

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

5. Lease Serial No.
NMNM3622 ✓

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CIMAREX ENERGY COMPANY OF CO

Contact: DAVID A EYLER

E-Mail: DEYLER@MILAGRO-RES.COM

3a. Address

202 S CHEYENNE AVE. SUITE 1000
TULSA, OK 74103

3b. Phone No. (include area code)

Ph: 432-687-3033

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 18 T19S R34E NESE 1650FSL 695FEL

8. Well Name and No.
SCOUT 18 FEDERAL 08 ✓

9. API Well No.
30-025-38249-00-S1

10. Field and Pool or Exploratory Area
TONTON

11. County or Parish, State

LEA COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start	INT TO PA <u>Am X</u> P&A NR _____ P&A R _____
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Aba	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

1) SET 4-1/2" CIBP @ 3,700'; PUMP 45 SXS.CMT. @ 3,700'-3,340'(T/YATES); CIRC.WELL.

2) PUMP 25 SXS.CMT. @ 1,674'-1,564'(T/ANHY.); WOC X TAG CMT. PLUG.

3) MIX X CIRC. TO SURF. 95 SXS.CMT. @ 958'-3'.

4) DIG OUT X CUT OFF WELLHEAD 3' B.G.L.; WELD ON STEEL PLATE TO CSGS. X INSTALL DRY HOLE MARKER.

DURING THIS PROCEDURE WE PLAN TO USE THE CLOSED-LOOP SYSTEM W/ A STEEL TANK AND HAUL CONTENTS TO THE REQUIRED DISPOSAL, PER OCD RULE 19.15.17.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

WITNESS

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #380413 verified by the BLM Well Information System

For CIMAREX ENERGY COMPANY OF CO, sent to the Hobbs

Committed to AFMSS for processing by PRISCILLA PEREZ on 07/17/2017 (17PP0428SE)

Name (Printed/Typed) DAVID A EYLER

Title AGENT

Signature (Electronic Submission)

Date 06/30/2017

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____

Title TPET

Date 08/21/17

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.

Office

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

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.

(Instructions on page 2)

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

FOR RECORD ONLY
MW/OCD 09/12/2017

Cimarex Energy Company

1/29/07 mea

Lease : Scout 18 Federal #8	Perforations			Casing			
Field : Seven Rivers	Reservoirs	From	To	Size	Weight	Grade	Depth
KB : 12.00				8 5/8"	24	J-55	908
Legals : Sec 18-19S-34E							
1650' FSL & 660' FEL				4 1/2"	11.6	J55	4 227
Lea Co., New Mexico							
Pumping Unit 228				2 3/8	4.6	L80	

Drawing Not To Scale

Tubing Detail

30-025-38249

8-5/8" 24# J55 STC @ 908'

Cmt'd w/ 260sx Lead 100 sx tail

Circ 72 sxs cement to surface

Tree Information

Valve Type	
Valve Size	
Swab Valve	
PSI Rated	
Top Connection	
B Section Size	

4 1/2" TOC @ Surface

Yates

3761-64', 3781-3824', 3868-74'

Lwr Yates

3937-44', 3947-49'
3957-63'

PBTD = 4,140' MD

4 1/2" 11.6# J55 LTC set @ 4227'

Cmt'd w/ 500sx Lead & 450 sx tail

Circulated 100 sxs to surface

7 7/8" hole TD @ 4228'

10.1 PPG MW Bore

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1650' FSL & 660' FEL				4 1/2"	11.6	J55	4,227
Lea Co., New Mexico							
				Tubing			
				Size	Weight	Grade	Depth
Pumping Unit 226				2 3/8	4.6	L80	

Drawing Not To Scale

T/ANNY - 1619'
T/YATES - 3407'

Tubing Detail

30-025-38249

8-5/8" 24# J55 STC @ 908'

Cmt'd w/ 260sx Lead 100 sx tail
Circ 72 sxs cement to surface

Tree Information	
Valve Type	
Valve Size	
Swab Valve	
PSI Rated	
Top Connection	
B Section Size	

M.L.F.

CIRC. 95 SXS. @ 958'-3'

M.L.F.

Pump 25 SXS @ 1,674'-1,564' - TAG

Pump 45 SXS @ 3,700'-3,357'

4 1/2" TOC @ Surface

Yates

3761-64', 3781-3824', 3868-74'

SET 4-1/2" CIRC @ 3,700'

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10 1 PPG MW Bore

7 7/8" hole TD @ 4228'

PBTD = 4,140' MD

4 1/2" 11.6# J55 LTC set @ 4227'

Cmt'd w/ 500sx Lead & 450 sx tail
Circulated 100 sxs to surface

JAE 06/30/17.

Conditions of Approval

**Cimarex Energy Company of Co.
Scout - 08, API 3002538249
T19S-R34E, Sec 18, 1650FSL & 695FEL
August 21, 2017**

- 1. Within 90 days of these conditions of approval for the processed Electronic Submission #380413 notice of intent begin wellbore operations.**
- 2. Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation.**
3. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15.
4. Subject to like approval by the New Mexico Oil Conservation Division.
5. Notify BLM 575-393-3612 Lea Co as work begins. Plugging procedures are to be witnessed.
If there is no response leave a voice mail with the API#, workover purpose, and a call back phone number.
6. Surface disturbance beyond the existing pad must have prior approval.
7. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
8. Functional H₂S monitoring equipment shall be on location.
9. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
10. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during any other crew-intensive operations.
11. The BLM PET witness is to run tbg tally and agree to cement volumes and placement. Sample each plug to verify cement curing time, WOC 4 hours, and tag with tubing and/or pressure test as requested by BLM PET witness.
12. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft to the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 1/2" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
13. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.

14. File **subsequent sundry** Form 3160-5 within 30 days of workover procedures. Include (dated daily) descriptions of the well work, i.e. procedure descriptions and setting depths of each plug in the subsequent sundry.

Lesser Prairie Chicken Habitat Area Dry Hole Markers

Stamp or engrave (3/8" letters) information for the plugged well on 8"x 8" aluminum plate of 1/8", 12 gauge, or .080 sign material similar to this example:

Ajax Operating Company
Tailspin – 22
1980FNL & 660FWL - Sec 16 - T22S-R31E
Lease LC029567 API 3001534567
Plugged July 17, 2017

1. Center a 3 to 4 foot pipe at a right angles on a 8"x8"x 1/8" or 3/16" steel plate and weld the pipe to the plate.
2. Cement the pipe vertically inside the abandoned surface casing. Leave the steel plate about 2" above and horizontal to ground level.
3. Fix the aluminum plate with the well information to the steel plate with 1/4 inch bolts and locking nuts or self tapping fine threaded screws (one in each corner).
4. On the BLM Form 3160-5 subsequent report of abandonment state that a ground level dry hole marker installed as required by BLM and NMOCD Order No. R-12965.

Reclamation Objectives and Procedures

In Reply Refer To: 1310

Reclamation Objective: At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as

needed. This will apply to well pads, facilities, and access roads. Barricade all access road(s) at the starting point. If reserve pits have not been adequately reclaimed due to salts or other contaminants, propose a plan for BLM approval to provide restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations should have included adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For locations and/or access roads not having an approved plan, or an inadequate plan for surface reclamation the operator must submit a proposal describing the procedures for reclamation. The appropriate time for submittal would be when filing the Notice of Intent, or with the Subsequent Sundry Report of Abandonment on Form 3160-5. The final reclamation goal is to be completed within 6 months of wellbore abandonment.
3. With an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It may be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives.
4. Upon reclamation conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a BLM specialist to inspect the location to verify work was completed as per approved plans.
5. The BLM approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been tentatively reestablished. If the objectives have not been met BLM will be notify the operator of the required corrective actions.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time the full BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the full BLM objectives have been met, submit a Final Abandonment Notice (FAN) Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time a BLM specialist will again inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability for the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Trishia Bad Bear
Natural Resource Specialist
575-393-3612, 575-390-2258 (Cell)

Jesse Bassett
Natural Resource Specialist
575-234-5913, 575-499-5114 (Cell)

Paul Murphy
Natural Resource Specialist
575-234-5975, 575-885-9264 (Cell)

Henryetta Price
Environmental Protection Specialist
575-234-5951, 575-706-2780 (Cell)

Robertson, Jeffery
Natural Resource Specialist
575-234-2230, 575-706-1920 (Cell)

Vance Wolf
Natural Resource Specialist
575-234-5979

Brooke Wilson
Natural Resource Specialist
575-234-6237

Arthur Arias
Environmental Protection Specialist
575-234-6230, 575-499-3378 (Cell)

Shelly Tucker
Environmental Protection Specialist
575-234-5905, 575-361-0084 (Cell)