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

5.	Lease Serial No.	
	NMNM01917	

SUNDRY	NMNM01917						
Do not use the abandoned we	6. If Indian, Allottee or Tribe Name						
SUBMIT IN TRI	7. If Unit or CA/Agreement, Name and/or No. NMNM135119						
Type of Well Gas Well □ Otl	8. Well Name and No. DOS EQUIS 11 FEDERAL COM 1H						
Name of Operator CIMAREX ENERGY COMPA	9. API Well No. 30-025-41469-00-S1						
3a. Address 202 S CHEYENNE AVE. SUI TULSA, OK 74103	TE 1000	Ph: 918-29		e)	10. Field and Pool, or Exploratory TRISTE DRAW		
4. Location of Well (Footage, Sec., 7	C., R., M., or Survey Description	OBBS C	JUD	11. County or Parish,	ounty or Parish, and State		
Sec 11 T24S R32E SENE 33 32.141882 N Lat, 103.382014		MAY 0 5 20	116	LEA COUNTY, NM			
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE	NECEPT	NODCE, R	EPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION		TYPE OF ACTION					
Notice of Intent	☐ Acidize	□ Dee	pen	□ Produc	tion (Start/Resume)	☐ Water Shut-Off	
	☐ Alter Casing	☐ Frac	acture Treat Rec		nation	■ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	□ Nev	w Construction Recomplete		plete	⊘ Other	
☐ Final Abandonment Notice	☐ Change Plans	Plug	and Abandon	☐ Tempo	rarily Abandon	Venting and/or Flari	
	☐ Convert to Injection	Plug	Back	☐ Water I	Disposal		
Cimarex requests permission compressor problems. WELLS ARE #1H 30-025-414		00 mcf for Api					
				TEE AT	TACHED FO	OR	
			2	DEE AT	TTACHED FOR ITIONS OF APPROVAL		
				CONDI	HOMP OF 1		
			Jo.				
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #3 For CIMAREX ENI itted to AFMSS for process	37335 verified ERGY COMPA	by the BLM We NY OF CO, sent FER SANCHEZ	II Information to the Hobb on 04/25/2016	System S (16JAS0339SE)		
	SHELDON			ATORY TE			
Market and the second					ALLUNX	D	
Signature (Electronic S		Date 04/25/2					
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE U	SE APR 2 5/20	16//	
Approved By			Title	BW	mm/A	CEMEN M	
Conditions of approval, if any, are attached ertify that the applicant holds legal or equal which would entitle the applicant to condu-	itable title to those rights in the		Office		CARLSBAD FILLD OF		
Title 18 U.S.C. Section 1001 and Title 43 V States any false, fictitious or fraudulent s				willfully to ma	ake to any department or	agency of the United	
		10-10-10-22		11			

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

Accepted for Record Only

MUS / CCD 5/12/2016

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.