Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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

OCD Hobbs

SUBMIT IN TRIPLICATE - Other instructions on page

DEC 05 2019

RECEIVED

5. Lease Serial No.
NMNM 105539

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
JAMES 20-29 FEDERAL 37H

2. Name of Operator
CIMAREX ENERGY COMPANY
Contact: HOPE KNAULS
E-Mail: hknauls@cimarex.com

9. API Well No.
30-025-45602-00-X1

3a. Address
600 N. MARIENFELD SUITE 600
MIDLAND, TX 79701

3b. Phone No. (include area code)
Ph: 918-585-1100

10. Field and Pool or Exploratory Area
BONE SPRINGS

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 20 T23S R32E NWNW 400FNL 855FWL
32.296174 N Lat, 103.702441 W Lon

11. County or Parish, State
LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 respectfully requests approval to change the production casing in the vertical portion of the hole from 5-1/2? to 7?.

Please see revised Drilling and Cement plan.

Thank you,

All previous Conditions of Approval still apply. DR

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

Electronic Submission #493640 verified by the BLM Well Information System
For CIMAREX ENERGY COMPANY, sent to the Hobbs
Committed to AFMSS for processing by CANDY VIGIL on 11/26/2019 (20CV0005SE)

Name *(Printed/Typed)* HOPE KNAULS — Title REGULATORY TECHNICIAN

Signature (Electronic Submission) — Date 11/25/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DYLAN ROSSMANGO — Title PETROLEUM ENGINEER — Date 11/26/2019

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 Hobbs

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

1. Geological Formations

TVD of target 10,550
MD at TD 20,441

Pilot Hole TD N/A
Deepest expected fresh water

Formation	Depth (TVD) from KB	Water/Mineral Bearing/Target Zone	Hazards
Rustler	1160	N/A	
Salado	2260	N/A	
Castille	3260	N/A	
Base of Salt	4510	N/A	
Delaware Sands	4720	Hydrocarbons	
Bone Spring	8500	Hydrocarbons	
Avalon Shale	9050	Hydrocarbons	
Avalon Target	9345	Hydrocarbons	
1st Bone Spring Sand	9650	Hydrocarbons	

2. Casing Program

Hole Size	Casing Depth From	Casing Depth To	Setting Depth TVD	Casing Size	Weight (lb/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17 1/2	0	1210	1210	13-3/8"	48.00	H-40/J-55 Hybrid	ST&C	1.34	3.12	5.54
12 1/4	0	4700	4700	9-5/8"	36.00	J-55	LT&C	1.08	1.41	2.68
8 3/4	0	10107	10107	7"	26.00	L-80	BT&C	1.14	1.53	3.37
8 3/4	10107	20441	10550	5-1/2"	17.00	L-80	BT&C	1.27	1.57	52.72
					BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet

TVD was used on all calculations.
All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	N
Is well within the designated 4 string boundary.	N
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	N
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	N
Is 2nd string set 100' to 600' below the base of salt?	N
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	N
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	N
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	N
Is AC Report included?	N

3. Cementing Program

Casing	# Sks	Wt. lb/gal	Yld ft3/sack	H2O gal/sk	500# Comp. Strength (hours)	Slurry Description
Surface	587	13.50	1.72	9.15	15.5	Lead: Class C + Bentonite
	157	14.80	1.34	6.32	9.5	Tail: Class C + LCM
Intermediate	880	12.90	1.88	9.65	12	Lead: 35:65 (Poz:C) + Salt + Bentonite
	275	14.80	1.34	6.32	9.5	Tail: Class C + LCM
Production	289	10.30	3.64	22.18		Lead: Tuned Light + LCM
	1494	14.20	1.30	5.86	14:30	Tail: 50:50 (Poz:H) + Salt + Bentonite + Fluid Loss + Dispersant + SMS

Casing String	TOC	% Excess
Surface	0	45
Intermediate	0	51
Production	4500	25

Cimarex request the ability to perform casing integrity tests after plug bump of cement job.

4. Pressure Control Equipment

	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size	Min Required WP	Type		Tested To
12 1/4	13 5/8	2M	Annular	X	50% of working pressure
			Blind Ram		2M
			Pipe Ram		
			Double Ram	X	
			Other		
8 3/4	13 5/8	3M	Annular	X	50% of working pressure
			Blind Ram		3M
			Pipe Ram		
			Double Ram	X	
			Other		

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.	
X	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.	
	N	Are anchors required by manufacturer?

5. Mud Program

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0' to 1210'	FW Spud Mud	8.30 - 8.80	30-32	N/C
1210' to 4700'	Brine Water	9.70 - 10.20	30-32	N/C
4700' to 20441'	Cut Brine or OBM	8.50 - 9.00	27-70	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing	
X	Will run GR/CNL fromTD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
	No logs are planned based on well control or offset log information.
	Drill stem test?
	Coring?

Additional Logs Planned	Interval

7. Drilling Conditions

Condition	
BH Pressure at deepest TVD	4937 psi
Abnormal Temperature	No

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

X	H2S is present
X	H2S plan is attached

8. Other Facets of Operation

9. Wellhead

A multi-bowl wellhead system will be utilized.

After running the 13-3/8" surface casing, a 13 5/8" BOP/BOPE system with a minimum working pressure of 3000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 3000 psi test. Annular will be tested to 50% of working pressure. The pressure test will be repeated at least every 30 days, as per Onshore Order No. 2.

The multi-bowl wellhead will be installed by vendor's representative. A copy of the installation instructions has been sent to the BLM field office.

The wellhead will be installed by a third-party welder while being monitored by the wellhead vendor representative.

All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type.

A solid steel body pack-off will be utilized after running and cementing the intermediate casing. After installation the pack-off and lower flange will be pressure tested to 3000 psi.

All casing strings will be tested as per Onshore Order No.2 to atleast 0.22 psi/ft or 1,500 whichever is greater and not to exceed 70% of casing burst.

If well conditions dictate conventional slips will be set and BOPE will be tested to appropriate pressures based on permitted pressure requirements.