

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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.*

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

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.

County Line 1 Fed 2

9. API Well No.

30-015-37055

10. Field and Pool, or Exploratory Area

Henshaw; Grayburg, West

11. County or Parish, State

Eddy County, NM

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. Mariefeld St., Ste. 600; Midland, TX 79701

3b. Phone No. (include area code)

432-471-7800

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

At surface: 330 FSL & 330 FWL 1-16S-29E

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☒ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Squeeze Grayburg

perfs and deepen to San

Andres

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.)

Well initially completed in the Grayburg in 03-10 with perfs @ 2569-2593. Cimarex proposes squeeze Grayburg with a CICR @ 2539' and 150 sx cls C 14.8 ppg, 1.35 yld. Then deepen 4 3/4" hole to 3500 using a reverse unit with 9.5# brine, run OH logs, and set 4" 10.46# J-55 UFJ liner above current perfs (from 2465 to 3380). Cement with 50 sx Versa-Cem C + 0.4% LAP-1 + 0.6% CFR-3 + 0.25# D-AIR 3000 Wt 14.2, yld 1.26. Then perf the San Andres formation from 3040-3415 5 spf, 50 holes. Frac w/ 763,799 gal slick water, 40,000# 100 Mesh sand, & 300,000# 40/70 white sand. Install pumping unit and turn to production.

Cimarex will use a 5K Blind & Pipe Ram BOP tested to 2K. Test BOP equipment and choke manifold to 250 psi low and 2000 psi high by an independent service company. Drill cuttings and fluids will be contained in steel pits.

Please see attached WBD, C-102, and BOP and choke diagrams.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Name (Printed/Typed)

Natalie Krueger

Signature

Title

Regulatory Analyst

Date

January 3, 2011

RECEIVED

JAN 07 2011

NMOCD ARTESIA

Approved by

Title

Office

Date

JAN 5 2011

/s/ Dustin Winkler

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 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)



Current

Cimarex Energy Co. of Colorado

County Line 1 Federal No. 2

API 30-015-37055

330 FSL & 330 FWL, Sec 1, T16S-R29E

Eddy County, NM

GL 3743

8 7/8" 24# J55 LTC @ 414

Cmt w/ 600 sx, circ 111 to surf

12 1/4" hole to 490

5 1/2" 17# J55 LTC @ 2800

Cmt w/ 580 sx, circ 62 sx to surface

Grayburg Perfs 2569-2593
2 spf, 38 holes

7 7/8" hole to TD 2800'

PBTD: 2752

TD: 2800



Proposed

Cimarex Energy Co. of Colorado

County Line 1 Federal No. 2

API 30-015-37055

330 FSL & 330 FWL, Sec 1, T16S-R29E

Eddy County, NM

GL 3743

8 1/2" 24# J55 LTC @ 414
Cmt w/ 600 sx, circ 111 to surf

12 1/4" hole to 490

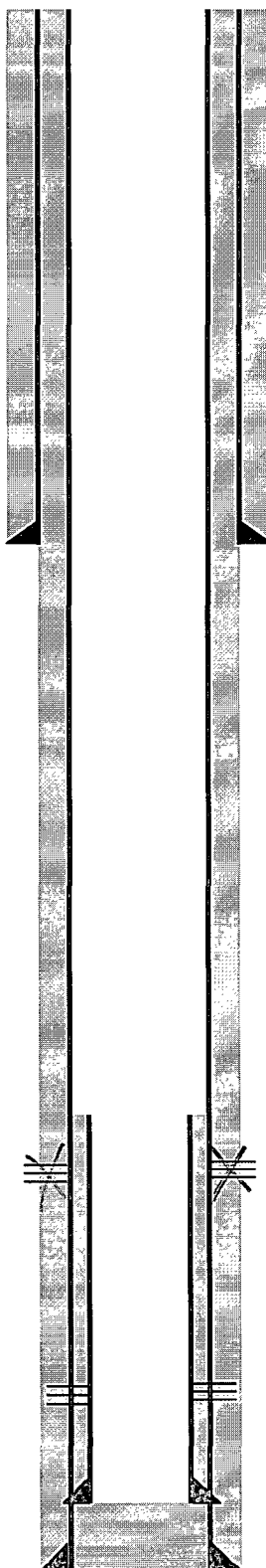
5 1/2" 17# J55 LTC @ 2800
Cmt w/ 580 sx, circ 62 sx to surface

Grayburg Perfs 2569-2593
2 spf, 38 holes sqz w 150 sx cls C

San Andres formation from 3040-3415
5 spf, 50 holes

4" 10.46# J-55 UFJ liner from 2465-3380
Cement with 50 sx Versa-Cem C + 0.4%
LAP-1 + 0.6% CFR-3 + 0.25# D-AIR 3000

4 3/4" hole deepened to TD 3500'



TD: 3500

DISTRICT I
1635 N. French Dr., Hobbs, NM 88240
DISTRICT II
1901 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Branco Rd., Aztec, NM 87410
DISTRICT IV
1225 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form 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 97839	Pool Name WILDCAT; San Andres Wildcat
Property Code 36849	Property Name COUNTY LINE "1" FEDERAL	Well Number 2
OGRID 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

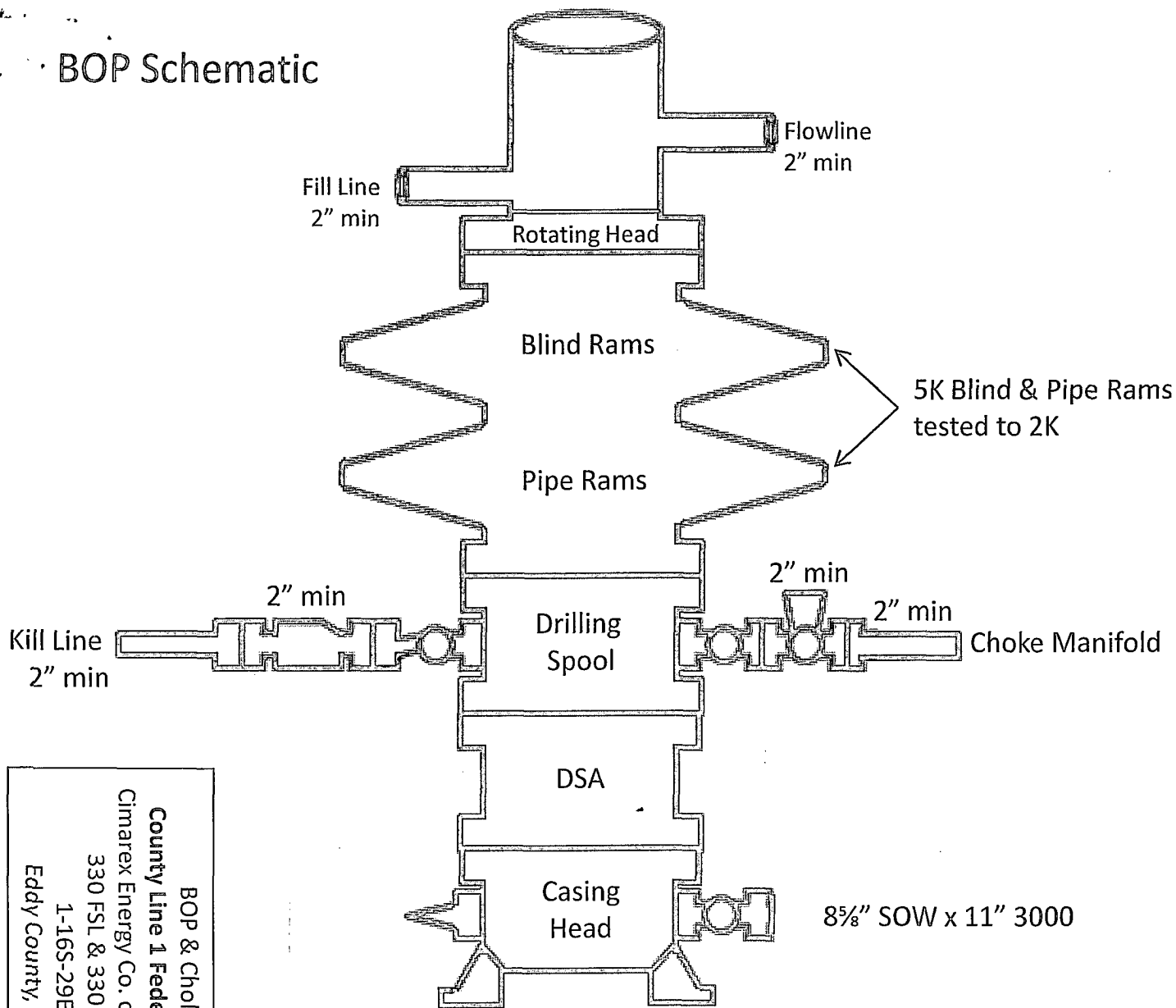
Bottom Hole Location If Different From Surface

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.						

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" NMSFCE- 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>RECEIVED JAN 07 2011 NMOCD-ARTESIA</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 released 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><u>Natalie Krueger</u> 1/3/2011 Signature Date</p> <p>Natalie Krueger 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 Signature & Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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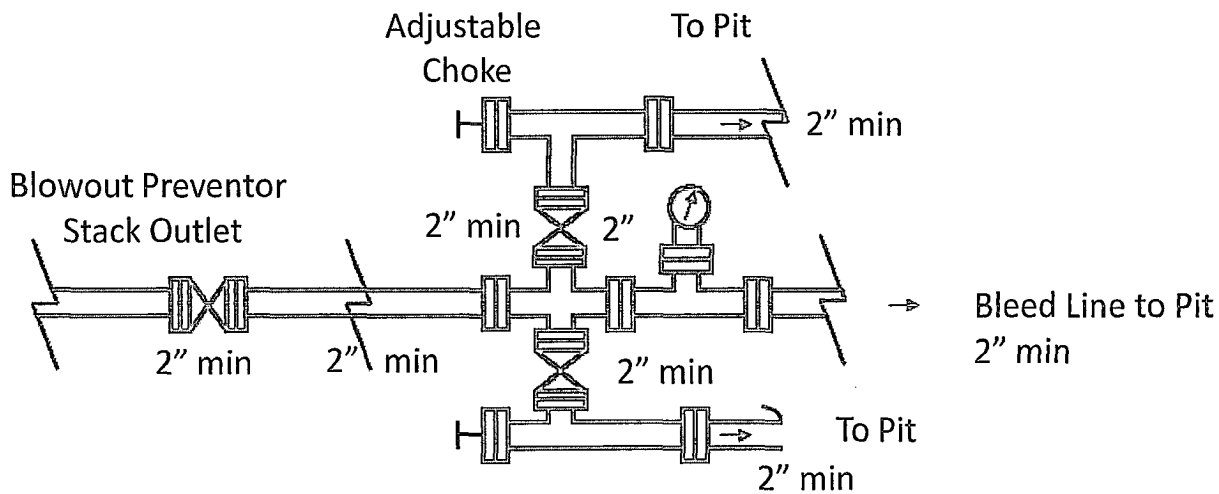
BOP Schematic



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 2" Nominal Choke Lines



Cimarex Energy Company of Colorado
NMLC-061622: County Line 1 Federal #2
API: 30-015-37055
Eddy County, New Mexico

RE: Deepening – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

4 hours notice is required (575-361-2822) prior to:

Casing test

Drilling out shoe

Running the liner and cementing

Casing test of 500 psi is required prior to drilling out shoe to verify that the perms have been squeezed off. Test to be done with a chart for 30 minutes.

2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

Cement is to circulate to top of the liner. If cement does not circulate, contact the BLM. Additional cement will be required – Excess calculates to -58%.

Variance granted for casing clearance of 0.38". Cimarex will wash and ream the hole to reduce the difference between actual and regulations.

Submit subsequent report and completion report with well test once work is completed.

DHW 010311