

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 OCT

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

AUG 13 2013

5. Lease Serial No.
NMNM3622

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
8910124020

8. Well Name and No.
PIPELINE DEEP UNIT 17 FEDERAL 02

9. API Well No.
30-025-37194-00-S1

10. Field and Pool, or Exploratory
QUAIL RIDGE *Bone Spring*

11. County or Parish, and State
LEA COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
CIMAREX ENERGY COMPANY OF CO
Contact: TERRI STATHEM
E-Mail: tstatthem@cimarex.com

3a. Address
600 NORTH MARIENFELD STREET, SUITE 600
MIDLAND, TX 79701

3b. Phone No. (include area code)
Ph: 918-295-1763

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 17 T19S R34E SWNW 1450FNL 1200FWL

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 checked="" 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 Co. respectfully requests approval to plugback the Pipeline Deep Unit 17 Federal #2 according to the following procedure:

- MIRU. Abandon Morrow perfs (13228-13235). RIH w/ CIBP & set @ 13178'.
- Mix & pump-35'-of-cmt on top of plug.
- Pressure test casing.
- RIH & perf Bone Spring @ 9430-10002'.
- Acidize Bone Spring w/ 5000 gals 15% NEFE acid.
- Return well to production.

SUBJECT TO LIKE APPROVAL BY STATE

always include current & proposed well bore diagrams

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

Electronic Submission #211417 verified by the BLM Well Information System
For CIMAREX ENERGY COMPANY OF CO, sent to the Hobbs
Committed to AFMSS for processing by KURT SIMMONS on 07/12/2013 (134MS2407SE)

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Name (Printed/Typed) TERRI STATHEM Title COORDINATOR REGULATORY COMPLIA

Signature (Electronic Submission) Date 06/24/2013

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____

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 *KC* **BUREAU OF LAND MANAGEMENT**
CARLSBAD FIELD OFFICE

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 ****

CONDITION OF APPROVAL: Approval for Drilling ONLY. CANNOT produce without the OCD Santa Fe approval for Non-Standard Location.

PDF 8/12/13
DEC 06 2014

Conditions of Approval

**Cimarex Energy Company
Pipeline Deep Unit 17 Federal 2
API 30-025-37194
T19S-R34E, Sec 17
August 12, 2013**

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by November 12, 2013.

- 1. Operator shall place a CIBP at 13,178' and place a minimum of 25 sx of Class H cement on top. Tag at approximately 12,972' required. Tag to be witnessed by BLM.**
- 2. Operator shall place a balanced Class H cement plug from 12,853'-12,625' to isolate the top of the Morrow formation.**
- 3. Operator shall place a balanced Class H cement plug from 11,211'-11,000' to isolate the top of the Wolfcamp formation.**
4. Subject to like approval by the New Mexico Oil Conservation Division.
5. Surface disturbance beyond the existing pad must have prior approval.
6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
7. Functional H₂S monitoring equipment shall be on location.
8. A minimum of 5000 (5M) BOPE shall be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (5M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
10. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
11. **Operator shall submit a sundry to remove “unit” from the name. This is to remove wellbore from unit.**
12. **See attached for general requirements.**
13. **Submit subsequent sundry required detailing work done and completion report for the new formation. Operator to include well bore schematic of current well condition when work is complete.**
14. **Operator shall file a non-standard location for Bone Springs and the BLM will require a Communitization agreement when well spacing is established.**

JAM 081213

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

General Requirements

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement.

Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.