

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.***SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC060329
2. Name of Operator CIMAREX ENERGY COMPANY OF CO		6. If Indian, Allottee or Tribe Name
Contact: MICHAEL MARTIN E-Mail: Michael@percussionpetroleum.com		7. If Land or CA/Agreement, Name and/or No.
3a. Address 600 N MARIENFELD STE 600 MIDLAND, TX 79703	3b. Phone No. (include area code) Ph: 281-974-6817	8. Well Name and No. HT FEDERAL 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T17S R32E Lot 4 780FSL 575FWL		9. API Well No. 30-025-39974-00-S1
		10. Field and Pool or Exploratory Area MALJAMAR
		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/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<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 recompletion 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.

Percussion Petroleum is requesting permission to flare gas at the HT 18 Federal Facility for 180 days while awaiting DCP Pipeline to complete their repairs to their field booster compressor and gathering system which began 9/11/2018.

This circumstantial flare will last longer than a 24 hr period and more than the 144 cumulative hrs authorized under NTL4AIII.A All gas flared will be metered and reported on the OGOR as per BLM requirements.

The estimated gas volume being flared is 150 MCFD.

The following HT 18 Federal Facility wells will be flaring gas during this timeperiod.

Asset Name API Code ULSTR Lease County

Carlsbad Field Office
OCD Hobbs

14. I hereby certify that the foregoing is true and correct. Electronic Submission #441454 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 10/29/2018 (19PP0239SE)	
Name (Printed/Typed) DAVID HARSELL	Title CONSULTANT
Signature (Electronic Submission)	Date 10/26/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jonathon Shepard</u>	Title <u>Petroleum Engineer</u>	<u>NOV 01 2018</u>
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.	<u>Carlsbad Field Office</u>	

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 ****YMS/OCD
11/8/2018

Additional data for EC transaction #441454 that would not fit on the form

32. Additional remarks, continued

HT 18 FEDERAL 1 3002539974 M-18-17S-32E NMLC060329 Lea ✓
HT 18 FEDERAL 4 3002540252 L-18-17S-32E NMLC060329 Lea ✓
HT 18 FEDERAL 5 3002539975 E-18-17S-32E NMLC060329 Lea ✓
HT 18 FEDERAL 8 3002539976 D-18-17S-32E NMLC060329 Lea ✓

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be "avoidably lost". Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free. Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.103 - 3179.105.