

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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 reverse side

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

2. Name of Operator
Cimarex Energy Co. of Colorado

3a. Address
600 N. Marienfeld St., Ste. 600; Midland, TX 79707

3b. Phone No. (include area code)
432-571-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330 FSL & 330 FWL
1-16S-29E

5. Lease Serial No
LC-061622

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No
NMOCD ARTESIA

County Line 1 Federal No. 2

9. API Well No.
30-015-37055

10. Field and Pool, or Exploratory Area
Grayburg

11. County or Parish, State
Eddy County, NM

12. CHECK 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"/> 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 checked="" type="checkbox"/> Other Change target to
	<input checked="" type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back

Grayburg, drill vertical instead of horizontal

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 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.)

This well was permitted as an Abo Wildcat test, but Cimarex has decided to change the target to Grayburg and drill the well vertically instead of horizontally. Consequently, the casing plans have changed as shown below.

**SUBJECT TO LIKE
APPROVAL BY STATE**

Surface

In 12 1/4" hole, set 8 3/4" 24# J-55 LTC @ 400.' Cement with Lead 200 sx 10:2 RFC (Class A) w/ 4 pps D24 + .125 pps D130 lead, 14.2 ppg 1.62 cuft/sx and Tail 150 sx premium C w/ 2% S1 + .125 pps D130 tail, 14.8 ppg 1.34 cuft/sx. TOC surface.

Production

In 7 1/2" hole, set 5 1/2" 17# J-55 LT&C @ 2,800.' Cement with Lead 400 sx 50/50 Pozmix/Class C + 5% D44 + 6% D20 + 0.2 % D46 + 0.125 pps D130 mixed at 11.9 ppg with fresh water, 1.91 cuft/sx and Tail 200 sx C + 1.33% D44 + 0.1% D167 + 0.1% D65 + 0.1 D13 Mixed at 13.0 ppg, 1.35 cuft/sx. TOC surface.

Minimum 2000 psi working pressure BOP will be used. Closed loop pit system will be used.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Please see attached C-102, rig layout, and BOP diagram.

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

Name (Printed/Typed)
Natalie Krueger

Signature
Natalie Krueger

Title
Regulatory

Date
December 21, 2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *Craig Cranston*

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.

Title
ACTING /s/ Don Peterson

Date
1/13/2010

Office
CFO

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.

(Instructions on reverse)

DISTRICT I

1635 N. French Dr., Hobbs, NM 88240

DISTRICT II

1901 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Bravo Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-37055	Pool Code 30590	Pool Name Henshaw; Grayburg, West
Property Code	Property Name COUNTY LINE "1" FEDERAL	Well Number 2
GRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3743'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
X	1	16 S	29 E		330	SOUTH	330	WEST	EDDY

Bottom Hole Location If Different From Surface

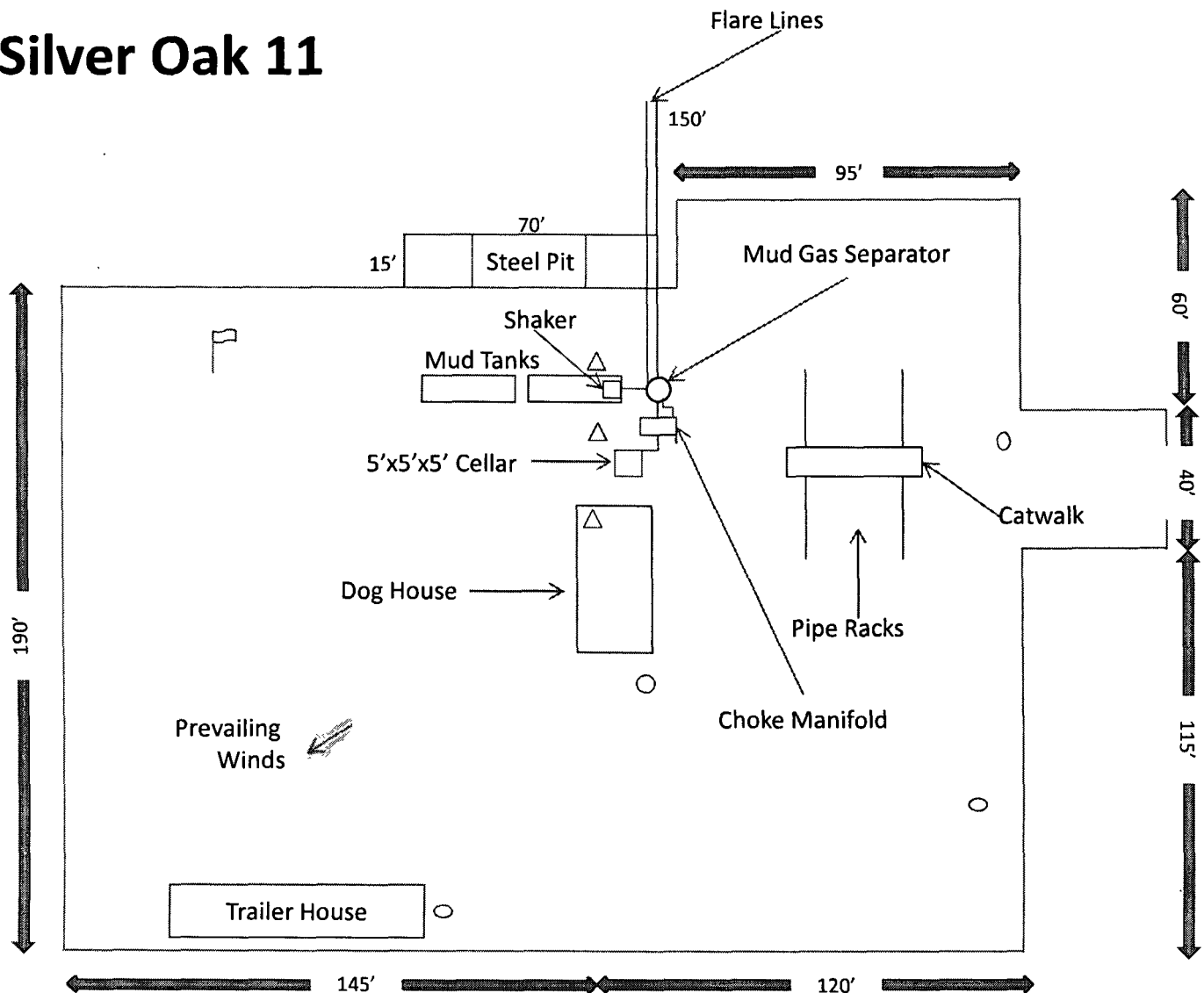
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

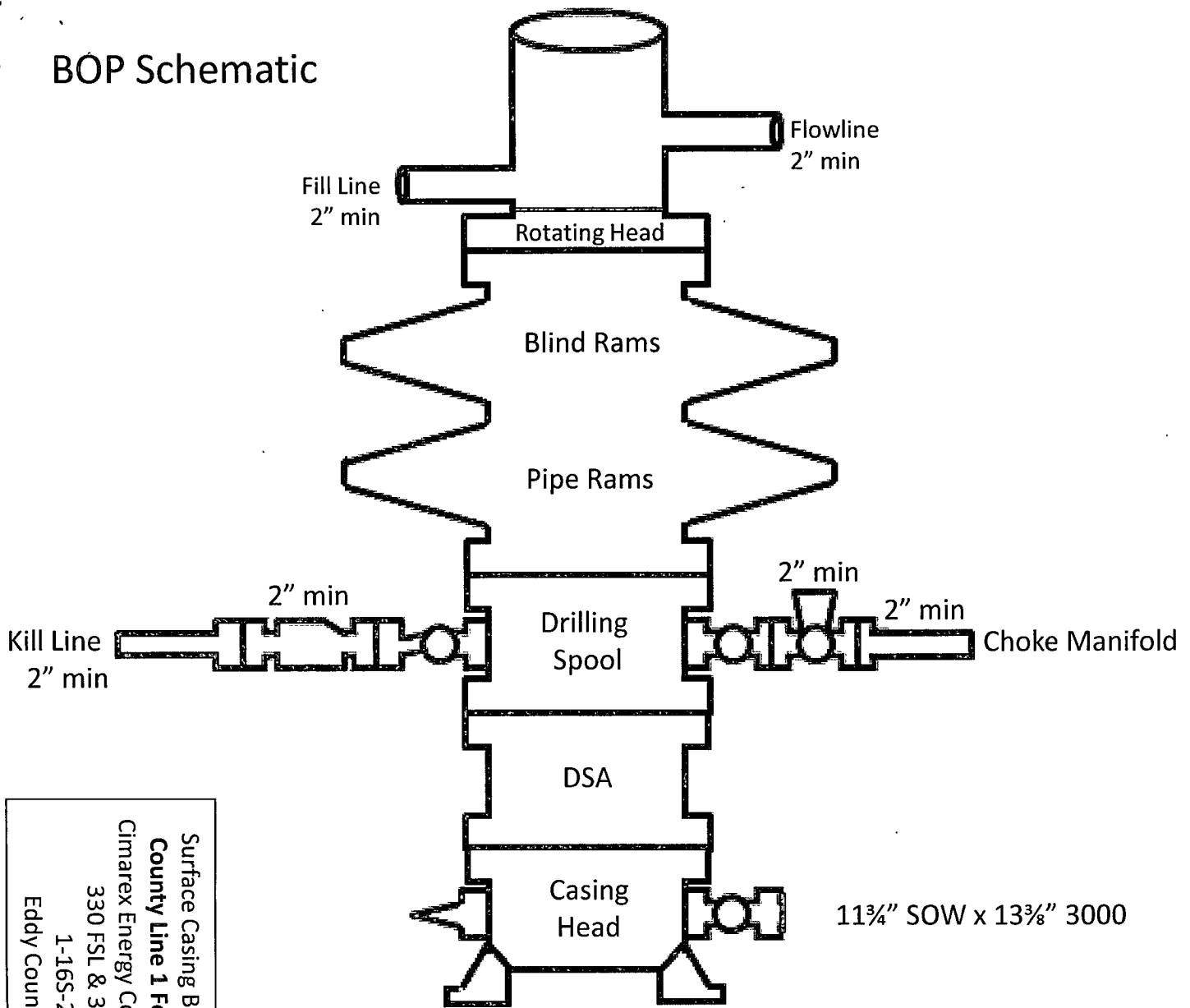
<p>SURFACE LOCATION Lat - N 32°56'39.58" Long - W 104°02'08.69" NADSPCE- N 707410.4 E 632627.9 (NAD-83)</p> <p>LC-061622</p> <p>3738.9' 3746.2'</p> <p>330'</p> <p>3739.5' 3737.1'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Zeno Farris</i> 12/21/2009 Signature Date</p> <p>Zeno Farris Printed Name</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date Surveyed 12/21/2009 Signature & Seal of Professional Surveyor 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	

Silver Oak 11



Rig Diagram
County Line 1 Federal No. 2
 Cimarex Energy Co. of Colorado
 330 FSL & 330 FWL
 1-16S-29E
 Eddy County, NM

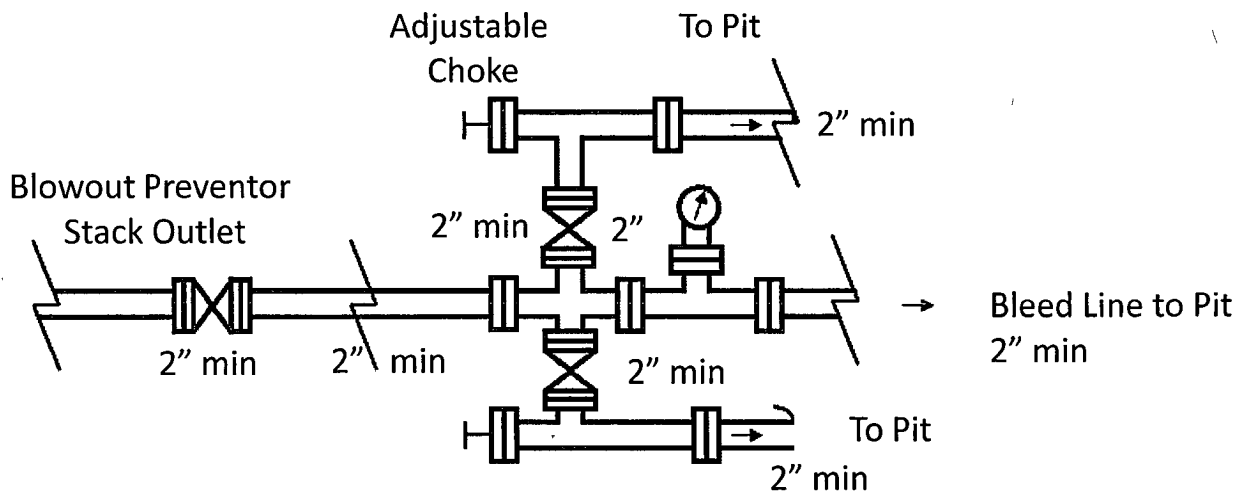
BOP Schematic



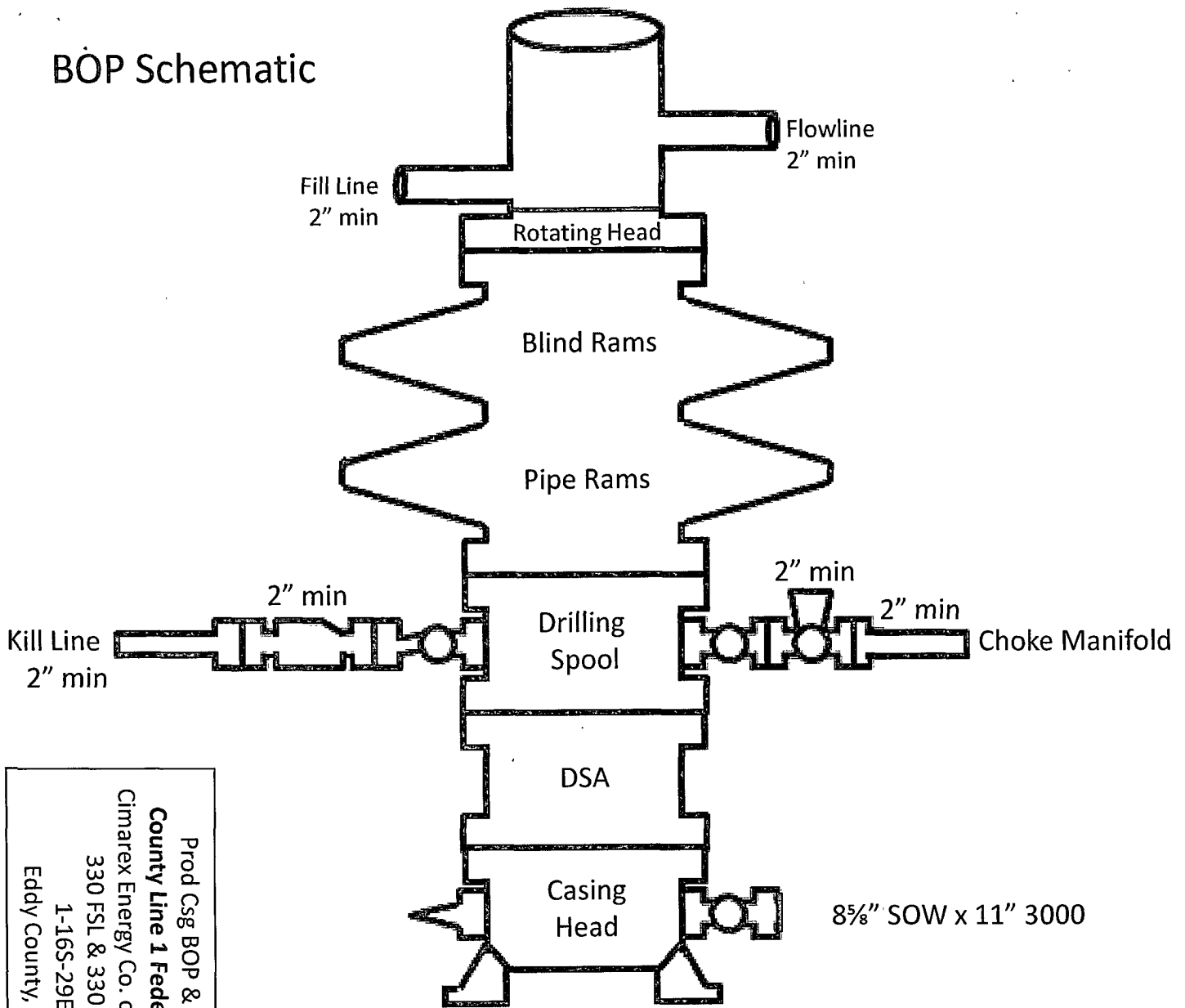
Surface Casing BOP & Choke
County Line 1 Federal No. 2
Cimarex Energy Co. of Colorado
330 FSL & 330 FWL
1-16S-29E
Eddy County, NM

Choke Manifold Requirement (2000 psi WP)
No Annular Required

Minimum 4" Nominal Choke Lines



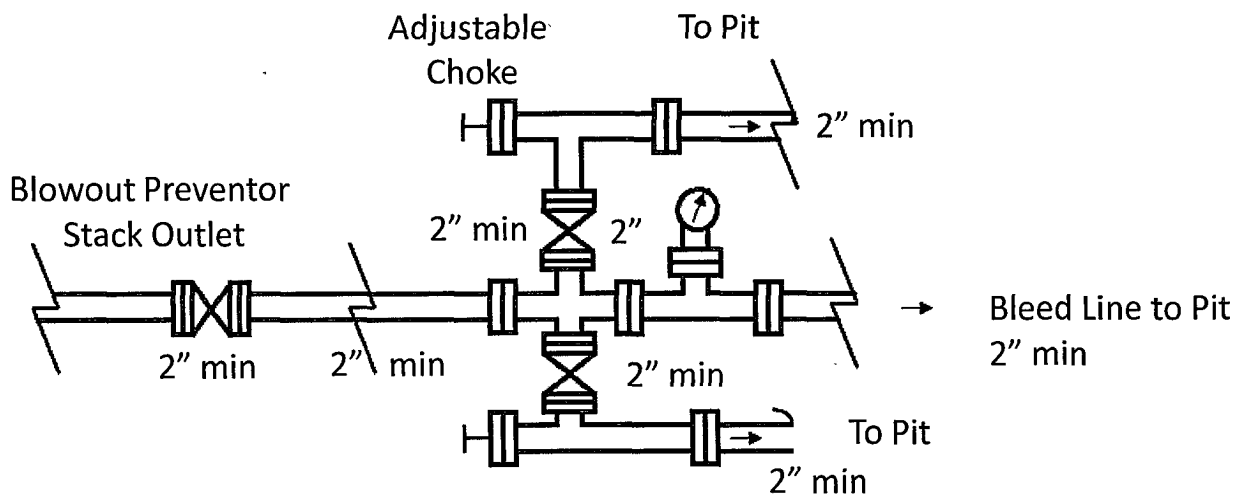
BOP Schematic



Prod Csg BOP & Choke
County Line 1 Federal No. 2
 Cimarex Energy Co. of Colorado
 330 FSL & 330 FWL
 1-16S-29E
 Eddy County, NM

Choke Manifold Requirement (2000 psi WP)
 No Annular Required

Minimum 4" Nominal Choke Lines



PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Cimarex Energy Co. of Colorado
LEASE NO.:	NMLC-061622
WELL NAME & NO.:	County Line 1 Federal #2
SURFACE HOLE FOOTAGE:	330' FSL & 330' FWL
LOCATION:	Section 1, T. 16 S., R 29 E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. **The record of the drilling rate along with the CAL/GR/N well log run from TD to surface will be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible lost circulation in the Grayburg formation.

1. The 8-5/8 inch surface casing shall be set **at approximately 400 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface. **If the salt is penetrated, set casing 25' above the salt.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 5-1/2 inch production casing is:
☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. Casing cut-off and BOP installation will not be initiated until the cement has had 4-6 hours of setup time in a water basin and 12 hours in the potash areas. This time will start after the cement plug is bumped. Testing the BOP/BOPE against a plug can commence after meeting the above conditions plus the BOP installation time.
 - b. The tests shall be done by an independent service company utilizing a test plug.
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
 - f. **Effective November 1, 2008, no variances will be granted on reduced pressure tests on the surface casing and BOP/BOPE. Onshore Order 2 requirements will be in effect.**

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

CRW 010610