

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA



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. 1004-0135
Expires July 31, 1996

5 Lease Serial No.

LC-00289363

6. If Indian, Allottee or Tribe Name

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

Pending

8. Well Name and No.

Cagney 28 Federal Com No. 2

9. API Well No.

30-015-35250

10. Field and Pool, or Exploratory Area

Cedar Lake; Morrow

11. County or Parish, State

Eddy County, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

JAN 23 2008

2. Name of Operator

Cimarex Energy Co. of Colorado

OCD-ARTESIA

3a. Address

PO Box 140907; Irving, TX 75014-0907

3b. Phone No. (include area code)

972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

860' FSL & 1980' FWL
28-17S-30E

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 Request permit extension
	<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, included 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 shall 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 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.)

The permit for the Cagney 28 Federal Com No. 2 is due to expire on 11-17-07. Cimarex respectfully requests a permit extension due to rig scheduling.

APPROVED FOR 24 MONTH PERIOD
ENDING 11-17-09

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

Name (Printed/Typed)

Natalie Krueger

Signature

Natalie Krueger

Title

Reg Analyst 1

Date

October 11, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ James Stovall

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Date

JAN 21 2008

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.

Title 18 U.S.C. Section 1001, makes 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 reverse)

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Cimarex Energy Co. of Colorado
LEASE NO.:	NMLC028936E
WELL NAME & NO.:	Cagney 28 Federal Com #2
SURFACE HOLE FOOTAGE:	860' FSL & 1980' FWL
LOCATION:	Section 28, T17S., R30E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOP/BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the **Canyon** formation.

H₂S has been reported in T17S, R30E measuring from 1000 to 1900 ppm in the gas stream.

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

1. The **13 3/8 inch** surface casing shall be set a minimum of **25 feet into the Rustler Anhydrite and above the salt at approximately 500 feet** and cemented to the surface.

**There is possible loss circulation in the Grayburg and San Andres Formation.
Possible water flows in the Salado and Artesia Groups.**

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
 - c. **Please provide WOC times to inspector for cement slurries.**
 - d. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - e. If cement falls back, remedial action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9 5/8 inch** intermediate casing is:
 - ☒ Cement to surface. If cement does not circulate see B.1.a-d above.
 - a. **Please provide WOC times to inspector for cement slurries.**

There is the possibility of high pressure gas in the Strawn and Morrow Formations.

3. The minimum required fill of cement behind the **5 1/2 inch** production casing is:
 - ☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. **Please provide WOC times to inspector for cement slurries.**
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.

A variance to test the surface casing and BOP/BOPE to the reduced pressure of 1000 psi with the rig pumps is approved.

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9 5/8** intermediate casing shoe shall be **5000 (5M)** psi.
4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
 - e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation **if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days**. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

Engineer on call phone (after hours only): Carlsbad: (575) 706-2779

JDW/1/17/2008

JDW 1/18/08