Form 3160-5

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.

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2. Name of Operator Contact: LEXIE LAVALLEY RECEIVED 2. Name of Operator CIMAREX ENERGY COMPANY C-Mail: llavalley@climarex.com 30-025-37884  33- Addiress 600 N MARENFELD ST SUITE 600 MIDLAND, TX 79701  4. Location of Well (Footuge, Sec. T., R. M., or Survey Description)  5. Phone No. (include area code) Ph. 432-620-1936  11. County or Parish, and State LEA COUNTY COUNTY, NM  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  13. Describe Proposed or Completed Operation (elarly state all pertinent details, including estimated stating after of any proposed work and approximate furation thereof. If the proposal is to depen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent masters and cones. Attach the Boan down of the involved operations. If the operation results in a multiple completion or recompleted, and the operator has determined that the site is ready for final inspection.)  Climarex Energy Co. respectfully requests the approval for water disposal;  Name of formation: yates  Water stored: 2 ea. 500 bbl water tanks  Water is truck to water disposal facility Disposal facility info:	August 2007)	UNITED STATI	INTERIOR	UCD-HUB	OMB	I APPROVED NO. 1004-0135 : July 31, 2010			
SUBMIT IN TRIPLICATE - Other instructions on reverse side 17 2014  1. Type of Well		5. Lease Serial No.							
1. Type of Well   Gas Well   Other   Contact   LEXIE LAVALLEY RECEIVED   9. API Well No. SCOUT 18 FEDERAL 006	abandoned	6. If Indian, Allottee	or Tribe Name						
Scour 16 FEDERAL 006	SUBMIT IN	TRIPLICATE - Other instru	uctions on reverse s	ide <sub>172014</sub>	7. If Unit or CA/Agre	ement, Name and/or No.			
2. Name of Operator CIMARE KENERGY COMPANY  E-Mail: Ilavalley@climarex.com Signature (2007)  30. Actives CIMARES KENERGY COMPANY  E-Mail: Ilavalley@climarex.com Signature (2007)  30. Phene No. Unclude area code) Ph. 432-620-1936  10. Field and Food, or Exploratory TONTO, YATES? RIVERS  11. County or Parish, and State LEA COUNTY COUNTY, NM  LEA COUNTY COUNTY, NM  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION  Notice of Intent Subsequent Report Casing Fracture Treat Reclamation Casing Fracture Treat Reclamation Casing Repair New Construction Recomplete Change Plans Plug and Abandon Temporarily Abandon Well Integrity Change Plans Plug and Abandon Temporarily Abandon Water Disposal  13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any process dwarf and approximate duration thereof. If the proposal is to depen directionally or recomplete horizontally, give subsubruface locations and measured and true vertical depths of all pertinent markers and zones. Attack the Bond under which the work will be performed or provide the Bond No. on file with BLMBIA. Required subsequent reports shall be filed within 30 days Collowing completion of the involved operations. If the operation results in a multiple completion in a new interior i									
600 N MARENFELD ST SUITE 600 MIDLAND, IX 79701 4. Location of Well (Feature, Sec., T., R. M., or Survey Description) 5. Sec 18 T19S R34E 2260FNL 2360FWL 6400 / E  12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION  Notice of Intent Alter Casing Final Abandonment Notice Casing Repair Casing Repair Change Plans Plug and Abandon Temporarily	2. Name of Operator								
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF ACTION  Notice of Intent Alter Casing Alter Casing Fracture Treat Rechamation Well Integrity Convert to Injection Convert to Injection Plug Back Water Disposal Convert to Injection Convert Total Convert Tot	600 N MARENFELD ST SUITE 600 Ph: 432-62								
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA  TYPE OF SUBMISSION  TYPE OF SUBMISSION  Acidize  Deepen  Production (Start/Resume)  Notice of Intent  Alter Casing Practure Treat Reclamation  Change Report  Casing Repair New Construction Plug Back Water Disposal  Describe Proposed or Completed Operation (clearly state all pertinent details, including extinated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete nor provide the Bond No. on file with RLMBIA. Required subsequent reports shall be filed within 30 days. following completion of the involved operations. If the operation results in a multiple completion or recompleted man singlety. Alter that the site is ready for final inspection.)  Cimarex Energy Co. respectfully requests the approval for water disposal;  Name of formation: yates  BWPD: 6  Water stored: 2 ea. 500 bbl water tanks  Water is truck to water disposal facility  Disposal facility info:  The proposed or Completed operation facility  Committed the formation system For CIMAREX ENERGY COMPANY, sent to the Hobbs  Committed to AFMSS for processing by LINDA DENNISTON on 08/15/2014 ()  Tale PROCE FOR ENERGY COMPANY, sent to the Hobbs  Signature (Electronic Submission)  Date 08/11/2014  Tale PROCE FOR ENERGY COMPANY, sent to the Hobbs  Signature (Electronic Submission)			n)		11. County or Parish,	and State			
TYPE OF SUBMISSION  TYPE OF ACTION    Acidize	Sec 18 T19S R34E 2260FNL 2150FWL 660/5 660 / E				LEA COUNTY	COUNTY, NM			
Notice of Intent   Acidize	12. CHECK A	APPROPRIATE BOX(ES) T	O INDICATE NATU	JRE OF NOTICE,	REPORT, OR OTHE	R DATA			
Notice of Intent	TYPE OF SUBMISSION		TYPE OF ACTION						
Alter Casing   Fracture Treat   Reclamation   Well Integrity		☐ Acidize	☐ Deepen	☐ Produ	action (Start/Resume)	☐ Water Shut-Off			
Final Abandonment Notice	_	☐ Alter Casing	☐ Fracture Tre	at 🗖 Recla	mation	■ Well Integrity			
Convert to Injection   Plug Back   Water Disposal	☐ Subsequent Report	□ Casing Repair	☐ New Constr	uction	mplete	Other			
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 winhing 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion 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 the approval for water disposal;  Name of formation: yates  BWPD: 6  Water stored: 2 ea. 500 bbl water tanks  SEE ATTACHED FOR  Water is truck to water disposal facility  Disposal facility info:  14. Thereby certify that the foregoing is true and correct.  Electronic Submission #256456 verified by the BLM Well Information System  For CIMAREX ENERGY COMPANY, sent to the Hobbs  Committed to AFMSS for processing by LINDA DENNISTON on 08/15/2014 ()  Title REGULAFORY-ANALYST.  Name (Electronic Submission)  Date 08/11/2014  Title REGULAFORY-ANALYST.	☐ Final Abandonment Notic	e Change Plans	Plug and Al	andon	orarily Abandon .				
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 BLMBIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion 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 the approval for water disposal;  Name of formation: yates  BWPD: 6  Water stored: 2 ea. 500 bbl water tanks  SEE ATTACHED FOR  CONDITIONS OF APPROVAL  Disposal facility info:  14. I hereby certify that the foregoing is true and correct.  Electronic Submission #256456 verified by the BLM Well Information System  For CIMAREX ENERGY COMPANY, sent to the Hobbs  Committed to AFMSS for processing by LINDA DENNISTON on 08/15/2014 ()  Name(Printed/Typed) LEXIE LAVALLEY  Title REGULA/FORY-ANALYST  TITLE SPACE FOR EXPERDAL OR STATE OFFICE USE		☐ Convert to Injection	☐ Convert to Injection ☐ Plug Back ☒ Water I			•			
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Signature (Electronic Submission)  Date 08/11/2014  THIS SPACE FOR FEDERAL OR STATE OFFICE USE	14. I hereby certify that the foregoi	Electronic Submission #	X ENERGY COMPÁNY,	sent to the Hobbs	•				
Signature (Electronic Submission) Date 08/11/2014									
THIS SPACE FOR FEDERAL OR STATE OFFICE USE, 1 2 2011	Signature (Electro	nic Submission)	Date	1 1	PPROVE	2			
	THIS SPACE FOR FEDERAL OR STATE OFFICE USE 1 1 0 2011								

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.

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Office

## Additional data for EC transaction #256456 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