

OCD Hobbs

ATS-16-469

Form 3160-3
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires January 31, 20185. Lease Serial No.
SHLABHL: NMNM12568A

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

Bondurant Federal 2

9. API Well No.

30-025-30972

10. Field and Pool, or Exploratory

SWD; Delaware

11. Sec., T. R. M. or Blk. and Survey or Area

1, 19S, 32E

12. County or Parish

Lea

13. State

NM

1a. Type of Work ☐ DRILL ☒ REENTER

1b. Type of Well ☐ Oil Well ☐ Gas Well ☒ Other

1c. Type of Completion ☐ Hydraulic Fracturing ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Cimarex Energy Co.

3a. Address

202 S. Cheyenne Ave., Ste 1000, Tulsa, OK 74103

3b. Phone No. (include area code)

918-585-1100

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At Surface 1650 FNL & 330 FEL

At proposed prod. Zone 1650 FNL & 330 FEL

Bone Spring

14. Distance in miles and direction from nearest town or post office*

9 miles SE of Maljamar NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line if any)

330' to nearest lease line

16. No of acres in lease

NMNM12568A=40.00 acres

17. Spacing Unit dedicated to this well

40.00

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.

NA

19. Proposed Depth

Pilot Hole TD: N/A

9,105 MD

0 TVD

20. BLM/BIA Bond No. in file

NB01188

NMB001187

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3687 GR

22. Approximate date work will start*

1/1/16

23. Estimated duration

30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- Well plat certified by a registered surveyor
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator Certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature

Name (Printed/Typed)

Terri Stathem

Date

11/20/15

Title

Regulatory Compliance

FIELD MANAGER

Approved By (Signature)

/s/Cody Layton

Name (Printed/Typed)

Office

Date

JUN 13 2018

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject land that would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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.

(Continued on page 2)

KZ 06/21/18

MAY NOT DISPOSE

UNTIL SWD ORDER IS APPROVED

(Instructions on page 2)

Operator Certification Statement

Bondurant Federal 2

Cimarex Energy Co.

UL: H, Sec. 1, 19S, 32E

Lea Co., NM

Operator's Representative

Cimarex Energy Co. of Colorado

600 N. Marienfeld St., Ste. 600

Midland, TX 79701

Office Phone: (432) 571-7800

CERTIFICATION: I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

I am responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43, 25 or 36 CFR for lease activities is being provided by Cimarex Energy Co. under their (Lease, Statewide, Nationwide, Unit or Permit) Bond, BLM/BIA/FS Bond No. NB01188.

Executed this 20 day of November, 2015

NAME: _____

Terri Stathem

TITLE: Regulatory Compliance

ADDRESS: 202 S. Cheyenne Ave., Ste 1000, Tulsa, OK 74103

TELEPHONE: 918-585-1100

EMAIL: TStathem@cimarex.com

Field Representative: Same as above

Cimarex Energy Co. of Colorado**Re-enter****DRILL-OUT PLAN****Bondurant Federal Com 2****1650' FNL & 330' FEL****Sec. 1, 19S, 32E****Lea County, NM**

Cimarex Energy Co. of Colorado respectfully requests approval to re-enter the Bondurant Federal #2 well and complete as a saltwater disposal well.

The well was plugged and abandoned, plugging details below. Also, the approved plugging sundry is attached for review.

Cimarex plans to drill out plugs from 0-6122', perf the well and complete as a SWD. Drill out and completion procedure below. Please see attached wellbore schematic.

Current Wellbore Data

GL: 3687' KB: 3697'

1. Previously Set Casing:

Size	Weight	Grade	Thread	Set at	Cmt	Remarks
-	-	-	-	-	-	-
8-5/8"	24#	K55	STC	1515'	700 sx	TOC - Circ
5-1/2"	17#	K55	-	9100'	2290 sx	TOC - Circ

2. Previously pumped Casing Cement:

8-5/8" 677 sx, 14.8#, 1.34 yld, Class C cmt – TOC – Circ
 5-1/2" 1459 sx, 15.6#, 1.19 yld, Class H cmt – TOC - Circ

NO New casing or cementing planned for the well.

3. Plugging Details:

	Cement Amount	Cement Interval
1	20 Sx Class C Cement	Surf - 200'
2	35 Sx Class C Cement	1171' - 1595' (Tag TOC)
3	25 Sx Class C Cement	2601' - 2973' (Tag TOC)
4	75 Sx Class C Cement	3233' - 3863' (Tag TOC)
5	25 Sx Class C Cement	~5869' - 6122'
6	25 Sx Class H Cement	~7264' - 7467'
7	CIBP @ 8700' + 25 Sx Class H Cement	~8497' - 8700'

4. Abandoned Perfs: Bone Spring Perfs (plugged back)

8,750' – 8,760' (22 Holes); 8,784' – 8,812' (58 Holes); 8,846' – 8,858' (26 Holes)

See Exhibit P for plugging sundry.

Proposed Drill Out Information:

5. Pressure Control Equipment: A workover type 5M BOPE system will be used while drilling out plugs. See Exhibit BOP attached.

6. Logging and Testing Procedures: No logs are planned for this well.

7. Drilling Conditions:

BH Pressure at deepest depth: 3500 psi

Abnormal Temperature: No

Cimarex Energy Co. of Colorado
Re-enter
DRILL-OUT PLAN
Bondurant Federal Com 2
1650' FNL & 330' FEL
Sec. 1, 19S, 32E
Lea County, NM

8. Procedure:

- MIRU pulling unit.
 - ND WH. NU 5k BOP. Function test BOP to low and high pressure. RU Reverse Unit. PU and RIH with 4-3/4" bit, 3-1/2" drill collars (6-8) and 2-7/8" tubing string.
 - DO the following plugs (all plugs spotted in the casing):
 - 1 Surf - 200'
 - 2 1171' - 1595' (Tag TOC)
 - 3 2601' - 2973' (Tag TOC)
 - 4 3233' - 3863' (Tag TOC)
 - 5 ~5869' - 6122'
 - Continue in hole and tag 6th cement plug at approximately 7264' (calculated top). Record depth. Pressure test casing to 1000 psi. POOH with tubing, collars and bit.
 - PU and RIH with 4-3/4" bit, 5-1/2" casing scraper and 2-7/8" tubing string. Clean out to top of 6th cement plug at ~7264'. POOH with tubing, scraper and bit.
 - RU WL Unit. RU 5k lubricator. PU and RIH with 3-1/8" guns, GR/CCL and WL. Correlate with *"Halliburton Logging Services, Inc.: Spectral Density Dual Spaced Neutron Log"* ran on 09/25/90.
- Perforate the following:**
- Delaware: 6150-7110', 1152 holes, 4 spf.
 - POOH WL and guns. RD 5k lubricator. RD WL Unit.
 - PU and RIH with 5-1/2" RBP w/ball catcher, retrieving tool, 5-1/2" packer and 2-7/8" tubing string. Set RBP at 7,160'. Pull up 1 jt, set packer and test RBP to 4000 psi. Release packer and set at 6,820'.
 - Rig up Basic acid crew. Test lines to 5000 psi.
 - Acidize perms 6,840'-7,110' with 7500 gals 15% HCL at ± 5 bpm while dropping 500 ball sealers. Max pressure 4000 psi. Flush with 50 bbls 2% KCL.
 - Release packer, retrieve RBP and POOH. Clear out ball catcher (only holds ~500 ball sealers). PU and RIH with 5-1/2" RBP w/ball catcher, retrieving tool, 5-1/2" packer and 2-7/8" tubing string. Set RBP at 6,830'. Pull up half a joint or 1 jt, set packer and test RBP to 4000 psi. Release packer and set at 6,410'.
 - Acidize perms 6,432'-6,795' with 6675 gals 15% HCL at ± 5 bpm while dropping 445 ball sealers. Max pressure 4000 psi. Flush with 50 bbls 2% KCL.

Cimarex Energy Co. of Colorado

Re-enter

DRILL-OUT PLAN

Bondurant Federal Com 2

1650' FNL & 330' FEL

Sec. 1, 19S, 32E

Lea County, NM

- Release packer, retrieve RBP and POOH. Clear out ball catcher (only holds ~500 ball sealers). PU and RIH with 5-1/2" RBP w/ball catcher, retrieving tool, 5-1/2" packer and 2-7/8" tubing string. Set RBP at 6,395'. Pull up half a jt or 1 jt, set packer and test RBP to 4000 psi. Release packer and set at 6,130'.
- Acidize perms 6,150'-6,354' with 7425 gals 15% HCL at ± 5 bpm while dropping 495 ball sealers. Max pressure 4000 psi. Flush with 50 bbls 2% KCL. RD Basic acid crew.
- Release packer, retrieve RBP and POOH with equipment. Lay down packer and RBP.
- PU and RIH with 5-1/2" x 2-7/8" nickel plated AS1 Packer, profile nipple, on/off tool and ~186 jts 2-7/8" J-55 6.5" fiberlined tubing. Circulate packer fluid to backside. Set packer at 6050'.
- ND BOP. NU WH.
- Notify NMOCD 24 hours prior to test. Perform MIT test. Send original Chart to Tulsa office.
- RDMO unit. Notify lease operator.

Cimarex Energy Co. of Colorado
Re-enter
SURFACE USE PLAN
Bondurant Federal Com 2
1650' FNL & 330' FEL
Sec. 1, 19S, 32E
Lea County, NM

The following surface use plan of operations will be followed and carried out once the APD is approved. Cimarex Energy Co. of Colorado respectfully requests approval to re-enter the Bondurant Federal #2 well. No new construction disturbance is anticipated for the well pad, facility or the road.

1. Existing Roads:

- Please see Exhibit B for existing access road to well
- Cimarex Energy will improve or maintain existing roads in a condition the same as or better than before the operations began. Cimarex Energy will repair pot holes, etc. All existing structures on the entire access route such as cattle guards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.
- Cimarex Energy will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or other events.
- Cimarex Energy will obtain written BLM approval prior to the application of surfactants, binding agents, or other dust suppression chemicals on the roadways.
- The maximum width of the driving surface will be 14'. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.
- Existing access road route to the proposed project is depicted on the public access point map if applicable. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done, unless otherwise noted in the New or Reconstructed Access Roads section of the surface use plan.
- From Maljamar & Dry Lake Road go 5.3 miles East on lease road. Turn North and go 2 miles, then NW 0.4 miles to location.

2. New Roads, Power lines, Gas pipelines and flowlines:

- No new construction

3. Proposed Salt Water Disposal Facility

- Upon completion a SWD facility pipeline from the Bondurant Fed 10 SWD will be constructed as indicated in item #4. No additional equipment is required at this well.

4. Salt Water Disposal lines:

- Cimarex plans to construct an on lease SWD line from the Bondurant Fed 10 well to the Bondurant Fed #2 well.
- Please see Exhibit SWD-1 for route.
- 4" buried HP flex pipe & 2" buried fiberglass pipe, (MAOP 1500#, Working Press 1200#)
- Lines will be buried in same ditch and will require a construction width of 30'
- Length: 2525.44'
- Pipeline will be constructed 20-30' from and parallel to the existing lease road.

5. Construction Material

- Well site constructed – no new construction anticipated.

Cimarex Energy Co. of Colorado
Re-enter
SURFACE USE PLAN
Bondurant Federal Com 2
1650' FNL & 330' FEL
Sec. 1, 19S, 32E
Lea County, NM

6. Methods of Handling Waste:

- Drilling fluids, produced oil, and water from the well during drilling and completion operations will be stored safely and disposed of properly in a NMOCD approved disposal facility.
- Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around well site will be collected for disposal.
- Human waste and grey water will be properly contained and disposed of properly at a state approved disposal site.
- After drill out and completion operations, trash, chemicals, salts, frac sand and other waste will be removed and disposed of properly at a state approved disposal site.
- The well will be drilled utilizing a closed loop system. Drill cuttings will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

7. Ancillary Facilities:

- No camps or airstrips to be constructed.

8. Well Site Layout:

- Exhibit D: Well Site layout plat

9. Interim and Final Reclamation

- Rehabilitation of the location will start in a timely manner after all drilling operations cease.
- In areas planned for interim and final reclamation, surfacing materials will be removed and returned to a mineral pit or recycled to repair or build roads and well pads.
- Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.
- Those areas of the location not essential to production facilities and operations will be reclaimed and seeded per BLM requirements. Exhibit D-1 illustrates the proposed Interim Reclamation.

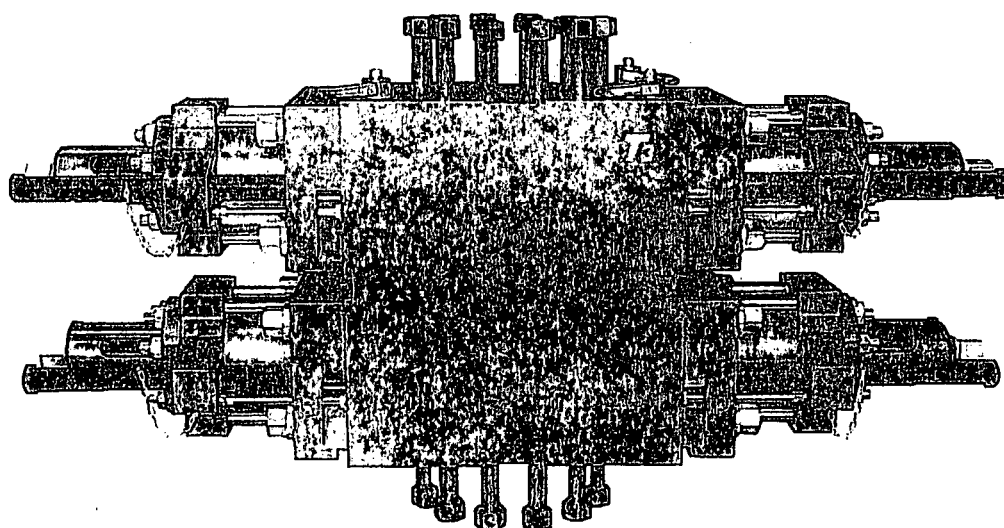
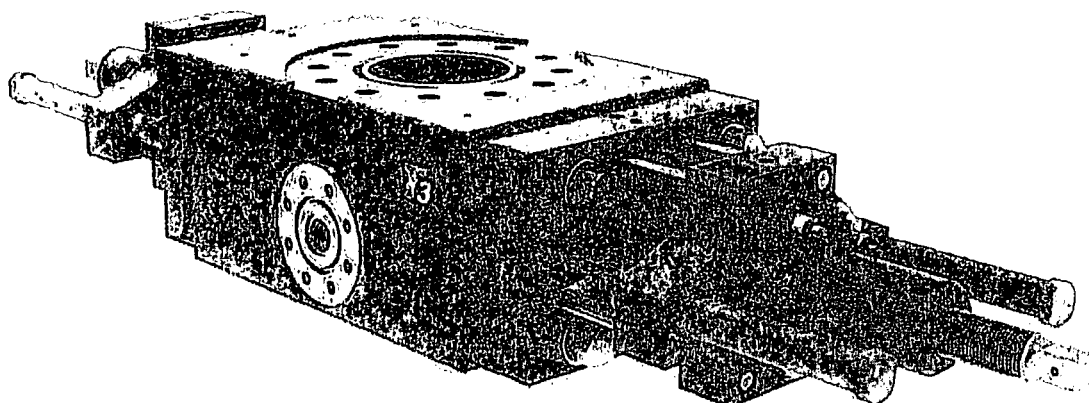
10. Surface Ownership:

- The wellsite is on surface owned by Bureau of Land Management, 620 E Greene St. Carlsbad, NM 88220, 575-234-5972.
- The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.

11. Other Information:

- Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- Archeological survey completed and arch report filed with the BLM – Existing location.
- There are no known dwellings within 1½ miles of this location.

T3™ 6011i Blowout Preventer



The National Oilwell Varco T3™ Model 6011i Ram Type Blowout Preventer meets the market need for a more economically priced BOP, especially with lower operating costs. This BOP is rugged and powerful, capable of operating in a wide range of service conditions. Harsh chemical environments and extreme temperatures have little effect. Designed for compact drilling situations, the NOV T3™ 6011i BOP has a unique internal porting that reduces overall weight yet still allows for the hydraulic opening and closing of the bonnet assemblies for ram change out. Additionally, the 6011i BOP accepts the fixed bore and variable bore rams of NOV's T3™ 6012 Ram BOP, which assures greater product parts support and expanded options. The BOP itself also has full line of replacement parts available and is backed by NOV's worldwide support.

Additional Optional Features:

- Fixed bore pipe rams
- Variable bore rams
- Flanges or hub end connections if standard studded end connections will not suffice

FEATURES AND BENEFITS:

- Available bore sizes: 7-1/16" and 11"
- Available pressures: 3,000 and 5,000 PSI WP
- Wellbore pressure containing components from forged steel
- Meets API 16A requirements and H₂S sour service per NACE MR0175
- Design supports single or multiple ram bore configurations

www.nov.com / rig@nov.com

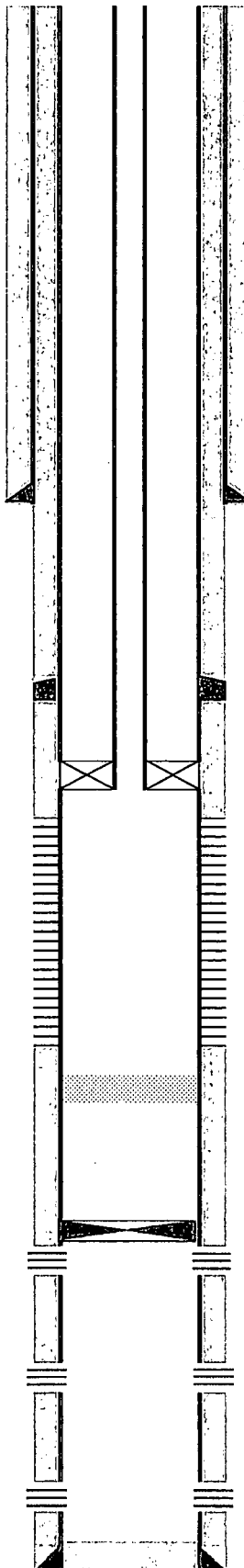
10000 Richmond Avenue
Houston, Texas 77042
United States
Phone: 713 346 7500
Fax: 713 435 2195

 **NATIONAL OILWELL VARCO**

8 5/8" csg @ 1515'
Cmt w/ 700 sx

5-1/2" X 2-7/8" Nickel Plated AS1 PKR

5 1/2" 17# csg @ 9100'
Cmt w/ 2290 sx



DV Tool @ 3797'

186 jts 2-7/8" J-55 6.5# tubing
EOT @ 6,050'

Brushy Canyon Perfs
6,150'-7,110'

25 sx Class H cement from 7467'

CIBP @ 8700' + 25 sx cement
Bone Spring Perfs:
(8750' - 8760') 22 holes

Bone Spring Perfs:
(8784' - 8812') 58 holes

Bone Spring Perfs:
(8846' - 8858') 26 holes

PBDT @ 9050'
TD @ 9105'

Operator
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.*5. Lease Serial No.
NMNM12568A

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
BONDURANT F.C. 02

2. Name of Operator

CIMAREX ENERGY COMPANY OF CO-Mail: DEYLER@MILAGRO-RES.COM

Contact: DAVID A EYLER

9. API Well No.
30-025-30972-00-S1

3a. Address

600 NORTH MARIENFELD STREET, SUITE 600
MIDLAND, TX 797013b. Phone No. (include area code)
Ph: 432-687-303310. Field and Pool, or Exploratory
TONTON

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

Sec 1 T19S R32E SENE 1650FNL 330FEL

11. County or Parish, and State
LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 shall 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 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.)

11/01/14: SET 5-1/2" CIBP @ 8,700'; CIRC. WELL W/ PXA FLUID.
11/02/14: PUMP 25 SXS.CMT. @ 8,700'-8,520'; PRES.TEST CSG.TO 1,400# X HELD OK; PUMP 25 SXS.CMT. @ 7,467'-7,297'(PER BLM); PUMP 25 SXS.CMT. @ 6,122'-5,962'(PER BLM); PUMP 25 SXS.CMT. @ 3,862'; WOC.
11/03/14: TAG CMT. @ 3,233'(OK'D BY BLM); PUMP 25 SXS.CMT. @ 2,973'(PER BLM); WOC X TAG CMT. @ 2,601'; PUMP 35 SXS.CMT. @ 1,595'; WOC.
11/05/14: TAG CMT. @ 1,171'(OK'D BY BLM); MIX X CIRC. 25 SXS.CMT. @ 200'-3'.

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

WELL PLUGGED AND ABANDONED 11/05/14.

Accepted as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.

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

Electronic Submission #277836 verified by the BLM Well Information System
For CIMAREX ENERGY COMPANY OF CO, sent to the Hobbs
Committed to AFMSS for processing by JIM AMOS on 11/11/2014 (13DLM0880SE)

Name(Printed/Typed) DAVID A EYLER

Title AGENT

Signature (Electronic Submission)

Date 11/10/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

JAMES A AMOS
Title SUPERVISORY PET

Date 12/14/2014

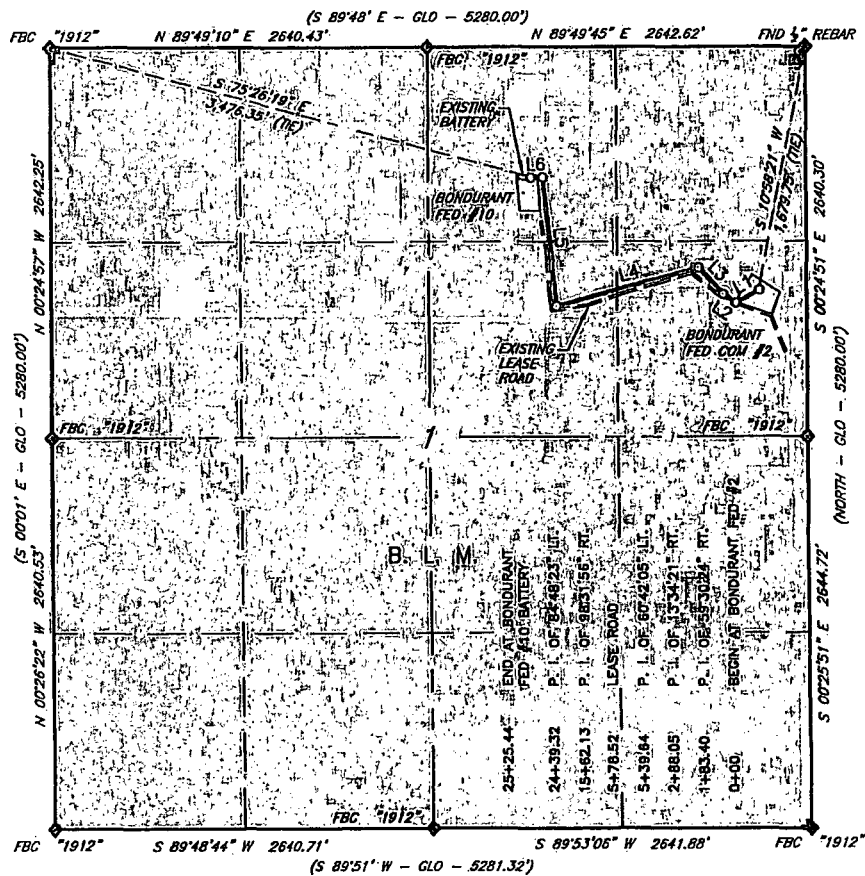
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Hobbs

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 ** BLM REVISED **

CIMAREX ENERGY COMPANY
PROPOSED - BURIED SWD LINE FROM THE
BONDURANT FED COM #2 TO THE BONDURANT FED #10 BATTERY
SECTION 1, T19S, R32E,
N. M. P. M., LEA CO., N. M.



LINE TABLE		
LINE	BEARING	LENGTH
L1	S 62°42'27\" W	183.40'
L2	N 57°47'09\" W	104.65'
L3	N 44°12'48\" W	251.59'
L4	S 75°05'07\" W	1,022.49'
L5	N 06°22'57\" W	877.19'
L6	S 88°48'40\" W	86.12'

LEGEND

- () RECORD DATA - GLO
 ◆ FOUND MONUMENT AS NOTED
 — PROPOSED SWD LINE

SCALE: 1" = 1000'
 0 500 1000

BEARINGS ARE GRID NAD 83
 NM EAST
 DISTANCES ARE HORIZ. GROUND.

Firm No.: TX 10193838 NM 4655451

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NO.	REVISION	DATE
JOB NO.:	LS140501	
DWG. NO.:	140501-1	

RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1"=1000'
DATE: 11/12/14
SURVEYED BY: IE/DH
DRAWN BY: JC
APPROVED BY: RMH
SHEET : 1 OF 2

CIMAREX ENERGY COMPANY
PROPOSED - BURIED SWD LINE FROM THE
BONDURANT FED COM #2 TO THE BONDURANT FED #10 BATTERY
SECTION. 1, T19S, R32E,
N. M. P. M., EDDY CO., N. M.

DESCRIPTION

A strip of land 30 feet wide, being 2,525.44 feet or 153.057 rods in length, lying in Section 1, Township 19 South, Range 32 East, N. M. P. M., Eddy County, New Mexico, being 15 feet left and 15 feet right of the following described survey of a centerline across B. L. M. land:

BEGINNING at Engr. Sta. 0+00, a point in the Northeast quarter of Section 1, which bears S 10°58'21" W, 1,679.75 feet from a 1/2" rebar, found for the Northeast corner of Section 1.

Thence S 62°42'27" W, 183.40 feet to Engr. Sta. 1+83.40, a P. I. of 59°30'24" right;

Thence N 57°47'09" W, 104.65 feet to Engr. Sta. 2+88.05, a P. I. of 13°34'21" right;

Thence N 44°12'48" W, 251.59 feet to Engr. Sta. 5+39.64, a P. I. of 60°42'05" left;

Thence S 75°05'07" W, 1,022.49 feet to Engr. Sta. 15+62.13, a P. I. of 98°31'56" right;

Thence N 06°22'57" W, 877.19 feet to Engr. Sta. 24+39.32, a P. I. of 84°48'23" left;


Thence S 88°48'40" W, 86.12 feet to Engr. Sta. 25+25.44, the End of Survey, a point which bears S 75°26'19" E, 3,476.35 feet from a brass cap, stamped "1912", found for the Northwest corner of Section 1.

Said strip of land contains 1.739 Acres, more or less, and is allocated by forties as follows:

SE 1/4 NE 1/4	67.978 Rods	0.772 Acres
SW 1/4 NE 1/4	53.178 Rods	0.604 Acres
NW 1/4 NE 1/4	31.901 Rods	0.363 Acres

Firm No.: TX 10193838 NM 4655451

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<div style="text-align: center;">  </div>			SCALE: 1"=1000'
			DATE: 11/12/14
			SURVEYED BY: IE/DH
			DRAWN BY: JC
NO.	REVISION	DATE	APPROVED BY: RMH
JOB NO.: LS140501			SHEET : 2 OF 2
DWG. NO.: 140501SWD			

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1573
August 28, 2015

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division rule 19.15.26.8(B) NMAC, Cimarex Energy Company of Colorado (the "operator") seeks an administrative order to re-enter and re-complete the Bondurant Federal Com. Well No. 2 located 1650 feet from the North line and 330 feet from the East line, Unit letter H of Section 1, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division rules 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in rule 19.15.26.8 NMAC have been met and the operator is in compliance with rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Cimarex Energy Company of Colorado (OGRID 162683), is hereby authorized to utilize its Bondurant Federal Com. Well No. 2 (API 30-025-30972) located 1650 feet from the North line and 330 feet from the East line, Unit letter H of Section 1, Township 19 South, Range 32 East, NMPM, Lea County, for disposal of oil field produced water (UIC Class II only) in the Cherry Canyon and Brushy Canyon formations of the Delaware Mountain group, through perforations from 6150 feet to 7110 feet. Injection will occur through internally-coated, 3½-inch or smaller tubing and a packer set within 100 feet of the uppermost perforation.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as proposed in the application and as modified in this Order.

The operator shall install a cast-iron bridge plug (or equivalent) with a cement cap within 200 feet of the deepest perforation of the approved disposal interval. The installation of the bridge plug may be waived if the cement plug from 7297 feet to 7467 feet (installed during plugging and abandonment of the well in 2014) is retained and plug is verified by wireline.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District I office and Santa Fe Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 1230 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

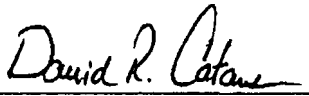
The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office