

Carlsbad Field Office
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCOD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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 page 2

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN OTH		5. Lease Serial No. NMNM14124
2. Name of Operator CIMAREX ENERGY COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 202 S CHEYENNE AVE., STE. 1000 TULSA, OK 74103		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 432-620-1936		8. Well Name and No. MARQUARDT 12-13 FEDERAL COM 11H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 12 T25S R26E NWNW 565FNL 1309FWL		9. API Well No. 30-015-44073
		10. Field and Pool or Exploratory Area VARIOUS
		11. County or Parish, State EDDY COUNTY, NM

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"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input checked="" 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 recompleat 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 recompleat 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.

Cimarex Energy Co. respectfully requests approval to construct the Arapahoe Compressor Station. This will include a compressor site pad, road, powerline and pipelines to the Arapahoe Compressor Station.

Cimarex proposes constructing the following:

Compressor site location: SENW, 1565' FNL 2385' FWL, Sec. 12 25S 26E - Eddy County, NM

500' X 600' compressor station pad

2332.23' of 60' pipeline corridor - the 60' pipeline corridor will consist of one 16" buried steel pipeline, one 12" buried steel pipeline, one 8" buried steel pipeline, one 6" buried steel pipeline


*GC 6-29-18
Accepted for record - NMOC*

NM OIL CONSERVATION
ARTESIA DISTRICT

JUN 29 2018

14. I hereby certify that the foregoing is true and correct. Electronic Submission #423018 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH HAM on 06/07/2018 ()		RECEIVED
Name (Printed/Typed) TERRI STATHEM	Title MANAGER REGULATORY COMPLIANCE	
Signature (Electronic Submission)	Date 06/07/2018	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title Acting AFM	Date 6/26/18
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 CFO	

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)

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

Additional data for EC transaction #423018 that would not fit on the form

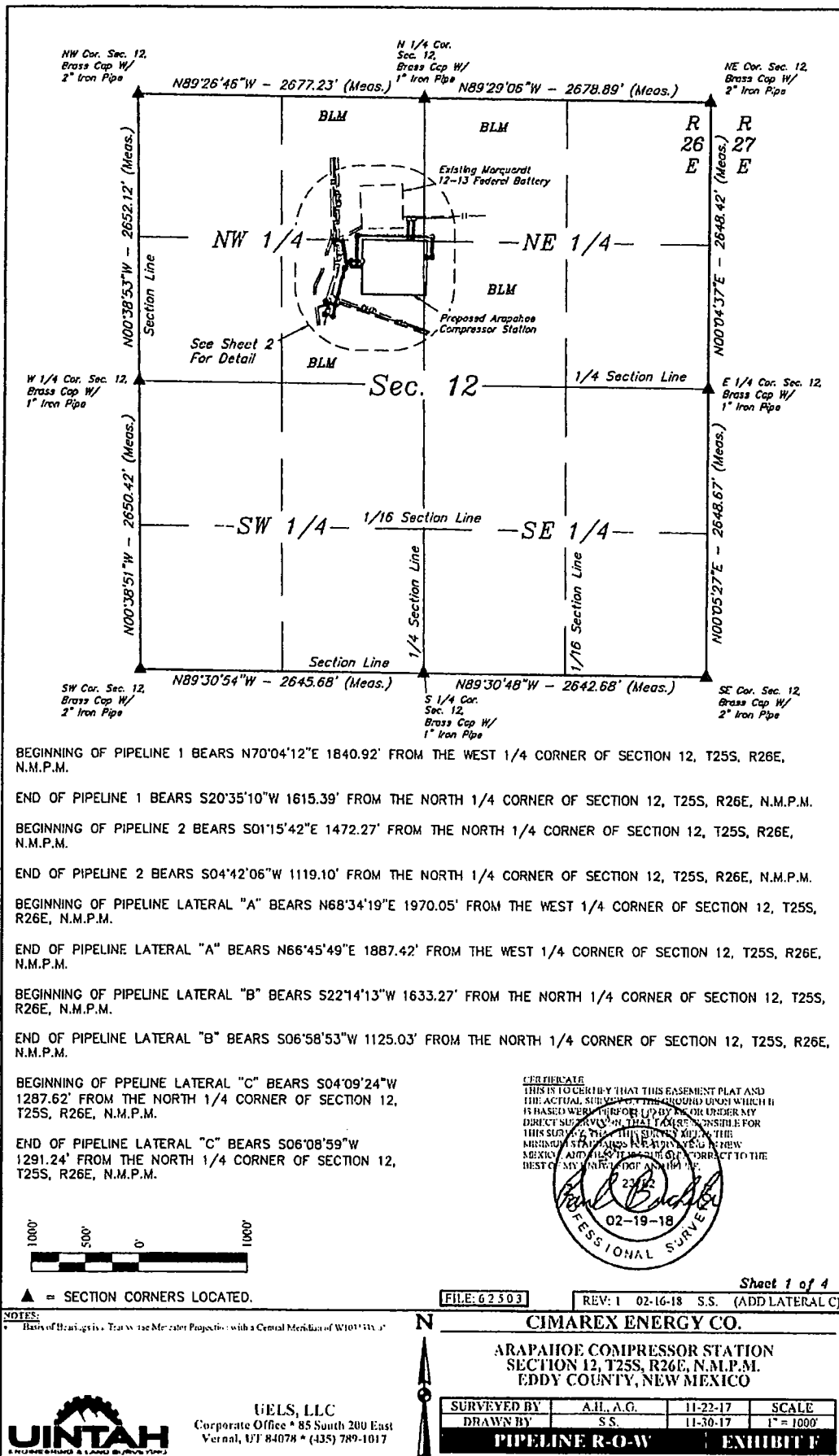
32. Additional remarks, continued

and one 4" buried steel pipeline.

390.47', 30' width road from the existing road in the SENW Sec. 12 to the Arapahoe Compressor Station

623.92', 30' width from existing powerline in the NENW Sec. 12 to the Arapahoe Compressor Station.

See attached diagrams and plats for more information.



BEGINNING AT THE INTERSECTION OF BLACK RIVER VILLAGE ROAD AND OLD CAVERN HIGHWAY TO THE SOUTH (LOCATED AT NAD83 LATITUDE N32.2314° LONGITUDE W104.2212°), PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 5.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 2.0 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE NORTHEAST; FOLLOW ROAD FLAGS IN AN EASTERLY, THEN SOUTHERLY, THEN EASTERLY DIRECTION APPROXIMATELY 390' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM THE INTERSECTION OF BLACK RIVER VILLAGE ROAD AND OLD CAVERN HIGHWAY (LOCATED AT NAD83 LATITUDE N32.2314° LONGITUDE W104.2212°) TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 7.3 MILES.

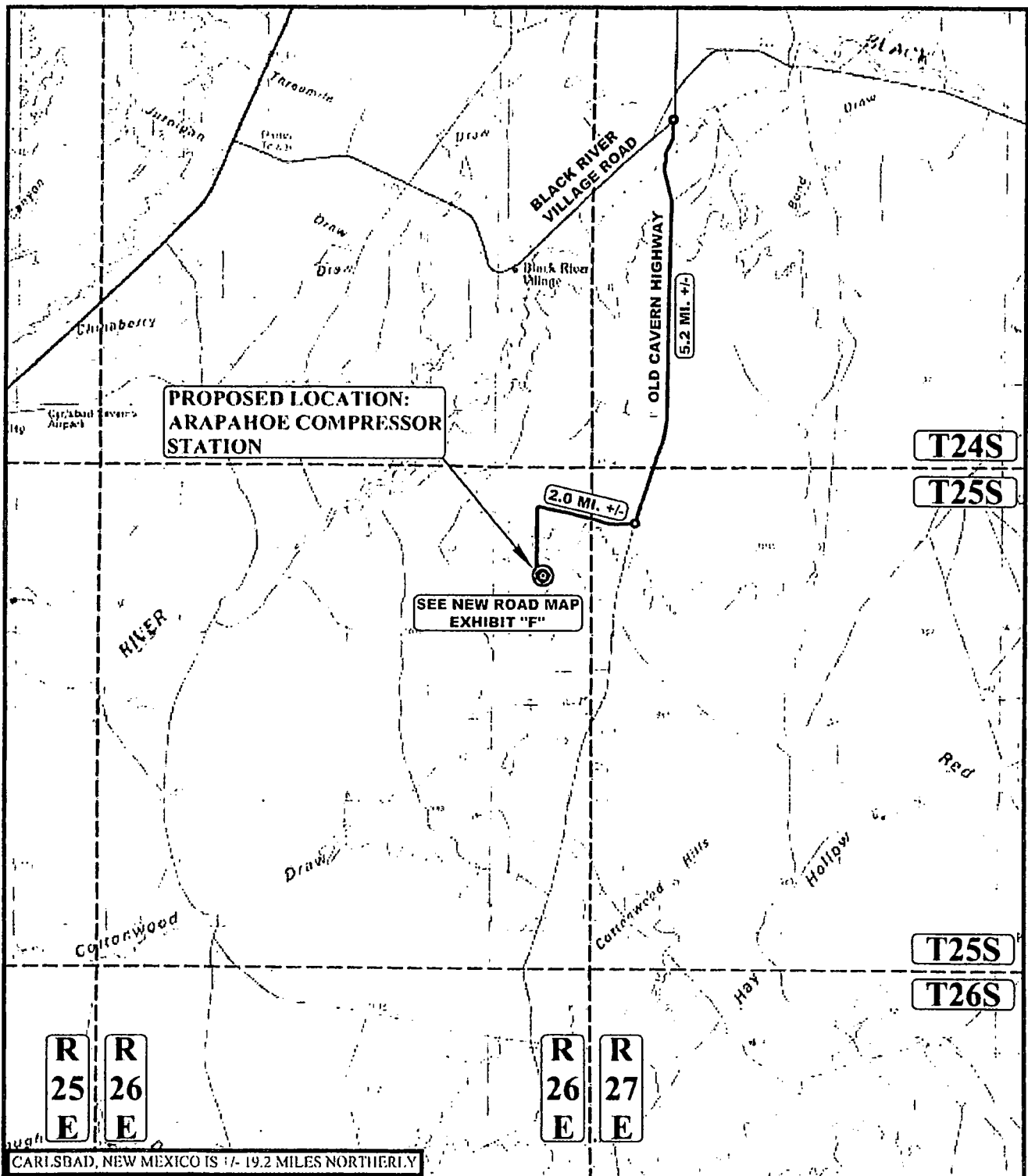
CIMAREX ENERGY CO.

ARAPAHOE COMPRESSOR STATION
SE 1/4 NW 1/4, SECTION 12, T25S, R26E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

SURVEYED BY	A.H., A.G.	11-22-17	
DRAWN BY	J.A.	12-05-17	
ROAD DESCRIPTION		EXHIBIT F	



LEGEND:

⊙ PROPOSED LOCATION



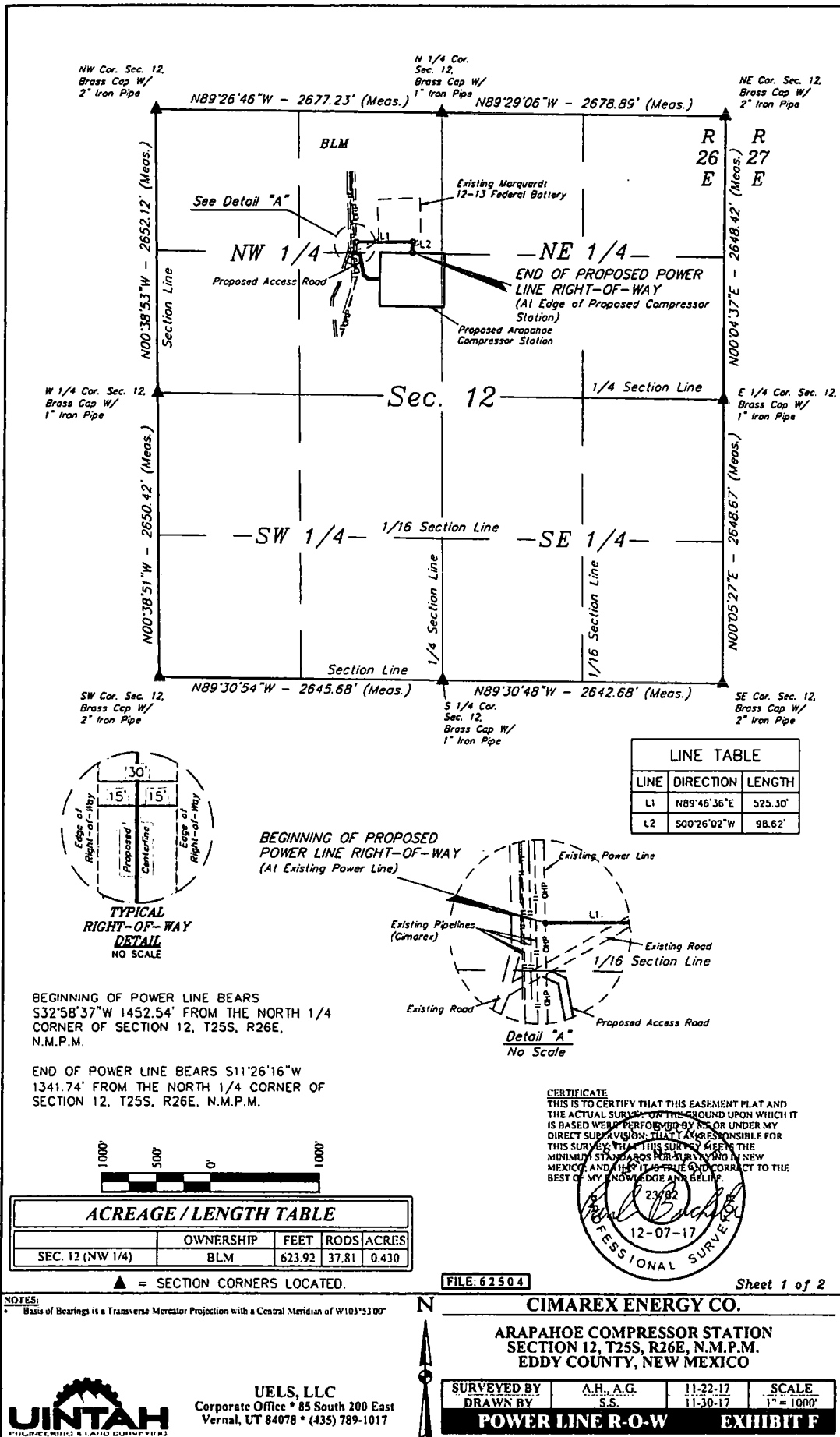
UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

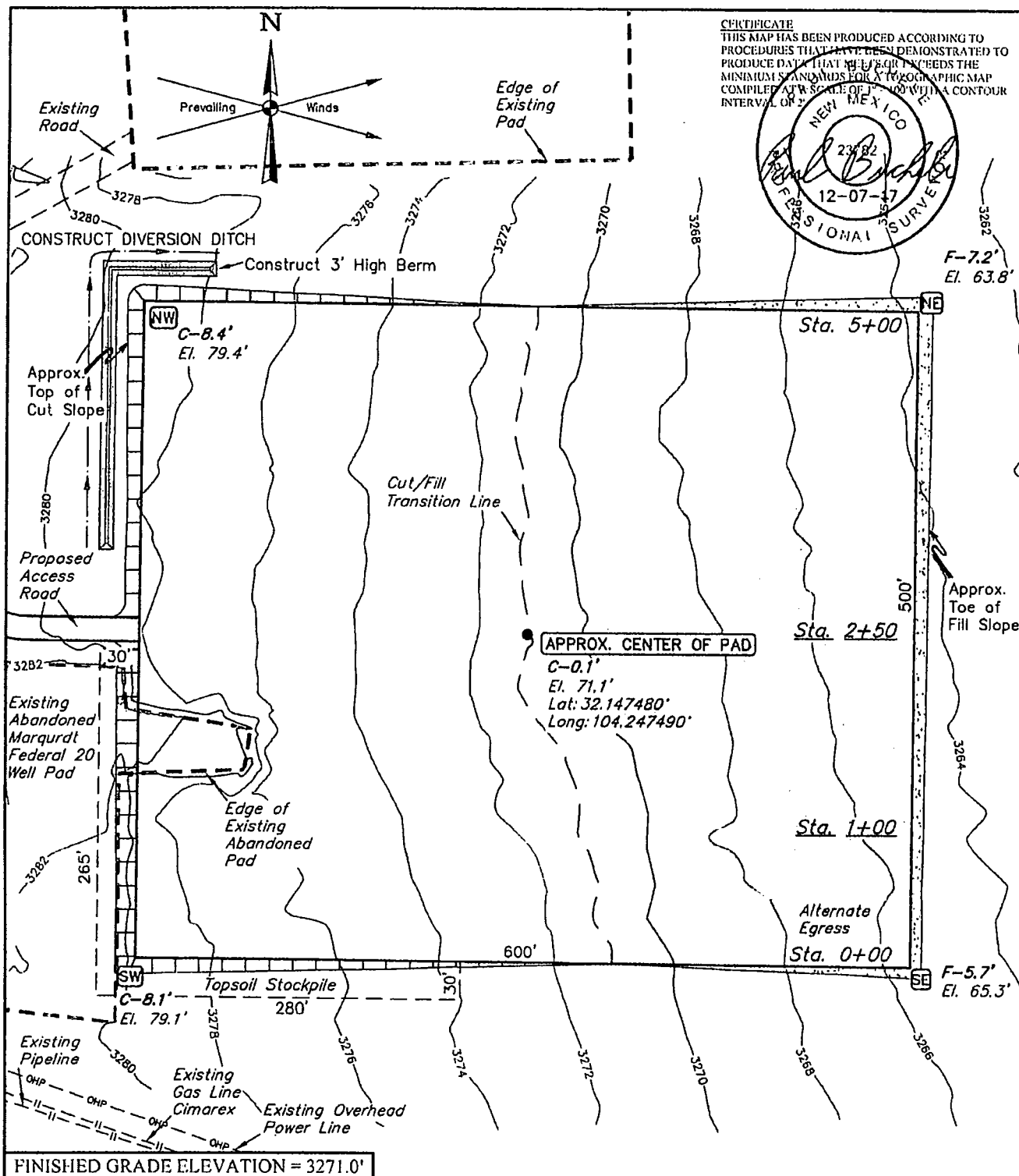


CIMAREX ENERGY CO.

ARAPAHOE COMPRESSOR STATION
SE 1/4 NW 1/4, SECTION 12, T25S, R26E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

SURVEYED BY	A.H., A.G.	11-22-17	SCALE
DRAWN BY	J.A.	12-05-17	1:100,000
PUBLIC ACCESS ROAD MAP: EXHIBIT F			





NOTES:

- Contours shown at 2' intervals.
- Cut/Fill slopes 1 1/2:1 (Typ. except where noted)
- Underground utilities shown on this sheet are for visualization purposes only. actual locations to be determined prior to construction.

CIMAREX ENERGY CO.

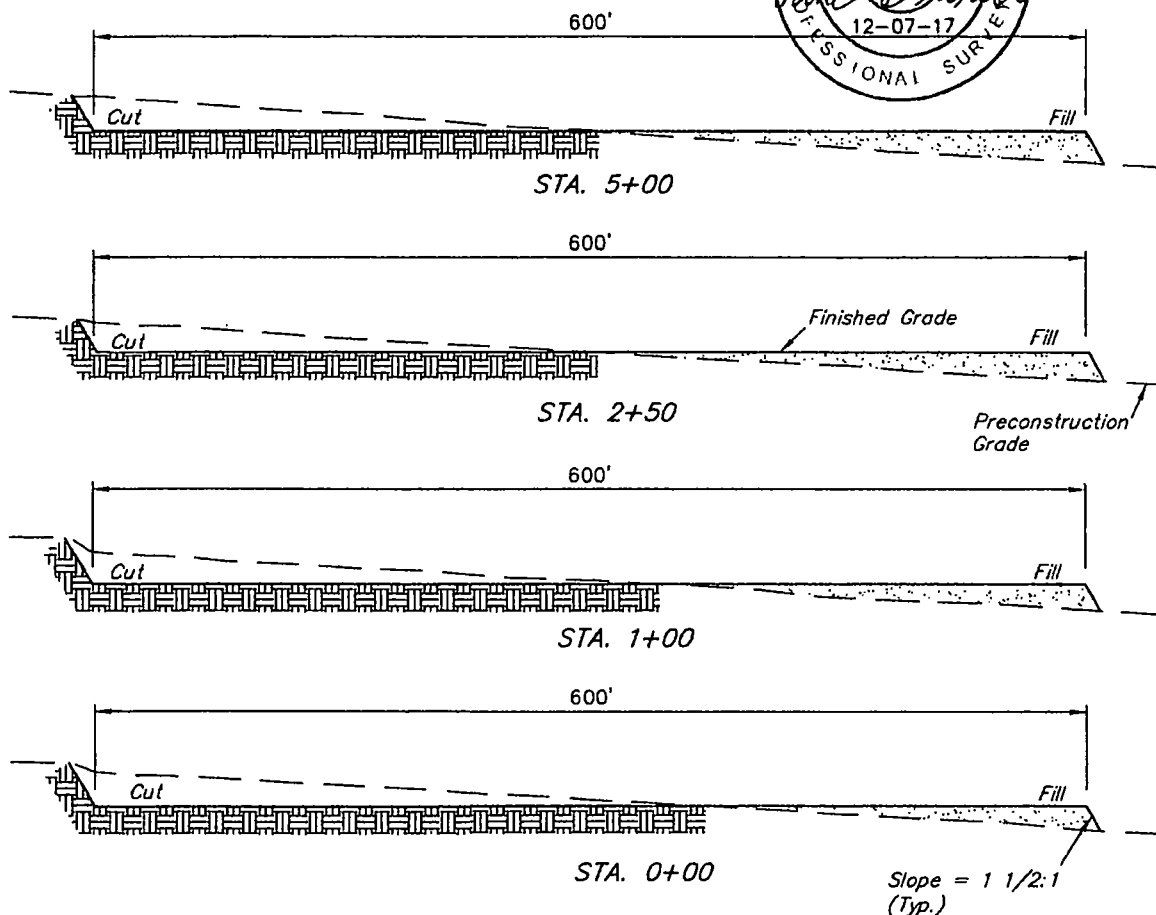
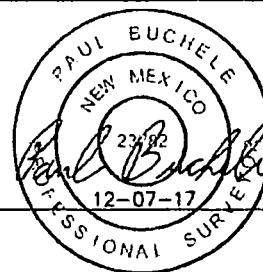
ARAPAHOE COMPRESSOR STATION
SE 1/4 NW 1/4, SECTION 12, T25S, R26E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

SURVEYED BY	A.H., A.G.	11-22-17	SCALE
DRAWN BY	S.S.	11-30-17	1" = 100'
LOCATION LAYOUT		EXHIBIT F	



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

1" = 40'
X-Section
Scale
1" = 100'



APPROXIMATE EARTHWORK QUANTITIES	
(4") TOPSOIL STRIPPING	3,940 Cu. Yds.
REMAINING LOCATION	21,580 Cu. Yds.
TOTAL CUT	25,520 Cu. Yds.
FILL	21,580 Cu. Yds.
EXCESS MATERIAL	3,940 Cu. Yds.
TOPSOIL	3,940 Cu. Yds.
EXCESS UNBALANCE (After Interim Rehabilitation)	0 Cu. Yds.

APPROXIMATE SURFACE DISTURBANCE AREAS		
	DISTANCE	ACRES
WELL SITE DISTURBANCE	NA	±7.325
30' WIDE ACCESS ROAD R-O-W DISTURBANCE	± 390.47'	±0.269
30' WIDE POWER LINE R-O-W DISTURBANCE	±623.92'	±0.430
45' WIDE PIPELINE 1 R-O-W DISTURBANCE	±724.63'	±0.749
45' WIDE PIPELINE 2 R-O-W DISTURBANCE	±582.83'	±0.602
45' WIDE PIPELINE LATERAL "A" R-O-W DISTURBANCE	±102.62'	±0.106
45' WIDE PIPELINE LATERAL "B" R-O-W DISTURBANCE	±877.18'	±0.906
TOTAL SURFACE USE AREA		±10.387

NOTES:

- Fill quantity includes 5% for compaction.
- Cut/Fill slopes 1 1/2:1 (Typ. except where noted)

CIMAREX ENERGY CO.

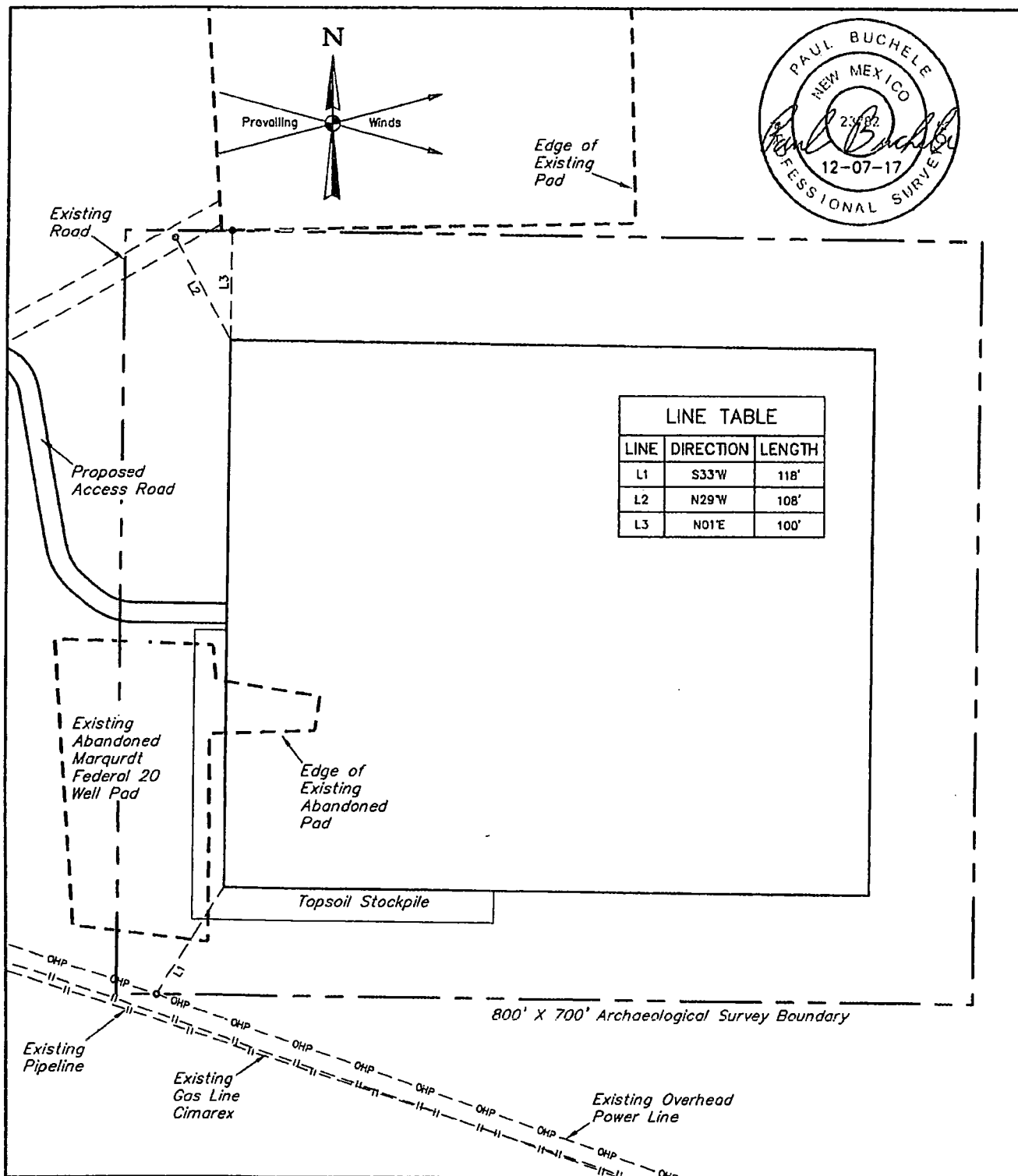
ARAPAHOE COMPRESSOR STATION
SE 1/4 NW 1/4, SECTION 12, T25S, R26E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

SURVEYED BY	A.H., A.G.	11-22-17	SCALE
DRAWN BY	S.S.	11-30-17	AS SHOWN

TYPICAL CROSS SECTIONS, EXHIBIT F



NOTES:

CIMAREX ENERGY CO.

ARAPAHOE COMPRESSOR STATION
SE 1/4 NW 1/4, SECTION 12, T25S, R26E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

SURVEYED BY	A.H., A.G.	11-22-17	SCALE
DRAWN BY	S.S.	11-30-17	1" = 120'
ARCHAEOLOGICAL SURVEY BOUNDARY			EXHIBIT F

BLM LEASE NUMBER: NMNM14124

COMPANY NAME: Cimarex Energy Company

ASSOCIATED WELL NAME: Marquardt 12-13 Federal Com 11H

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

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

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

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 and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statutes.

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 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this 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). 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 site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup 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 the holder of any liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.

6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)

7. 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 a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.

8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The 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 the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).

10. 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 the roads, pads, associated 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.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site and access roads must undergo "final" reclamation so that the character and productivity of the land are restored. Earthwork for final reclamation must be completed within six (6) months of the abandonment of the site. All pads and facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

13. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

<input checked="" type="checkbox"/> seed mixture 1	<input type="checkbox"/> seed mixture 3
<input type="checkbox"/> seed mixture 2	<input type="checkbox"/> seed mixture 4
<input type="checkbox"/> seed mixture 2/LPC	<input type="checkbox"/> Aplomado Falcon Mixture

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. Open-topped Tanks - The operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps

16. The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock enclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Enclosures – The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended enclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

18. Containment Structures - Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

19. 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.

20. Special Stipulations:

Texas Hornshell mussel (*Popenaias popeii*)-Federally Endangered:

No surface disturbance within 200 meters of the flood plain.

Cave Karst Resource Mitigation: The following stipulations will be applied to minimize impacts during construction, drilling and production:

Construction

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming

- The entire perimeter of the pad will be bermed to prevent contaminants from leaving the compressor pad.
- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g., caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the pad.
- The topsoil stockpile shall be located outside the bermed pad.
- Topsoil, either from the pad or surrounding area, shall not be used to construct the berm.
- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the and around the downsized pad after interim reclamation has been completed.
- Any access road entering the pad shall be constructed so that the integrity of the berm height surrounding the pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)
- Following a rain event, all fluids will vacuumed off of the pad and hauled off-site and disposed at a proper disposal facility.

Access Roads

- Roads will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems.
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction and no further construction will be done until clearance has been issued by the Authorized Officer.
- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to increase or decrease the natural flow of water into or out of cave or karst features.

- Special restoration stipulations or realignment may be required.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

Watershed/Water Quality Mitigation:

- Any water erosion that may occur due to the construction of the compressor pad and access road during the life of the project will be corrected within two weeks and proper measures will be taken to prevent future erosion.
- Cimarex would also install a 3-foot-high berm and a diversion ditch around the northwest corner of the compressor pad to control surface water runoff during construction and operation of the location.