

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
OCD ArtesiaFORM 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.5. Lease Serial No.
NMNM119268

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Multiple--See Attached9. API Well No.
Multiple--See Attached10. Field and Pool or Exploratory Area
COUNTY LINE TANK11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CIMAREX ENERGY COMPANY OF CO

Contact: ARICKA EASTERLING

E-Mail: aeasterling@cimarex.com

3a. Address

202 S CHEYENNE AVE SUITE 1000
TULSA, OK 74103.4346

3b. Phone No. (include area code)

Ph: 918-560-7060

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

Multiple--See Attached

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	Surface Commingling
	<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 recompleat 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.

Cimarex Energy Co. respectfully requests approval for a Central Tank Battery of the following wells: Glycerin 10 Fed Com #1 and Glycerin 10 Federal Com #2.

3C 3-13-18
Accepted for record - NMOCD

The Glycerin 10 Federal CTB is located at the Glycerin 10 Fed Com #1 well ? Sec. 10, 16S, 29E, Eddy County, NM.

Oil, Gas, and Water production from the Glycerin 10 Federal Com wells comes into a production header then flows to a dedicated two-phase production separator, followed by a dedicated three-phase heater treater. The oil production then flows to individual designated tanks for sales and storage. The oil production is not commingled.

The gas flows from the Glycerin 10 Fed Com #1 well to individual allocation meter 309624096 where it is measured. The gas flows from the Glycerin 10 Fed Com #2 well to individual allocation meter

BUREAU OF LAND MANAGEMENT
ARTESIA DISTRICT
MAR 12 2018

RECEIVED

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

Electronic Submission #377056 verified by the BLM Well Information System
For CIMAREX ENERGY COMPANY OF CO, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 05/24/2017 (17DLM1801SE)

Name (Printed/Typed) ARICKA EASTERLING

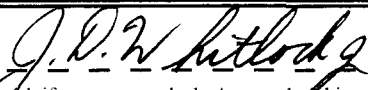
Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 05/23/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By



Title

TLPET

Date

3/7/18

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.

Office

CFO

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 ****

Additional data for EC transaction #377056 that would not fit on the form

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

NMNM124512
NMNM124739

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM124512	NMNM119268	GLYCERIN 10 FEDERAL COM 1	30-015-36359-00-S1	Sec 10 T16S R29E NENE 825FNL 330FEL 32.941229 N Lat, 104.055163 W Lon
NMNM124739	NMNM119268	GLYCERIN 10 FEDERAL COM 2	30-015-36409-00-S1	Sec 10 T16S R29E SENE 2180FNL 330FEL 32.937505 N Lat, 104.055164 W Lon

32. Additional remarks, continued

309624117 where it is measured. Then commingled gas production flows to the DCP gas sales meter 724947-00.

Agreement Well API Location

NMNM124512 Glycerin 10 Fed 1H 3001536359 825' FNL & 330' FEL, Sec. 10, 16S, 29E

NMNM124739 Glycerin 10 Fed 2H 3001536409 2180' FNL & 330' FEL, Sec. 10, 16S, 29E



APPLICATION FOR COMMINGLING AT A COMMON CENTRAL TANK BATTERY

Proposal for Glycerin 10 Fed Com

NMOCD Approval: CTB-766

Well Name	Location	API #	Pool	MCFPD	BTU
Glycerin 10 Fed Com 1	SE,NE	3001536359	97197	88.7	1.226
Glycerin 10 Fed Com 2	NE,NE	3001536409	97197	36.1	1.226

Maps/Plats & diagrams: Federal leases and well locations in Section 10-16S-29E.
 Topo Map of flowline route
 Approved C102
 Facility Diagram

The BLM's interest in all wells is common.

Com #NMNM124512 royalty rate is 12.5%

Com #NMNM124739 royalty rate is 12.5%

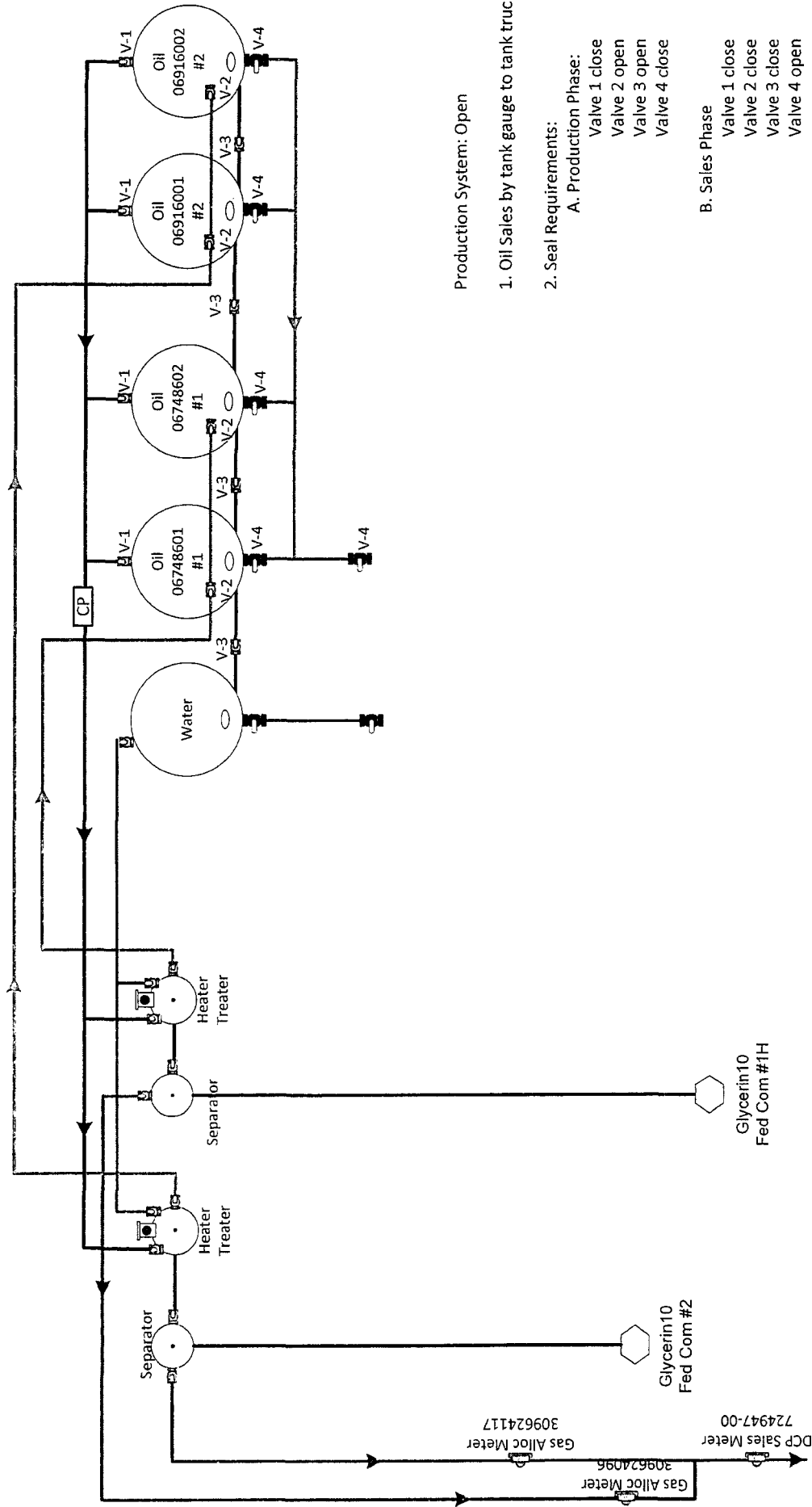
Working, royalty, and overriding interest owners are common for each well.

Oil & Gas Production & Allocation:

All of the production from the Glycerin 10 Federal Com wells comes into a production header then flows to a dedicated two-phase production separator, followed by a dedicated three-phase heater treater. The oil production then flows to individual designated tanks for sales and storage. The oil production is not commingled.

The gas flows from the Glycerin 10 Fed Com #1 well to individual allocation meter 309624096 where it is measured. The gas flows from the Glycerin 10 Fed Com #2 well to individual allocation meter 309624117 where it is measured. Then commingled gas production flows to the DCP gas sales meter 724947-00. Gas production and sales will be allocated back to the well based upon the monthly allocation meter volume from each well and the total sales volume flowing through the DCP Sales meter. The gas meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Cimarex Energy Co. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.



Production System: Open

1. Oil Sales by tank gauge to tank truck

2. Seal Requirements:

A. Production Phase:

- Valve 1 close
- Valve 2 open
- Valve 3 open
- Valve 4 close

B. Sales Phase

- Valve 1 close
- Valve 2 close
- Valve 3 close
- Valve 4 open

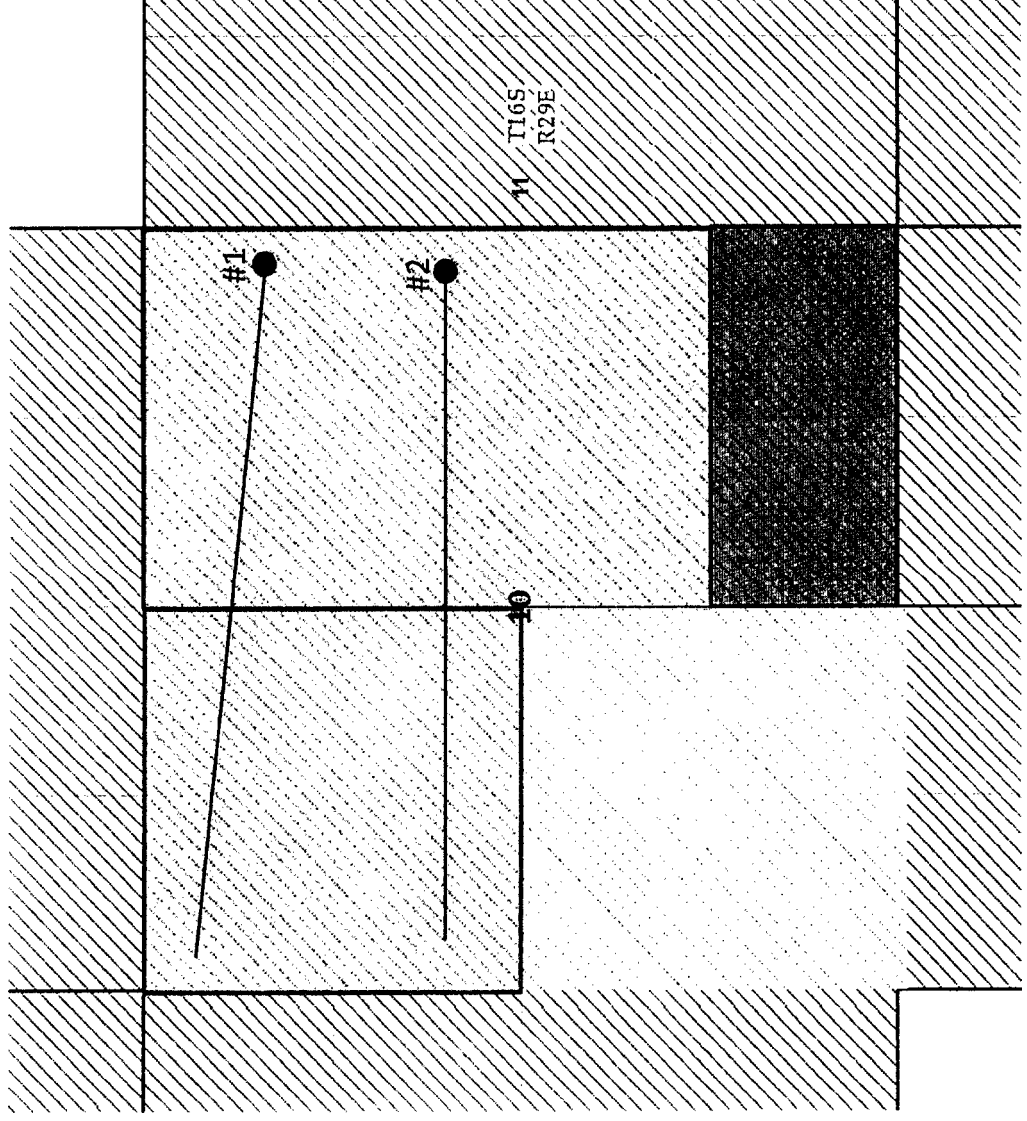


Glycerin 10 Fed Com

825' FNL & 330' FEL, Sec. 10, T16S, R29E
Eddy County, NM

Glycerin 10 Federal Com

10-16S-29E



NMNM015007
920 ac.

NMNM119268
440 ac.

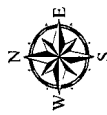
NMLC0068677
1680 ac.

NMNM036494
80 ac.

32°56'30"N

32°56'15"N

104°3'30"W



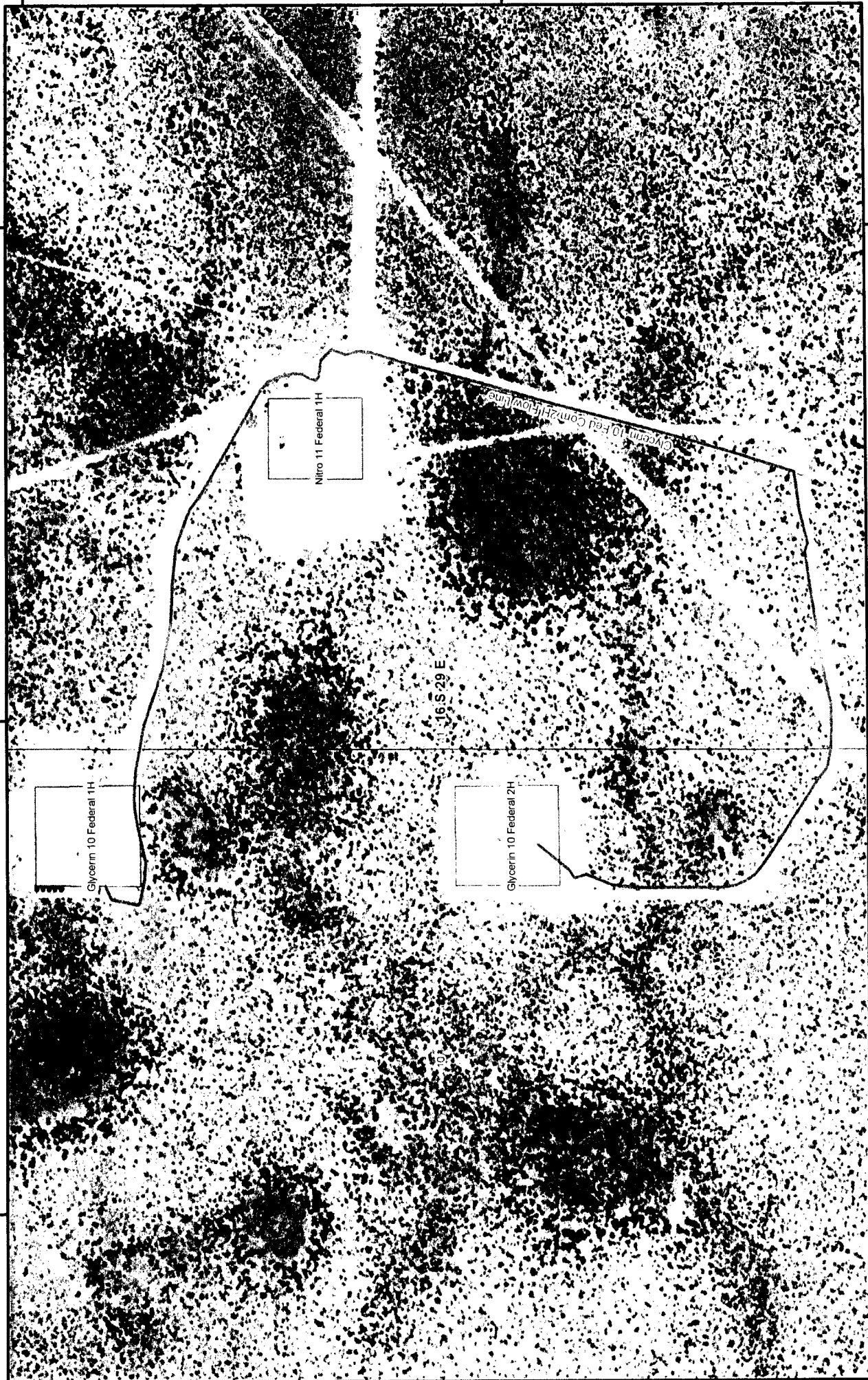
104°3'15"W

104°3'0"W

GLYCERIN 10 FED COM #1H & 2H FLOW LINE
N.M.P.M. EDDY COUNTY, NEW MEXICO

Coordinate System: GCS North American 1983
Datum: North American 1983
Units: Degree

0 62.5125 250 375 500 Feet



Nitro 11 Federal 1H

Glycerin 10 Federal 1H

Glycerin 10 Federal 2H

16 S 29 E

003

NMNM 105211

004

002

#1

NMNM 119268

NMNM 05568

010

NMNM 015007

009

#2

011

NMLC 0068677

002

NMNM 05568

011

003

NMNM 105211

#1

NMNM 124512

NMNM 119268

NMNM 124739

NMNM 015007

#2

010

NMLC 0068677

NMNM 036494

004

009

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 06:06 AM

Page 1 of 2

Run Date: 05/23/2017

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 124512

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 124512

Name & Address			Int Rel	% Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
CIMAREX ENERGY CO OF COLORADO	1700 LINCOLN ST STE 1800	DENVER CO 802034518	OPERATOR	100.000000000

Serial Number: NMNM-- - 124512

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0160S	0290E	010	ALIQ	N2N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 124512

Act Date	Code	Action	Action Remark	Pending Office
08/14/2006	940	NAME CHANGE RECOGNIZED	GRUY/CIMAREX OF COLO	
12/21/2009	868	EFFECTIVE DATE		
03/19/2010	387	CASE ESTABLISHED		
03/19/2010	516	FORMATION	LOWER ABO	
03/19/2010	526	ACRES-FED INT 100%	160.00; 100.0000%	
03/19/2010	654	AGRMT PRODUCING	1H-GLYCERIN 10 FED.	
04/16/2010	334	AGRMT APPROVED		

Serial Number: NMNM-- - 124512

Line Nr	Remarks
0001	/A/RECAPITULATION EFFECTIVE 3/19/10
0002	TR# LEASE SERIAL NO AC COMMITTED % INTEREST
0003	1 NMNM 15007 80.00 50.0000
0004	2 NMNM 119268 80.00 50.0000
0005	TOTAL 160.00 100.0000

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 06:06 AM

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Run Date: 05/23/2017

01 02-25-1920;041STAT0437;30USC181

Total Acres
160.000

Serial Number
NMNM-- - 124739

Case Type 318310: O&G COMMUNITIZATION AGRMT

Commodity 410: NATURAL GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 124739

Name & Address			Int Rel	% Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
CIMAREX ENERGY CO OF COLORADO	1700 LINCOLN ST STE 1800	DENVER CO 802034518	OPERATOR	100.000000000

Serial Number: NMNM-- - 124739

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0160S	0290E	010	ALIQ	S2N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 124739

Act Date	Code	Action	Action Remark	Pending Office
08/14/2006	940	NAME CHANGE RECOGNIZED	GRUY/CIMAREX OF COLO	
04/01/2010	868	EFFECTIVE DATE		
05/03/2010	387	CASE ESTABLISHED		
05/03/2010	516	FORMATION	ABO	
05/03/2010	526	ACRES-FED INT 100%	160.00;100%	
05/03/2010	654	AGRMT PRODUCING	2-GLYCERIN 10 FED COM	
05/13/2010	334	AGRMT APPROVED		
05/28/2010	650	HELD BY PROD - ACTUAL		
08/04/2010	643	PRODUCTION DETERMINATION		
08/04/2010	658	MEMO OF 1ST PROD-ACTUAL		

Serial Number: NMNM-- - 124739

Line Nr	Remarks
0001	/A/ RECAPITULATION EFFECTIVE 05/03/2010
0002	TR# LEASE SERIAL# AC COMMITTED %INTEREST
0003	1 NM-15007 80.000 50%
0004	2 NM-119268 80.000 50%

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 02:00 PM

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Run Date: 07/27/2015

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

440.000

NMNM-- - 119268

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 119268

Name & Address			Int Rel	% Interest
CHASE OIL CORP	PO BOX 1767	ARTESIA NM 882111767	LESSEE	100.000000000
CHASE RICHARD L	PO BOX 359	ARTESIA NM 882110359	OPERATING RIGHTS	0.000000000
CHASE ROBERT C	PO BOX 297	ARTESIA NM 882111297	OPERATING RIGHTS	0.000000000
FERGUSON CHASE GERENE DIANE	PO BOX 693	ARTESIA NM 882110693	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 119268

Mer Twp	Rng	Sec	SType	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0160S	0290E	004	ALIQ	E2SW,SWSW,SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0160S	0290E	010	ALIQ	NW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 119268

Act Date	Code	Action	Action Remark	Pending Office
08/30/2007	387	CASE ESTABLISHED	200710009;	
10/17/2007	143	BONUS BID PAYMENT RECD	\$880.00;	
10/17/2007	191	SALE HELD		
10/17/2007	267	BID RECEIVED	\$880000.00;	
10/29/2007	143	BONUS BID PAYMENT RECD	\$879120.00;	
11/14/2007	237	LEASE ISSUED		
11/14/2007	974	AUTOMATED RECORD VERIF	LBO	
12/01/2007	496	FUND CODE	05;145003	
12/01/2007	530	RLTY RATE - 12 1/2%		
12/01/2007	868	EFFECTIVE DATE		
12/07/2009	932	TRF OPER RGTS FILED	CHASE OIL/CHASE ETA;1	
12/21/2009	651	HELD BY PROD - ALLOCATED	/1/	
03/02/2010	933	TRF OPER RGTS APPROVED	BFF 01/01/10;	
03/02/2010	974	AUTOMATED RECORD VERIF		
04/01/2010	246	LEASE COMMITTED TO CA	CA-124739	
04/13/2010	643	PRODUCTION DETERMINATION	/1/	
04/13/2010	660	MEMO OF 1ST PROD-ALLOC	/1/NMNM124512;	

Serial Number: NMNM-- - 119268

Line Nr	Remarks
02	STIPULATIONS ATTACHED TO LEASE:
03	NM-11-LN SPECIAL CULTURAL RESOURCE
04	SENM-LN-1 CAVE - KARST OCCURRENCE AREA
05	SENM-S-18 STREAMS, RIVERS, AND FLOODPLAINS
06	SENM-S-19 PLAYAS AND ALKALI LAKES

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 02:00 PM

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Run Date: 07/27/2015

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&G LSE SIMO PUBLIC LAND

920.000

NMNM-- - 015007

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 015007

Name & Address			Int Rel	% Interest
CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 740057500	LESSEE	100.000000000
FROSTMAN OIL CORP	PO BOX 1567	HOPE NM 882501567	OPERATING RIGHTS	0.000000000
FROSTMAN OIL CORP	PO BOX W	ARTESIA NM 88211	OPERATING RIGHTS	0.000000000
HARLOW ENTERPRISES	#26 CHALK BLUFF RD	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
MAGNUM HUNTER PRODUCTION INC	202 S CHEYENNE AVE STE 1000	TULSA OK 741033001	OPERATING RIGHTS	0.000000000
MAGNUM HUNTER PRODUCTION INC	600 N MARIENFELD ST STE 600	MIDLAND TX 797014405	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 015007

Mer Twp	Rng	Sec	SType	SNr SUFF	Subdivision	District/Field Office	County	Mgmt Agency
23	0160S	0290E	010	ALIQ	NE,N2SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0160S	0290E	021	ALIQ	SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0160S	0290E	028	ALIQ	E2,E2W2,SWSW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 015007

Act Date	Code	Action	Action Remark	Pending Office
11/21/1971	387	CASE ESTABLISHED	SPAR48;	
11/22/1971	888	DRAWING HELD		
02/02/1972	237	LEASE ISSUED		
03/01/1972	496	FUND CODE	05;145003	
03/01/1972	530	RLTY RATE - 12 1/2%		
03/01/1972	868	EFFECTIVE DATE		
03/27/1972	140	ASGN FILED	M BROWN/CONOCO INC	
04/04/1972	139	ASGN APPROVED	EFF 04/01/72;	
04/04/1979	315	RENTAL RATE DET/ADJ	\$2.00;	
10/24/1979	940	NAME CHANGE RECOGNIZED	CONTL OIL/CONOCO INC	
04/20/1981	650	HELD BY PROD - ACTUAL		
11/24/1981	102	NOTICE SENT-PROD STATUS		
10/25/1983	932	TRF OPER RGTS FILED	(1)	
10/25/1983	932	TRF OPER RGTS FILED	(2)	
10/25/1983	932	TRF OPER RGTS FILED	(3)	
12/01/1983	932	TRF OPER RGTS FILED		
12/05/1983	932	TRF OPER RGTS FILED		
01/27/1984	932	TRF OPER RGTS FILED		
05/25/1984	932	TRF OPER RGTS FILED	(1)	
05/25/1984	932	TRF OPER RGTS FILED	(2)	
05/25/1984	932	TRF OPER RGTS FILED	(3)	
05/25/1984	932	TRF OPER RGTS FILED	(4)	
05/25/1984	932	TRF OPER RGTS FILED	(5)	
10/04/1985	567	ASGN RETURNED UNAPPROVED	(1)	
10/04/1985	567	ASGN RETURNED UNAPPROVED	(2)	
10/04/1985	567	ASGN RETURNED UNAPPROVED	(3)	
10/04/1985	567	ASGN RETURNED UNAPPROVED	(4)	
10/04/1985	567	ASGN RETURNED UNAPPROVED	(5)	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

Cimarex Energy Co.

611 N. Mansfield St.

Suite 610

Midland, TX 79701

Phone 432 571 7800



August 27, 2015

OCD

Attn: Michael A. McMillian

1220 South St. Francis Dr.

Santa Fe, NM 87505

RE: Ownership of Developed Lands – Surface Commingling

Glycerin 10 Fed Com 1, Glycerin 10 Fed Com 2

Lea County, New Mexico

To Whom It May Concern:

The above referenced wells have been drilled under Federal Lease NMNM 015007 & NMNM 119268 and each proration unit for the above referenced well have the exact same WI, RI and ORRI owners. If you need any further information, you may contact me directly at 432-571-7896 or mcompton@cimarex.com.

Sincerely,

Cimarex Energy Co.

A handwritten signature in black ink, appearing to read "Mark Compton".

Mark Compton

Landman

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-766
Administrative Application Reference No. pMAM1524753950

September 25, 2015

Cimarex Energy Co. of Colorado
Attention: Ms. Aricka Easterling

Cimarex Energy Co. of Colorado (OGRID 162683) is hereby authorized to surface commingle oil and gas production from County Line Tank; Abo (O) Pool (97197) from the following leases and wells:

Lease: Federal Com. NMNM 124512
Description: N/2 N/2 of Section 10, Township 16 South, Range 29 East, NMPM
Well: Glycerin 10 Federal Com. Well No. 1H

Lease: Federal Com. NMNM 124739
Description: S/2 N/2 of Section 10, Township 16 South, Range 29 East, NMPM
Well: Glycerin 10 Federal Com. Well No. 2H

The combined project area for these wells include the N/2 of Section 10, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Glycerin 10 Federal Com. Well No. 1H Central Tank Battery (CTB), located in Unit A, Section 10, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be separately metered using allocation meters.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This approval is subject to like approval from the Bureau of Land Management before commencing commingling operations.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on September 25, 2015.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Glycerin 10 Federal Com 1H – 3001536359 & Glycerin 10 Federal Com 2H - 30015364090

Cimarex Energy Company

March 7, 2018

Condition of Approval

**Surface Commingling of Lease/CA gas production & Off lease/CA storage, measurement and sales of gas
& Oil production**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Onshore Order #5 or 43 CFR 3175 and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33".
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases/CAs require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.

Glycerin 10 Federal Com 1H – CA – NMNM124512

Glycerin 10 Federal Com 2H – CA – NMNM124739

CA – NMNM124512, Leases NMNM15007 – 50% and NMNM119268 – 50%

CA – NMNM124739, Leases NMNM15007 – 50% and NMNM119268 – 50%