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

NMOCD

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

5. Lease Serial No. Hobbs SUNDRY NOTICES AND DEDODTS ON WELLS

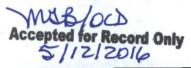
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on reverse side. 1. Type of Well Gas Well Gas Well Other				14101410120101							
				6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. NMNM70984X 8. Well Name and No. MADURO UNIT 9							
						Name of Operator Contact: RHONDA SHELDON CIMAREX ENERGY COMPANY OF CO-Mail: rsheldon@cimarex.com				9. API Well No. 30-025-40437-00-S1	
						3a. Address 202 S CHEYENNE AVE. SUITE 1000 TULSA, OK 74103		3b. Phone No. (include area code) Ph: 918-295-1709		10. Field and Pool, or Exploratory GEM	
4. Location of Well (Footage, Sec	., T., R., M., or Survey Description	i) HC	BBS OCI	11. County or Parish.	, and State						
Sec 29 T19S R33E NWNW	MAY 0 5 2016		LEA COUNTY, NM								
		IV	AI 49 2010								
12. CHECK AI	PPROPRIATE BOX(ES) TO	O INDICATE NATU	ECENOTICE	REPORT, OR OTHE	R DATA						
TYPE OF SUBMISSION		TYPE OF ACTION									
	Acidize	☐ Deepen	☐ Produ	ction (Start/Resume)	☐ Water Shut-Off						
Notice of Intent	☐ Alter Casing	☐ Fracture Trea	_		☐ Well Integrity						
☐ Subsequent Report	☐ Casing Repair	☐ New Constru	_		☑ Other						
☐ Final Abandonment Notice		☐ Plug and Aba	_	orarily Abandon	Venting and/or Flari						
_	Convert to Injection	☐ Plug Back	□ Water		ng						
Attach the Bond under which the following completion of the invol testing has been completed. Final determined that the site is ready for Cimarex requests permission DCP maintenance & cmpr of the complete states of the complete s	ved operations. If the operation re Abandonment Notices shall be fil or final inspection.)	sults in a multiple completi ed only after all requirement ,000 mcf for April throu	on or recompletion in a its, including reclamati ugh June 2016 due	a new interval, a Form 310 on, have been completed,	60-4 shall be filed once and the operator has						
			TACI	JED FOR							
SEE ATTACHED FOR CONDITIONS OF APPROVAL											
		C	ONDITION	S OF ALLINO	7 1 1 2						
14. I hereby certify that the foregoing	Electronic Submission # For CIMAREX EN	ERGY COMPANY OF C	O, sent to the Hobi	os/	X / /						
	nmitted to AFMSS for proces A SHELDON		REGULATORY TE	I I TO TO TO O							
Timew Typedy TATONE	A GILLDON	Thio	LOOLATONT IE	The state of the s	# / /						
Signature (Electron	c Submission)	Date	04/25/2016	155							
	THIS SPACE FO	R FEDERAL OR S	TATE OFFICE U	ISE APR 2	20/0 / ////						
			,	m	THE HAMPINE STATE OF THE STATE						

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Title

Office



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

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
- 5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
- 6. This approval does not authorize any additional surface disturbance.
- 7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.