

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

NOV 17 2014

RECEIVED

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

5. Lease Serial No. NNMN3622
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. SCOUT 18 FEDERAL 001
9. API Well No. 30-025-37890
10. Field and Pool, or Exploratory TONTO; YATES-7 RIVERS
11. County or Parish, and State LEA COUNTY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well [X] Oil Well [] Gas Well [] Other
2. Name of Operator CIMAREX ENERGY COMPANY Contact: LEXIE LAVALLEY E-Mail: llavalley@cimarex.com
3a. Address 600 N MARENFELD ST SUITE 600 MIDLAND, TX 79701
3b. Phone No. (include area code) Ph: 432-620-1936
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T19S R34E 1800FSL 410FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

Table with 2 columns: TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 recomplate 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 recomplate 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 the approval for water disposal;

Name of formation: yates

BWPD: 2

Water stored: 2 ea. 500 bbl water tanks

Water is truck to water disposal facility

Disposal facility info:

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #256360 verified by the BLM Well Information System For CIMAREX ENERGY COMPANY, sent to the Hobbs Committed to AFMSS for processing by LINDA DENNISTON on 08/15/2014 ()

Name (Printed/Typed) LEXIE LAVALLEY Title REGULATORY ANALYST
Signature (Electronic Submission) Date 08/08/2014

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

NOV 12 2014

Approved By [Signature] Title [Signature] Date [Signature]
Office JAMES A. AMOS SUPERVISOR-EPS

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.

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 **

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Additional data for EC transaction #256360 that would not fit on the form

32. Additional remarks, continued

Basin Alliance LLC
State AJ #1
2310 FNL 2310 FEL sec. 33 18s 36e
SWD- 168776

SWD 119

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. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. 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.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14