

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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 ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. NM-0560353
2. Name of Operator Cimarex Energy Co. of Colorado		6. If Indian, Allotted or Tribal Name
3a. Address 600 N. Marienfeld St., Ste. 600; Midland, TX 79701		7. If Unit or Co. Agreement, Name and/or No. APR 23 2010 NMOCD ARTESIA
3b. Phone No. (include area code) 432-571-7800		8. Well Name and No. Crescent Hale 1 Frac Pit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1-19S-30E		9. API Well No. Various
		10. Field and Pool, or Exploratory Area Loco Hills; Glorieta-Yeso
		11. County or Parish, State Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>Build Frac Pit</u>
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Cimarex proposes to construct a 250' X 450' X 8' fresh water frac pit on our Crescent Hale lease as shown on attached plat and topo. Pit floor will be lined with Geofoam or caliche to protect against rocks if any. Pit will be fenced with a 5 wire barb wire fence with a 12' gate on north side of the pit. The pit will service Cimarex operated Bone Spring completions in the area. Fast lines from water haulers will be utilized along existing roads to fill the pit and transport fresh water to the wells for fracing.

When drilling has ceased in the area pit area will be reclaimed, contoured, and reseeded per BLM specifications.

MOA contribution for well pad will be sent under separate cover.

ok J. Fast 4-12-10

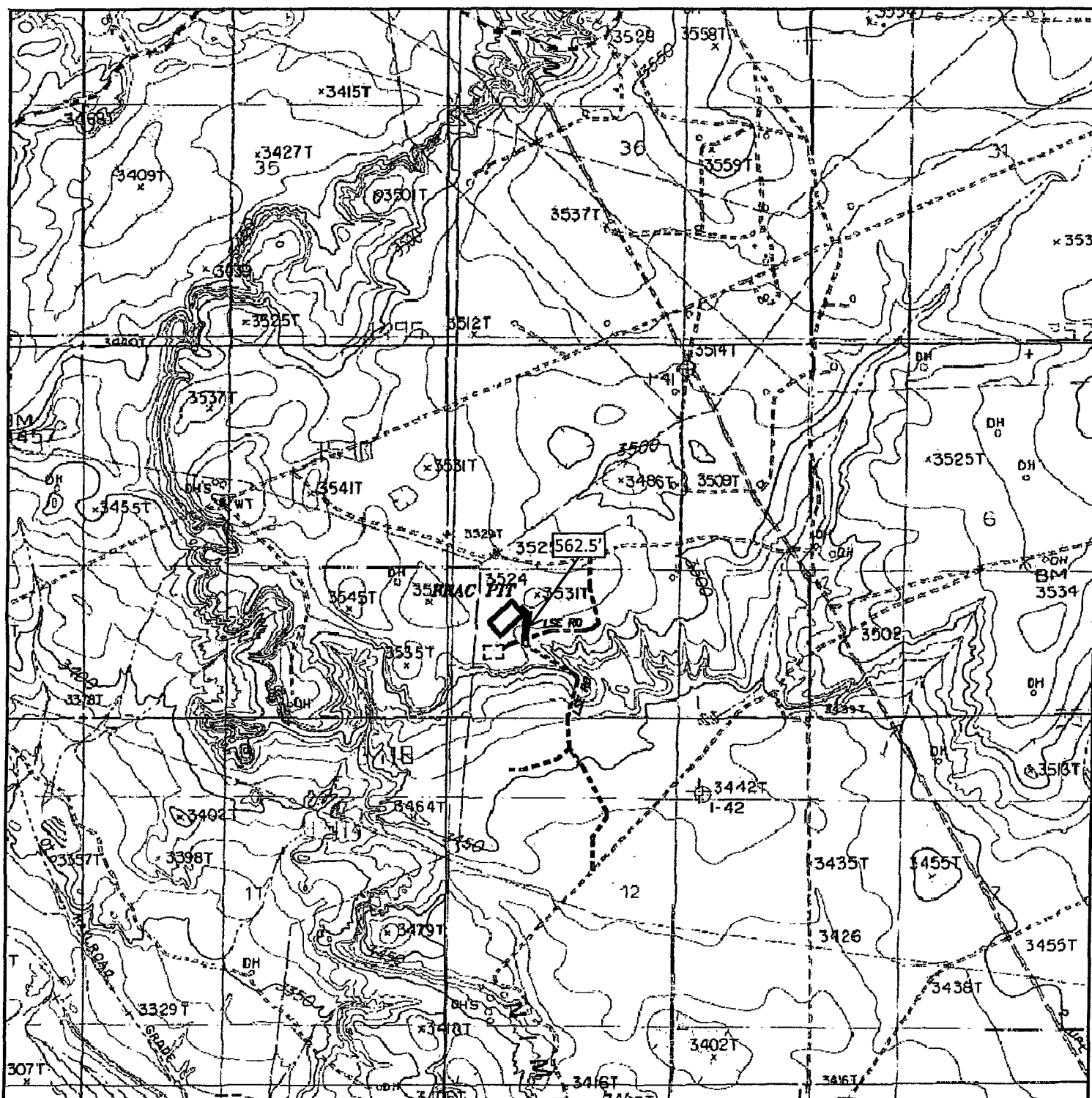
4. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Zeno Farris	Title Manager Operations Administration
Signature <i>Zeno Farris</i>	Date February 2, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <u>/s/ Don Peterson</u>	Title Office	Date APR 24 2010
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.	CARLSBAD FIELD OFFICE	

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)



PROPOSED FRAC PIT

Section 1, Township 19 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 22226

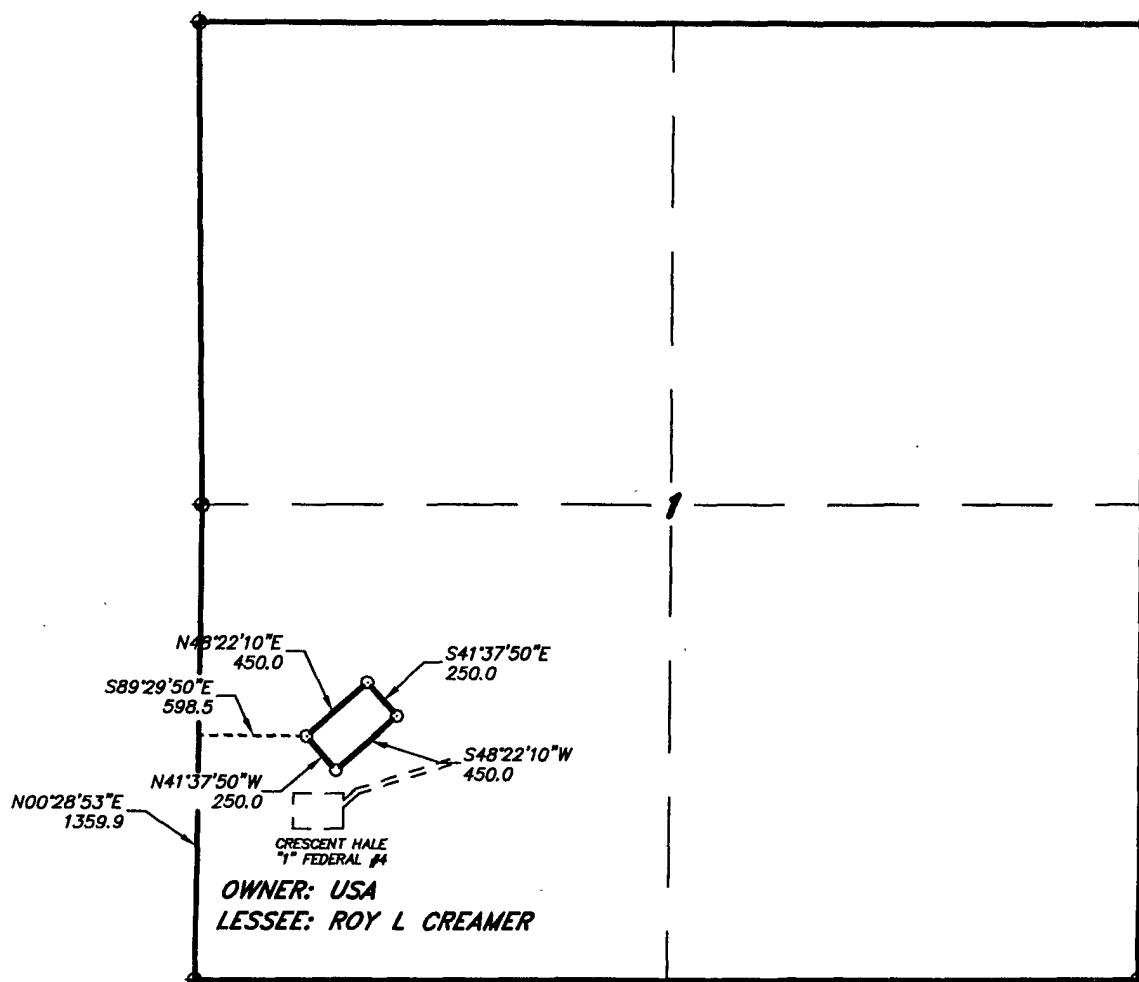
Survey Date: 01-15-2010

Scale: 1" = 2000'

Date: 01-19-2010

CIMAREX
ENERGY CO.
OF COLORADO

SECTION 1, TOWNSHIP 19 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

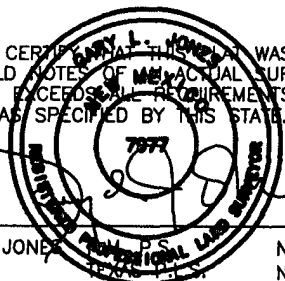


LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 1, TOWNSHIP 19 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH LIES N.00°28'53"E., 1359.9 FEET AND S.89°29'50"E., 598.5 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 1; THENCE N.48°22'10"E., 450.0 FEET; THENCE S.41°37'50"E., 250.0 FEET; THENCE S.48°22'10"W., 450.0 FEET; THENCE N.41°37'50"W., 250.0 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND BEING 112500.0 SQUARE FEET OR 2.58 ACRES, MORE OR LESS.

I HEREBY CERTIFY THAT THIS MAP WAS PREPARED FROM FIELD NOTES OF MEASUREMENT SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES

No. 7977
No. 5074

1000 0 1000 2000 FEET

CIMAREX ENERGY COMPANY OF COLORADO

REF: PROPOSED FRAC PIT

A FRAC PIT LOCATED ON USA LAND IN
SECTION 1, TOWNSHIP 19 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 22226

Drawn By: J. M. SMALL

Date: 01-19-2010

Disk: JMS 22226

Survey Date: 01-15-2010

Sheet 1 of 1 Sheets

BLM LEASE NUMBER NM0560353
COMPANY NAME Cimarex Energy Co. of Colorado
ASSOCIATED WELL NO. & NAME Crescent Hale 1 Federal #4

FRAC POND CONDITIONS OF APPROVAL

A copy of the Sundry Notice and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all stipulations.

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

1. The BLM shall administer compliance and monitor construction of the frac pond. Notify Jim Amos (575-234-5909) at least 3 working days prior to commencing construction of the frac pond.
2. The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 6 inches in depth. The topsoil shall not be used for constructing the berms of the frac pond and will be used for final reclamation.
3. 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 permit.
4. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
5. The frac pond will only be authorized to contain freshwater and testing of water quality is required during the life of the frac pond. The Authorized Officer may ask the operator to sample water quality of the frac pond at any time during the life of the frac pond. If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly. Reclamation efforts will then commence. Otherwise, reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing the wells. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such 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, or to repair all damages resulting therefrom, 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 should be confined to the authorized area to avoid excess disturbance.
6. If other wells, not mentioned in the current Sundry Notice, need to be serviced by the frac pond, a separate Sundry Notice needs to be submitted to the appropriate BLM office.

7. Mineral materials extracted during construction of the frac pond shall not be used for surfacing the well pad or access road or other facilities. All mineral material extracted shall only be used for constructing the frac pond or stored adjacent to the frac pond.

8. The frac pond will be lined. The frac pond shall be constructed so that upon completion of drilling operations the plastic lining will be removed.

9. The frac pond shall be fenced on all sides.

10. 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.

11. Seeding is required and will be done according to the attached seeding requirements, using the following seed mix.

☒ seed mixture 1	☐ seed mixture 3
☐ seed mixture 2	☐ seed mixture 4

12. 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.

13. 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.

14. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf 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.

15. 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.

16. When the frac pond is no longer stimulating wells, reclamation shall commence. The plastic liner shall be removed before any earthwork begins. Any associated pipelines shall be removed as well. All disturbed areas and erosion caused by the frac pond, pipelines or other infrastructure will be reclaimed. Earthwork for final reclamation must be completed within three (3) months of final well completion. The frac pond location must be reclaimed to a satisfactory revegetated,

safe, and stable condition. After all disturbed areas have been satisfactorily prepared; these areas need to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact a BLM surface protection specialist prior to surface reclamation operations for site specific objectives (Jim Amos: 575-234-5909).

17. Special Stipulations: Special Stipulations for Lesser Prairie Chickens: All construction activities will be restricted to the hours of 9:00 am through 3:00 am for the period of March 1st through June 15th. No construction activities will be allowed between 3:00 am and 9:00 am.