12/08/2014 DATE IN	SUSPENSE	PRG ENGINEER	12/11/2014 LOGGED IN	SWD TYPE	PMAM1434545278 APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

-SWD
-Cimarex Energy
290261
Well
-Bondurant Federal Com #2
30-025-30972
Pool
-SWD; Delaware
96100

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

KAY HAVENOR	See attached cover letter	Agent	12-08-2014
Print or Type Name	Signature	Title	Date

e-mail Address

Miss	Row	C-108	C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.
	1		***Operator, Well, and Contact info:***
	2	II	Name of person submitting the application: Kay Havenor Other Contact?
	3	II	Did you Include a contact Email in the application? Yes and Mailing Address? Yes and Phone? Yes
	4	II	Operator Name: Cimerex Energy Company of Colorado OGRID Num ~~29881~~ 162683 For Cimarex Energy
	5		RULE 5.9 Compliance..... Number of Inactive Wells vs Total Wells Operated None this OGRID .... Is financial assurance required on any well? No Violation
	6		Is there any hearing order finding this operator out of compliance with Division Rule 19.15.5.9 NMAC? No
	7		Are all Rule 5.9 issues OK to allow the Division to issue Disposal Permits?
	8	III	Well Name: Bondurant Federal #2
	9	III	API Num: 30-025-30972 Spud Date: 8/11/2011 9/4/2014
	10		Have you included API numbers on all wellbore diagrams and well list(s) in this application? Yes
	11	III	Proposed well...Footages 330' FNL & 1916' FEL Unit B Sec 1 Tsp 19S Rge 32E County Lea
	12		General Location (i.e. Y miles NW of Z): Approx 7.7 miles south-southeast of NM-529 and Maljamar Road (CR-126A) intersection
	13		Current Well Status: Currently P&A
	14	I	General Summary of Planned Work to Well: Re-enter P&A, clean-out to plug-back in casing approx 8600', perf approved zone and complete for SWD
	15		***INTERVAL TOP and BOTTOM:***
	16	IIIB.(2)	Proposed disposal Top Depth: Approx 5,933, Formation Name Delaware (include Member Names for Delaware or Mesaverde)
	17	IIIB.(2)	Proposed disposal Bottom Depth: 7,110' Formation Name: Delaware
	18	IIIB.(2)	Is the disposal interval OpenHole? Yes or Perfed? Yes
	19	IIIB.(2)	What will be the disposal tubing size OD? 3-1/2" Packer Seat, Feet: approx 7,110'

Miss	Row	C-108	C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.
	20	VII	What max surf inj. psi are you proposing? 1,186 If differing from 0.2 psi/ft surf. Grad., is supporting data attached such as a Step Rate Test?
	21		***FRESH WATERS:***
	22	VIII	Depth to bottom of Fresh Waters: less than 150' if present Formation Name(s)? Quaternary alluvium
	23	XI	Any Fresh Water Wells Within 1 Mile? No If so, did you attach an analysis from these Wells?
	24		Are all "Fresh" waters isolated with Casing and Cement? Yes ("Fresh" water is defined as less than 10,000 mg/l of TDS)
	25	XII	Included "Affirmative Statement" concerning any Connection from Disposal Depths to existing Fresh Waters? Yes Item XII
	26		***WASTE WATERS:***
	27	XIV	Will this be a Lease Only disposal well? No or only used for the Operator's own waste needs? Yes or Commercial Disposal? No
	28	VII	Which formations will supply the waste waters to be disposed into this well... List most common: Bone Springs
	29	VII	Are Waste waters compatible with proposed disposal interval waters? Yes Did you include waste water analysis? Yes, Bone Springs water
	30		***AT PROPOSED WELL....INSITU WATERS AND HYDROCARBON POTENTIAL:***
	31		Is a discussion included of the potential for future OIL/GAS recovery from the proposed disposal interval? Yes
	32		If your proposed well for disposal is a depleted producer (within the proposed interval); do you know what was the cumulative oil/gas/water? and did you include a Rate-Time plot of this depleted interval?
	33	VII	Insitu water analysis Included? No Is the salinity within the disposal interval more than 10,000 mg/l of TDS? or how will you determine this insitu water salinity? Regional knowledge Bone Springs/Wolfcamp salinity.
	34	VIII	Does the application include a list of Formation tops down to and including the bottom of the target formation? Yes, on Page 11
	35		What is the top main salt 2310' and bottom 2845' of the Salado Salt (....If this well is in the Southeast and the Salt is present)
	36	X	Are all existing Logs (including any CBL over the disposal interval) are on the OCD Web Site? Yes If logs not there, please send On completion
	37	IIIA.	Are the wellbore diagrams for this well included in the Application.....Before Conversion? Yes and After Conversion? Yes

Miss	Row	C-108	C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.
	38		Are the top and bottom footage of the proposed disposal interval marked on the "after" diagram? Yes
	39		***NOTICE:***
	40	XIV	Date of the Newspaper Notice in the County: Lea Co. Lovington Leader 11/20/2014
	41	V	Within 1/2 mile, did you clearly identify (either on a map or by legal description) all separately owned tracts of lands within the disposal interval? Yes
	42	XIII	Did you identify the owner(s) of each of these separately owned tracts? Yes, in Item XIII Were they all formally noticed? Yes
	43	XIII	If reentering a P&Aed well, are there depth divisions of ownership within that well? No .....If so, have you also noticed all the shallower interests of the intent to use the well for disposal?
	44	XIII	Is the proposed well within the R-111-P defined Potash Area or the BLM Secretaries Potash Area? No ... If so, did you send notice to the nearest Potash lessee?
	45	XIV	Who owns the surface lands at the disposal well site (BLM, SLO, or who)? BLM Was that party formally noticed? Yes
	46		***Area of Review:***
	47	V	Did you include a map identifying all wells within 2 miles? Yes
	48	VI	Did you include a list of all AOR wells? Yes Is the list available to be emailed (if requested) in spreadsheet format? Yes - Included in Item VI list
	49	VI	Does this list identify all wells penetrating (at least the top of) the disposal interval within 1/2 mile of the proposed well? Yes
	50	VI	Did you include wellbore diagrams for all P&Aed wells that exist within the 1/2 mile AOR that penetrate the disposal interval? Yes
	51	VI	How many wells exist within the 1/2 mile AOR that penetrate the disposal interval? 5 How many of these are Plugged/Dry and Abandoned? 1
	52	VI	Are details included on cement coverage of the proposed disposal interval for all wells penetrating the disposal interval within 1/2 mile of the proposed well? Yes
	53	VI	Do all reported cement tops describe how that "top" was determined? If Available If you calculated any tops, what fillup efficiency factor did you use?
	54	VI	Did you identify the presence and depth of all Cement Stage Tools (DV) in the subject well and in the AOR wells? Yes, when info was available
	55	VIII	For the target formation, is there significant formation structural depth changes within the 1/2 mile AOR? No

Miss	Row	C-108	C-108 disposal application submittals... CHECKLIST to ensure all items are supplied or considered.
	56	VIII	Is there any Karst or Massive Limestone in this target formation? No ...or in the formations directly above or below? No
	57		***Administrative or Hearing:***
	58	VI	How many wells within the 1/2 mile AOR currently are producing (or still have open perforations) within the disposal interval? 0 is it "gas" or "oil"?
	59		.... NOTE: If the proposed disposal interval is a "Gas" interval or if any AOR wells are producing or have open perforations within this interval then this application may not be properly classified as a "disposal". These types of applications must be processed at an examiner hearing.
	60		Any other Issues..? No

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance __X__Disposal _____Storage

Application qualifies for administrative approval? __X__Yes _____No

II. OPERATOR: Cimarex Energy Company of Colorado – see Publication

ADDRESS: 600 N. Marienfeld St. Suite 600; Midland, TX 79705

CONTACT PARTY: Kay Havenor PHONE: 575-626-4518

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes __X__No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Kay Havenor TITLE: Consultant

SIGNATURE: Kay C Havenor DATE: Nov 18, 2014

E-MAIL ADDRESS: Kay@georesources.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

RECEIVED OCD 2014 DEC -8 P 3:

RECEIVED OCD 2014 DEC -8 P 3:

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Cimarex Energy Company (OGRID 290261)

WELL NAME & NUMBER: Bondurant Federal #2 30-025-30972

WELL LOCATION: 1650 FNL & 330 FEL | H | 1 | 19S | 32E
FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

See attached diagram

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12-¼" Casing Size: 8-⅝" 24#

Cemented with: 500 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7⅞" Casing Size: 5-½" 17# K-55

Cemented with: 1250 sx sx. 2-stage DV @ 3797' ft³

Top of Cement: Surface Method Determined: Circ

Total Depth: 9,050' _____

Injection Interval

6150
~~5,933'~~ To 7,110'

(Perforated or Open Hole; indicate which) Perforated

INJECTION WELL DATA SHEET

Tubing Size: 3-1/2" 9.3# N-80 Lining Material: Fiberglass coated

Type of Packer: Lok-Set or equivalent

Packer Setting Depth: Approx 5,883 ft

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes X No

   If no, for what purpose was the well originally drilled? Oil/gas

2. Name of the Injection Formation: Delaware Cherry Canyon and Brushy Canyon

3. Name of Field or Pool (if applicable): _____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.' Bone Springs 8,750-60, 8,784-8,812, 8846-8858

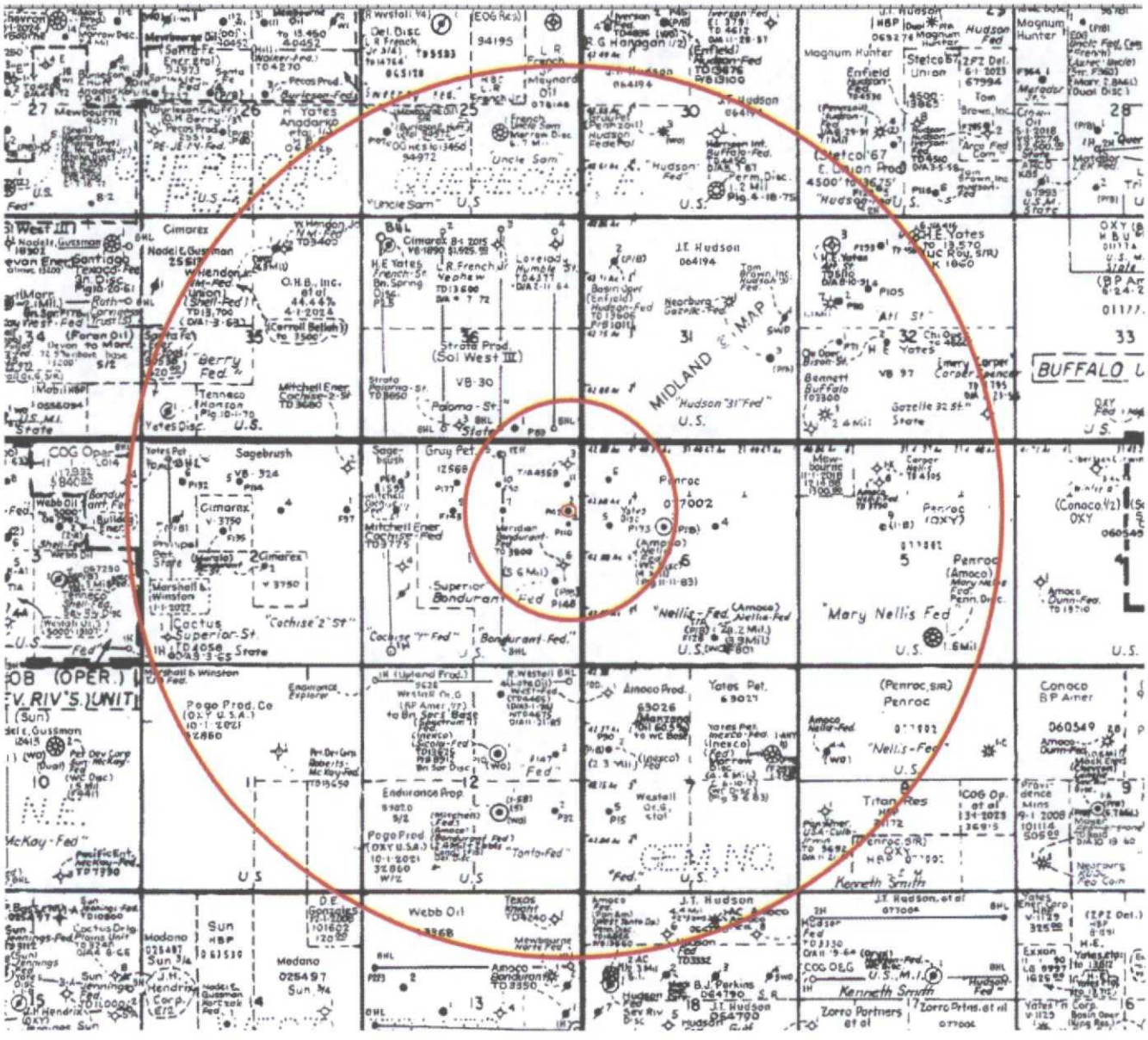
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Lusk Seven Rivers 3673', West Tonto Bone Springs 8,750', Buffalo Penn (Morrow) 13,254'

Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Item V:

Area of Review
½ Mile AOR and 2 Mile Radius

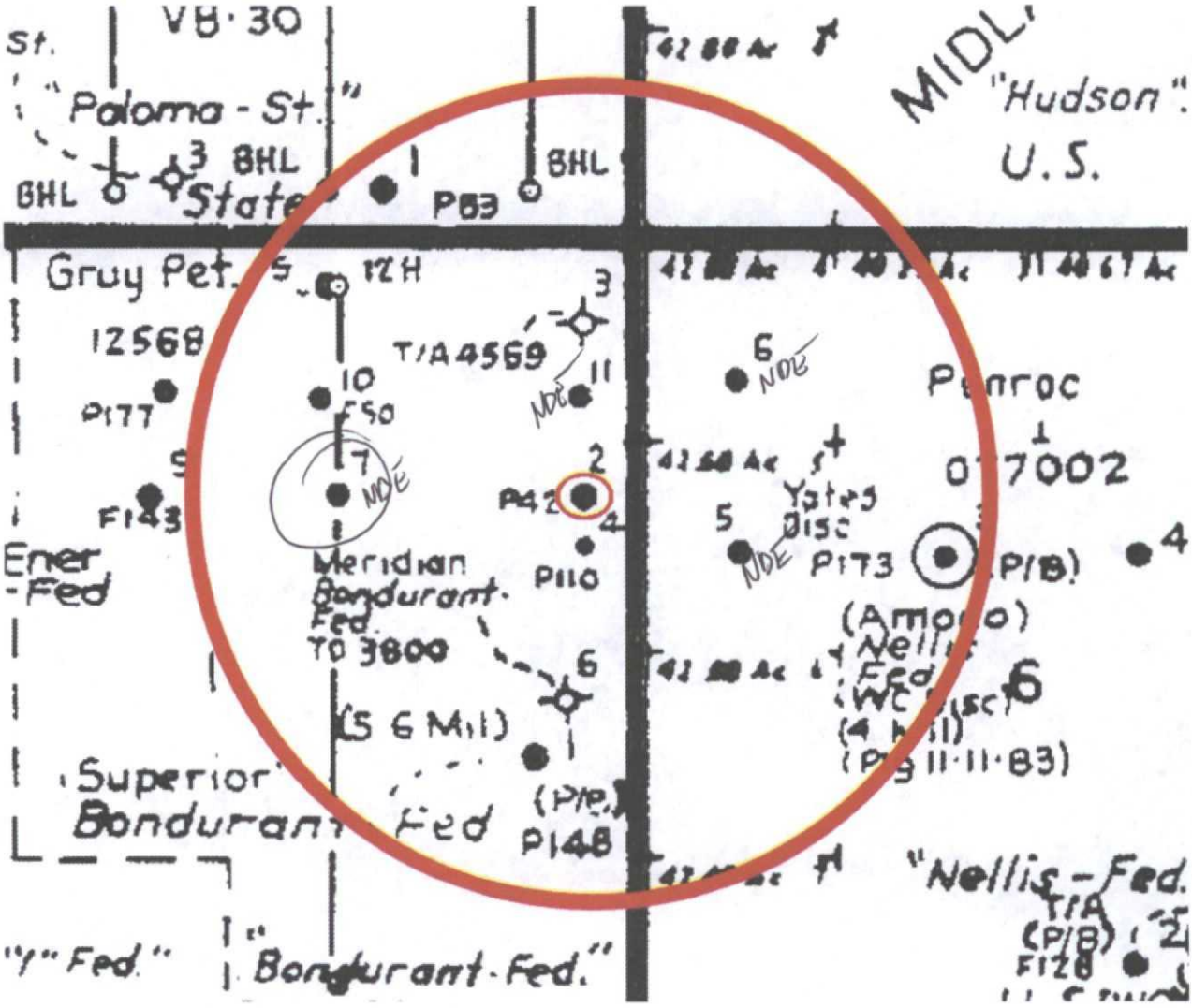


Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Item V (a):

Area of Review
½ Mile AOR



Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Item VI: Data on all wells in AOR:

API	WELL_NAME	STATUS	SDIV	SEC	TWN	RANGE	FTG_	NS	FTG	EW	OCD	OPERATOR	WELL	LAND	PLUG_DATE	SPUD	ELEVGL	TVD_DEPTH
3002531153	PALOMA STATE 001	Active	O	36	18.0S	32E	330	S	1650	E	O	STRATA PRODUCTION CO	O	S		27-Feb-91	3710	9075
3002531218	BONDURANT FEDERAL 003	Plugged	A	1	19.0S	32E	580	N	330	E	A	CIMAREX ENERGY CO. OF COLORADO	O	F	5-Sep-10	5-Jul-91	3697	4559
3002532432	BONDURANT FEDERAL 011	Active	A	1	19.0S	32E	990	N	330	E	A	CIMAREX ENERGY CO. OF COLORADO	O	F		8-Mar-94	3690	3700
3002531325	BONDURANT FEDERAL 005	Plugged	B	1	19.0S	32E	330	N	1950	E	B	CIMAREX ENERGY CO. OF COLORADO	O	F	2-Sep-10	16-Jul-91	3706	3800
3002532431	BONDURANT FEDERAL 010	Active	B	1	19.0S	32E	990	N	1980	E	B	CIMAREX ENERGY CO. OF COLORADO	I	F		13-Mar-94	3693	3650
3002540182	BONDURANT FEDERAL 012H	New (Not	B	1	19.0S	32E	330	N	1916	E	B	CIMAREX ENERGY CO. OF COLORADO	O	F		11-Aug-11	3701	8780
3002531440	BONDURANT FEDERAL 008	Active	C	1	19.0S	32E	990	N	2310	W	C	CIMAREX ENERGY CO. OF COLORADO	O	F		8-Nov-91	3698	3700
3002530972	BONDURANT FEDERAL COM 002	Active	H	1	19.0S	32E	1650	N	330	E	H	CIMAREX ENERGY CO. OF COLORADO	O	F	5-Nov-14	4-Sep-90	3687	9100
3002531192	BONDURANT FEDERAL 004	Active	H	1	19.0S	32E	1980	N	330	E	H	CIMAREX ENERGY CO. OF COLORADO	O	F		21-Mar-91	3687	3800
3002526702	BONDURANT FEDERAL COM 001	Active	I	1	19.0S	32E	1980	S	660	E	I	CIMAREX ENERGY CO. OF COLORADO	O	S		9-Jun-89	3660	13800
3002531331	BONDURANT FEDERAL 006	Plugged	I	1	19.0S	32E	2310	S	430	E	I	BURLINGTON RESOURCES OIL & GAS COM	O	F	3-Aug-91	23-Jul-91	3685	3800
3002531608	NELLIS FEDERAL 006	Active	4	6	19.0S	33E	990	N	660	W	D	LEGACY RESERVES OPERATING, LP	O	F		19-Jun-92	3695	3724
3002531607	NELLIS FEDERAL 005	Active	5	6	19.0S	33E	1980	N	660	W	E	LEGACY RESERVES OPERATING, LP	O	F		19-Jun-92	3687	3750
3002526091	NELLIS FEDERAL 003	Active	F	6	19.0S	33E	1980	N	1980	W	F	LEGACY RESERVES OPERATING, LP	O	F		15-Feb-79	3700	13715

Item VI(a): Construction of wells in the AOR that penetrate into the proposed Cherry/Brushy Canyon injection interval: 3 wells + 1 proposed H

1. 3002531153 Strata Production Company Paloma State #1, OCD Unit O, 330 FSL & 1650 FEL, Sec. 36, T18S-R32E Lea Co. Elev 3710 GL. Spud 2/27/1991. 12-1/4" hole set 8-5/8" 24# J55 @1497' w/800 sx circ 220 sx cmt. 7-7/8" hole to TD 9075'. Set 35 sx plug 8000-8100', 35 sx 7200-7300', 35 sx 6500-6600', 35 sx 4900-5000'. Ran 5-1/2" 15.5# LTC/Butt set @4671' w/1500 sx cmt. TOC NR. Perf 3361-65', 3462-67', 3524-26' w/18 .42 shots. Acid 1600 gal 7-1/2%, Frac 3524-26' w/ 40000 gal gel & 27700# 20/40 sand.

Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

2. 3002540182 Cimarex Energy Company of Colorado Bondurant Federal #012H, OCD Unit B, 330 FNL & 1916 FEL, Sec.1, T19S-R32E Lea Co. Elev 3701 GL. Spud 8/11/2011. 17½" hole set 13⅜" 54.5# J-55 @1500' w/1170 sx circulated. 12¼" hole set 9-5/8" 40# N-80 @5,467' w/1785 sx circulated. 8⅝" hole set 5½" 17# P-110 @13,130' w/2550 sx, TOC 706. PBMD 13131' TVD 8876' (as per BLM 3160-4) Perfs in lateral 10,946'-13070' Bone Springs 120 holes 0.42". Frac. Completed 10/7/2011.

3. 33002530972 Cimarex Energy Company of Colorado Bondurant Federal Com. #2, OCD Unit H, 1650 FNL & 330 FEL, Sec 1, T19S-R32E Lea Co. Elev 3687' GL. Spud 9/4/1990. 12¼" hole set 8⅝" 24# K-55 STC @1515' w/700 sx, circ 200 sx. 7-7/8" hole set 5½" 17# K-55 LTC @9,100' w/2,150 sx 2-stage DV@3,797', circ 10 sx. Perf 8,750;-8,850' (OA) w/106 shots. Acid 2,500 gal NEFe. Frac 45,400 gal gel +156,000# 20/40 sand. IP 42 BO, 44 MCFG, 231 BWPD 10/23/1990. 11/1/2014 set 5½" CIBP @8,700' +25 sax cmt. Set 25 sx cmt 7,467+7,297' tagged. Set 25 sx cmt 6,122-5,962' tagged. Set 25 sx cmt @3,233'. Set 25 x cmt 2,973-2,601' tagged. Set 35 sx cmt @1,595- 1,171' tagged. 25 sx cmt 200'-5' P&A 11/05/2014.

4. 3002526702 Cimarex Energy Company of Colorado Bondurant Federal Com #1, OCD Unit I, 1980 FSL & 66 0 FEL, Sec 1, T19S-R32E Lea Co. Elev 3660 GL. Spud 1/31/1980. 17½" hole set 13⅜" 48# @520' w/525 sx circ 8 bbls, 11" hole ran 8-5/8" 32# S-80/K-55 w/DV @ 1,634' csg set@5250' w/1625 sx circ 55 sx, 7⅞" hole set 5-1/2" 17# S-95/N-80 @13,800' w/900 sx TOC estimated 10,800'. Perf Morrow 13,524-13,550' w/4 JSPF. Perf 13,155'-13,250' (OA) w/4 JSPF, Acid 7000 gal, re-perf 13,162'-13,248' (OA), acid 3,000 gal + N_2. Set CIBP +35' cmt @13,075'. Perf Atoka 12,537'-12,540' w/4 JSPF. CIBP @12,397'. CIBP @12,300'. Pumped 870 sx cmt @9,850'-12,300' w/cmt retainer 9,830', cmt circulated. Perf Bone Springs 9,592'-9,750' w/28 holes, 8,701'-8,866' w/26 holes, 7,570'-7,584' w/29 holes. Currently completed in Bone Springs.

5. 3002526091 Legacy Reserve Operating, LP Nellis Federal #3, OCD Unit F, 1980 FNL & 1980 FWL, Sec 6, T19S-R33E, Lea Co. Elev 3700' GL. Spud 2/15/1979. 17½" hole set13⅜" 48# @471' w/500 sx, 12½" hole set 9⅝' 36# K-55/S80 @5003' w/2580 sx. 8¾" hole set 5½" 17/20# @13710' w/2705 sx. Completion attempts TOCs not reported. 5½" cut and pulled from 4087' then P&A. Re-entered by Amoco 12/6/1985, completed Yates-Seven Rivers. CIBP 4050 +35' cmt. Perfs 3530-60' w/4 spf, acid 3200 gal 7½%. 3436-78' frac 11500 gal30# gel + 20000# 12/20 sand. Changed to several later operators. See well diagram page 16.

Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Item VII:

1. The maximum injected volume anticipated is 6,000 BWPD. Average anticipated is 5,000 BWPD.
2. Injection will be through a closed system.
3. Maximum injection pressure is expected to be 1186 psi.
4. Sources will be produced water from this and adjacent Cimarex leases. These waters will be compatible with waters in the disposal zone.
5. Water sample analysis from the Cimarex Bondurant Fed. #9, F-Sec 1, T19S-R32E Lea Co.

P. O. BOX 1468
MONAHANS, TEXAS 79756
PH. 943-3234 OR 563-1040

Martin Water Laboratories, Inc.

709 W. INDIANA
MIDLAND, TEXAS 79701
PHONE 683-4521

RESULT OF WATER ANALYSES

LABORATORY NO. 129170
SAMPLE RECEIVED 12-6-91
RESULTS REPORTED 12-16-91

TO: Mr. David Cook
P. O. Box 51810, Midland, TX 79710

COMPANY Meridian Oil Company LEASE Bondurant #9
FIELD OR POOL
SECTION BLOCK SURVEY COUNTY Lea STATE NM
SOURCE OF SAMPLE AND DATE TAKEN:
NO. 1 Produced water - taken from Bondurant #9.
NO. 2
NO. 3
NO. 4
REMARKS: Yates "C" Sand

CHEMICAL AND PHYSICAL PROPERTIES	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.1038			
pH When Sampled				
pH When Received	5.12			
Bicarbonate as HCO_3	415			
Supersaturation as $CaCO_3$				
Undersaturation as $CaCO_3$				
Total Hardness as $CaCO_3$	21,600			
Calcium as Ca	4,400			
Magnesium as Mg	2,576			
Sodium and/or Potassium	50,092			
Sulfate as SO_4	2,867			
Chloride as Cl	90,194			
Iron as Fe	36.8			
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	150,544			
Temperature °F.				
Carbon Dioxide, Calculated				
Dissolved Oxygen,				
Hydrogen Sulfide	0.0			
Resistivity, ohms/m at 77° F.	0.070			
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				
Total Dissolved Solids @ 180°C.	153,444			

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks: We are not familiar with the field or location of this well in order to accomplish a good comparision with what we would expect from natural Yates. Yates varies substantially in Lea county in both ratios and levels of salts. If we can be of any additional assistance with more information, please contact us.

Form No. 3

By Waylan C. Martin, M.A.

Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Item VIII:

Disposal will be into the depositional back-reef wedge of Delaware Mountain Group (Cherry Canyon and Brushy Canyon). The Delaware is comprised predominately of sandstones, and shales. The Delaware members are interbedded sandstones and shales with occasional dolomite horizons. The lateral transmissivities of the sandstone beds are highly variable and often form selective barriers to the movement of hydrocarbons while allowing down-gradient movement of water. The transmissivity variations are fundamentally due to 1) the very-fine grained nature of the sands and 2) the local percentage of silt and clay.

A search of the records of the NM Office of the State Engineer disclosed no known domestic or potable water wells within the 2-mile radius of the proposed disposal/injection well.

New Mexico Office of the State Engineer

Wells with Well Log Information

No wells found.

Basin/County Search:
Basin: Lea County

UTMNAD83 Radius Search (in meters):
Easting (X): 620675 Northing (Y): 3617187 Radius: 3200

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

11/14/14 9:02 PM Page 1 of 1 WELLS WITH WELL LOG INFORMATION

The surface geology of the greater area, including the 2-mile radius as shown in Item V above, is Quaternary eolian and piedmont deposits of Holocene to middle Pleistocene age. These are underlain by the Permian Rustler Formation and some evaporites. The top of the salt is locally reported at 1,530' and the base of the main salt is 2,865'. The top of the Yates Formation of the Artesia Group is at 3,415'. Locally the top of the Delaware is 5,720' and the Bone Springs is at 7,315'.

Item IX:

Acidizing and/or fracturing may be used after initial testing.

Item X:

Logs are on file with the OCD.

Item XI:

No commercial, domestic, or stock water wells are reported in the 2-mile area. Please note Item VIII discussion above.

Item XII:

There is no geological evidence of open faults nor hydrologic connection between the disposal zone and any possible underground sources of protectable water.

Addendum:

Operators penetrating this lower wedge of the Delaware Mountain Group in the AOR and surrounding acreage have adequately examined, logged with available geological and geophysical tools, tested and evaluated these zones. It has been reasonably determined that the zones do not contain commercial quantities of hydrocarbons.

Formation log tops (KB 3,703'):

Rustler	1,424
Salado	1,543
B/Salt	2,908
Yates	3,212
7-Rivers	3,653
Queen	4,153
San Andres	4,650
Delaware Mtn Gp	5,742
Bone Springs	7,444

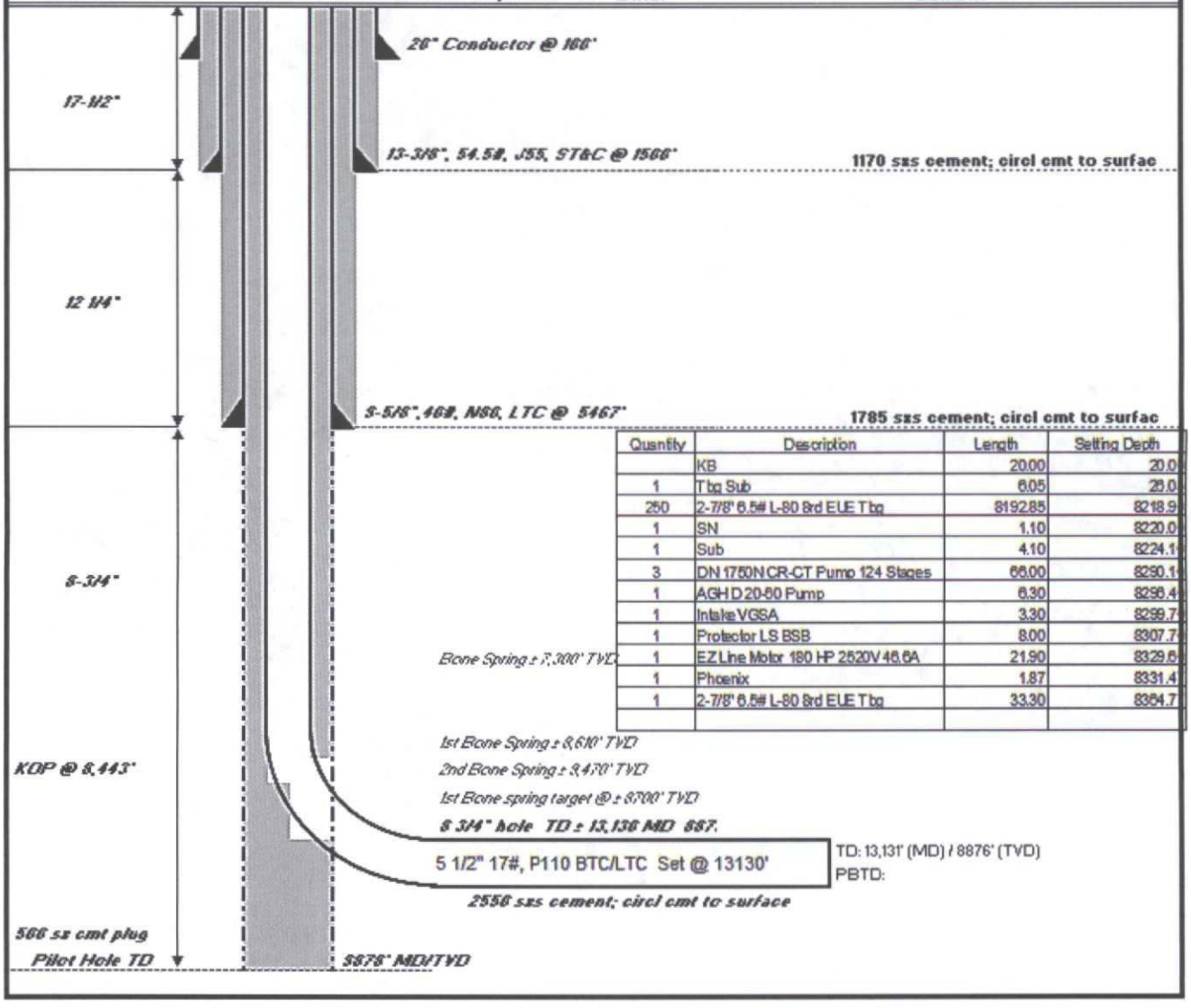
Using BLM picks for P&A

Well in AOR Diagram

Cimarex Energy Company

11/10/2014

Well:	**Bondurant Federal Com 12H**	**AFE #:**	251088
Location:	sec 1, 19S-32E	**Field:**	Buffalo
County, State	**Lea County, NM**	**Objective:**	2nd Bone Spring
Surface Location:	330' FNL, 1916 FEL	**MD/TVD:**	8876' / 13,130'
Bottomhole Loc:	330 FSL, 1980 FEL	**API #:**	30-025-40182
		Property#:	301471-027
Wellhead:	SEC A: 11" 5M x 9-5/8" SOW SEC B: 11" 5M X 7-1/16" 10M		
Xmas Tree	5M		
Tubing:	2 7/8" L80 EUE		
Superintendent:	Mark Martino		
Engineer:	Dean Pearson		

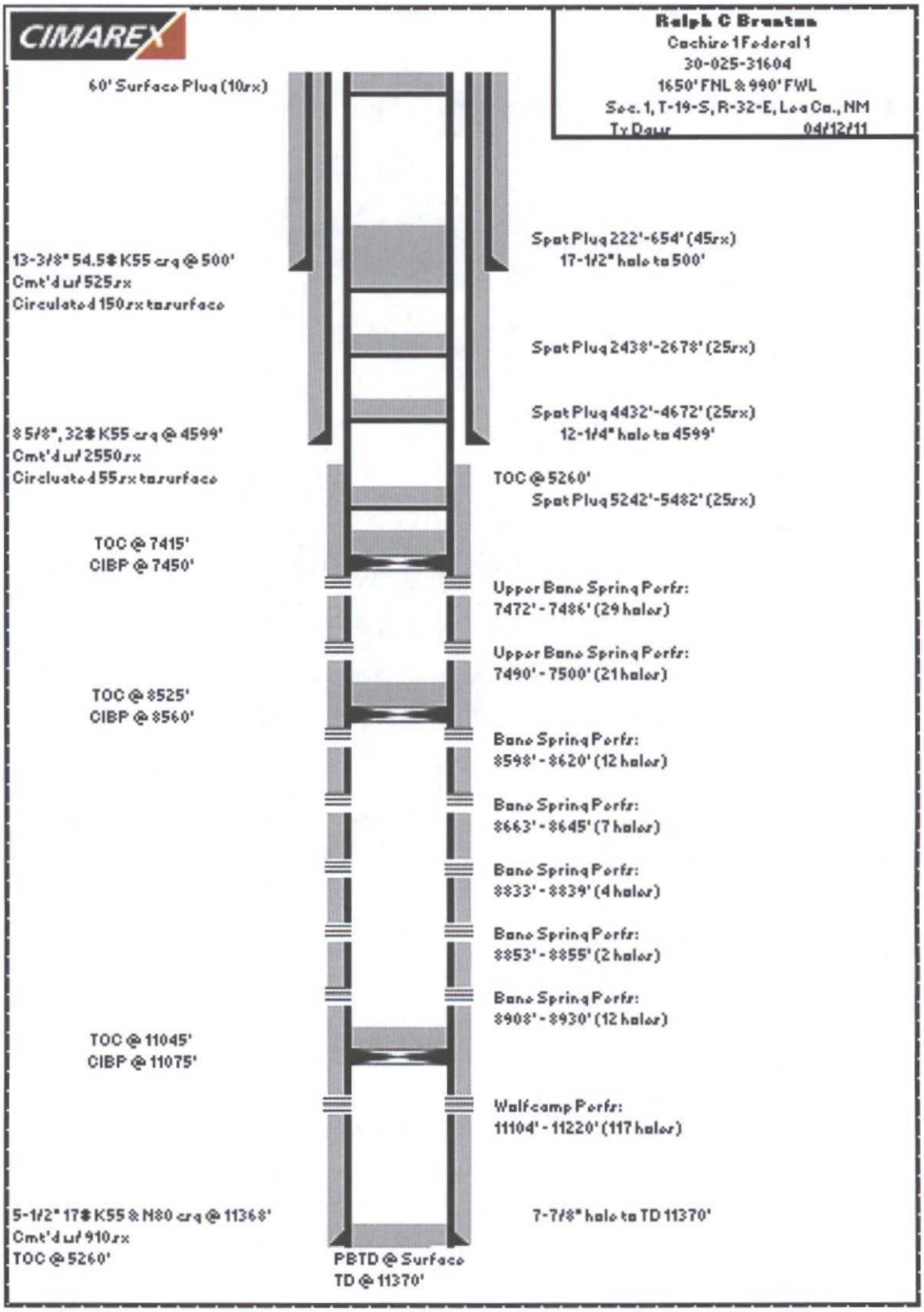


Quantity	Description	Length	Setting Depth
	KB	20.00	20.0
1	Tbg Sub	6.05	26.0
250	2-7/8" 6.5# L-80 8rd EUE Tbg	8192.85	8218.9
1	SN	1.10	8220.0
1	Sub	4.10	8224.1
3	DN 1750N CR-CT Pump 124 Stages	66.00	8290.1
1	AGH D 20-60 Pump	6.30	8296.4
1	Intake VGSA	3.30	8299.7
1	Protector LS BSB	8.00	8307.7
1	EZ Line Motor 180 HP 2520V 46.6A	21.90	8329.6
1	Phoenix	1.87	8331.4
1	2-7/8" 6.5# L-80 8rd EUE Tbg	33.30	8364.7

Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

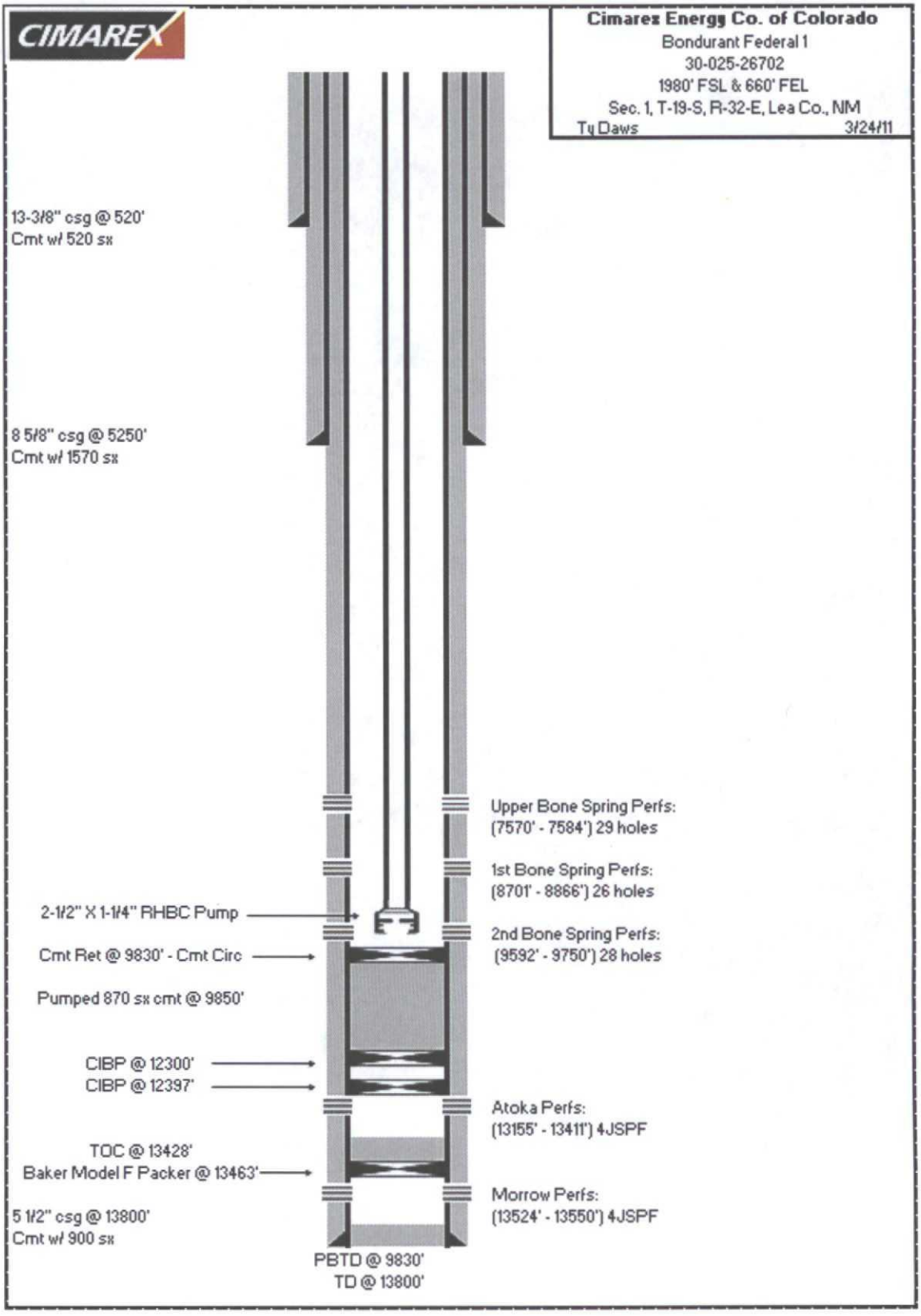
Plug & Abandon Diagram



Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

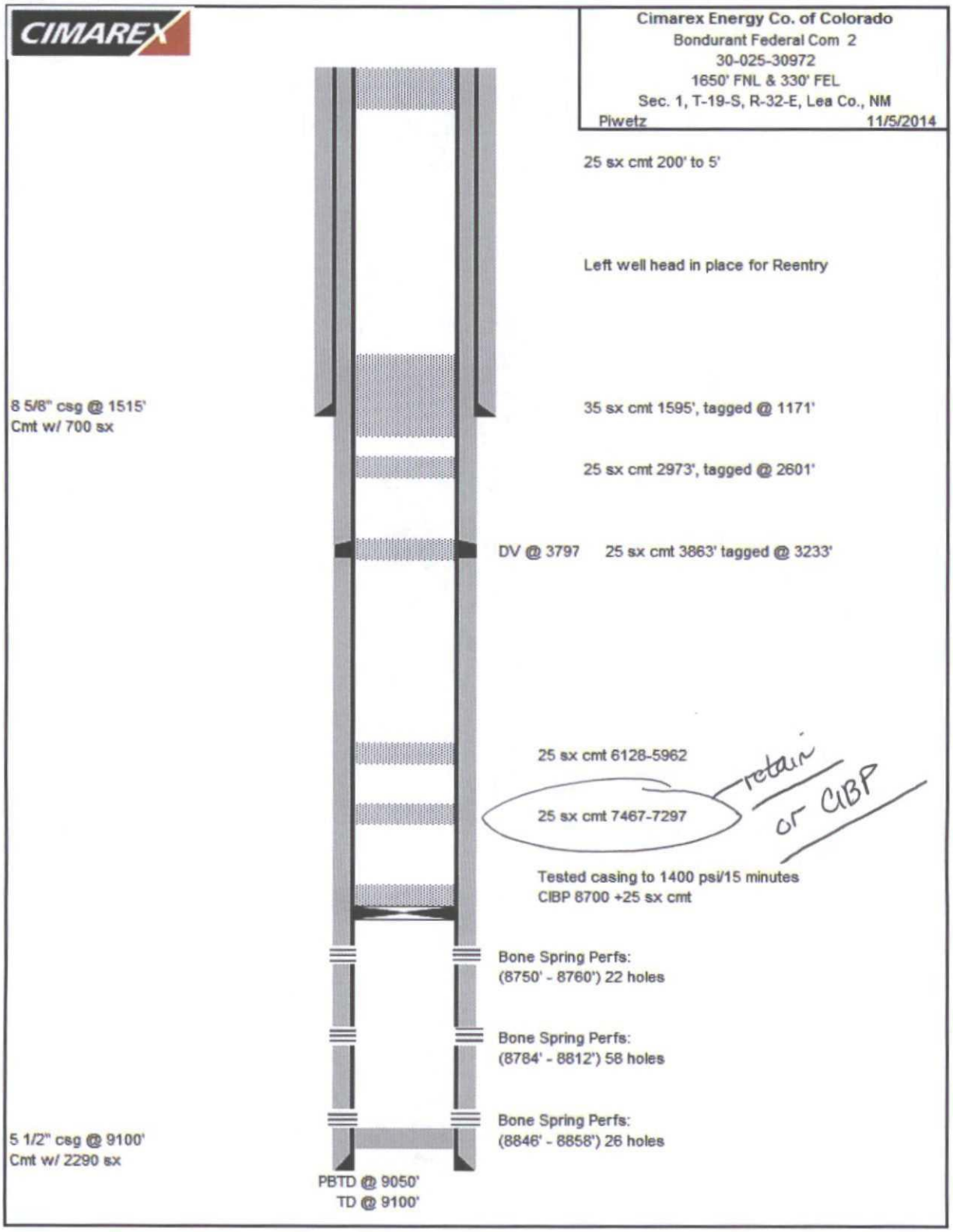
Well in AOR Diagram



Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Cimarex Bondurant Federal #2 P&A



Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Legacy Reserves Operating, LP - Nellis Federal #3

API: 3002526091
Operator: Legacy Reserves Operating, LP
Lease: Nellis Federal
Location: Sec 6, T19S-R33E Lea Co., NM
Footage: 1980 FNL, 1980 FWL

Well No: 1

KB 3538'
GL 3516'

Surface Csg

Size:	13-3/8" 48#
Set @:	471
Sxs cmt:	500
Circ:	NR
TOC:	Calculated
Hole Size:	17-1.2"

Intermediate Csg

Size:	9-5/8" 36# K-55/S-80
Set @:	5003
Sxs cmt:	2580
Circ:	NR
TOC:	
Hole Size:	12/1/2002

Production Csg

Size:	5-1/2" 17/20#
Set @:	13710
Sxs cmt:	2705
Circ:	No
TOC:	2705' TS
Hole Size:	8-3/4"

Well Diagram

Perfs 3436-78' Yates/7-RV

5-1/5" cmt 4365' Csg cut/pulled 4087'

CIBP 8750 + 35' cmt
Perfs 8842-9085' (OA) Bone Spring

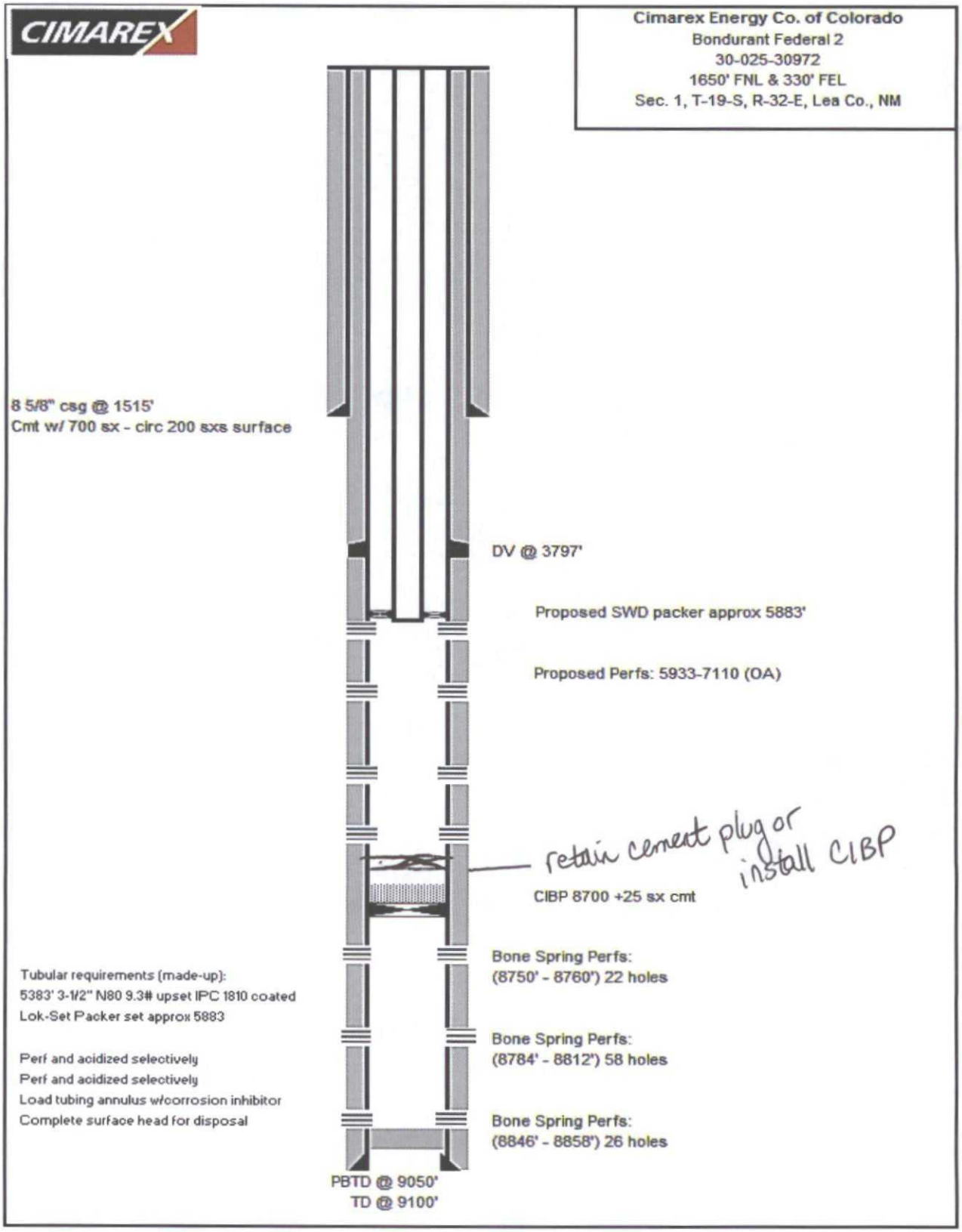
Strawn perfs 10856-10902 (OA)
RIBP 13100' 35' cmt
Morrow 13268-488
PB 12625'

Not to Scale

Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

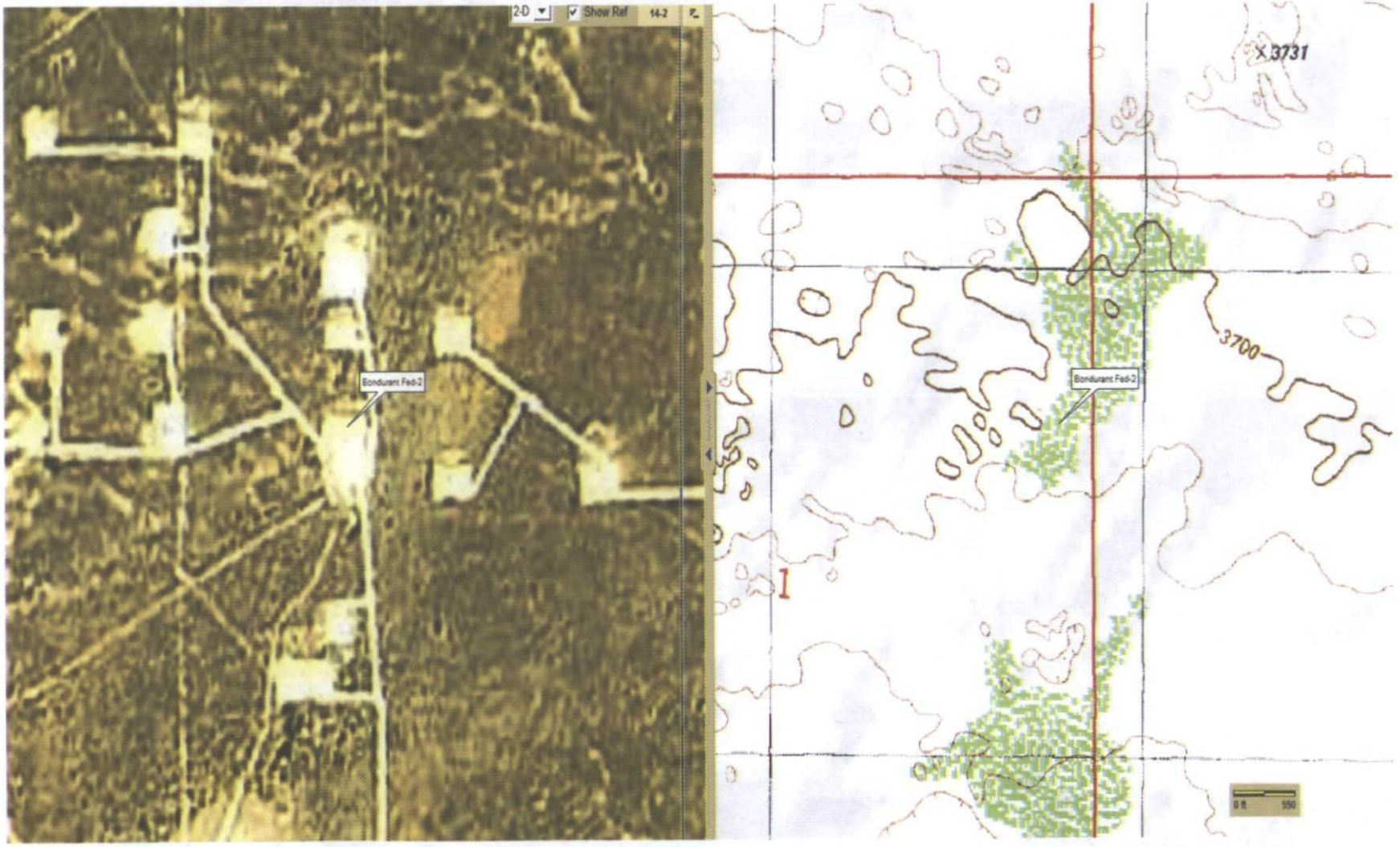
Proposed SWD Bondurant Federal #2



Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

SPOT10 Satellite and Matching Topographic Map



Location: Approximately 7.7 miles south-southeast of NM-529 and Maljamar Road (CR-126A) intersection.

Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Item XIII:

Minerals Owner:

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 87220

Surface Lessee:

Kenneth Smith, Inc
267 Smith Ranch Road
Hobbs, NM 88240

Operators for Notification:

Penrock Oil Corporation
P.O. Box 2769
Hobbs, NM 88241

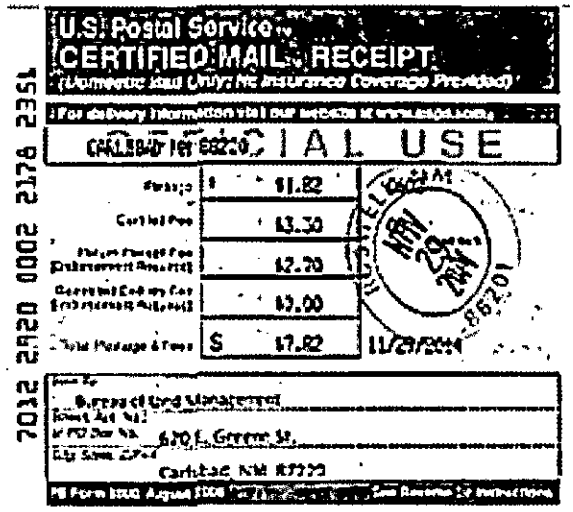
W/2 Sec. 6, T19S-R33E

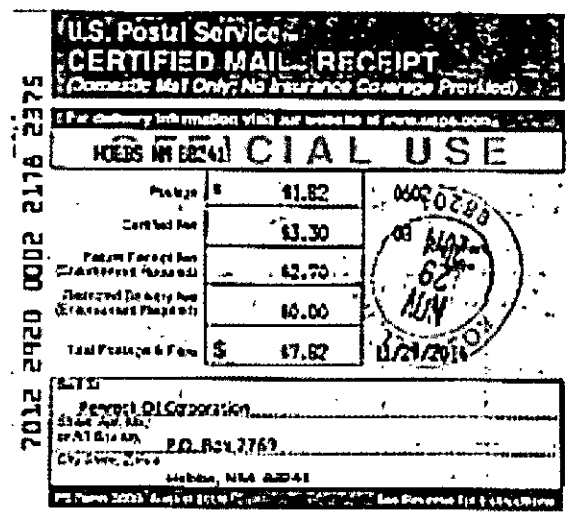
Strata Production Co.
1301 N. Sycamore Ave
Roswell, NM 88201

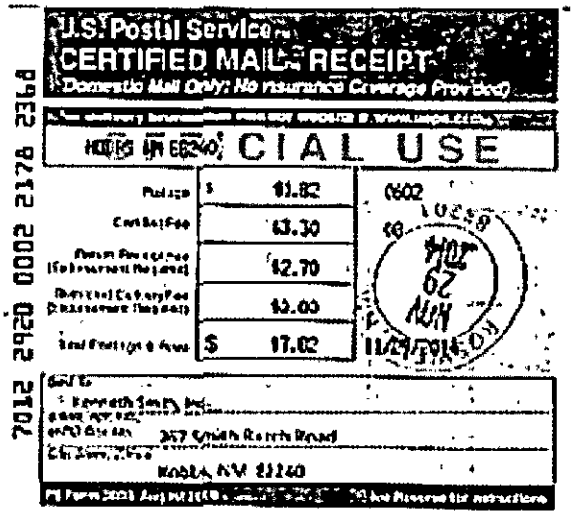
SE/4 Sec 36, T18S-32E shallow
(Cimarex deep rights)

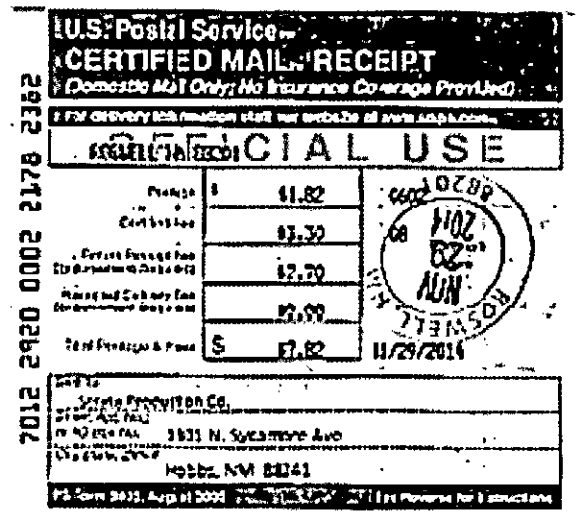
Item XIII:

Certified Mail Receipts









Cimarex Energy Company
Bondurant Federal #2
1650' FNL & 330' FEL
Sec. 1, T19S-R32E Lea County, NM

API 30-025-30972

Item XIII:

Legal Publication

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of November 20 , 2014 and ending with the issue of November 20 , 2014.

And that the cost of publishing said notice is the sum of $ 35.01 which sum has been (Paid) as Court Costs.

Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 30th day of November , 2014.

Gina Fort
Notary Public, Lea County, New Mexico
My Commission Expires June 30, 2018

OFFICIAL SEAL
GINA FORT
Notary Public
State of New Mexico
My Comm. Expires

Legal Notice

Legal Publication

Cimarex Energy Company of Colorado, 600 N. Marienfeld St., Ste 600, Midland, Texas, 432-571-7800, is seeking approval from the New Mexico Oil Conservation Division to convert the Cimerax Energy Company of Colorado, Bondurant Federal No. 2 well API: 30-025-30972, located 1650 from the north line and 330 feet from the east line of Section 1, T19S, R32E, Lea County, NM, 6.8 miles southwest of the intersection of NM-529 and CR-125, for disposal/injection of produced water from its leases.

The proposed disposal/injection interval is in the Delaware Cherry Canyon/Brushy Canyon formations through casing perforations 5,933 to 7,110 feet (OA).

Cimarex plans to dispose of a maximum of 6,000 BWPD with a maximum pressure of 1186 psi, or as controlled by actual disposal depth.

Parties with questions regarding this proposal can contact Cimarex at the address or phone number above.

Interested parties must file objections or requests for hearing within 15 days of publication to the Oil Conservation Division:

1220 S. St. Francis Dr., Santa Fe, NM 87505

Published in the Lovington Leader November 20, 2014.

Cimarex Eng – FA Compliance – FA / Cimarex of Colorado → Applicant

C-108 Review Checklist: Received ______ Add. Request: ______ Reply Date: ______ ~~Suspended:~~ ______ [Ver 15]

ORDER TYPE: WFX / PMX / (SWD) Number: 1573 Order Date: 08/28/15 Legacy Permits/Orders: ——

Well No. 2 Well Name(s): Bondurant Federal Com. — See SWD-1349 / Bondurant Fed. No. 1 30-025-26702

API: 30-0 25-30972 Spud Date: 9/4/1990 New or Old: New (UIC Class II Primacy 03/07/1982)

Footages 1650 FNL / 330 FEL Lot — or Unit H Sec 1 Tsp 19S Rge 32E County Lea

General Location: 15 mi. SW of Buckeye Pool: West Tonto; Bone Spring ~~SWD; Cherry Canyon & Brushy Canyon~~ Pool No.: 8180

BLM 100K Map: Hobbs Operator: Cimarex Energy Company of Colorado OGRID: 162683 Contact: Dr. Havenor / Agent

COMPLIANCE RULE 5.9: Total Wells: 976 Inactive: 4 Fincl Assur: Yes Compl. Order? No **IS 5.9 OK?** Yes **Date:** 08/28/15

WELL FILE REVIEWED ✓ Current Status: P&A Bone Spring; no info on DMG HC potential

WELL DIAGRAMS: NEW: Proposed ○ or **RE-ENTER:** Before Conv. ✓ After Conv. ✓ Logs in Imaging: No - just CBL

Planned Rehab Work to Well: Re-enter / drill out plugs leaving BS plug intact; install tubing following perf & acidizing

Well Construction Details	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned __ or Existing ✓ Surface	12¼ / 8⅝	0 to 1515		700	Cir. to surface
Planned __ or Existing ✓ Interm/Prod	7⅞ / 5½	0 to 9100'	DV@ 3797	1st: 900+140; 2nd: 900+350	CBL (to 4000 1st (6800)) – Cir to surface (2nd stage)
Planned __ or Existing __ Interm/Prod	—	—	—	—	—
Planned __ or Existing __ Prod/Liner	—	—	—	—	—
Planned __ or Existing __ Liner	—	—	—	—	—
Planned __ or Existing ✓ OH / (PERF)	8750 to 8858	~~5933~~ 6150 to 7110	Inj Length ~~1177~~ 960'		

Injection Lithostratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops
Adjacent Unit: Litho. Struc. Por.		—	—
Confining Unit: (Litho) Struc. Por.		San Andres	4652
Proposed Inj Interval TOP:	~~6933~~ 6150	DMG Cherry Canyon	~~5720~~ 6044
Proposed Inj Interval BOTTOM:	7110	Brushy Canyon	
Confining Unit: (Litho.) Struc. (Por.)	·	Bone Spring	7382
Adjacent Unit: Litho. Struc. Por.		WC	—

Completion/Operation Details:

Drilled TD 9105 PBTD 9050

NEW TD NA NEW PBTD ——

NEW Open Hole ○ or NEW Perfs ✓

Tubing Size 3½ in. Inter Coated? Yes

Proposed Packer Depth ~~5883~~ 6050 ft

Min. Packer Depth ~~5833~~ (100-ft limit)

Proposed Max. Surface Press. 1186 psi

Admin. Inj. Press. ~~1220~~ 1230 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P ____ Noticed? / BLM Sec Ord ○ WIPP ○ Noticed? ____ (Salt) Salado T: 1545 B: 2908 **NW:** Cliff House fm NA

FRESH WATER: Aquifer Edge of State Ogallala / Rustler & Dewey Lake possible SA Max Depth +350 **HYDRO AFFIRM STATEMENT By Qualified Person** ✓

NMOSE Basin: Capitan **CAPITAN REEF:** thru (adj) NA — north edge-SA **No. Wells within 1-Mile Radius?** ∅ (Hess MW proposed) FW Analysis? NA

Disposal Fluid: Formation Source(s) Bone Spring Analysis? Yes On Lease ○ Operator Only ✓ (leases) or Commercial ○

Disposal Int: Inject Rate (Avg/Max BWPD): 5000/6000 Protectable Waters? No Source: adjacent System: (Closed) or Open

HC Potential: Producing Interval? No Formerly Producing? No Method: (Logs) DST / P&A / Other ? / HC 2-Mile Radius Pool Map ○

AOR Wells: 1/2-M Radius Map? Yes Well List? Yes Total No. Wells Penetrating Interval: 3 Horizontals? 1 proposed

Penetrating Wells: No. Active Wells 3 Num Repairs? ∅ on which well(s)? —— Diagrams? Yes

Penetrating Wells: No. P&A Wells ∅ Num Repairs? ∅ on which well(s)? —— Diagrams? ——

NOTICE: Newspaper Date 11/20/2014 Mineral Owner Fed / BLM Surface Owner Fed / BLM N. Date 11/29/14

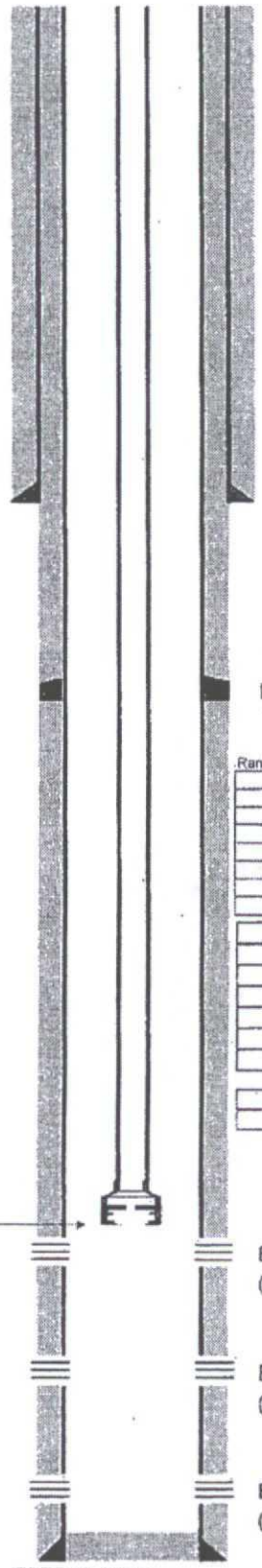
RULE 26.7(A): Identified Tracts? Yes Affected Persons: Penroc, Strata – Lease notified N. Date 11/29/14

Order Conditions: Issues: Correlation of DMG tops; bottom plug & ±1400' casing to BS plug

Add Order Cond: Install CIBP with cmt cap at 200' below deepest perf; injection survey

CIMAREX

Cimarex Energy Co. of Colorado
Bondurant Federal Com 2
30-025-30972
1650' FNL & 330' FEL
Sec. 1, T-19-S, R-32-E, Lea Co., NM
Ty Daws 3/24/11



24# K-55
8 5/8" csg @ 1515'
Cmt w/ 700 sx

DV Tool @ 3797'

Ran (10/99)

Quantity	Description	Length	Setting Depth
	KB	10.00	10.00
260	2-7/8" 6.5# N80	8305.47	8315.47
1	TAC	2.75	8319.22
12	2-7/8" 6.5# N80	385.20	8703.42
1	Meek SN	0.75	8704.17
1	2-7/8" N80 Perf Sub	4	8708.17
1	2-7/8" 6.5# N80 BPMA	32.40	8740.57

Quantity	Description	Length	Setting Depth
1	1-1/4" Polish Rod	26.00	26.00
1	1-1/2" Liner	16.00	42.00
1	7/8" Pony Rod	4.00	46.00
70	7/8" EL Rods	1750.00	1796.00
254	3/4" EL Rods	6350.00	8146.00
1	1-5/8" On/Off Tool	1.00	8147.00
1	1" Guided lift sub	1.00	8148.00
1	1-1/4" RHBC Pump	20.00	8168.00
1	1" Gas Anchor	6.00	8174.00

Rustler 1424
T/Salt 1545
B/Salt 2908

Yates 3211
7R 3647
QU 4150
SA 4652
Del 6042
BS 7382

HOBBS OCD
MAR 22 2013
RECEIVED

1-1/4" RHBC Pump

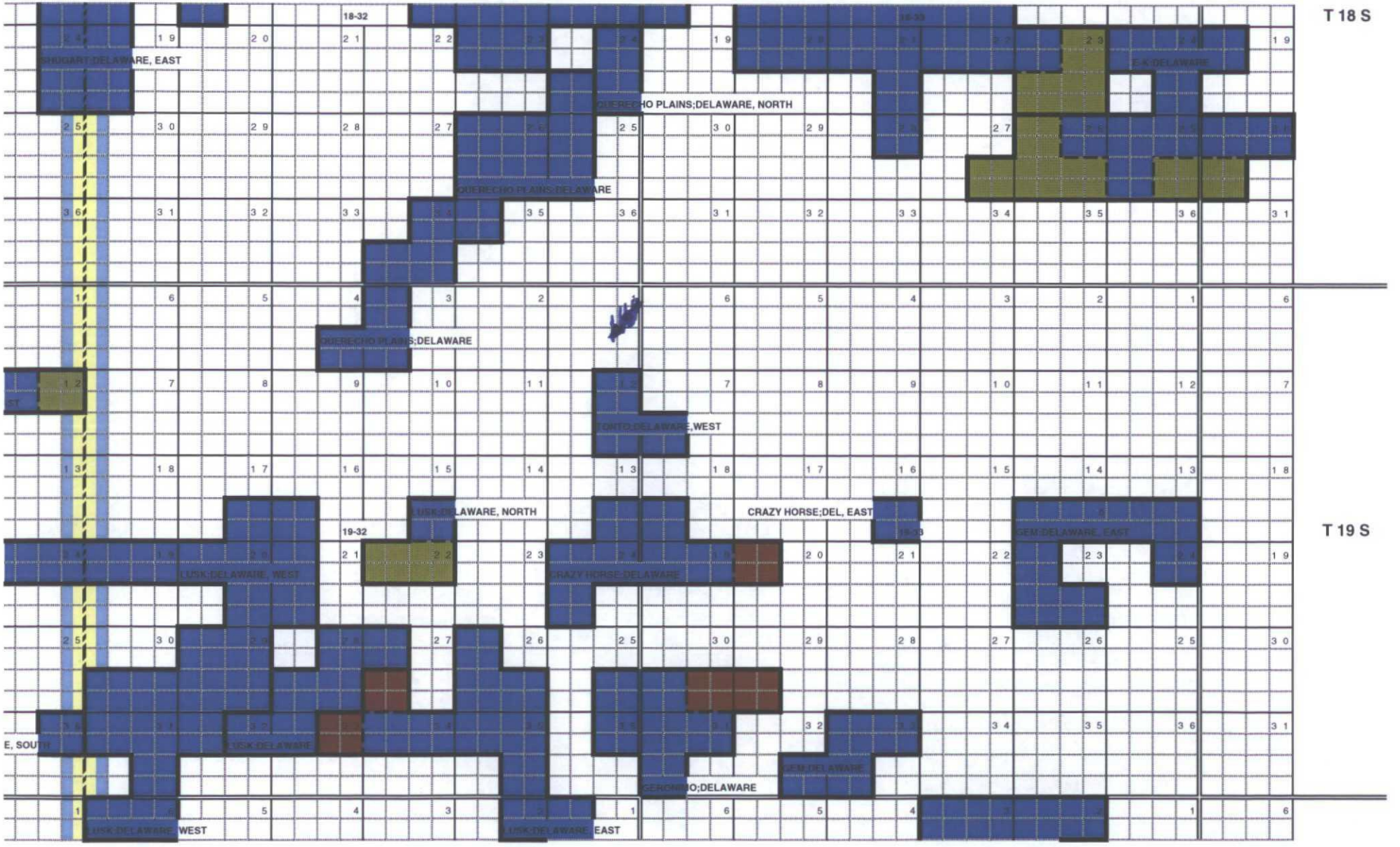
Bone Spring Perfs:
(8750' - 8760') 22 holes

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

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

17# K-55
5 1/2" csg @ 9100'
Cmt w/ 2290 sx

PBTD @ 9050'
TD @ 9105'


T 18 S
T 19 S
18-32
19-32
SHUGART;DELAWARE, EAST
QUERECHO PLAINS;DELAWARE, NORTH
QUERECHO PLAINS;DELAWARE
QUERECHO PLAINS;DELAWARE
TONTO;DELAWARE,WEST
LUSK;DELAWARE, NORTH
CRAZY HORSE;DEL, EAST
LUSK;DELAWARE, WEST
CRAZY HORSE;DELAWARE
GEM;DELAWARE, EAST
LUSK;DELAWARE
GEM;DELAWARE
LUSK;DELAWARE, WEST
LUSK;DELAWARE, EAST

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division

Administrative Order SWD-1349
August 15, 2012
Expired - 2015

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of 19.15.26.8B NMAC, Cimarex Energy Co. of Colorado seeks an administrative order to utilize its Bondurant Federal Well No. 1 (API 30-025-26702) located 1980 feet from the South line and 660 feet from the East line, Unit letter I of Section 1, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

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

IT IS THEREFORE ORDERED THAT:

The applicant, Cimarex Energy Co. of Colorado, is hereby authorized to utilize its Bondurant Federal Well No. 1 (API 30-025-26702) located 1980 feet from the South line and 660 feet from the East line, Unit letter I of Section 1, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Cherry Canyon and Brushy Canyon members of the Delaware Mountain Group through a perforated interval from 5862 feet to 7000 feet through internally coated tubing and a packer set within 100 feet of the permitted interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

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.