

UNITED STATES **NMOCD**
DEPARTMENT OF THE INTERIOR **Artesia**
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. NMMN14124
2. Name of Operator CIMAREX ENERGY COMPANY OF CO Contact: RHONDA SHELTON E-Mail: rseldon@cimarex.com		6. If Indian, Allottee or Tribe Name
3a. Address 202 S CHEYENNE AVE SUITE 1000 TULSA, OK 74103.4346	3b. Phone No. (include area code) Ph: 918.295.1709 Fx: 918.749.8059	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T25S R26E SWSE 150FSL 1650FEL		8. Well Name and No. MARQUARDT FEDERAL 13H
		9. API Well No. 30-015-37382-00-S1
		10. Field and Pool, or Exploratory BLACK RIVER-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 Venting and/or Flaring
	<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 recompleting 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 recompleting 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 REQUESTS PERMISSION TO FLARE APPROX 2000 MCF FOR JANUARY 2016 DUE TO PIPELINE SHUTIN.

PLEASE SEE THE ATTACHMENT FOR THE WELLS USING THIS FLARE.

NM OIL CONSERVATION

ARTESIA DISTRICT

MAR 14 2016

RECEIVED

Accepted for record
NMOCD AB
3/30/16

14. I hereby certify that the foregoing is true and correct. Electronic Submission #329440 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY OF CO, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 01/26/2016 (16PP0250SE)	
Name (Printed/Typed) RHONDA SHELTON	Title PREPARER
Signature (Electronic Submission)	Date 01/22/2016

ACCEPTED FOR RECORD AND FOR FEDERAL OR STATE OFFICE USE

Approved By /S/ DAVID R. GLASS MAR 02 2016	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 48 U.S.C. Section 1312, 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #329440 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM14124	NMNM14124	MARQUARDT FEDERAL 13H	30-015-37382-00-S1	Sec 1 T25S R26E SWSE 150FSL 1650FEL
NMNM14124	NMNM14124	MARQUARDT 1 FEDERAL 14H	30-015-41808-00-S1	Sec 1 T25N R26E SESE 200FSL 660FEL 32.090830 N Lat, 104.142443 W Lon

CIMAREX ENERGY CO OF COLORADO

WELLS USING FLARE:	API	S/T/R	FOOTAGES	AGREEMENT	LEASE
MARQUARDT 1 FEDERAL 13H	30-015-37382	01-25S-26E	150 FSL 1650 FEL		NMNM14124
MARQUARDT 1 FEDERAL 14H	30-015-41808	01-25S-26E	200 FSL 660 FEL		NMNM14124

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

Cimarex Energy Company Of Colorado
Marquardt Federal 13H & 14H
Federal Lease NM-14124

Approved 03-02-2016

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, (from 01-01-2016 to 03-31-2016), if flaring is still required past 90 days submit new request for approval.
9. 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.