Form 3160-5 (November 1994)

UNITED STATES DEPARTMENT OF THE INTERIOR

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FORM APPROVED

OMB No. 1004-0135 Expires July 31, 1996

BUREAU OF LAND MANAGEMENT Lease Serial No SUNDRY NOTICES AND REPORTS ON WELLS NM-12128 Do not use this form for proposals to drill or to re-enter an If Indian, Allottee or Tribe Name abandoned well. Use form 3160-3 (APD) for such proposals. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well Oil Well X Gas Well Other Well Name and No IAN 07 2009 Juno 27 Federal Com No. 3 Name of Operator OCD-ARTESIA Cimarex Energy Co. of Colorado API Well No. Address Phone No (include area code) 30-015-36424 PO Box 140907; Irving, TX 75014-0907 972-401-3111 Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Henshaw; Morrow, SW (Gas) 660 FSL & 660 FWL County or Parish, State Eddy County, NM 27-16S-29E CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Acidıze Production (Start/Resume) Water Shut-Off Deepen Alter Casing Well Integrity Fracture Treat Reclamation X Other Lay on-lease flowline Subsequent Report Casing Repair New Construction Recomplete Plug and Abandon Change Plans Temporarily Abandon surface commingle gas with Final Abandonment Notice Convert to Injection Plug Back Water Disposal Juno 27 Fed Com 2, gas assist 13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete 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 recompletion 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.) Propose to lay 2302' of on-lease 4½" FiberSpar flexible pipe along existing access road from Cimarex's Juno 27 Federal Com No. 3 well to the Juno 27 Federal Com No. 2 well in 27-16S-29E and surface commingle gas through DCP sales meter at the No. 2 location. The production will consist of DHC Atoka/Morrow gas in the Juno 27 Fed Com 2 and Morrow gas from the Juno 27 Fed Com 3. All working, overriding, and royalty interests are the same and gas streams are compatible. Therefore, no parties will be harmed by surface commingling and compressor fuel will be shared between the two wells. Line will be buried to 36" and have a burst rating of 5700 psi and MAOP of 1500 psi. Anticipated working pressure of the line is 600 psi. In addition, propose to lay 2302' of on-lease 2½" FiberSpar flexible pipe along same existing access road from the DCP meter at the Juno 27 Fed Com 2 to the Juno 27 Fed Com 3 for future gas assist operations. This pipe will be buried to a depth of 36" and have a burst rating of 4900 psi and MAOP of 1500 psi. Anticipated working pressure of this line is 900-1100 psi. ACCEPTED FOR RECORD 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title Zeno Farris Manager Operations Administration Signature Date Gerry Cuve. Deputy Field Inspector Zemo November 25, 2008 NMOCLE-District II ARTEGIA THIS SPACE FOR FEDERAL OR STATE OFFICE USE Date Approved by Is/ Don Peterson

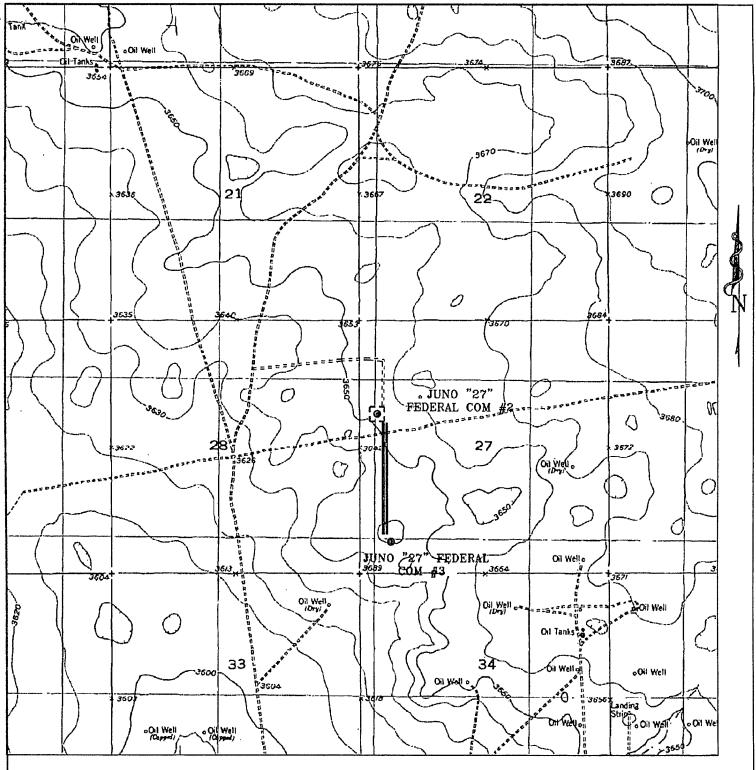
Title 18 U.S.C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Office

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.



Flowline from Juno 27 Fed Com 3 to Juno 27 Fed Com 2 AND Gas Assist Line from DCP Meter to Juno 27 Fed Com 2 & 3 27-16S-29E Eddy County, NM



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 — Office (505) 392-3074 — Fax basinsurveys.com

W.O. Number.	JMS	19381T	
Survey Date:	03-	27-2008	
Scole [.] 1" = 2	000'	eviating a service of the	
Date: 03-28	-2008		

CIMAREX ENERGY CO. OF COLORADO



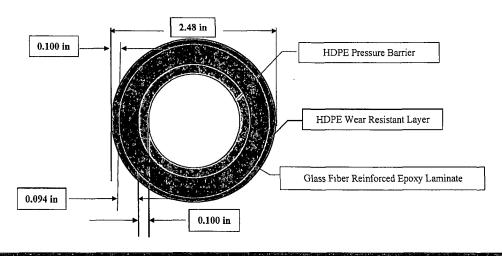
FS LPJ 2 1/2" 1,500 (E)

2 1/2 Inch Nominal, 1,500 Series Fiberspar LinePipe-J w/HDPE Pressure Barrier & HDPE External Wear Layer

Product Data Sheet (In	nperial Units)	ASTM 2996 Designation:	RTRP-11HZ1-4112
Physical Properties:		Fiberspar s/n:	JEEN025026
Geometry		Tensile Modulus	
Outside Diameter (in)	2.48	Axial (psi)	8 58E+05
Inside Diameter (in)	1.89	Hoop (psi)	1.11E+06
Inside Flow Area (1122)	2.81	Poisson's Ratio	
Total Wall Thickness (in)	0.29	Major	0.49
C/S Area (1n²)	2.02	Minor	0.63
Linear Weight		Thermal Exp. Coeff.	
Linear Weight - Air (lb/ft)	1.12	Axial (ın/ın -°F)	1 27E-05
Linear Weight - Water (lb/ft)	0.25	Hoop (in/in -°F)	7.40E-06
Net Density (lb/1n ³)	0.046	Thermal Conductivity	
Flow Coefficients		(BTU/hour/ft²- in/°F)	1 92
Hazen - William's	150	Resin T _g	
Darcy-Wiesbach	0.0004	(℃)	125° ·
Manning	0 009	(°F)	257°

N. / 1.			e	
Mechan	ical	Per	torm	iance.

Maximum Operating Temperature	140 °F		
Minimum Operating Temperature	-29 °F	78 °F	140 °F
Max. Recommended Operating	Pressure (psi)	1,500	1,500
Nominal Ultimate Burst	Pressure (psi)	5,900	5,000
Maximum Recommended Ten	sile Load (lbs)	4,000	3,200
Nominal Ultimate Ten	sile Load (lbs)	10,000	8,100
Nominal Ultimate Compres	sive Load (lbs)	-10,900	-8,900
Nominal Ultimate Collapse	Pressure (psi)	700	700
Minimum Operating Be	nd Radius (in)	38	38
Minimum Spooling	Diameter (1n)	66	66



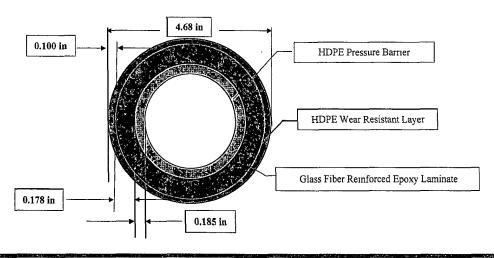


FS LPJ 4 1/2" 1,500 (E)

4 1/2 Inch Nominal, 1,500 Series Fiberspar LinePipe-J w/HDPE Pressure Barrier & HDPE External Wear Layer

Product Data Sheet (In	iperial Units)	ASTM 2996 Designation:	RTRP-11HZ1-4112
Physical Properties:		Fiberspar s/n:	JEEN045026
Geometry		Tensile Modulus	
Outside Diameter (in)	4.68	Axial (psi)	8.68E+05
Inside Dıameter (ın)	3 75	Hoop (psi)	1.12E+06
Inside Flow Area (in ²)	11.04	Poisson's Ratio	
Total Wall Thickness (in)	0.46	Major	0.49
C/S Area (in²)	6 13	Minor	0.63
Linear Weight		Thermal Exp. Coeff.	
Linear Weight - Air (lb/ft)	3 61	Axial (in/ın -°F)	1.26E-05
Linear Weight - Water (lb/ft)	0.96	Hoop (in/ın -°F)	7.33E-06
Net Density (lb/in³)	0.049	Thermal Conductivity	
Flow Coefficients		(BTU/hour/ft²- in/°F)	1.92
Hazen - William's	150	Resin T _g	
Darcy-Wiesbach	0.0004	(℃)	125°
Manning	0.009	(°F)	257°

Maximum Operating Temperature	140 °F		
Minimum Operating Temperature	-29 °F	78 °F	140 °F
Max. Recommended Operatir	ig Pressure (psi)	1,500	1,500
Nominal Ultimate Bur	st Pressure (psi)	5,700	4,800
Maximum Recommended To	ensile Load (lbs)	14,880	12,500
Nominal Ultimate To	ensile Load (lbs)	37,200	31,200
Nominal Ultimate Compre	essive Load (lbs)	-41,800	-34,100
Nominal Ultimate Collaps	se Pressure (psi)	650	650
Minimum Operating F	Bend Radius (in)	75	75
Minimum Spooli	ng Diameter (1n)	128	128



BLM LEASE NUMBER NM-12128 COMPANY NAME Cimarex Company of Colorado WELL NO. & NAME Juno 27 Federal Com No.3 Buried Pipeline

BURIED PIPELINE STIPULATIONS

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A copy of the CX and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

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- 6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
- 7. Blading of all vegetation will be allowed. Blading is defined as the complete removal of brush and ground vegetation. Clearing of brush species will be allowed. Clearing defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface. In areas where blading and/or clearing is allowed, maximum width of these operations will not exceed 35 feet.
- 8. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
- 9. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in row, piles, or berms, unless otherwise approved by the Authorized Officer. A berm will be left over the ditch line to allow for settling back to grade.
- 10. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
- 11. The holder will reseed. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1	() seed mixture	3
(X) seed mixture 2	() seed mixture	4

- 12. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2.
- 13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

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15. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

BLM SERIAL #: NM-12128 COMPANY REFERENCE: Cimarex Energy Company of Colorado WELL # & NAME: Juno 27 Federal Com No.3

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The see mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	l <u>b/acre</u>
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

^{*}Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed