

RECEIVED

Form 3160-3
(August 2007)

MAY 1 2012

NMOCD ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 20105. Lease Serial No.
LG 029393-C

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

CIMAREX ENERGY CO. OF COLORADO

3a. Address

600 N. Marlenfeld St Suite 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)

1980' FNL & 760' FEL, Unit H, Section 17, T18S-R31E

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

NMNM84597

8. Well Name and No.

North Shugart Federal #1

9. API Well No.

30-015-26374

10. Field and Pool or Exploratory Area

North Shugart (Morrow)

11. Country or Parish, State

EDDY

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"/> Fracture Treat	<input checked="" 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 must 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 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.)

1. Cimarex Energy has contracted Talon/LPE to do reclamation of the location and closed drilling pit at the North Shugart Federal #1 a P&A location.

2. On 2/14/2012 Talon/LPE mobilized personnel to the site to carry out soil sampling activities for the construction of a work plan. Grab soil samples were collected from the surface of the location and the closed drilling pit. On 3/1/2012 additional samples were collected from the location at deeper depths. The soil samples were sent to Cardinal Laboratories for analysis of total Chlorides via Method SM4500Cl-B. The results for the soil samples are attached.

3. The visibly impacted soil from this location will be excavated to a depth of 1-foot deep. The excavated soil will be transported to a NMOCD approved solid waste disposal facility.

4. The surface of the closed drilling pit area will be bladed to prepare for the installation of a liner. Rock and debris will be deep buried into the drilling reserve pit area. A composite 20 millimeter liner measuring 150-feet long by 150-feet wide will be installed over the closed drilling pit area. The edges of the liner will be keyed a minimum of 3-feet deep into a trench excavated at the boundaries of the closed drilling pit area.

5. The caliche from the location will be removed, placed on the liner or used as road closure berms. The location will then be cut, ripped, cross-ripped and windrows will be installed. A 1-foot berm will be constructed up gradient of the location to divert run off waters for erosion control.

6. A minimum of 2-foot of soil will be placed over the top of the 20 mil liner in closed drilling pit area. The soil lift will be contoured to match the surrounding terrain and will be seeded using the recommended BLM seed mixture for the area.

* See Reclamation Objective, Notify Jim Amos @ 575-234-5909 for on-site prior to start

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

James Tinney

Title Production Liaison

Signature

James Tinney

Date 4/9/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

James R. Amos

Title SEAS

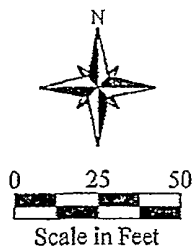
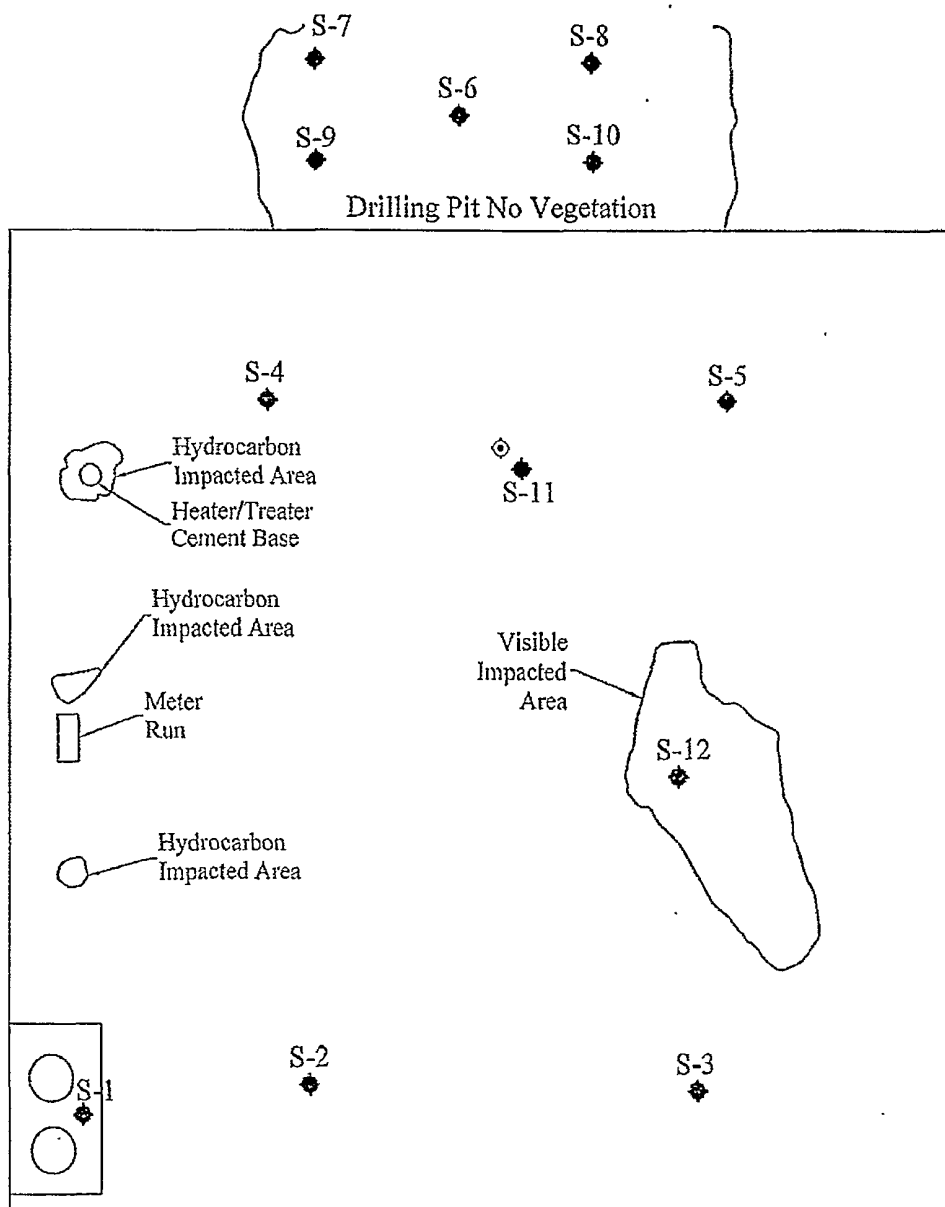
Date 4-28-12

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 CPO

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)



Legend	
◆	- Sample Location
◊	- Plugged & Abandoned Well



Date: 03/23/2012
 Scale: 1" = 50'
 Drawn By: TJS

North Shugart Federal No. 1
 Cimarex Energy
 Artesia, New Mexico
 Figure 1 - Site Plan



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

March 06, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: NORTH SHUGART FEDERAL NO. 1

Enclosed are the results of analyses for samples received by the laboratory on 03/01/12 15:14.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	03/01/2012	Sampling Date:	03/01/2012
Reported:	03/06/2012	Sampling Type:	Soil
Project Name:	NORTH SHUGART FEDERAL NO. 1	Sampling Condition:	** (See Notes)
Project Number:	701162.012.01	Sample Received By:	Jodi Henson
Project Location:	SEC.17.T18S.R31E		

Sample ID: S-6 2' CENTER DRILLING PIT (H200552-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	2760	16.0	03/02/2012	ND	432	108	400	0.00	

Sample ID: S-6 4' (H200552-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	5500	16.0	03/02/2012	ND	432	108	400	0.00	

Sample ID: S-6 6' (H200552-03)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	9300	16.0	03/02/2012	ND	432	108	400	0.00	

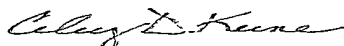
Sample ID: S-6 8' (H200552-04)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	14600	16.0	03/02/2012	ND	432	108	400	0.00	

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	03/01/2012	Sampling Date:	03/01/2012
Reported:	03/06/2012	Sampling Type:	Soil
Project Name:	NORTH SHUGART FEDERAL NO. 1	Sampling Condition:	** (See Notes)
Project Number:	701162.012.01	Sample Received By:	Jodi Henson
Project Location:	SEC.17.T18S.R31E		

Sample ID: S-6 10' (H200552-05)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4800	16.0	03/02/2012	ND	432	108	400	0.00	

Sample ID: S-6 12' (H200552-06)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	5600	16.0	03/02/2012	ND	432	108	400	0.00	

Sample ID: S-12 1' VISIBLE IMPACTED AREA (H200552-07)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	192	16.0	03/02/2012	ND	432	108	400	0.00	

Sample ID: S-12 2' (H200552-08)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	112	16.0	03/02/2012	ND	432	108	400	0.00	

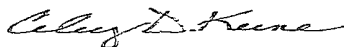
Sample ID: S-12 3' (H200552-09)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	03/02/2012	ND	432	108	400	0.00	

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received:	03/01/2012	Sampling Date:	03/01/2012
Reported:	03/06/2012	Sampling Type:	Soil
Project Name:	NORTH SHUGART FEDERAL NO. 1	Sampling Condition:	** (See Notes)
Project Number:	701162.012.01	Sample Received By:	Jodi Henson
Project Location:	SEC.17.T18S.R31E		

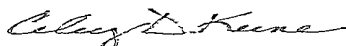
Sample ID: S-12 4' (H200552-10)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	03/02/2012	ND	432	108	400	0.00	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

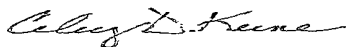
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

[illegible]

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

February 17, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: NORTH SHUGART FEDERAL NO. 1

Enclosed are the results of analyses for samples received by the laboratory on 02/14/12 14:35.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Coley D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	02/14/2012	Sampling Date:	02/14/2012
Reported:	02/17/2012	Sampling Type:	Soil
Project Name:	NORTH SHUGART FEDERAL NO. 1	Sampling Condition:	** (See Notes)
Project Number:	701162.012.01	Sample Received By:	Jodi Henson
Project Location:	SEC.17.T18S.R31E		

Sample ID: S-1 TANK BATT PAD (H200386-01)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	48.0	16.0	02/17/2012	ND	416	104	400	0.00	

Sample ID: S-2 LOCATION SW 0' (H200386-02)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	80.0	16.0	02/17/2012	ND	416	104	400	0.00	

Sample ID: S-3 LOCATION SE 0' (H200386-03)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	16.0	16.0	02/17/2012	ND	416	104	400	0.00	

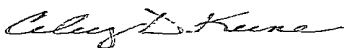
Sample ID: S-4 LOCATION NW 0' (H200386-04)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1650	16.0	02/17/2012	ND	416	104	400	0.00	

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received:	02/14/2012	Sampling Date:	02/14/2012
Reported:	02/17/2012	Sampling Type:	Soil
Project Name:	NORTH SHUGART FEDERAL NO. 1	Sampling Condition:	** (See Notes)
Project Number:	701162.012.01	Sample Received By:	Jodi Henson
Project Location:	SEC.17.T18S.R31E		

Sample ID: S-5 LOCATION NE 0' (H200386-05)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	80.0	16.0	02/17/2012	ND	416	104	400	0.00	

Sample ID: S-6 DRILLING PIT CENTER 0' (H200386-06)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	400	16.0	02/17/2012	ND	416	104	400	0.00	

Sample ID: S-7 DRILLING PIT NW 0' (H200386-07)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1410	16.0	02/17/2012	ND	416	104	400	0.00	

Sample ID: S-8 DRILLING PIT NE 0' (H200386-08)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4720	16.0	02/17/2012	ND	416	104	400	3.92	

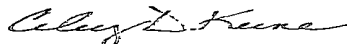
Sample ID: S-9 DRILLING PIT SW 0' (H200386-09)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	3920	16.0	02/17/2012	ND	416	104	400	3.92	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Analytical Results For:

TALON LPE
MIKE STUBBLEFIELD
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received:	02/14/2012	Sampling Date:	02/14/2012
Reported:	02/17/2012	Sampling Type:	Soil
Project Name:	NORTH SHUGART FEDERAL NO. 1	Sampling Condition:	** (See Notes)
Project Number:	701162.012.01	Sample Received By:	Jodi Henson
Project Location:	SEC.17.T18S.R31E		

Sample ID: S-10 DRILLING PIT SE 0' (H200386-10)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	736	16.0	02/17/2012	ND	416	104	400	3.92	

Sample ID: S-11 WELLHEAD AREA 0' (H200386-11)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4720	16.0	02/17/2012	ND	416	104	400	3.92	

Sample ID: S-12 VISIBLE IMPACTED AREA (H200386-12)

Chloride, SM4500Cl-B		mg/kg	Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	11100	16.0	02/17/2012	ND	416	104	400	3.92	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

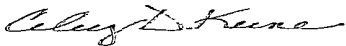
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C
	Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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[illegible]

Reclamation Objective

At final abandonment, well location, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases, this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

The reclamation process involves restoring the original landform or creating a landform that approximates and blends in with the surrounding landform. It also involves salvaging and reusing all available topsoil in a timely manner, revegetating disturbed areas to native species, controlling erosion, controlling invasive non-native plants and noxious weeds, and monitoring results. With proper reclamation measures, over time, local native species will become re-established on the site and the area will regain its original productive and scenic potential.

Reclamation generally can be judged successful when a self-sustaining, vigorous, diverse native (or otherwise approved) plant community is established on the site, with a density sufficient to control erosion and non-native plant invasion and to re-establish wildlife habitat or forage production. Erosion control is generally sufficient when adequate groundcover is reestablished, water naturally infiltrates into the soil, and gullying, headcutting, slumping, and deep or excessive rilling is not observed. The site must be free of State- or county listed noxious weeds, oilfield debris, contaminated soil, and equipment. The operator should inform the surface management agency that reclamation has been completed and that the site is ready for final inspection when these requirements have been met. Use Form 3160-5 (Sundry Notices and Reports on Wells), Final Abandonment Notice (one original and 3 copies).

If any questions, Contact Jim Amos @ 575-234-5909 (office) or 575-361-2648 (cell).