

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

HOBBS OCD

14-609

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.

5. Lease Serial No.
NMNM127894

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
DIAMONDTAIL 23 FEDERAL 004H

2. Name of Operator
CIMAREX ENERGY CO
Contact: MICHELLE CHAPPELL
E-Mail: mchappell@cimarex.com

9. API Well No.
30-025-40770

3a. Address
600 N. MARIENFELD STREET, SUITE 600
MIDLAND, TX 79701
3b. Phone No. (include area code)
Ph: 432-620-1959
Fx: 432-620-1940

10. Field and Pool, or Exploratory
DIAMONDTAIL; BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 23 T23S R32E NENW 330FNL 1955FWL
32.296561 N Lat, 103.647614 W Lon

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 checked="" 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 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. would like to respectfully request permission to add 4 - 500 bbl water tanks for the purpose of moving all of the extra water from this lease. We would like to add these tanks on the existing pad at the 4H well, so we will not disturb any additional land. These tanks will be inside a Falcon containment, along with electronics/alarms/scada, a water transfer pump, lightning protection, and possibly some chemical treatment. The water in these tanks will initially be produced/flowback water from the Diamondtail lease. That water will then be pumped over to our Thyme trunk line and continue on to the Thyme SWD. We would also like to lay a 6" buried high pressure (MAOP of 300#)SWD line. It will be approximately 1218' and will follow the lease road all in Section 23, T23S, R32E and will run from the battery to the 10" Thyme trunk line (see attached plat).

We currently have a 4" surface line that ties into the Thyme trunk line. After everything is

Surface OK - see Attached COA's. R 3/5/14

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

Electronic Submission #234769 verified by the BLM Well Information System
For CIMAREX ENERGY CO, sent to the Hobbs
Committed to AFMSS for processing by JERRY BLAKLEY on 02/13/2014 ()

Name (Printed/Typed) MICHELLE CHAPPELL

Title REGULATORY TECHNICIAN

Signature (Electronic Submission)

Date 02/06/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Stephen J. Coffey

Title

FOA FIELD MANAGER

MAR

6 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 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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

MSB/OCD 4/11/2014

APR 4 2014

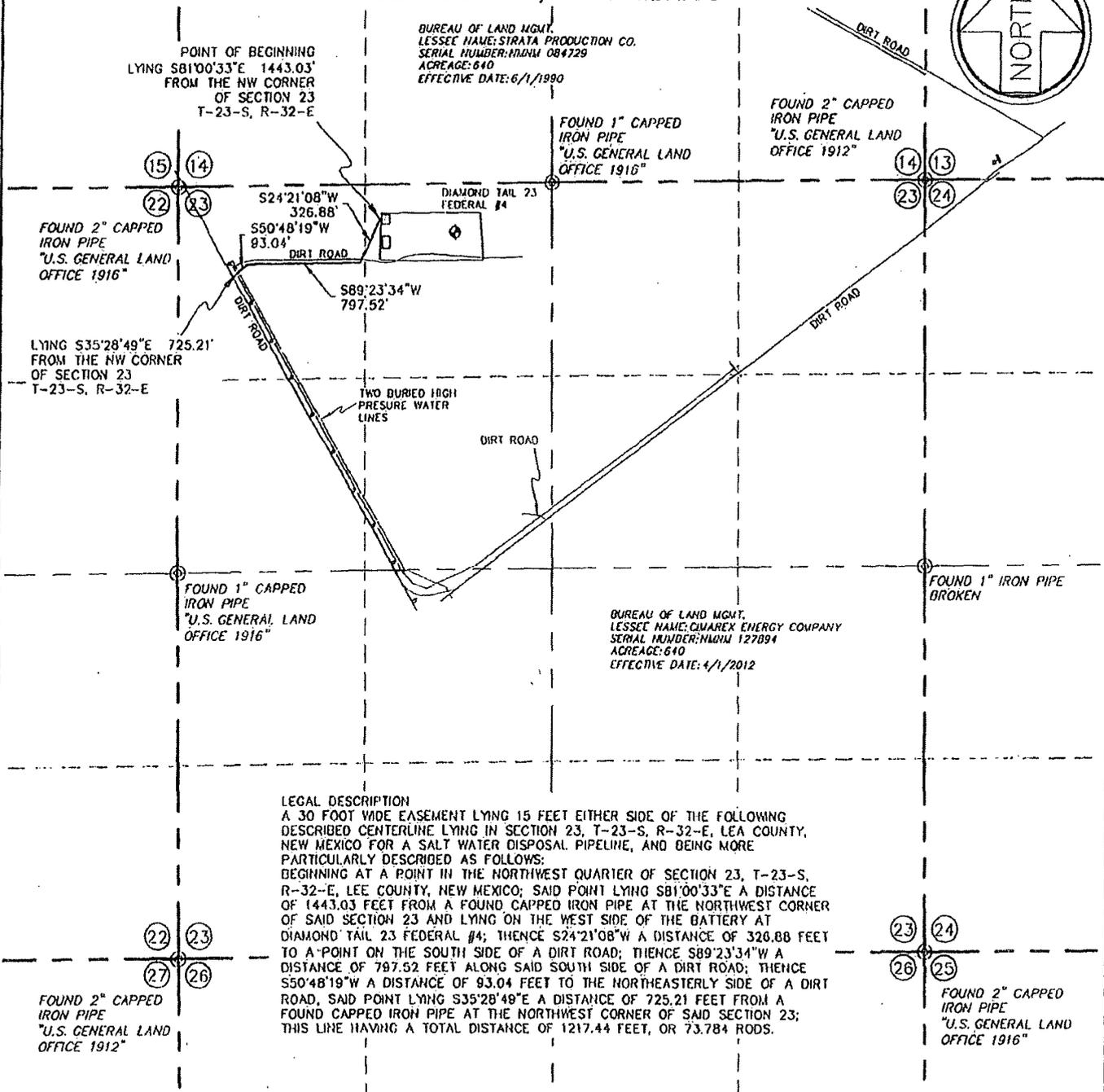
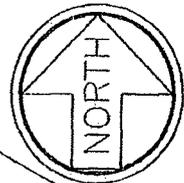
Additional data for EC transaction #234769 that would not fit on the form

32. Additional remarks, continued

approved and installed we would like to re-purpose the tanks to take water out of the Thyme trunk through the 4" line and then "boost" the pressure of the water with the new water pump. The water would then re-enter the Thyme trunk line through the buried 6" line and travel to the Thyme SWD.

Cimarex Energy Co is a participant of the Permian Basin MOA. If any payment or clearance is required it will follow. Construction will begin upon approval of this application.

SECTION 23, TOWNSHIP 23 SOUTH, RANGE 32 EAST
LEA COUNTY, NEW MEXICO



LEGAL DESCRIPTION
 A 30 FOOT WIDE EASEMENT LYING 15 FEET EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE LYING IN SECTION 23, T-23-S, R-32-E, LEA COUNTY, NEW MEXICO FOR A SALT WATER DISPOSAL PIPELINE, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT A POINT IN THE NORTHWEST QUARTER OF SECTION 23, T-23-S, R-32-E, LEE COUNTY, NEW MEXICO; SAID POINT LYING S81°00'33"E A DISTANCE OF 1443.03 FEET FROM A FOUND CAPPED IRON PIPE AT THE NORTHWEST CORNER OF SAID SECTION 23 AND LYING ON THE WEST SIDE OF THE BATTERY AT DIAMOND TAIL 23 FEDERAL #4; THENCE S24°21'08"W A DISTANCE OF 326.88 FEET TO A POINT ON THE SOUTH SIDE OF A DIRT ROAD; THENCE S89°23'34"W A DISTANCE OF 797.52 FEET ALONG SAID SOUTH SIDE OF A DIRT ROAD; THENCE S50°48'19"W A DISTANCE OF 93.04 FEET TO THE NORTHEASTERLY SIDE OF A DIRT ROAD, SAID POINT LYING S35°28'49"E A DISTANCE OF 725.21 FEET FROM A FOUND CAPPED IRON PIPE AT THE NORTHWEST CORNER OF SAID SECTION 23; THIS LINE HAVING A TOTAL DISTANCE OF 1217.44 FEET, OR 73.784 RODS.

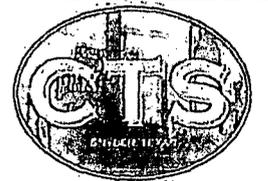
CINAREX ENERGY CO.

SWD LINE FROM DIAMOND TAIL 23 FEDERAL #4 TO DIRT ROAD

I, Raymond R. Williams, New Mexico Professional Land Surveyor 20781, do hereby certify that this survey map is a true and accurate representation of the easement described hereon, and that the Survey performed on 12/27/13 was not a Boundary Survey.

Raymond R. Williams 1-17-14
 RAYMOND R. WILLIAMS, PS (NM 20781)

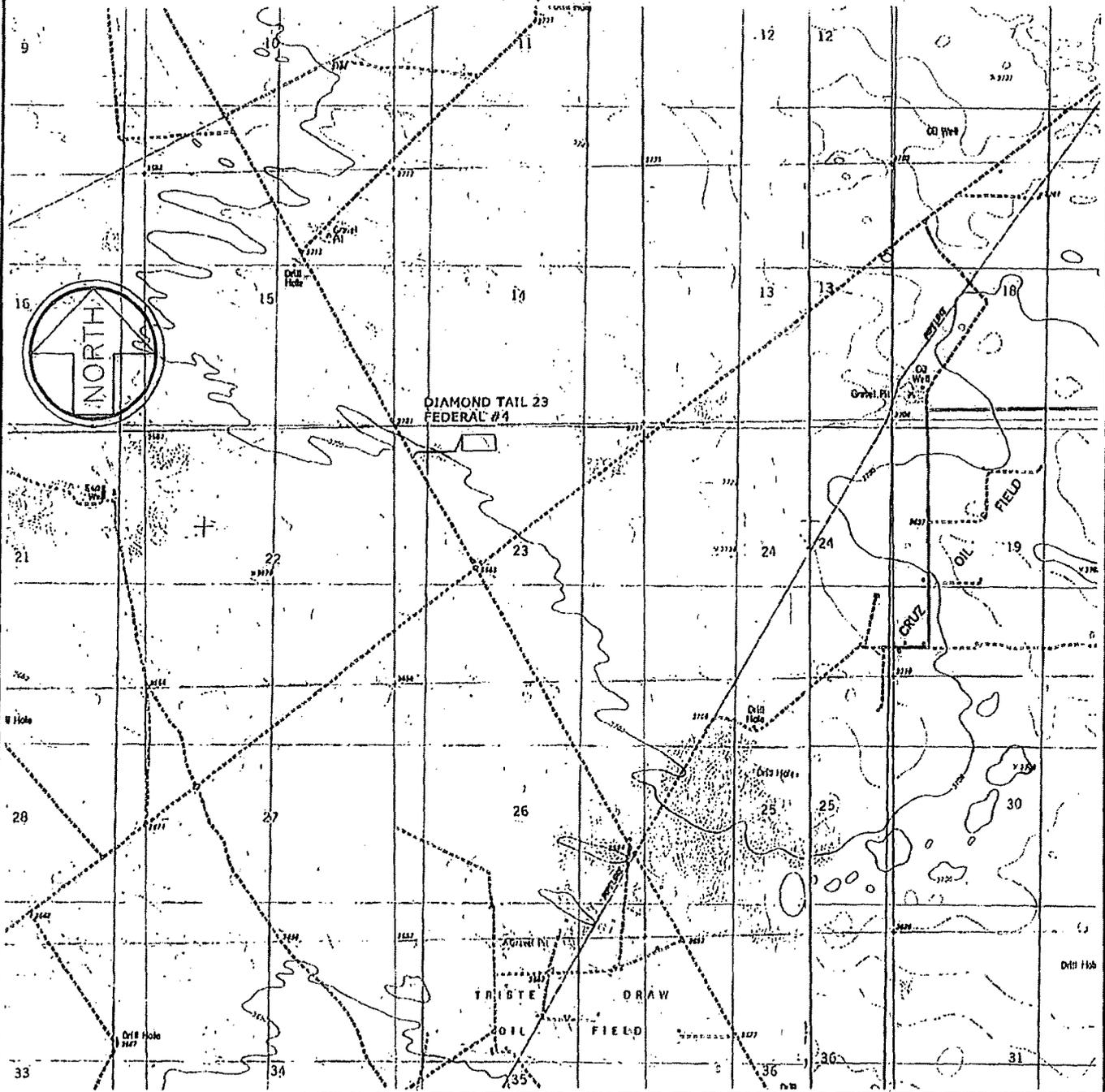
THIS DRAWING IS NOT VALID UNLESS BEARING AN ORIGINAL SIGNATURE, DATE AND EMBOSSED SURVEYOR'S SEAL. BEARINGS ARE BASED ON NEW MEXICO STATE PLANE COORDINATE SYSTEM NAD 83 (2011) NEW MEXICO ZONE (3001). THIS SURVEY IS VALID FOR THIS TRANSACTION ONLY. ©2014, CONSTRUCTION AND TURNAROUND SPECIALIST, INC. (TX FIRM #10177400)



CTS SURVEYING & MAPPING
 2610 COLLEGE AVENUE
 SHANDER, TX 79549
 PHONE (325)573-5500
 FAX (325)573-5502

2013-0968 DATE 1/17/2014
 SCALE 1"=1000' SHEET 2 OF 2

SECTIONS 13, 14, 23 & 24 TOWNSHIP 23 SOUTH, RANGE 32 EAST
LEA COUNTY, NEW MEXICO

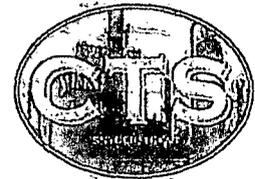


CINAREX ENERGY CO.

SWD LINE FROM DIAMOND TAIL 23 FEDERAL #4 TO DIRT ROAD

SITE MAP

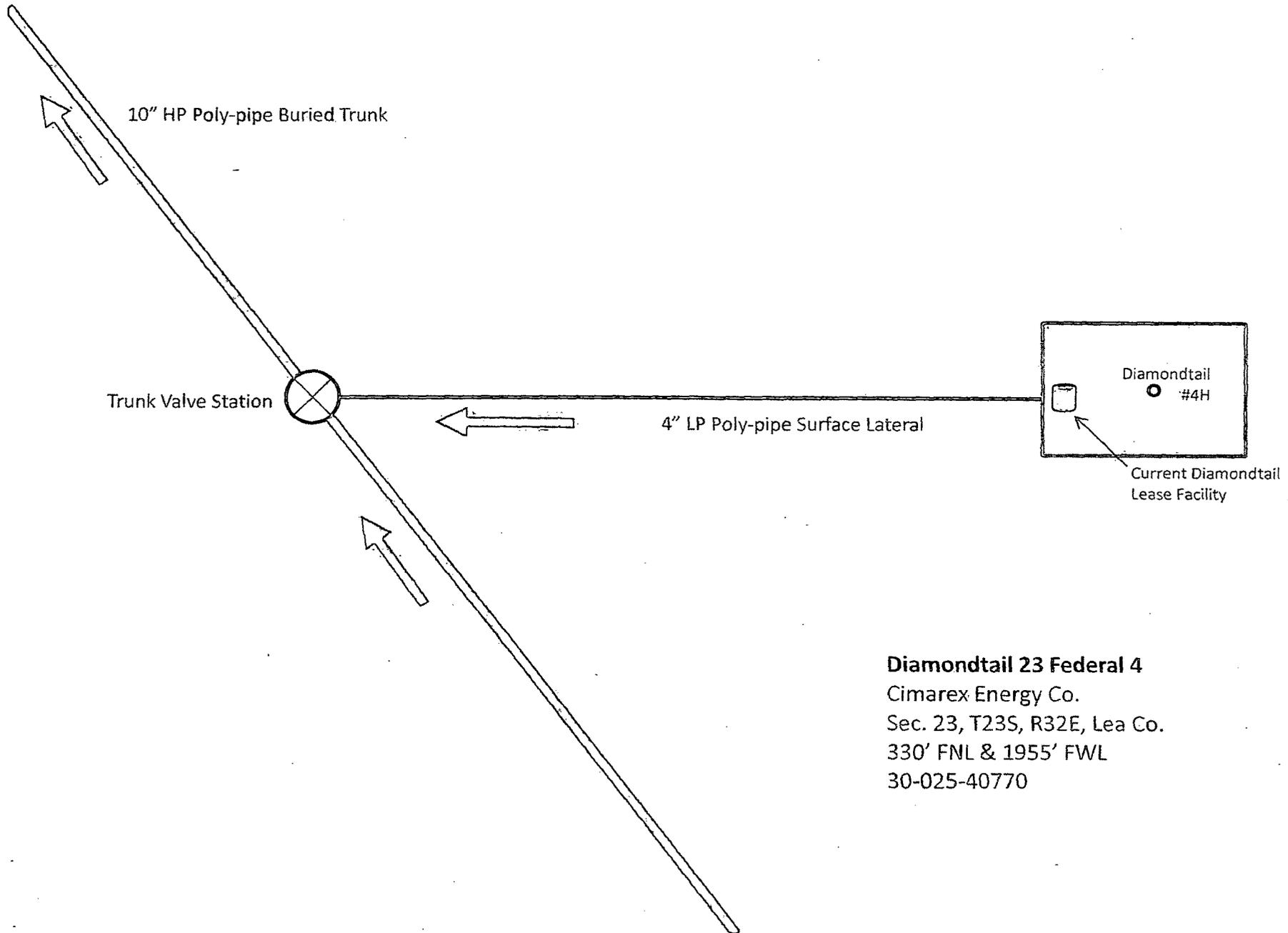
USING U.S. DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY
BOOTLEG RIDGE AND TIP TOP WELLS QUADRANGLES
NEW MEXICO - LEA COUNTY
7.5 MINUTE SERIES, 1984



CTS SURVEYING & MAPPING
2810 COLLEGE AVENUE
SHYDER, TX 79549
PHONE (325)573-5500
FAX (325)573-5502

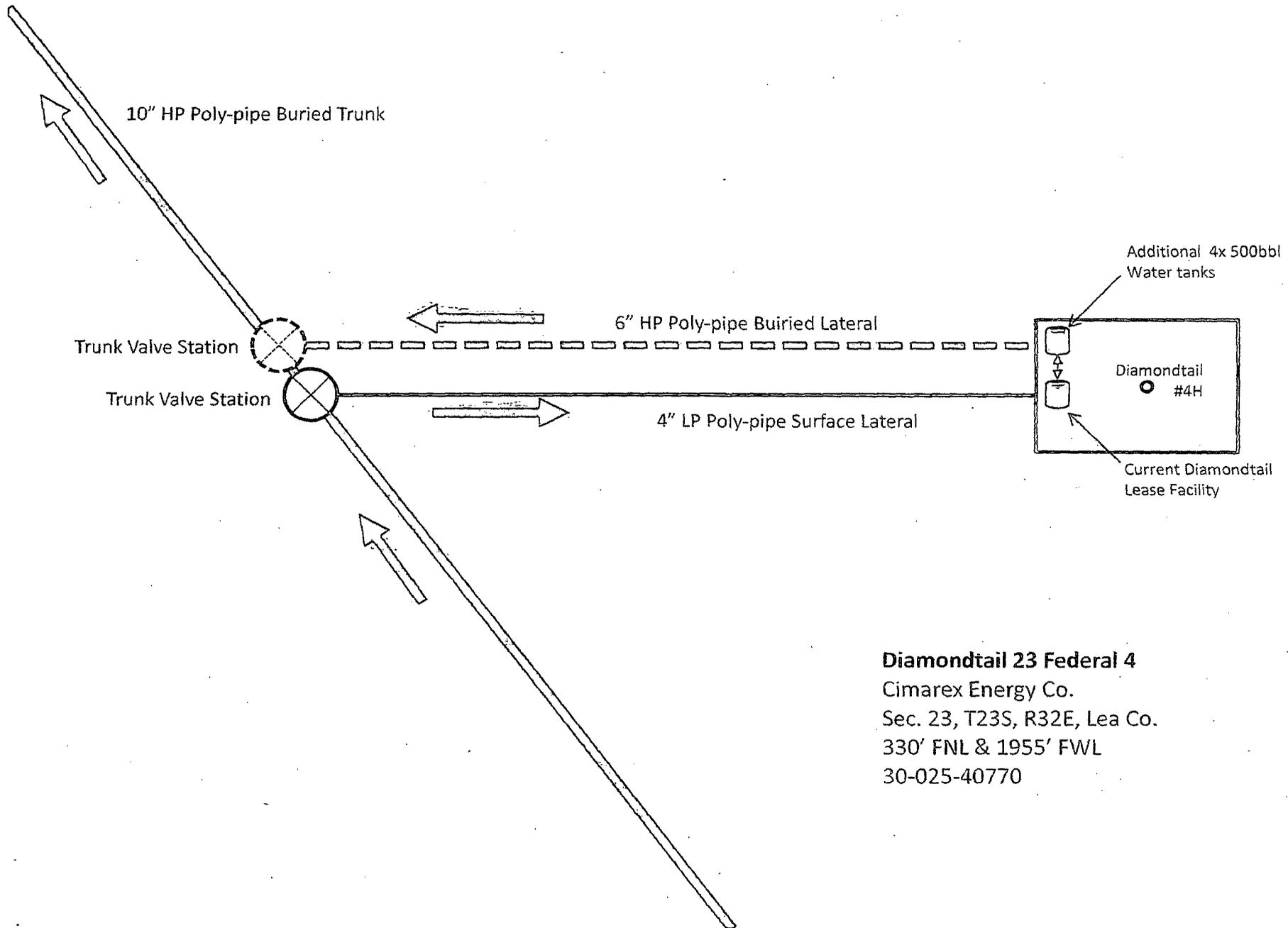
NO 2013-0968 DATE 1/17/14
SCALE 1"=3000' SHEET 1 OF 2

Current SWD System



Diamondtail 23 Federal 4
Cimarex Energy Co.
Sec. 23, T23S, R32E, Lea Co.
330' FNL & 1955' FWL
30-025-40770

Updated SWD System



Diamondtail 23 Federal 4
Cimarex Energy Co.
Sec. 23, T23S, R32E, Lea Co.
330' FNL & 1955' FWL
30-025-40770

BLM LEASE NUMBER: NMNM127894

COMPANY NAME: Cimarex Energy Company

ASSOCIATED WELL NAME: Diamondtail 23 Federal #4H

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration

other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

BLM Serial #: NMNM127894
Company Reference: Cimarex Energy Company

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed