

Carlsbad Field Office
OCD Artesia

EA-14-986

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0560353
2. Name of Operator CIMAREX ENERGY CO OF COLORADO		6. If Indian, Allottee or Tribe Name
3a. Address 600 N. MARIENFELD STREET, SUITE 600 MIDLAND, TX 79701		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 432-620-1959 Fx: 432-620-1940		8. Well Name and No. CRESCENT HALE 10 FEDERAL 01H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 11 T19S R30E NENW 1075FNL 1890FWL 32.679161 N Lat, 103.945089 W Lon		9. API Well No. 30-015-39824
		10. Field and Pool, or Exploratory BENSON; BONE SPRING
		11. County or Parish, and State EDDY 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	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 would like to respectfully request to send production from the Crescent Hale 10 Federal 1 to the Crescent Hale 10 Federal 3 battery. In our original APD we had a battery at this location. We drilled the #3 well first, so we received approval to build the battery there and now we would like to take production to the #3 battery. Please find attached a new reclaim diagram.

We request to lay a 4" buried steel flowline and a 4" buried 601 H.P. flexpipe gas lift supply line both buried in the same ditch. The line will begin at the Southwest corner of the pad (NE/NW Sec. 11, T19S, R30E) and will follow the West side of the road past the Crescent Hale 10 Federal 2 and then will cross over and follow the East side of the road to avoid a drainage area to the West. The length will be approximately 2,064.40 feet or 1.422 acres and will end at the Crescent Hale 10 Federal 3 Battery (NE/SW Sec. 11, T19S, R30E).

See Attached COAS with Special Stipulations.

Surface OK * Approval for Pipelines Only * JR 5/23/14

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

Electronic Submission #241845 verified by the BLM Well Information System
For CIMAREX ENERGY CO OF COLORADO, sent to the Carlsbad
Committed to AFMSS for processing by JERRY BLAKLEY on 04/14/2014 ()

Name (Printed/Typed) MICHELLE CHAPPELL

Title REGULATORY TECHNICIAN

Signature (Electronic Submission)

Date 04/10/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Stephen J Coffey</u>	FOR FIELD MANAGER	Date <u>5/27/14</u>
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 CARLSBAD FIELD 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 ******NM OIL CONSERVATION**
ARTESIA DISTRICT

JUN 02 2014

Accepted for record

RECEIVED

JES
6-3-2014

Additional data for EC transaction #241845 that would not fit on the form

32. Additional remarks, continued

~~We also request to lay a 12.5KV, 3 phase, 4 wire electric line along the same route. It will begin at the Southwest corner of the #1 and follow the West side of the road down to the #2 where a short lateral will pick that well up and then it will continue down and cross over and follow the East side of the road approximately a total of 1849.23 feet or 1.253 acres including the 42.38' lateral to the #2 well.~~

This is all within lease NMNM-0560353 and is in the MOA boundary. If any MOA fee is required it will be sent separately. Construction will begin on approval.

*Power available already,
Not requesting electric line
per Michell Chappel. R 5/9/17*

Existing Well Pad
(Mable Hale Fed #2)

Ditch & Berm (Drainage East)

100'

108

Access Road

130'

130'

130'

130'

Reclaim Diagram

Crescent Hale 10 Federal No. 1

Cimarex Energy Co. of Colorado

SHL 1075 FNL & 1890 FWL, 11-19S-30E

BHL 500 FNL & 330 FWL, 10-19S-30E

Eddy County, NM

N



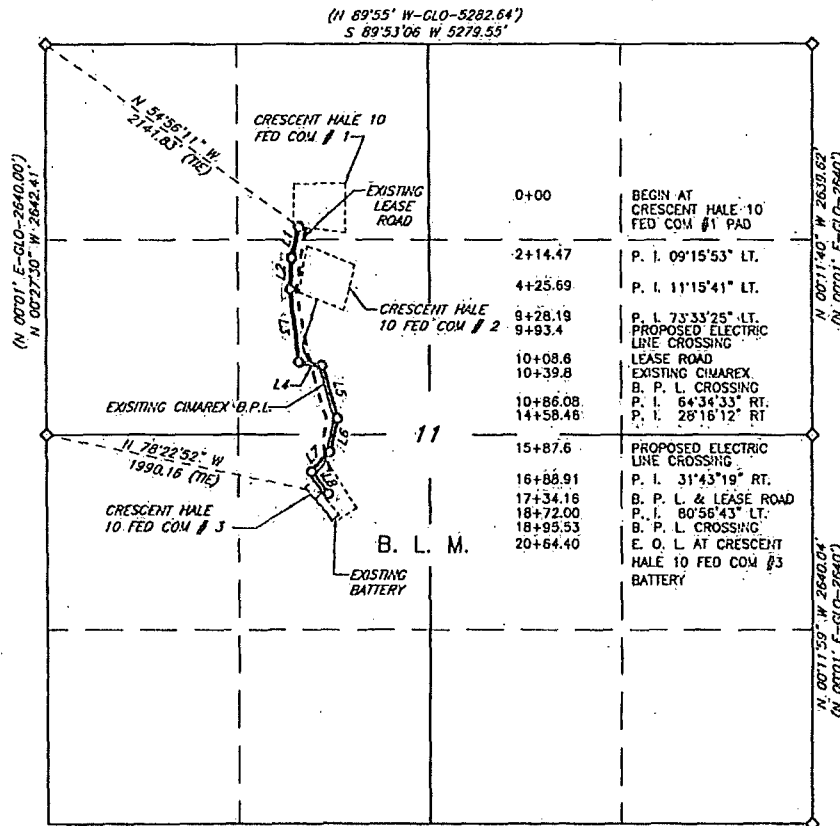
Wellbore



Interim
Reclamation

CIMAREX ENERGY COMPANY

Proposed 4" Production Pipeline Easement from
The Crescent Hale 10 #1 to
The Crescent Hale 10 #3 Battery
Section 11, T-19-S, R-30-E,
N. M. P. M., Eddy Co., New Mexico



LINE TABLE		
LINE	BEARING	LENGTH
L1	S 13°07'48" W	214.47'
L2	S 03°51'55" W	211.22'
L3	S 07°23'46" E	502.50'
L4	S 80°57'11" E	157.89'
L5	S 16°22'38" E	372.38'
L6	S 11°53'34" W	230.45'
L7	S 43°36'53" W	183.09'
L8	S 37°18'50" E	192.40'

SCALE: 1" = 1000'
0 500 1000

BEARINGS ARE GRID NAD 83
NM EAST
DISTANCES ARE HORIZ. GROUND.

LEGEND

- () RECORD DATA
- ◇ FOUND BRASS CAP "1916"
- BURIED PIPELINE
- PROPOSED 4" PIPELINE

I, Larry Busby, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Sids. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Larry Busby NM PS 11398

Firm No.: TX 10193838 NM 4655451



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NO.	REVISION	DATE
JOB NO.:	LS140125	
DWG. NO.:	140125PL1	

RRC

308 W. BROADWAY ST., HOBBS, NM 88240 (575) 984-8200

SCALE: 1" = 1000'
DATE: 3-12-14
SURVEYED BY: GB/SM
DRAWN BY: JC
APPROVED BY: LWB
SHEET: 1 OF 2

CIMAREX ENERGY COMPANY

Proposed 4" Production Pipeline Easement from The Crescent Hale 10 #1 to The Crescent Hale 10 #3 Battery Section 11, T-19-S, R-30-E, N. M. P. M., Eddy Co., New Mexico

DESCRIPTION

A strip of land 30 feet in width and 2,064.40 feet or 125.115 rods in length situated in Section 11, Township 19 South, Range 30 East, N. M. P. M., Eddy County, New Mexico being 15 feet left and 15 feet right of the following described survey of a centerline across B. L. M. land:

BEGINNING at Engr. Sta. 0+00, a point from which a brass cap, stamped '1916', found for the Northwest corner of the aforementioned Section 11 bears, N 54°56'11" W, 2141.83' feet;

Thence S 13°07'48" W, 214.47 feet to Engr. Sta. 2+14.47, a P. I. of 09°15'53" left;

Thence S 03°51'55" W, 211.22 feet to Engr. Sta. 4+25.59, a P. I. of 11°15'41" left;

Thence S 07°23'46" E, 502.50 feet to Engr. Sta. 9+28.19, a P. I. of 73°33'25" left;

Thence S 80°57'11" E, 157.89 feet to Engr. Sta. 10+86.08, a P. I. of 64°34'33" right;

Thence S 16°22'38" E, 372.38 feet to Engr. Sta. 14+58.46, a P. I. of 28°16'12" right;

Thence S 11°53'34" W, 230.45 feet to Engr. Sta. 16+88.91, a P. I. of 31°43'19" right;

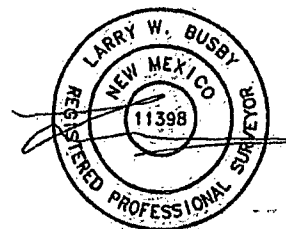
Thence S 43°36'53" W, 183.09 feet to Engr. Sta. 18+72.00, a P. I. of 80°56'43" left;

Thence S 37°19'50" E, 192.40 feet to Engr. Sta. 20+64.40, to the End of Survey, a point from which a brass cap, stamped '1916', found for the West quarter corner of above-mentioned Section 11, bears N 78°22'52" W, 1990.16' feet;

Said strip of land contains 1.422 acres, more or less, and is allocated by forties as follows:


Section 11

NE 1/4 NW 1/4	0.061 Ac.	SE 1/4 NW 1/4	1.018 Ac.
NE 1/4 SW 1/4	0.343 Ac.		



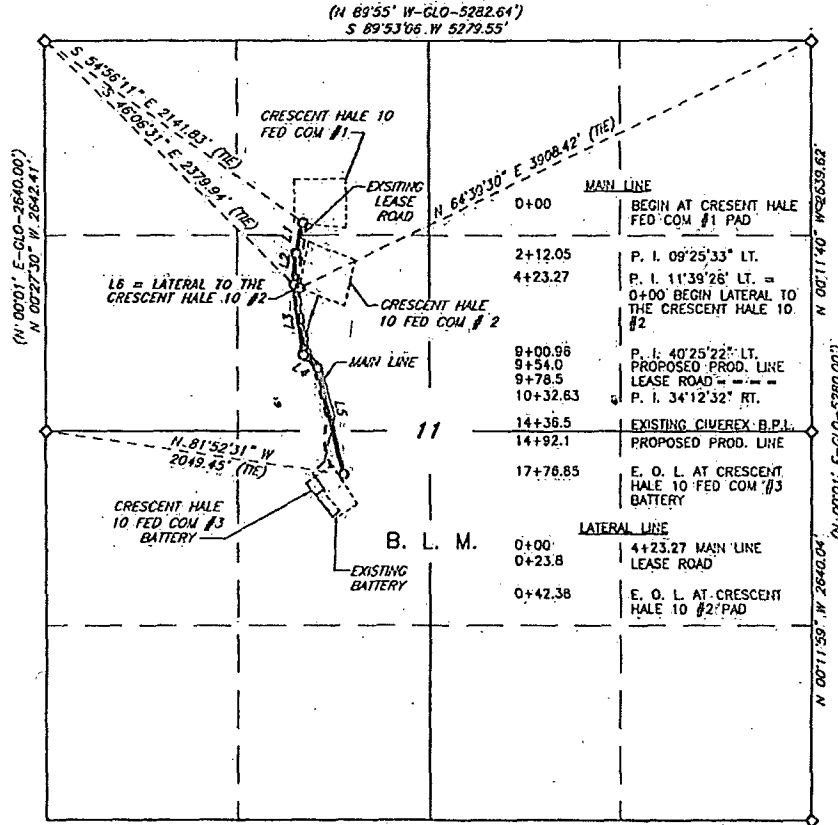
Firm No.: TX 10193838 NU 4655451

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<div style="text-align: center;">  </div>			SCALE: 1" = 1000'		
			DATE: 3-12-14		
			SURVEYED BY: GB/SM		
			DRAWN BY: JC		
NO.	REVISION	DATE	APPROVED BY: LWB		
JOB NO.: LS140125			SHEET : 2 OF 2		
DWG. NO.: 140125PL2			308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200		

CIMAREX ENERGY COMPANY

Proposed Electric Line & Lateral Easement from
The Crescent Hale 10 #1 & The Crescent Hale 10 #2 to
The Crescent Hale 10 #3 Battery
Section 11, T-19-S, R-30-E,
N. M. P. M., Eddy Co., New Mexico



LINE TABLE		
LINE	BEARING	LENGTH
L1	S 13°17'50" W	212.05'
L2	S 03°52'16" W	211.22'
L3	S 07°47'10" E	477.69'
L4	S 48°12'31" E	131.67'
L5	S 14°00'00" E	744.22'
L6	S 59°30'30" E	42.38'

SCALE: 1" = 1000'
0 500 1000

BEARINGS ARE GRID NAD 83
NM EAST
DISTANCES ARE HORIZ. GROUND.

LEGEND

- () RECORD DATA
- ◇ FOUND BRASS CAP "1912"
- BURIED PIPELINE
- PROPOSED ELECTRIC LINE

I, Larry Busby, a N. M. Professional Surveyor, hereby certify that this plat was prepared from an actual ground survey made under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Larry Busby NM PS 11398

Firm No.: TX 10193838 NM 4655451

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NO.	REVISION	DATE
JOB NO.:	LS140125	
DWG. NO.:	140125EL1	

RRC

308 W. BROADWAY ST., HOBBES, NM 88240 (575) 984-8200



SCALE: 1" = 1000'
DATE: 3/12/14
SURVEYED BY: GB
DRAWN BY: JC
APPROVED BY: LWB
SHEET: 1 OF 2

CIMAREX ENERGY COMPANY

Proposed Electric Line & Lateral Easement from The Crescent Hale 10 #1 & The Crescent Hale 10 #2 to The Crescent Hale 10 #3 Battery Section 11, T-19-S, R-30-E, N. M. P. M., Eddy Co., New Mexico

DESCRIPTION

A strip of land 30 feet in width and 1,819.23 feet or 110.26 rods in length lying in Section 11, Township 19 South, Range 30 East, N. M. P. M., Eddy County, New Mexico being 15 feet left and 15 feet right of the following described survey of a centerline across B. L. M. land:

BEGINNING at Engr. Sta. 0+00, a point which lies S 54°56'11" E, 2,141.83 feet from a brass cap, stamped "1912", found for the Northwest corner of the aforementioned Section 11;

Thence S 13°17'50" W, 212.05 feet to Engr. Sta. 2+12.05, a P. I. of 09°25'33" left;

Thence S 03°52'16" W, 211.22 feet to Engr. Sta. 4+23.27, a P. I. of 11°39'26" left;

Thence S 07°47'10" E, 477.69 feet to Engr. Sta. 9+00.95, a P. I. of 40°25'22" left;

Thence S 48°12'31" E, 131.67 feet to Engr. Sta. 10+32.63, a P. I. of 34°12'32" right

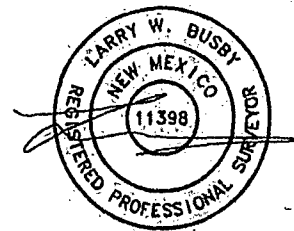
Thence S 14°00'00" E, 744.22 feet to Engr. Sta. 17+76.85, the end of the survey from which a brass cap, stamped "1912", found for the West quarter corner of the above-mentioned Section 11.

Thence BEGINNING AGAIN at Engr. Sta. 0+00 (= 4+23.27 Main Line), a point which lies S 46°06'31" E, 2,379.94 feet from a brass cap, stamped "1912", found for the Northwest corner of the aforementioned Section 11;

Thence S 59°30'30" E, 42.38 feet to Engr. Sta. 0+42.38, the end of the survey and a point from which a brass cap, stamped "1912", found for the Northeast corner of the above-mentioned Section 11 bears N 64°30'30" E, 3,908.42 feet.

Said strip of land contains 1.253 acres, more or less, and is allocated by forties as follows:

NE 1/4 NW 1/4	0.059 Ac.	SE 1/4 NW 1/4	0.983 Ac.
NE 1/4 SW 1/4	0.211 Ac.		



Firm No.: TX 10193838 NM 4655451

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<div style="text-align: center; font-size: 2em; font-weight: bold;">RRC</div>			SCALE: 1" = 1000'		
			DATE: 3/12/14		
			SURVEYED BY: GB		
			DRAWN BY: JC		
NO.	REVISION	DATE	APPROVED BY: LWB		
JOB NO.: LS140125			SHEET : 2 OF 2		
DWG. NO.: 140125EL2A			308 W. BROADWAY ST., HOBBS, NM 88240 (575) 964-8200		

BLM LEASE NUMBER: NMNM0560353

COMPANY NAME: Cimarex Energy Company

ASSOCIATED WELL NAME: Crescent Hale 10 Federal 1H

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|------------------------|-----------------------------|
| (X) seed mixture 1 | () seed mixture 3 |
| () seed mixture 2 | () seed mixture 4 |
| () seed mixture 2/LPC | () Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

Recreation- Hackberry Lake Special Recreation Management Area:

Pipelines (including surface lines) shall be buried a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. Power poles and associated ground structures (poles, guy wires) will not be placed within 20 feet of recreation trails. Guy wires must be equipped with a sleeve, tape or other industry approved

apparatus that is highly visible during the day and reflective at night. Appropriate safety signage will be in place during all phases of the project. Upon completion of construction, the road shall be returned to pre-construction condition with no bumps or dips. All vehicle and equipment operators will observe speed limits and practice responsible defensive driving habits.