Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD-HOBBS

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

HOBBS OCE

Lease Serial No. NMNM32591

| SUNDRY NOTICES AND R | EPORTS ON WELLS |
|--------------------------------------|--------------------------------|
| Do not use this form for proposa | als to drill or to re-enter an |
| alama dan ad coall. Han famin 0400 0 | 2 (ADD) for our le |

| abandoned we | II. Use form 3160-3 (APD) for | such proposals. 0 | CT 27 201 | b. If Indian, Allottee | or Tribe Name | |
|--|---|--|---|---|---|--|
| SUBMIT IN TRIPLICATE - Other instructions on reverse side. RECEIVED | | | | 7. If Unit or CA/Agreement, Name and/or No. NM 726093 | | |
| 1. Type of Well Soli Well Gas Well Other Other | | | | 8. Well Name and No. NORTH MADURO FEDERAL UNIT 002 | | |
| 2. Name of Operator Contact: LEXIE LAVALLEY CIMAREX ENERGY COMPANY E-Mail: llavalley@cimarex.com | | | | 9. API Well No. 30-025-30650 | | |
| 3a. Address 600 N MARENFELD ST SUIT MIDLAND, TX 79701 | none No. (include area code 432-620-1936 | e) | 10. Field and Pool, or Exploratory TONTO; BONE SPRING SOUTH | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | 11. County or Parish, and State | | |
| Sec 20 T19S R33E 1800FSL | | LEA COUNTY COUNTY, NM | | | | |
| 12. CHECK APPR | ROPRIATE BOX(ES) TO INDI | CATE NATURE OF | NOTICE, REI | PORT, OR OTHE | R DATA | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | |
| Notice of Intent ■ Notice of Intent Notice of Intent | ☐ Acidize | □ Deepen | □ Productio | n (Start/Resume) | ☐ Water Shut-Off | |
| _ | ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamat | ion | ■ Well Integrity | |
| ☐ Subsequent Report | | ☐ New Construction | ■ Recomplete | | ☐ Other | |
| ☐ Final Abandonment Notice | - · · · | Plug and Abandon | □ Temporar | - | | |
| | ☐ Convert to Injection ☐ Plug Back 🔀 Water | | ₩ Water Dis | sposal | | |
| Attach the Bond under which the wor following completion of the involved testing has been completed. Final Ab determined that the site is ready for fi | lly or recomplete horizontally, give sub k will be performed or provide the Bond operations. If the operation results in a andonment Notices shall be filed only a nal inspection.) | d No. on file with BLM/BIA multiple completion or rec fter all requirements, include | Required subsetompletion in a new | equent reports shall be w interval, a Form 316 | filed within 30 days 0-4 shall be filed once | |
| Name of formation: Bone Sprir | ng | · | *. • | | | |
| BWPD: 1 | | | | | | |
| Water stored: 2 ea. 500 bbl water tanks SEE ATTACHED FOR | | | | | | |
| Water is truck to water disposal facility | | | | CONDITIONS (| OF APPROVAL | |
| Disposal facility info: | | | | | . • | |
| | | • | | | | |
| 14. I hereby certify that the foregoing is | For CIMAREX ENERG Committed to AFMSS for proces | SY COMPÁNY, sent to t sing by LINDA DENNIS | the Hobbs TON on 08/15/2 | 2014 () | | |
| Name(Printed/Typed) LEXIE LAV | ALLEY | Title REGUL | ATORY ANAT | | OVER | |
| Signature (Electronic S | ubmission) . | Date 08/08/2 | 014 | APPK | OVED | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE SEP 1 8 2014 | | | | | | |
| 4 15 | | Title | P | | | |
| Approved By Conditions of approval, if any, are attached ertify that the applicant holds legal or equivalent would entitle the applicant to conduct. | table title to those rights in the subject l | Title ant or ease Office | | SUPERVIS | Date AiviOS | |

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.

Additional data for EC transaction #256344 that would not fit on the form

32. Additional remarks, continued

Basic Energy Services Red Hawk 32 St #1 3002531888 1980 FSL 810 FWL sec. 32 19S 34E SWD- 1408

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