

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

FEB 17 2012

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No SOUTHERN CALIFORNIA 29 FEDERAL 15 |
| 2. Name of Operator CIMAREX ENERGY COMPANY OF CO Contact: ZENO FARRIS E-Mail: zfarris@cimarex.com | | 9. API Well No 30-025-39634-00-S1 |
| 3a. Address 600 NORTH MARIENFELD STREET, SUITE 600 MIDLAND, TX 79701 | 3b. Phone No. (include area code) Ph: 432-620-1938 Fx: 432-620-1940 | 10. Field and Pool, or Exploratory LUSK Bone Spring, N - |
| 4. Location of Well (Footage, Sec., T, R., M., or Survey Description) Sec 29 T19S R32E SWSW 375FSL 330FWL | | 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 requests approval for disposal of produced water from the above well per the attached Water Production and disposal information.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

| | |
|---|--------------------------------|
| 14. I hereby certify that the foregoing is true and correct Electronic Submission #130954 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 02/15/2012 (12DLM0272SE) | |
| Name (Printed/Typed) ZENO FARRIS | Title MANAGER OPERATIONS ADMIN |
| Signature (Electronic Submission) | Date 02/14/2012 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------------|--------------------------------|
| Approved By <i>J. D. Whitlock</i> | Title <i>LPE7</i> | Date 02/15/2012 |
| 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 <i>Hobbs</i> <i>CFO</i> |

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 ****

FEB 20 2012

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Name(s) of all formation(s) producing water on this lease.
Bone Spring
2. Amount of water produced from all formations in barrels per day.
80 bpd
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.
4. How water is stored on the lease.
1 500 bbl tank
5. How water is moved to the disposal facility.
Flowline
6. Identify the disposal facility by:
 - A. Facility Operator's Name: Cimarex Energy Co of Colorado
 - B. Name of facility or well name and number: LWDU WF Project R-10863 and WFX-738
 - C. Type of facility or well (WDW, WIW), etc.: WIW
 - D. Location by ¼ ¼, Section, Township, and Range: NWSW, SWNE 20, SENW 21, NENE, NWSE, 29 all in 19S-32E
7. Attach a copy of the state-issued permit for the Disposal Facility.

Submit 1 original and 5 copies within the required time frame with 3160-5. This form may be used as an attachment to the sundry notice.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 12, 1998

Pioneer Natural Resources U.S.A., Inc.
Attention: Todd M. Yocham
P. O. Box 3178
Midland, Texas 79702-3178

Paul J. Stogner

Re: *Addendum to Division Order R-10863 issued in Case 11704 and dated August 28, 1997 authorizing Parker and Parsley Development, L. P.'s (now Pioneer Natural Resources U.S.A., Inc.) Lusk West (Delaware) Unit Waterflood Project in Sections 20, 21, and 29, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.*

Dear Mr. Yocham:

Subsequent to the Division's review of: (i) the records in Case 11704; (ii) your supplemental information filed in January, March, and April, 1998; and, (iii) the well records on file in Hobbs and Santa Fe: Pioneer Natural Resources U.S.A., Inc. ("Pioneer") has provided sufficient data and explanation to satisfy the requirements pursuant to Ordering Paragraph No. (4) of the order; therefore, Pioneer is hereby authorized to commence it's the Lusk West (Delaware) Unit Waterflood Project with all other provisions of Order No. R-10863 remaining in effect.

Attached is a supplemental listing of the original wells approved by Order No. R-10863 showing for all of the wells approved for injection the Unit well name and number designations and, if applicable, API Numbers, well location changes, and actual injection intervals. Since Order No. R-10863 was issued two of these original wells will not be utilized as injection wells: (i) the Southern California Federal Well No. 4 (API No. 30-025-20877) located 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 29, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, will remain a Strawn producing well; and, (ii) the Southern California Federal Well No. 12, a new well to have been drilled 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 29, which was subsequently drilled as the Lusk West Delaware Unit Well No. 915 (API No. 30-025-34130) 450' FSL & 2000' FEL (Unit I) of said Section 29 was junked and abandoned. Both of these wells will be omitted from the attached supplemental listing.

The operator of the Lusk West (Delaware) Unit Waterflood Project shall remain liable, pursuant to the rules and regulations of the New Mexico Oil Conservation Division, for any possible escape of injected waters into other formations or onto the surface from injection, production, or plugged and abandoned wells.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
Lori Wrotenbery, Director - NMOCD, Santa Fe
File: Case 11704
David R. Catanach, UIC Director - NMOCD, Santa Fe

*Lusk West Delaware Unit Well No. 011
(API No. 30-025-34173)
1980' FS & WL (Unit K) of Section 20
Proposed Injection Interval: 6445' to 6457'
Max. Surface Injection Pressure: 1289 psig.*

*Lusk West Delaware Unit Well No. 909
(API No. 30-025-34283)
1980' FSL & 940' FEL (Unit I) of Section 29
Proposed Injection Interval: 6452' to 6464'
Max. Surface Injection Pressure: 1290 psig.*

*Lusk West Delaware Unit Well No. 915-Y
(API No. 30-025-34269)
450' FSL & 2050' FEL (Unit O) of Section 29
Injection Interval: 6434' to 6456'
Max. Surface Injection Pressure: 1287 psig.*

All in Township 19 South, Range 32 East, NMPM, West Lusk Delaware Unit Area, Lea County, New Mexico.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the West Lusk Delaware unitized injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the wells, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of the casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on each injection well to no more than 0.2 psi per foot of depth to the uppermost injection perforation.

The Director of the Division may authorize an increase in injection pressures upon a proper showing by the operator of the wells that such higher pressures will not result in migration of the injected fluid from the West Lusk Delaware unitized interval (see Division Order No. R-10863, issued in Case 11704 and dated August 28, 1997) that is within the designated and Undesignated West Lusk-Delaware Pool from approximately 6400 feet to 6450 feet.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing or packer in the wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

Administrative Order No. WFX-738
Pioneer Natural Resources U.S.A., Inc.
June 12, 1998
Page 3

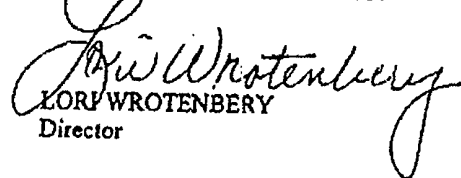
The subject wells shall be governed by all provisions of Division Order No. R-10863 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction is hereby retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 12th day of June, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: Case 11704



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87305
(505) 827-7131

ADMINISTRATIVE ORDER NO. WTX-738

***APPLICATION OF PIONEER NATURAL RESOURCES U.S.A., INC. TO EXPAND ITS
WATERFLOOD PROJECT IN THE WEST LUSK-DELAWARE POOL IN LEA COUNTY, NEW
MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-10863, issued in Case 11704 and dated August 28, 1997, Pioneer Natural Resources U.S.A., Inc. has made application to the Division on December 9, 1997 and January 15 and 26, 1998, for authorization to expand its Lusk West (Delaware) Unit Waterflood Project in the designated and Undesignated West Lusk-Delaware Pool in Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been filed in due form.
- (2) Satisfactory information has been provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection wells are eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced Lusk West (Delaware) Unit Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Pioneer Natural Resources U.S.A., Inc., be and the same is hereby authorized to inject water into the unitized interval (see Division Order No. R-10863, issued in Case 11704 and dated August 28, 1997) that is within the designated and Undesignated West Lusk-Delaware Pool from approximately 6400 feet to 6450 feet through 2-7/8 or 2-3/8 inch plastic lined tubing set in a packer located approximately 100 feet above the uppermost injection perforations in the four following described wells for purposes of secondary recovery to wit:

*Lusk West Delaware Unit Well No. 903
(API No. 30-025-34172)
990' FNL & 1880' FWL (Unit C) of Section 29
Injection Interval: 6438' to 6444'
Max. Surface Injection Pressure: 1288 psig.*

Addendum To
Exhibit "A"
Case No. 11704
Order No. R-10863

*Pioneer Natural Resources USA, Inc.
Water Injection Wells
Lusk West Delaware Unit Waterflood Project Area
Township 19 South, Range 32 East, NMPM, West Lusk-Delaware Pool, Lea County, New Mexico.*

| Well Name and Number | API Number | Footage Location | Unit | Section | Injection Interval | Type of Well |
|--|--------------|--|------|---------|--------------------|--------------|
| Lusk Deep Unit "A" Well #17 (Now the Lusk West Delaware Unit #001) | 30-025-30518 | 330' FN & EL | A | 20 | 6476-6484 | Conversion |
| Lusk Deep Unit "A" Well #12 (Now the Lusk West Delaware Unit #007) | 30-025-24869 | 1660' FNL & 2300' FEL | G | 20 | 6446-6467 | Conversion |
| Lusk Deep Unit "A" Well #14 (Now the Lusk West Delaware Unit #015) | 30-025-30490 | 330' FSL - 1980' FEL | O | 20 | 6452-6459 | Conversion |
| Lusk Deep Unit "A" Well #20 (Now the Lusk West Delaware Unit #009) | 30-025-30524 | 2310' FSL & 660' FEL | I | 20 | 6469-6487 | Conversion |
| Mobil Federal Well #1 (Now the Lusk West Delaware Unit #105) | 30-025-30439 | 1650' FNL & 330' FWL | E | 21 | 6469-6479 | Conversion |
| Amoco Federal Well #2 (Now the Lusk West Delaware Unit #103) | 30-025-30572 | 990' FNL & 1650' FWL | C | 21 | 6489-6503 | Conversion |
| Mobil Federal Well #4 (Now the Lusk West Delaware Unit #111) | 30-025-30791 | 2310' FSL - 1650' FWL | K | 21 | 6468-6476 | Conversion |
| S. A. Bowman Federal Well #5 (Now the Lusk West Delaware Unit #911) | 30-025-30165 | 2310' FSL & 2160' FWL | K | 29 | 6431-6446 | Conversion |
| Southern California Federal Well #6 (Now the Lusk West Delaware Unit #913) | 30-025-30094 | 990' FSL & 660' FWL | M | 29 | 6389-6399 | Conversion |
| Southern California Federal Well #10 (Now the Lusk West Delaware Unit #907) | 30-025-34132 | 2200' FNL - 1650' FEL 1980' FN & EL | G | 29 | 6434 - 6451 | New Drill |
| Southern California Federal Well #11 (Now the Lusk West Delaware Unit #901) | 30-025-34131 | 330' FN & EL 660' FN & EL | A | 29 | 6474 - 6478 | New Drill |

**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