

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- 864 100

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Cimarex Energy Co. - 215099
 Well: Triste Draw 25 Federal Com #311
 30025-41150
 Pool: Triste Draw; Bone Spring *-> 96603*

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] Working Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Terri Stathem

Regulatory

4-6-16

Print or Type Name

Signature

Title

Date

tstathem@cimarex.com
 e-mail Address

RECEIVED

CIMAREX

2016 APR 12 PM 3:47

Cimarex Energy Co.
202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936
• A NYSE Listed Company • "XEC"

April 7, 2016

New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, NM 87505

Attn: Mr. Michael McMillian

Re: Off Lease Measurement
Triste Draw 25 Federal Com 3H API: 30025-41150
Lea County, NM

Dear Mr. McMillian:

Cimarex Energy Co. respectfully requests administrative approval of off lease measurement for its Triste Draw 25 Federal Com #3H well. No surface commingling of gas production is requested.

Three gas sales meter were installed at the Triste Draw 25 Federal #1H battery, one off lease gas sales meter to accommodate the Triste Draw Federal Com #3H well, one off lease gas sales meter to accommodate the Triste Draw 30 Federal #1 battery wells, and one on lease gas sales meter to accommodate the Triste Draw 25 Federal #1H battery wells. In order to minimize surface damage while leaving surface area available for future development the gas meters were installed at a central location by DCP.

Working interest owners and the BLM have been notified of the request to measure off lease by copy of the application.

Thank you for your consideration of the enclosed application. Should you have any questions please contact me at 432-620-1936.

Thank you,


Terri Stathem

Manager Regulatory Compliance

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Cimarex Energy Co.
OPERATOR ADDRESS: 202 S. Cheyenne Ave, Ste 1000, Tulsa, OK 74103
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

| (1) Pool Names and Codes | Gravities / BTU of Non-Commingled Production | Calculated Gravities / BTU of Commingled Production | | Calculated Value of Commingled Production | Volumes |
|--------------------------|--|---|--|---|---------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

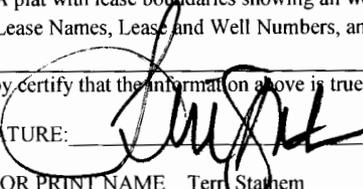
(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Manager Regulatory Compliance DATE: 4-6-16
TYPE OR PRINT NAME Terr Stathem TELEPHONE NO.: 432-620-1936
E-MAIL ADDRESS: tstathem@cimarex.com

MAY 02 2014

Form C-102
Revised August 1, 2011

DISTRICT I
1828 N. French Dr., Hobbs, NM 88240
Phone (575) 593-8161 Fax: (575) 593-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 534-6178 Fax: (505) 534-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87503
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION RECEIVED
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|----------------------------|---|--|
| API Number 30-025-41150 | Pool Code 96603 | Pool Name Triste Draw ; Bone Spring |
| Property Code 39851 | Property Name TRISTE DRAW 25 FEDERAL Com | Well Number 317 H |
| OGRID No. 215099 | Operator Name CIMAREX ENERGY CO. | Elevation 3688 |

Surface Location

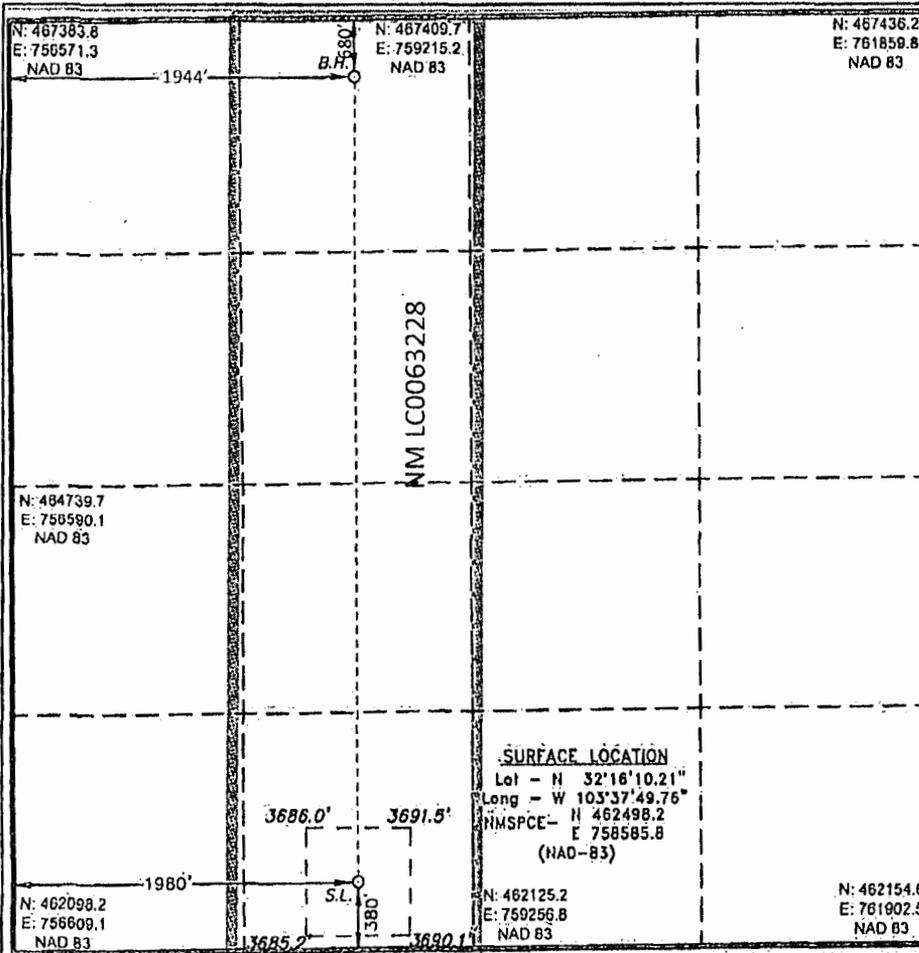
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 25 | 23 S | 32 E | | 380 | SOUTH | 1980 | WEST | LEA |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 25 | 23 S | 32 E | | 680 | NORTH | 1944 | WEST | LEA |

| | | | |
|------------------------|-----------------|---------------------|-------------------|
| Dedicated Acres 160 | Joint or Infill | Consolidation, Code | Order No. 4390 |
|------------------------|-----------------|---------------------|-------------------|

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



OPERATOR CERTIFICATION
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.

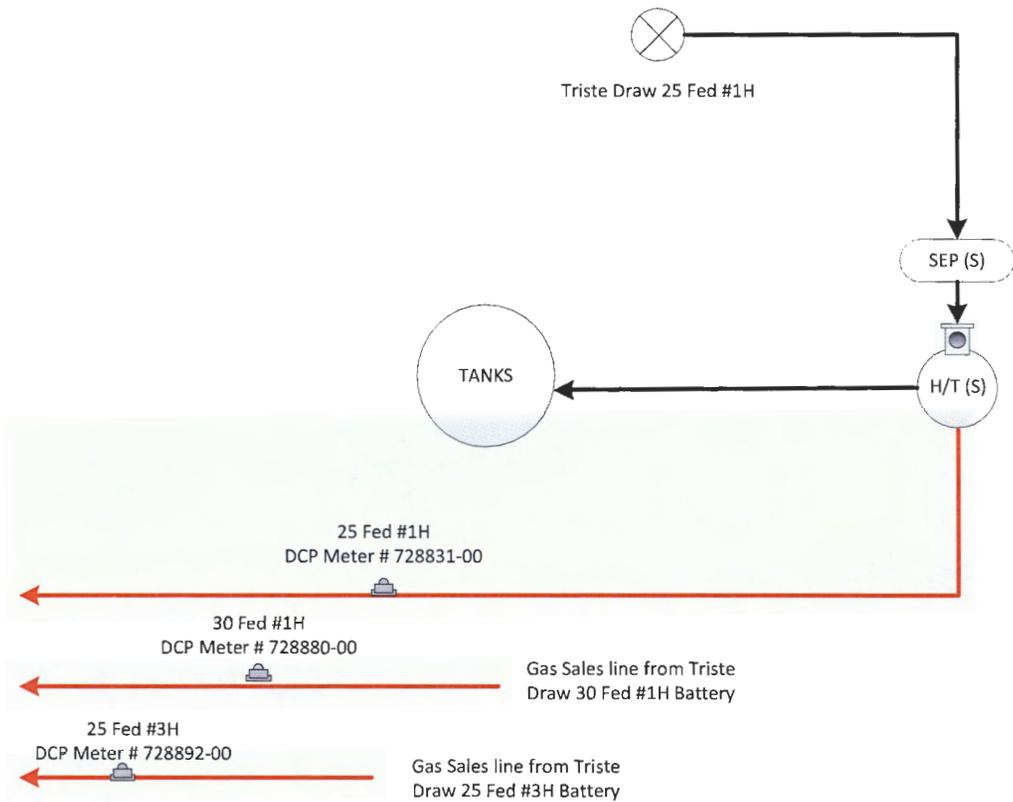
Aricka Easterling 4/28/14
Signature Date
Aricka Easterling
Printed Name
aeasterling@cimarex.com
Email Address

SURVEYOR CERTIFICATION
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.

NOVEMBER 09 2013
Date Surveyed
Signature & Seal of Professional Surveyor
7877
Certification No. 7977
BASIN SURVEYS

0' 500' 1000' 1500' 2000'
SCALE: 1" = 1000'
WD Num.: 29714

MAY 19 2014



Triste Draw 25 Federal #1 Battery Overview



Triste Draw 25 Federal Com #3H
 Sec. 25, 23S, 32E
 Lea County, NM



TRISTE DRAW 25 FEDERAL COM #3

Located 330' FSL and 1980' FWL
 Section 25, Township 23 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.

- #1H Battery
- Gas Pipeline
- Lease Road



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JG 25893

Scale: 1" = 2000'

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



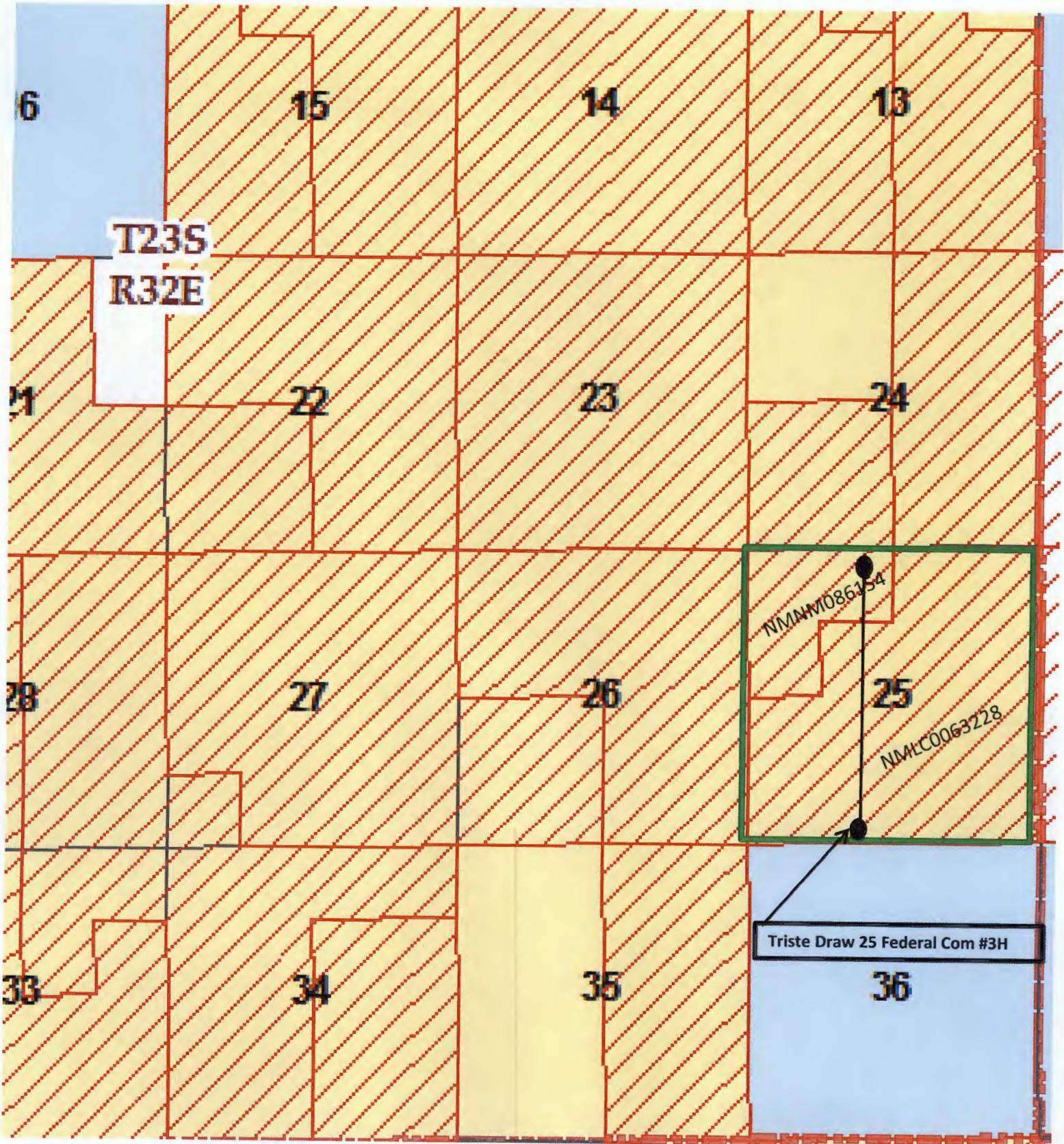
**CIMAREX
 ENERGY CO.
 OF COLORADO**

Federal Lease Information

Triste Draw 25 Federal

Sec. 25, 23S, 32E

Lea County, NM



NMNM086154 – 280 total acres – 120 acres Sec. 25

NMLC0063228 – 1600 total acres – 520 acres Sec. 25

**Triste Draw 25 Federal #3H
Gas Pipeline Route
Off Lease Measurement/Sales**



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.
NMLC063228

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
TRISTE DRAW 25 FEDERAL COM 3H

2. Name of Operator
CIMAREX ENERGY COMPANY
Contact: TERRI STATHEM
E-Mail: tstatthem@cimarex.com

9. API Well No.
30-025-41150

3a. Address
202 S. CHEYENNE AVE, STE 1000
TULSA, OK 74103

3b. Phone No. (include area code)
Ph: 432-620-1936

10. Field and Pool, or Exploratory
TRISTE DRAW BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 25 T23S R32E 330FSL 1980FWL

11. County or Parish, and State
LEA COUNTY, NM

12. CHECK 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"/> Fracture Treat | <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 | Off-Lease Measuremen t |
| | <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 recomplete 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 recompletion 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.)

Cimarex Energy Co. respectfully requests approval for off-lease measurement and sales of gas production as depicted on the attached exhibits for the Triste Draw 25 Federal Com #3H well.

NO Federal royalties will be reduced nor improper measurement will occur as a result of approval of this request.

Working Interest Owners are being notified concurrently with this submission. List attached.

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

**Electronic Submission #335924 verified by the BLM Well Information System
For CIMAREX ENERGY COMPANY, sent to the Hobbs**

| | |
|------------------------------------|-------------------------------------|
| Name (Printed/Typed) TERRI STATHEM | Title MANAGER REGULATORY COMPLIANCE |
| Signature (Electronic Submission) | Date 04/07/2016 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| 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 _____ |

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****



Cimarex Energy Co.

202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936

• A NYSE Listed Company • "XEC"

April 7, 2016

ConocoPhillips Company

P.O. Box 2197

Houston, Texas 77252-2197

Re: Off Lease Measurement
Triste Draw 25 Federal Com 3H API: 30025-41150
Lea County, NM

Dear Working Interest Owner:

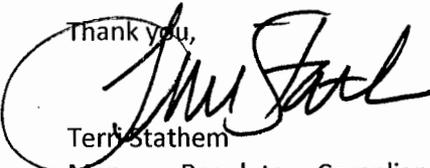
Cimarex Energy Co. has filed an application with the New Mexico Oil Conservation Division (NMOCD) seeking approval of off-lease measurement and sales of gas production for the above mentioned well. Please see the attached copy of our application.

This matter does not require any action on your part. Current NMOCD Regulations require that all affected working interest owners receive notice of proposed off-lease measurement.

Should you have any objections to our application please contact the New Mexico Oil Conservation Division Santa Fe office within 20 days of receipt of this letter.

Thank you for your consideration of the enclosed application. Should you have any questions please contact me at 432-620-1936.

Thank you,



Terry Stathem

Manager Regulatory Compliance



Cimarex Energy Co.

202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936

• A NYSE Listed Company • "XEC"

April 7, 2016

Devon Energy Corporation

333 W. Sheridan Ave.

Oklahoma City, OK 73102

Re: Off Lease Measurement
Triste Draw 25 Federal Com 3H API: 30025-41150
Lea County, NM

Dear Working Interest Owner:

Cimarex Energy Co. has filed an application with the New Mexico Oil Conservation Division (NMOCD) seeking approval of off-lease measurement and sales of gas production for the above mentioned well. Please see the attached copy of our application.

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Thank you,

Terri Stathem
Manager Regulatory Compliance



Cimarex Energy Co.
 202 S. Cheyenne Ave, Ste 1000; Tulsa, OK 74103 ♦ (432) 620-1936
 • A NYSE Listed Company • "XEC"

**Triste Draw 25 Federal Com #3H
 Owner Listing And Certified Mail Information**

ConocoPhillips Company
 P.O. Box 2197
 Houston, Texas 77252-2197

Devon Energy Corporation
 333 W. Sheridan Ave.
 Oklahoma City, OK 73102

7014 0510 0001 2310 9509

| | | | |
|--|----|--------------------------------|--|
| U.S. Postal Service™ | | CERTIFIED MAIL™ RECEIPT | |
| <i>(Domestic Mail Only; No Insurance Coverage Provided)</i> | | | |
| For delivery information visit our website at www.usps.com ® | | | |
| OFFICIAL USE | | | |
| Postage | \$ | Postmark Here | |
| Certified Fee | | | |
| Return Receipt Fee (Endorsement Required) | | | |
| Restricted Delivery Fee (Endorsement Required) | | | |
| Total Postage & Fees | \$ | | |
| Sent To <u>Conoco Phillips</u> | | | |
| Street, Apt. No.; or PO Box No. | | | |
| City, State, ZIP+4 | | | |
| PS Form 3800, August 2006 | | See Reverse for Instructions | |

9156 0122 1000 0010 4101

| | | | |
|--|----|--------------------------------|--|
| U.S. Postal Service™ | | CERTIFIED MAIL™ RECEIPT | |
| <i>(Domestic Mail Only; No Insurance Coverage Provided)</i> | | | |
| For delivery information visit our website at www.usps.com ® | | | |
| OFFICIAL USE | | | |
| Postage | \$ | Postmark Here | |
| Certified Fee | | | |
| Return Receipt Fee (Endorsement Required) | | | |
| Restricted Delivery Fee (Endorsement Required) | | | |
| Total Postage & Fees | \$ | | |
| Sent To <u>Devon</u> | | | |
| Street, Apt. No.; or PO Box No. | | | |
| City, State, ZIP+4 | | | |
| PS Form 3800, August 2006 | | See Reverse for Instructions | |