	UNITED STATE EPARTMENT OF THE I UREAU OF LAND MANA	NTERIOR	OCD-H	OBE <u>s</u>	ORM APPROVED MB NO. 1004-0135 (pires: July 31, 2010		
SUNDRY Do not use th abandoned we	NOTICES AND REPO	RTS ON WELLS	an sals of	5. Lease Serial NMNM014 6. If Indian, All		, <u></u> ,	
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. HOBBS OCD SUBMIT IN TRIPLICATE - Other instructions on reverse side.				7 If Unit or CA	7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well			NOV 17	8 Well Name ar	NM 70989F 8. Well Name and No.		
🛛 Oil Well 🔲 Gas Well 🔲 Other				MESCALERO RIDGE UNIT 001			
2. Name of Operator Contact: LEXIE LAV/ CIMAREX ENERGY COMPANY			RECEI		9. API Well No. 30-025-23189		
3a. Address3b. Phone N600 N MARENFELD ST SUITE 600Ph: 432-6MIDLAND, TX 79701Ph: 432-6				10. Field and Pool, or Exploratory QUAIL RIDGE;MORROW			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				11. County or Parish, and State			
Sec 20 T19S R34E 660FSL 660FWL 🖊				LEA COUNTY COUNTY, NM			
12. CHECK APPI	ROPRIATE BOX(ES) TO) INDICATE NATI	URE OF NOTI	CE, RÉPORT, OR O	THER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	Acidize	🗖 Deepen		Production (Start/Resum	e) 🖸 Water S	Shut-Off	
_	Alter Casing	Fracture Tree	eat 🗖	Reclamation	🗖 Well In	tegrity	
Subsequent Report	Casing Repair		□ New Construction □ Recomplete		Other		
Final Abandonment Notice	 Change Plans Convert to Injection 	Plug and Al Plug Back	_	Femporarily Abandon Water Disposal	•		
Name of formation: Morrow BWPD: 1-2							
Water stored: 2 ea. 500 bbl wa	ater tanks						
Water is truck to water disposa			SEE ATTACHED	FOR			
Disposal facility info:			CONDITIONS OF APPROVAL				
14. I hereby certify that the foregoing is	Electronic Submission #2	256348 verified by the ENERGY COMPANY	BLM Well Infor	mation System	<u> </u>		
Name(Printed/Typed) LEXIE LAV	Committed to AFMSS for	processing by LIND	A DENNISTON C	n 08/15/2014 ()			
Signature (Electronic Submission)			08/08/2014	APPRO	DVED		
	THIS SPACE FO	R FEDERAL OR		CE USE			
4	and a fair and the second s	Title		NUV I	Z ZUI4 Date		
<u>Approved By</u> Conditions of approval, if any, are attached. Approval of this notice does not warrant or tertify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.				JAMES A		VA	
Conditions of approval, if any, are attached ertify that the applicant holds legal or equi	itable title to those rights in the	subject lease Office		SUPERVIS	OR-EPS	-lf-(,	
Conditions of approval, if any, are attached entities that the applicant holds legal or equi	itable title to those rights in the ct operations thereon.	subject lease Office	wingly and willful	SUPERVIS	SOR-EPS		

Additional data for EC transaction #256348 that would not fit on the form

32. Additional remarks, continued

Basin Alliance LLC State AJ #1 2310 FNL 2310 FEL sec. 33 18S 36E SWD- 168776

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BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. 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.
- 5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 8. Disposal at any other site will require prior approval.
- 9. Subject to like approval by NMOCD.

7/10/14