

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD
Artesia

FORM 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. NMNM114356
2. Name of Operator CIMAREX ENERGY COMPANY OF CO		6. If Indian, Allottee or Tribe Name
Contact: TERRI STATHEM E-Mail: tstatthem@cimarex.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 600 NORTH MARIENFELD STREET SUITE 600 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-620-1936	8. Well Name and No. SANDY FEDERAL 20H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T23S R30E SESE 285FSL 250FEL		9. API Well No. 30-015-41426-00-S1
		10. Field and Pool, or Exploratory WILDCAT
		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 APD
	<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 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 Energy respectfully requests a variance for the top of cement as agreed/approved in the APD COA and required by R-111P.

Cimarex Energy proposes to monitor annulus pressure during completion operations and daily pressure gauges after completion due to TOC @ 2820'.

Cimarex ran and cemented 5-1/2" casing as follows:

7-27-13 RIH w/ 5-1/2", 17#, P110, LTC csg & set @ 14735'.

7-28-13 Mix & pump lead: 1200 sx Econocem H, 11.9#, 2.45 yld; tail: 1100 sx 14.5#, 1.21 yld. no cement to surface. RD. Release rig.

8-6-13 MIRU to run RCBL. Run RCBL TOC @ 2820'. Submitted for OIL M. Test 9-5/8" csg for 30 mins to 1000 psi dropped 10 psi, tested good.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Accepted for record

10/24/2014 NM/OCD

APPROVED
JAN 22 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #221504 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY OF CO, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 10/22/2013 (14JLD1448SE)	
Name (Printed/Typed) TERRI STATHEM	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 09/27/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ	Title PETROLEUM ENGINEER	Date 01/22/2014
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

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #221504 that would not fit on the form

32. Additional remarks, continued

Well held pressure therefore remediation plan would be to perf 5-1/2" casing and circ cmt - this would however prove to compromise the 5-1/2" casing integrity and is not recommended.

Cimarex proposes to monitor annulus pressure during completion operations. Pumper to check pressure gauges daily.

Conditions of Approval

Cimarex Energy Company

Sandy Federal – 20H

Sundry dated 09/27/2013 and submitted by Terri Stathem

API 3001541426, T23S-R30E, Sec 23

January 22, 2014

1. Operator shall provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record of the CBL taken 08/07/2013. The CBL may be attached to a pswartz@blm.gov email.
2. Conduct another Mechanical Integrity Test of the 9 5/8" x 5 1/2" casing annulus to be witness by the BLM.
3. Make arrangements 24 hours before the test for BLM to witness. In Eddy County email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902, if there is no response, 575-361-2822. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number.
4. The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with minimum 200 psig differential between the 5 1/2" and 9 5/8" casing pressures (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The production casing pressure may need to be reduced).
5. Document the pressure test on a one hour full rotation calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may require repairs.
6. Submit a subsequent Sundry Form 3160-5 relating the MIT activity with three copies to BLM. Include a copy of the recorded MIT pressure chart.
7. **The 9 5/8" x 5 1/2" casing annulus is required to be monitored for loss of casing integrity.**
A BLM inspector may request verification of a full annular fluid level at any time.
8. **Maintain the annulus full of packer fluid at atmospheric pressure.** Installation of equipment that will display continuous open to the air packer fluid level above the 9 5/8" x 5 1/2" annulus vent is required for this production well.
9. **Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902) within 30 days after production begins to arrange for approval of the annular monitoring system.**
10. Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
11. A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
12. Gain of annular fluid pressure requires notification within 24 hours. Within 30 days install equipment that will maintain a production casing pressure of 0 psia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.

EGF/PPS 012214