| ~   |   |   | NMOC  | D  |  |   |  |
|---|---|---|---|--|--|---|--|
| Form 3160-5<br>(August 2007)  | UNITED STATES<br>DEPARTMENT OF THE INTERIOR<br>BUREAU OF LAND MANAGEMENT<br>SUNDRY NOTICES AND REPORTS ON WELLS<br>Do not use this form for proposals to drill or to re-enter an<br>abandoned well. Use form 3160-3 (APD) for such proposals. |   |   |  | FORM APPROVED<br>OMB NO. 1004-0135<br>Expires: July 31, 2010<br>5. Lease Serial No.<br>NMLC069832B<br>6. If Indian, Allottee or Tribe Name |   |  |
|   |   |   |   |  |  |   |  |
| L<br>at   |   |   |   |  |  |   |  |
| SUBMIT IN TRIPLICATE - Other instructions on reverse side.                          |   |   |   |  | 7. If Unit or CA/Agreement, Name and/or No.  |   |  |
| 1. Type of Well   | er  |   | 8   | 8. Well Name and No.<br>INDEPENDENCE 8 FEDERAL COM 1             |  |   |  |
| 2. Name of Operator<br>CIMAREX ENE  | Contact: KIN<br>COLORADØail: KiRhodes@cin   | 9   | 9. API Well No.<br>30-005-29151-00-S1                                       |  |  |   |  |
| 3a. Address<br>202 S. CHEYENNE AVE, SUITE 1000<br>TULSA, OK 74103-4346              |   |   |   | (include area optic) D   |  | 10. Field and Pool, or Exploratory<br>UNDESIGNATED-ABO-WOLFCAMP |  |
|   | , R., M., or Survey Description)  | ILINI 0 9 201   | IN 0 9 2016<br>II. County or Parish, and State<br>CHAVES COUNTY, NM         |  | and State  |   |  |
| Sec 8 T15S R31  | FNL 2310FEL   |   |   |  |  |   |  |
| 12. (   | CHECK APPR  | OPRIATE BOX(ES) TO IN   |   |  | ORT, OR OTHE   | R DATA  |  |
| TYPE OF SUB   |   |   |   | OF ACTION  |  | and the second  |  |
| □ Notice of Intent  |   | 1   |   |  | Production (Start/Resume) Water Shut-Off   |   |  |
|   |   | □ Alter Casing  |   |  |  | □ Well Integrity  |  |
| Subsequent Report   |   | Casing Repair   | New Construction  | Recomplet  | te   | Other   |  |
| Final Abandonment Notice  |   | Change Plans  | Plug and Abandon  | Temporari  |  | Venting and/or Flari<br>ng                                      |  |
|   |   | Convert to Injection Plug Back  |   | ■ Water Disposal<br>starting date of any proposed work and appro |  | States 12 2   |  |
| NMLC069832B   | ndependence<br>8 T15S R31E<br>2458 MCF  | API # Location<br>8 Federal Com 1H 300052<br>8 Federal Com 2H 3000529                                 | 29151 510 FNL 2310 FE<br>9152 1980 FNL 330 FE                               | EL<br>L  |  |   |  |
|   |   |   |   |  |  |   |  |
| 14. I hereby certify that   |   | true and correct.<br>Electronic Submission #340<br>For CIMAREX ENERGY<br>nmitted to AFMSS for process | 540 verified by the BLM W<br>Y CO OF COLORADO, se<br>sing by DAVID GLASS on | Vell Information S<br>ent to the Roswell<br>05/31/2016 (16DF     | ystem<br>RG0273SE)   |   |  |
| Name (Printed/Type  |   | EIGH RHODES   |   | JLATORY TECH   |  |   |  |
| Signature   | (Electronic S   | ubmission)  | Date 05/27  | /2016  |  |   |  |
|   |   | THIS SPACE FOR  | FEDERAL OR STATI  | E OFFICE USE   |  | A State of the  |  |
| Approved By S/  | DAVID   | R. GLASS  | Title   |  |  | Date  |  |
| Conditions of approval, i<br>ertify that the applicant<br>which would entitle the a | holds legal or equi   | Disproval of this notice does not itable title to those rights in the sub ct operations thereon.      | warrant or<br>ject lease Office   |  | . C. las   |   |  |
| Title 18 U.S.C. Section 1<br>States any false, figure                               | 001 and Title 43 U  | J.S.C. Section 1212, make it a crim<br>atements or representations as to a                            | ne for any person knowingly a ny matter within its jurisdiction             | nd willfully to make   | to any department or   | agency of the United  |  |
|   |   | State States  | 1   |  |  | D ##  |  |
|   | BLM REVI  | SED ** BLM REVISED **   |   |  | * BLM REVISEI  |   |  |
|   |   | Accepted for Reco   |   |  |  |   |  |
|   |   | MAB/OCD L   | 0/9/2016  |  | UND UF A   | PPROVAL   |  |

## BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 (575) 627-0272

## Venting and/or Flaring Conditions of Approval

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from the New Mexico Oil Conservation Division.
- 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 No. 3.
- 8. If approved Notice of Intent, approval not to exceed 90 days for date of 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.