

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM27570
2. Name of Operator CIMAREX ENERGY COMPANY OF CO Contact: NATALIE E KRUEGER E-Mail: nkrueger@cimarex.com		6. If Indian, Allottee or Tribe Name
3a. Address 600 NORTH MARIENFELD STREET, SUITE 600 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-620-1936 Fx: 432-620-1940	7. If Unit or CA Agreement, Name and/or No. NMNM70984A
4. Location of Well (Footage, Sec., T, R, M, or Survey Description) Sec 28 T19S R33E SENW 1980FNL 1980FWL		8. Well Name and No. MADURO UNIT 5
		9. API Well No. 30-025-34121-00-S1
		10. Field and Pool, or Exploratory UNDESIGNATED Gem Morrow
		11. County or Parish, and State LEA 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 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 checked="" 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 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 Energy Co. of Colorado respectfully requests to dispose of water from the well above per the attached disposal information.

WATER PRODUCTION & DISPOSAL INFORMATION

1. Name(s) of all formation(s) producing water on this lease.
Gem; Morrow (Gas)

2. Amount of water produced from all formations in barrels per day.
0.3 bbl per day

3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, pH, and the concentrations of chlorides and sulfates.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Electronic Submission #114152 verified by the BLM Well Information System

For CIMAREX ENERGY COMPANY OF CO, sent to the Hobbs

Committed to AFMSS for processing by DEBORAH MCKINNEY on 08/02/2011 (11DLM0620SE)

Name (Printed/Typed) NATALIE E KRUEGER

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 07/29/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

ACCEPTED

DUNCAN WHITLOCK
Title LEAD PET

Date 08/20/2011

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 Hobbs

Kae AUG 26 2011

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 ****

Additional data for EC transaction #114152 that would not fit on the form

32. Additional remarks, continued

4. How water is stored on the lease.

1 300 bbl fiberglass tank

5. How water is moved to the disposal facility.

Trucked.

6. Identify the disposal facility by:

A. Facility Operators Name: Basin Alliance, LLC

B. Name of facility or well name and number: State AJ No. 1 SWD

C. Type of facility or well (WDW, WIW), etc.: SWD

D. Location by QtrQtr, Section, Township, and Range: SWNE 33-18S-36E

7. Attach a copy of the state-issued permit for the Disposal Facility.

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

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Disposal at any other site will require prior approval.
10. Subject to like approval by NMOCD.

6/17/2011

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8817
Order No. R-8166

APPLICATION OF POLLUTION CONTROL,
INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 5, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 7th day of March, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Pollution Control, Inc., is the owner and operator of the L & B Oil Company Inc. State "AJ" Well No. 1, located 2310 feet from the North and East lines (Unit G), of Section 33, Township 18 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) The applicant proposes to utilize said well to commercially dispose of produced salt water into the Abo, Wolfcamp and Devonian formations, with injection into the open hole interval from approximately 5,000 feet to 12,164 feet.

(4) The well is completed from the surface to the top of the open hole injection interval at 5,000 feet in a manner that should adequately serve to protect any fresh water aquifers.

(5) The injection should be accomplished through 2 7/8-inch plastic lined tubing installed in a packer set at approximately 4,950 feet; the casing-tubing annulus should be filled with an inert fluid; and a pressure gauge or approved

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leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(6) The injection well or system should be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1000 psi.

(7) Prior to commencing injection operations, the casing in the subject well should be pressure-tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.

(8) After commencing injection into the well, the operator should run an injection tracer survey in order to determine which formations are receiving the injected fluid.

(9) Should the injection well ever cease to take water on a vacuum, the operator should be required to run an additional injection tracer survey after notifying the supervisor of the Division's district office in Hobbs of the date and time of the test.

(10) The Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Abo, Wolfcamp and Devonian formations.

(11) The operator should notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the date and time of the mechanical integrity test and the injection tracer survey so that the same may be inspected and witnessed.

(12) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

(13) Approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Pollution Control, Inc., is hereby authorized to utilize its L & B Oil Company Inc. State "AJ" Well No. 1, located 2310 feet from the North and East lines in Unit G of Section 33, Township 18 South, Range 36 East, NMPM,

Lea County, New Mexico, to dispose of produced salt water into the Abo, Wolfcamp and Devonian formations, injection to be accomplished through 2 7/8-inch tubing installed in a packer set at approximately 4,950 feet, with injection into the open hole interval from approximately 5,000 feet to 12,164 feet;

PROVIDED HOWEVER THAT, the tubing shall be plastic-lined; the casing-tubing annulus shall be filled with an inert fluid; and a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) The injection well or system shall be equipped with a pressure limiting switch or other acceptable device which will limit the wellhead pressure on the injection well to no more than 1000 psi.

(3) Prior to commencing injection operations, the casing in the subject well shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.

(4) After commencing injection into the well, the operator shall run an injection tracer survey in order to determine which formations are receiving the injected fluid.

(5) Should the injection well ever cease to take water on a vacuum, the operator shall be required to run an additional injection tracer survey after notifying the supervisor of the Division's Hobbs district office of the date and time of such test.

(6) Copies of such tracer surveys shall be filed with both the Santa Fe and Hobbs offices of the Division.

(7) The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Abo, Wolfcamp and Devonian formations.

(8) The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the date and time of the mechanical integrity test and the injection tracer survey so that the same may be inspected and witnessed.

(9) The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the

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tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(10) The applicant shall conduct disposal operations and submit monthly reports in accordance with Rules 702, 703, 704, 705, 706, 708, and 1120 of the Division Rules and Regulations.

(11) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS,
Director

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