw 25 Federal Com 3H API: 30025-41150
Lea County, NM

Dear Working Interest Owner:

Cimarex Energy Co. has filed an application with the New Mexico Oil Conservation Division (NMOCD) seeking approval of off-lease measurement and sales of gas production for the above mentioned well. Please see the attached copy of our application.

This matter does not require any action on your part. Current NMOCD Regulations require that all affected working interest owners receive notice of proposed off-lease measurement.

Should you have any objections to our application please contact the New Mexico Oil Conservation Division Santa Fe office within 20 days of receipt of this letter.

Thank you for your consideration of the enclosed application. Should you have any questions please contact me at 432-620-1936.

Thank you,



Terry Stathem

Manager Regulatory Compliance



Cimarex Energy Co.

202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936

• A NYSE Listed Company • "XEC"

April 7, 2016

Devon Energy Corporation

333 W. Sheridan Ave.

Oklahoma City, OK 73102

Re: Off Lease Measurement

Triste Draw 25 Federal Com 3H API: 30025-41150

Lea County, NM

Dear Working Interest Owner:

Cimarex Energy Co. has filed an application with the New Mexico Oil Conservation Division (NMOCD) seeking approval of off-lease measurement and sales of gas production for the above mentioned well. Please see the attached copy of our application.

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Thank you,

Terri Stathem

Manager Regulatory Compliance



Cimarex Energy Co.
202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936
• A NYSE Listed Company • "XEC"

Triste Draw 25 Federal Com #3H
Owner Listing And Certified Mail Information

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252-2197

Devon Energy Corporation
333 W. Sheridan Ave.
Oklahoma City, OK 73102

7014 0510 0001 2310 9509

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To <u>Conoco Phillips</u>	
Street, Apt. No.; or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	

9156 0152 1000 0010 4101

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To <u>Devon</u>	
Street, Apt. No.; or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	