Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

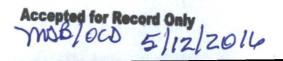
NMOCD Hobbs

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Lease Serial No. NMNM0392082A

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.				141011410103320021	
				6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on reverse side.				7. If Unit or CA/Agreement, Name and/or No.	
Type of Well Gas Well □ Other				8. Well Name and No. HALLERTAU 5 FEDERAL 4H	
2. Name of Operator Contact: RHONDA SHELDON CIMAREX ENERGY COMPANY OF CO-Mail: rsheldon@cimarex.com				9. API Well No. 30-025-40254-00-S1	
3a. Address 202 S CHEYENNE AVE. TULSA, OK 74103	ne No. (include area cod 18-295-1709		10. Field and Pool, or Exploratory JENNINGS		
4. Location of Well (Footage, Sci	HODE	11. County or Parish, and State			
Sec 5 T26S R32E SWSW	MAY 0 5 2	MAY 0 5 2016 LEA COUNTY, NM		NM	
12. CHECK A	PPROPRIATE BOX(ES) TO INDIC	ATE NATURED	NOTICE, RE	EPORT, OR OTHER	R DATA
TYPE OF SUBMISSION TYPE OF ACTION			OF ACTION		
Notice of Intent	Acidize	Deepen	☐ Producti	on (Start/Resume)	☐ Water Shut-Off
Notice of Intent	☐ Alter Casing ☐	Fracture Treat	☐ Reclama	tion	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair ☐	New Construction	☐ Recomp	lete	⊠ Other
☐ Final Abandonment Notice	e Change Plans	Plug and Abandon	☐ Tempora	arily Abandon	Venting and/or Flari
	☐ Convert to Injection ☐	Plug Back	■ Water D	isposal	"6
equipment problems. WELLS ARE: #4H 30-025-40254 #1H 30-025-40436	ion to flare approximately 7000 mcf fo	SE	E ATTA	CHED FOR ONS OF APP	ROVAL
			-		1 /
	ng is true and correct. Electronic Submission #337337 ve For CIMAREX ENERGY CO mmitted to AFMSS for processing by J DA SHELDON	OMPANY OF CO, sen ENNIFER SANCHEZ	t to the Hobbs	(16JAS0338SE)	
Paul III			1	11 1 1 1 1 1 1 1 1 1 1	X //
Signature (Electro	nic Submission)	Date 04/25/2	2016		
	THIS SPACE FOR FEDI	ERAL OR STATE	OFFICE US	APH 2 5/ 2016	Mal
Approved By		ise	BUREM	JUF LAND HANA	APPEN AND AND AND AND AND AND AND AND AND AN
hich would entitle the applicant to co little 18 U.S.C. Section 1001 and Title	ny person knowingly and	d willfully to mak	te to any department or a	gency of the United	
States any false, fictitious or fraudul	ent statements or representations as to any mat	ter within its jurisdiction	. •		//

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **



BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
- 5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
- 6. This approval does not authorize any additional surface disturbance.
- 7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.