Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB NO 1004-0135 Expires July 31, 2010

| | Expires | July |
|------------|---------|------|
| Lease Seri | al No | |
| NMNM1 | 24663 | |

| DUKEAU OF EAND MANAGEMENT | ac OUP | 5 | Lease |
|----------------------------------|--------|---|-------|
| NDRY NOTICES AND REPORTS ON WELL | 990 0 | | NMN |
| | | | |

SU Do not use this form for proposals to drill or to re-enter an

| 5. | If Indian, A | llottee | or Tribe | Name |
|----|--------------|---------|----------|------|

| abandoned we | II. Use form 3160-3 (APD) for s | uch proposals. | 2012 6. If Indian, All | ottee or Tribe Name |
|--|---|---|---------------------------|------------------------------|
| SUBMIT IN TRI | PLICATE - Other instructions o | n reverse side. | 7 If Unit or CA | N/Agreement, Name and/or No |
| | | RECEI | 8. Well Name a | nd No. |
| Type of Well ☐ Gas Well ☐ Oth | ner / | | | FEDERAL COM 4 |
| 2 Name of Operator Contact TERRI STATHEM CIMAREX ENERGY COMPANY OF Contact Stather Companies Com | | | | 726-00-X1 |
| 3a Address 600 NORTH MARIENFELD S MIDLAND, TX 79701 |) 10. Field and P LEA | 10. Field and Pool, or Exploratory LEA | | |
| 4 Location of Well (Footage, Sec., 7 | , R, M, or Survey Description) | | II County or I | Parish, and State |
| Sec 23 T20S R34E NWNE 32 | 26FNL 1727FEL | | LEA COU | NTY, NM |
| 12. CHECK APPI | ROPRIATE BOX(ES) TO INDIC | CATE NATURE OF | NOTICE, REPORT, OR C | THER DATA |
| TYPE OF SUBMISSION | | ТҮРЕ О | F ACTION | |
| Notine of leases | ☐ Acidize ☐ | Deepen | Production (Start/Resur | ne) Water Shut-Off |
| Notice of Intent | Alter Casing | Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Subsequent Report | . – | New Construction | Recomplete | Other |
| ☐ Final Abandonment Notice | . — – | Plug and Abandon | Temporarily Abandon | Change to Original A |
| u | , | Plug Back | Water Disposal | PD |
| Proposed Csg/Cmt Plan - 1)Intermediate Cement Desig a. Setting Depth. 5,480' b 1st stage cement. Lead 27t c. DV tool and ACP set at 3,5d d. 2nd stage cement: 1,000 se 2) Production Casing Design a. 5-1/2" 17# P110 BTC from b. 5-1/2" 17# P110 LTC from 3) Production Casing Centrali | 5 sacks, 12.9 ppg, 1.88 cuft/sk; To 00' acks 12.9 ppg, 1 88 cuft/sk Change TD to 9,000' (5,070') 9,000' to surface SEE ATT zation | ail 350 sacks, 14 8 pp ACHED FOR | og, 1 33 cuft/k OVAL | ROVED 2012 |
| 14 Thereby certify that the foregoing is | strue and correct Electronic Submission #156335 v For CIMAREX ENERGY C nmitted to AFMSS for processing b | erified by the BLM We | Il Information System and | OF LAND MANAGEMENT |
| Con | For CIMAREX ENERGY C | OMPANY OF CO, sent | to the Hobbs BUKEA | ALSBAU. |
| Name (Printed/Typed) TERRI ST | ATHEM | Title REGUL | ATORY ANALYST | |
| 37 / | | | | |
| Signature (Electronic S | Submission) | Date 10/25/2 | 012 | |
| | THIS SPACE FOR FED | ERAL OR STATE | OFFICE USE | |
| Approved By EDWARD FERNAN | DEZ | TitlePETROLE | EUM ENGINEER | Date 11/01/2012 |
| Conditions of approval, if any, are attache ertify that the applicant holds legal or equivinch would entitle the application ondi | untable title to those rights in the subject luck operations thereon | Office Hobbs | | |
| Title 18 U S C Section 1001 and Title 43 States any false, fictitious or fraudulent | USC Section 1212, make it a crime for statements or representations as to any m | | | ment or agency of the United |

Additional data for EC transaction #156335 that would not fit on the form

32. Additional remarks, continued

a No centralization in the lateral

Lynch 23 Federal #4H

Production Casing Centralization

- a. Centralizers every 4th joint in vertical hole to planned TOC @ 5100'.
- b. Centralizers every joint in curve
- c. No centralizers in lateral

SEE ATTACHED FOR CONDITIONS OF APPROVAL

CONDITIONS OF APPROVAL

Sundry dated 10/25/2012

OPERATOR'S NAME: CIMAREX ENERGY

LEASE NO.: | NM28880

WELL NAME & NO.: | 4-LYNCH 23 FEDERAL COM

SURFACE HOLE FOOTAGE: 0326'/N. & 1727'/E. BOTTOM HOLE FOOTAGE 0330'/S. & 1980'/E.

LOCATION: Section 23, T. 20 S., R. 34 E., NMPM

COUNTY: Lea County, New Mexico

Original COA still applies with the following changes:

- 1. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - a. First stage to DV tool:
 - Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.
 - b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

The pilot hole plugging procedure is approved as written. <u>Production Casing Centralization approved as written</u>

- 2. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - ⊠ Cement as proposed. Operator shall provide method of verification.

EGF 110112