

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

Lease Serial No.

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 79701

3b. Phone No. (include area code)

432-571-7800

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

SHL 1350 FSL & 2050 FWL 30-24S-26E

BHL 1374 FSL & 1616 FWL

LC-065457

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement Name and/or No.

8. Well Name and No.

JM Gates NCT-1 Federal No. 3

9. API Well No.

30-015-34030

10. Field and Pool, or Exploratory Area

White City; Penn (Gas)

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

☒ 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 Recomplete to

Cisco and Wolfcamp and

DHC

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 recompleate 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 recompleation 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 has been shut in since 10-2009. Open Morrow perfs @ 11491-11500.' CBP @ 11550' over Morrow perfs @ 11572-11603.' CBP @ 11760' over Morrow perfs @ 11786-11795.' Cimarex proposes to plug Morrow and recompleate to Cisco and Wolfcamp for DHC as shown in the attached procedure, plat, and WBD.

- NDWH, NU 5K BOP. Rel pkr, TOOH & LD tbg. Set CIBP @ 11450' and dump 35' cmt on top. Request to adress abandonment plugg over Morrow at final abandonment. Pressure test to 5000 psi.
- Perf Cisco 10047-10177' 3 jspf, 81 holes. Acidize and frac 10047-10177' w 5000 gal acid and 232257 gal slickwater containing 25000# 100 mesh % 150000# 30/50 sand. CBP @ 10135.'
- Perf Cisco 9903-10019 3 jspf, 60 holes. Acidize and frac 9903-10019' w 5000 al acid and 232103 gal slickwater containing 25000# 100 mesh & 150000# 30/50 mesh. CBP @ 9880.'
- Perf Wolfcamp 9370-9613' 3 jspf, 60 holes. Acidize and frac 9370-9613' w 5000 gal acid and 360046 gal slickwater containing 45000# 100 mesh & 295000# 30/50 sand. CBP @ 9355.'
- Perf Wolfcamp 9209-9333' 3 jspf, 60 holes. Acidize and frac 9209-9333' w 5000 gal acid and 231433 gal slickwater containing 25000# 100 mesh & 150000# 30/50 sand. CBP @ 9195.'
- Perf Wolfcamp 9005-9178' 3 jspf, 60 holes. Acidize and frac 9005-9178' w 5000 gal acid and 300113 gal slickwater containing 35000# 100 mesh & 200000# 30/50 sand.
- DO CBPS and CO sand to 10950' w coiled tubing. Install tbg assembly and pkr. Put on production.

DHC application in progress at NMOCD.

**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

Date

August 12, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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.

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)

RECEIVED
SEP 21 2010
NMOCD ARTESIA

APPROVED
SEP 15 2010
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

KZ

J M Gates NCT-1 Federal #3 Ciscamp Recompletion Procedure

Well Data:

KB	23' above GL
TD	12207'
PBTD	11550'
Casing	13-3/8" 54.5# J-55 @ 235'. Cmtd w/ 250 sx. Cmt circ. 9-5/8" 40# N-80 @ 1570'. Cmtd w/ 1125 sx. Cmt circ. 5-1/2" 17# P-110 @ 12207'. Cmtd w/ 1200 sx. Cmt Circ. DV Tool @ 7208'. Cmtd w/ 2270 sx. TOC @ 980' by CBL.
Perfs	Morrow – (11491' – 11500')

Procedure:

1. RU capillary tbg truck and pull capillary tbg. RD capillary tbg truck. MIRU pulling unit. If necessary, kill well w/ FW. ND WH, NU BOP, Release pkr, TOOH & LD tbg. RU wireline and run gauge ring to 11050'. Run CIBP and set @ \pm 11450' and dump 35' cmt on top of CIBP. RU pump truck and pressure test csg to 5000 psig w/ FW. Change out 5K wellhead for 10K wellhead. ND BOP and RU 10K goat head frac valve. RDMO pulling unit.
2. RU wireline truck and mast unit. Perforate Cisco Canyon (10047' – 10050', 10062' – 10066', 10076' – 10080', 10091' – 10095', 10105' – 10109', 10133' – 10137', 10173' – 10177') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 81 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated July 10, 2005.
3. RU stimulation company. Acidize and frac Cisco Canyon perfs (10047' – 10177') down 5-1/2" csg w/ 5000 gals acid followed by 232,257 gals slick water containing 25,000# 100 mesh & 150,000# 30/50 sand. Set 10K flow thru composite plug @ 10135'.
4. Perforate Cisco Canyon (9903' – 9907', 9925' – 9929', 9961' – 9965', 9986' – 9990', 10015' – 10019') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 60 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated July 10, 2005.
5. Acidize and frac Cisco Canyon perfs (9030' – 10019') down 5-1/2" csg w/ 5000 gals acid followed by 232,103 gals slick water containing 25,000# 100 mesh & 150,000# 30/50 sand. Set 10K flow thru composite plug @ 9880'.
6. Perforate Wolfcamp (9370' – 9374', 9404' – 9408', 9446' – 9449', 9476' – 9479', 9527' – 9530', 9610' – 9613') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 60 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated July 10, 2005.

7. Acidize and frac Wolfcamp perms (9370' – 9613') down 5-1/2" w/ 5000 gals acid followed by 360,046 gals slick water containing 45,000# 100 mesh & 295,000# 30/50 sand. Set 10K flow thru composite plug @ 9355'.
8. Perforate Wolfcamp (9209' – 9213', 9240' – 9244', 9266' – 9270', 9301' – 9305', 9329' – 9333') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 60 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated July 10, 2005.
9. Acidize and frac Wolfcamp perms (9209' – 9333') down 5-1/2" csg w/ 5000 gals acid followed by 231,433 gals slick water containing 25,000# 100 mesh & 150,000# 30/50 sand. Set 10K flow thru composite plug @ 9195'.
10. Perforate Wolfcamp (9005' – 9007', 9030' – 9032', 9070' – 9073', 9103' – 9107', 9142' – 9146', 9174' – 9178') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 60 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated July 10, 2005. RD wireline.
11. Acidize and frac Wolfcamp perms (9005' – 9178') down 5-1/2" csg w/ 5000 gals acid followed by 300,113 gals slick water containing 35,000# 100 mesh & 200,000# 30/50 sand. RD Stimulation company.
12. RU 1-3/4" coiled tbg unit. TIH w/ 4-5/8" butterfly mill & extreme downhole motor on 1-3/4" CT and drill out sand and composite plugs @ 9195', 9355', 9880', and 10035'. Make a minimum of 2 gel sweeps while drilling out composite plugs. FIH w/ coiled tbg and CO sand to 10950'. TOOH w/ mill, motor, & CT. RD coiled tbg unit.
13. Flow back well until sand production cleans up, the SI well overnight.
14. RU wireline and full 10K lubricator. RIH w/ 4-3/4" GR to 8950'. TIH w/ 10K pkr w/ on-off tool, and a pump out plug (pinned for 7500 psi BHP) in place and set @ \pm 8920'. RD wireline and full lubricator.
15. ND goat head and NU BOP. TIH w/ on-off tool, tbg and gas lift valves as per recommendation testing tubing below slips to 8000 psi. Tag pkr and PU 1 jt. RU PT and establish circ w/ FW. Pickle tbg w/ 500 gals 15% HCl and reverse out acid. Circ hole until good clean wtr is left in annulus (annulus volume = 164 bbls). FIH w/ tbg and latch on to pkr. ND BOP, NU WH. RD pulling unit.
16. RU PT & pressure up to 4000 psig to pump out plug. Put well on production.

CURRENT

Cimarex Energy Co. of Colorado

J M Gates NCT-1 Federal #3

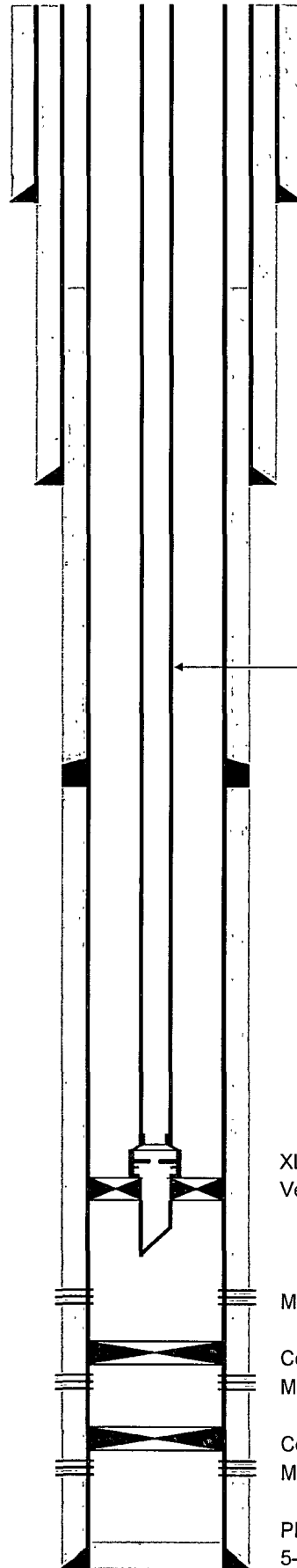
SHL - 1350' FSL & 2050' FWL

BHL - 1374' FSL & 1616' FWL

Sec. 30, T-24-S, R-26-E, Eddy Co., NM

S. Gengler

06/28/2010



13-3/8", 54.5# J-55 csg @ 235'
cmtd w/ 250 sx, cmt circ

TOC @ 980' by CBL

9-5/8", 40# N-80 csg @ 1570'
cmtd w/ 1125 sx, cmt circ

350 jts 2-3/8" 4.7# L-80 Tbg

DV Tool @ 7208'
cmtd w/ 2270 sx

XL On-off Tool w/ 1.81" Baker F Profile nipple @ 11455'
Versa-set pkr @ 11461'

Morrow perfs (11491' - 11500')

Composite BP @ 11550'
Morrow perfs (11572' - 11603')

Composite BP @ 11760'
Morrow perfs (11786' - 11795')

PBTD @ 12117'
5-1/2" 17# P-110 @ 12207' cmtd w/ 1200 sx, cmt circ
TD @ 12207'

Note: Capillary tbg ran to end of tbg



Proposed

Cimarex Energy Co. of Colorado

J M Gates NCT-1 Federal #3

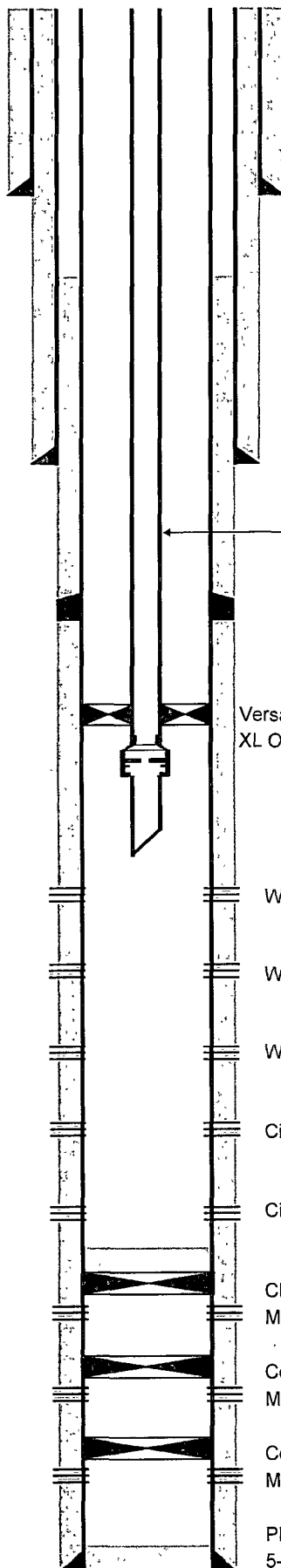
SHL - 1350' FSL & 2050' FWL

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Sec. 30, T-24-S, R-26-E, Eddy Co., NM

S. Gengler

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2-3/8" 4.7# L-80 Tbg

DV Tool @ 7208'
cmtd w/ 2270 sx

Versa-set pkr @ 8920'
XL On-off Tool w/ 1.81" Baker F Profile nipple

Wolfcamp Perfs @ 9005-9178'

Wolfcamp Perfs @ 9209-9333'

Wolfcamp Perfs @ 9370-9613'

Cisco Perfs @ 9903-10019'

Cisco Perfs @ 10047-10177'

CIBP @ 11450' w 35' cmt
Morrow perfs (11491' - 11500')

Composite BP @ 11550'
Morrow perfs (11572' - 11603')

Composite BP @ 11760'
Morrow perfs (11786' - 11795')

PBTd @ 12117'
5-1/2" 17# P-110 @ 12207' cmtd w/ 1200 sx, cmt circ
TD @ 12207'

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34030	² Pool Code 87280	³ Pool Name White City; Penn (Gas)
⁴ Property Code 303006	⁵ Property Name JM Gates NCT-1 Federal	⁶ Well Number 003
⁷ OGRID No. 162683	⁸ Operator Name Cimarex Energy Co. of Colorado	⁹ Elevation 3465' GR

¹⁰ Surface Location

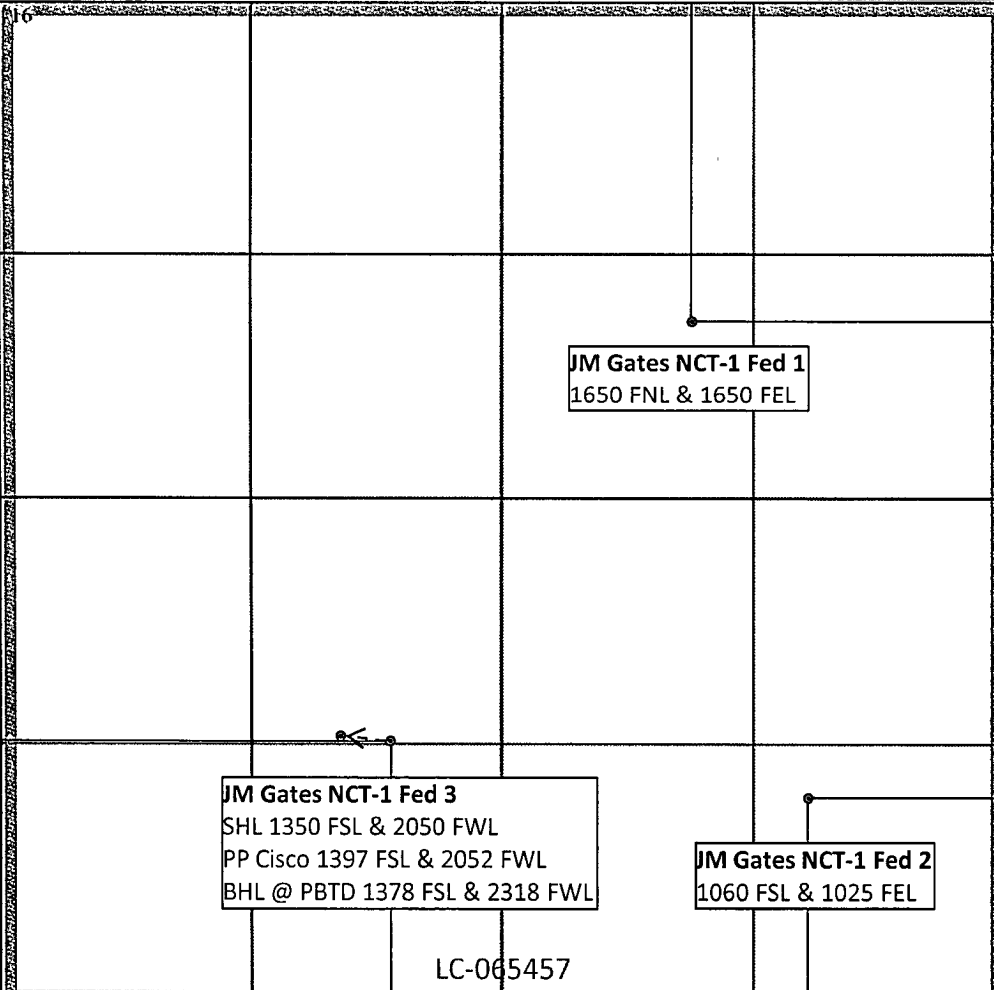
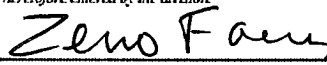
UL or lot no. K	Section 30	Township 24S	Range 26E	Lot Idn	Feet from the 1350	North/South line South	Feet from the 2050	East/West line West	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. K	Section 30	Township 24S	Range 26E	Lot Idn	Feet from the 1378	North/South line South	Feet from the 1782	East/West line West	County Eddy
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¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. DHC Pending
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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>JM Gates NCT-1 Fed 1 1650 FNL & 1650 FEL</p> <p>JM Gates NCT-1 Fed 2 1060 FSL & 1025 FEL</p> <p>JM Gates NCT-1 Fed 3 SHL 1350 FSL & 2050 FWL PP Cisco 1397 FSL & 2052 FWL BHL @ PBTD 1378 FSL & 2318 FWL</p> <p>LC-065457</p>	¹⁷ OPERATOR CERTIFICATION <i>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 or has a right to drill this well at this 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.</i>  8/12/2010 Signature Date Zeno Farris Printed Name
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor
	Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34030	² Pool Code 97693	³ Pool Name WC Black River; Wolfcamp, NW ^{SW}
⁴ Property Code 303006	⁵ Property Name JM Gates NCT-1 Federal	⁶ Well Number 003
⁷ OGRID No. 162683	⁸ Operator Name Cimarex Energy Co. of Colorado	⁹ Elevation 3465' GR

¹⁰ Surface Location

UL or lot no. K	Section 30	Township 24S	Range 26E	Lot Idn	Feet from the 1350	North/South line South	Feet from the 2050	East/West line West	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. K	Section 30	Township 24S	Range 26E	Lot Idn	Feet from the 1378	North/South line South	Feet from the 1782	East/West line West	County Eddy
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. DHC Pending, NSL Pending
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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.

16				<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>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 or has a right to drill this well at this 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.</i></p> <p><u>Zeno Farris</u> 8/12/2010 Signature Date</p> <p>Zeno Farris Printed Name</p>
<p>JM Gates NCT-1 Fed 3 SHL & PP Wolfcamp 1350 FSL & 2050 FWL BHL @ PBTD 1378 FSL & 2318 FWL</p>				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>

LC-065457

**JM Gates NCT 1 Fed 3
30-015-34030
Cimarex Energy Co. of Colorado
August 27, 2010
Conditions of Approval**

- 1. A plug must be set across the top of the Morrow Formation prior to selling the well or at final abandonment.**
- 2. Surface disturbance beyond the originally approved pad must have prior approval.**
- 3. Closed loop system required.**
- 4. A minimum of a 5M BOP is required and must be tested prior to performing operations. 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.**
- 5. Operator to have H2S monitoring equipment on location as H2S has been reported from wells in the area.**
- 6. Completion report and subsequent sundry with zone allocations required.**

CRW 082710