

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
MAR 07 2011
HOBBSOCD

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well ☐ Oil Well ☐ Gas Well ☒ Other		5. Lease Serial No. NM-052
2. Name of Operator Cimarex Energy Co. of Colorado		6. If Indian, Allottee or Tribe Name
3a. Address 600 N. Marienfeld St., Ste. 600; Midland, TX 79701	3b. Phone No. (include area code) 432-571-7800	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 34-19S-34E		8. Well Name and No. Mallon 34 Frac Pit
		9. API Well No. NA
		10. Field and Pool, or Exploratory Area NA
		11. County or Parish, State Lea County, NM

12. CHECK 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	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>Build Fresh Water</u>
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	<u>Frac Pit</u>
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included 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 proposes to construct a 600 X 300' X 10' fresh water frac pit on our Mallon 34 lease as shown on attached plat and topo. Pit will service Cimarex operated Bone Spring wells in the area including the Lynch 23 Fed 1,2; Quail Ridge 32 St 3,4; Mallon 35 Fed 5,6,7; Mallon 34 Fed 20 and Chaparral 33 Fed Com 3,4,5,6 wells in sections 23-20S-34E, 32-19S-34E, 34, 35-19S-34E, and 33-19S-34E, respectively. Pit floor will be lined with Geofoam or caliche to protect against rocks if any and 12 mil plastic liner. Pit will be fenced with a 4 wire barb wire fence with a 12' gate at the northwest corner of the pit. Fast lines/or trucks will be utilized along existing roads and corridors to fill the pit with fresh water and transfer lines will utilize existing corridors to transfer water to the wells for fracing. Cimarex will meet with the BLM surface specialist to determine route for fast lines and water transfer lines prior to laying. When drilling has ceased in the pit area will be reclaimed, contoured, and reseeded per BLM specifications. See attached well service map. 30-025-37667 30-025-36403

Arch survey has been ordered.

30-025-37703
30-025-40040
30-025-40041

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Zeno Farris

Signature

Zeno Farris

Title

Manager Operations Administration

Date

February 11, 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Don Peterson

Title

Office

Date

MAR 2 2011

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.

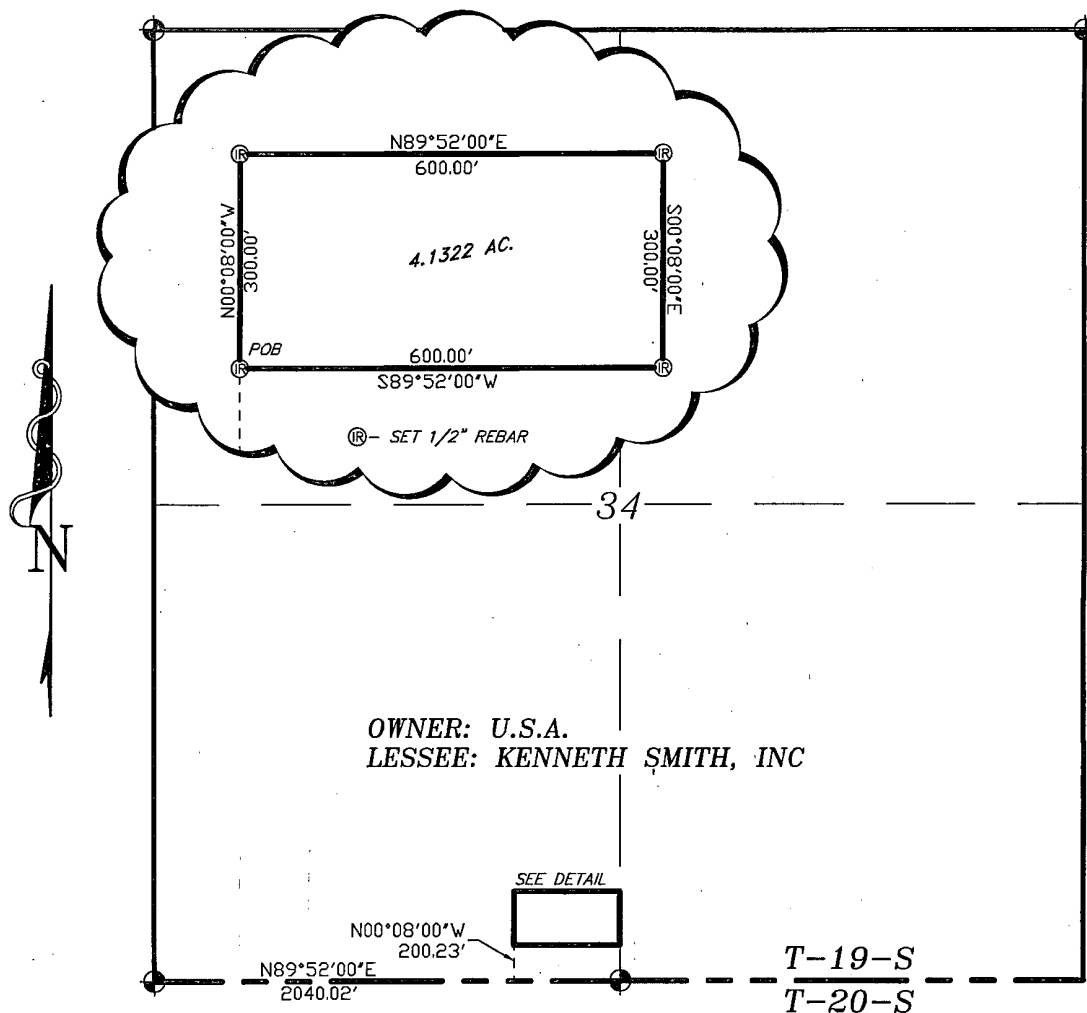
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001, makes 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 reverse)

Call

**SECTION 34, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**

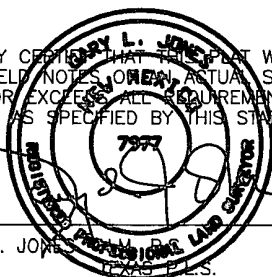


OWNER: U.S.A.
LESSEE: KENNETH SMITH, INC

LEGAL DESCRIPTION:

A TRACT OF LAND LOCATED IN SECTION 34, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT WHICH LIES N.89°52'00"E., 2040.02 FEET AND N.00°08'00"W., 200.23 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 34; THENCE N.00°08'00"W., 300.00 FEET; THENCE N.89°52'00"E., 600.00 FEET; THENCE S.00°08'00"E., 300.00 FEET; THENCE S.89°52'00"W., 600.00 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 4.1322 ACRES, MORE OR LESS.

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES, ON A SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES, Surveyor
No. 7977
No. 5074



CIMAREX ENERGY CO. OF COLORADO

REF: PROPOSED FRAC PIT

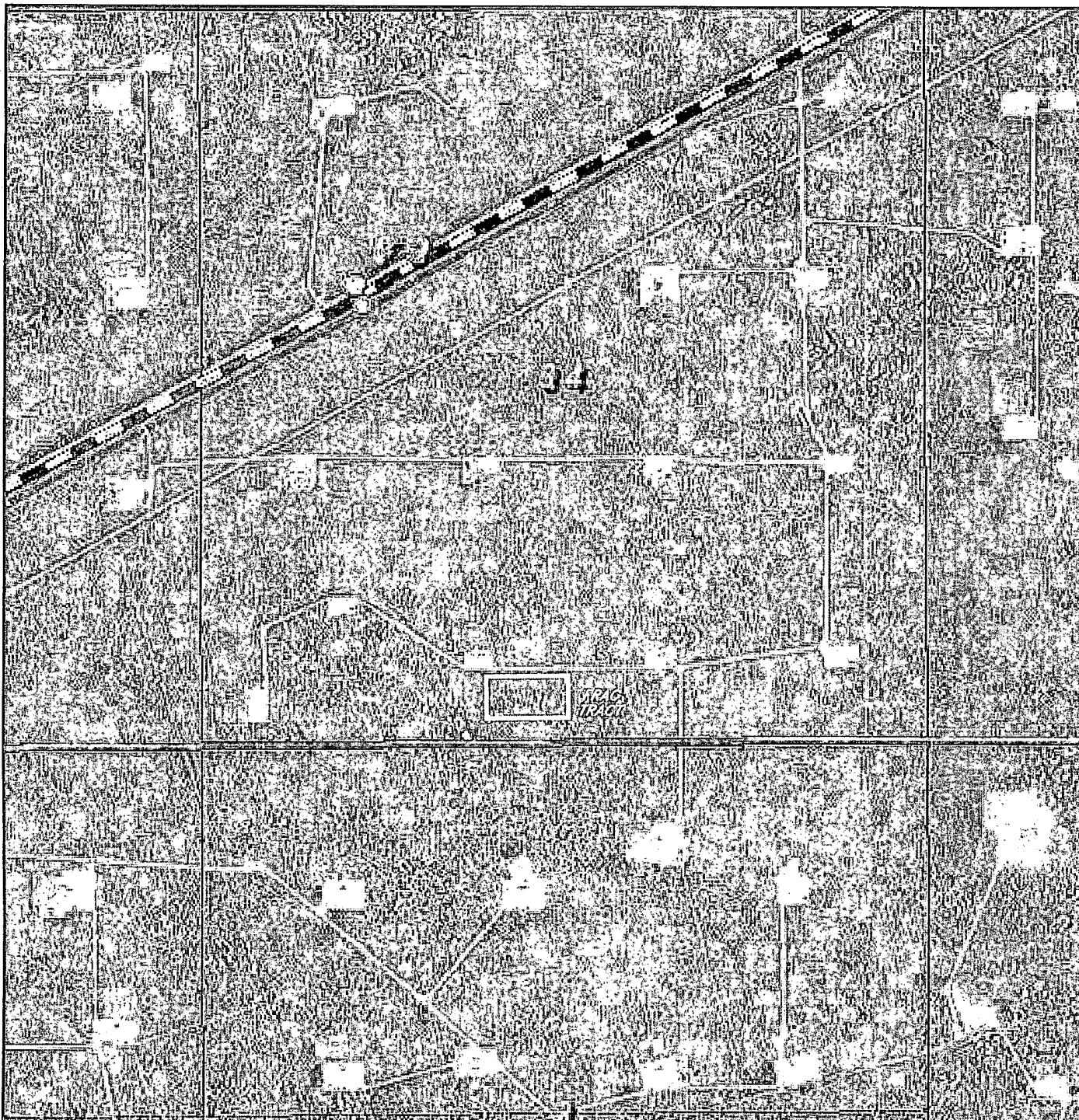
A TRACT OF LAND IN
SECTION 34, TOWNSHIP 19 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 23994 Drawn By: K. GOAD

Date: 01-13-2011 Disk: KJG - 23994TRACT.DWG

Survey Date: -01-07-2011 Sheet 1 of 1 Sheets



PROPOSED FRAC PIT
Section 34, Township 19 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: KJG - 23994

Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

CIMAREX
ENERGY CO.
OF COLORADO

BLM LEASE NUMBER: NM-052

COMPANY NAME: Cimarex Energy Co. of Colorado

ASSOCIATED WELL NO. & NAME: Lynch 23 Fed 1, 2; Quail Ridge 32 St 3, 4; Mallon 35 Fed 5, 6, 7; Mallon 34 Fed 20; Chaparral 33 Fed Com 3, 4, 5, 6

FRAC POND CONDITIONS OF APPROVAL

A copy of the Sundry Notice and attachments, including stipulations, survey plat and diagram, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all conditions of approval.

Holder agrees to comply with the following conditions of approval 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 permit.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
3. Required Standard Conditions of Approval:
 - Contact the Supervisory Environmental Protection Specialist, Jim Amos, at 575-234-5909 at least 24 hours prior to starting construction.
 - The frac pond will only be authorized to contain freshwater and testing of water quality is required. Additives are not allowed without consent of the authorized officer.
 - If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly.
 - Confine all construction and maintenance activity to the authorized area.
 - Temporary pipelines flowing from the frac pond to the target well will be laid along existing roadways unless an exception has been granted by the authorized officer.
 - Mineral materials extracted during construction of the frac pond will be stored on-location and/or used for constructing the frac pond.
 - The frac pond will be lined.

- The operator shall stockpile topsoil approximately 25 feet outside the bermed perimeter of the pond in a low profile manner, reasonably protected from wind and water erosion
- Topsoil shall not be used for constructing the frac pond. The topsoil will be used for final reclamation purposes only.
- The frac pond shall be fenced on all sides with a 4-strand barbwire fence at the **base** of the berm. The fence strands shall be tight and maintained through the life of the pond.
 - All strands of the frac pond boundary fence will be marked by using highly visible and/or reflective markers at staggered intervals of 4 feet. (Contact: Johnny Chopp 575.234.2227).
- Inner walls of the frac pond will have a minimum of a 3:1 slope ratio in order to minimize the entrapment of fauna.
- Install earthen erosion-control structures as are suitable for the specific terrain and soil conditions.
- The plastic lining will be removed prior to final abandonment
- Reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing wells.
- Within 3 months of completion of frac operations on associated wells, all earthwork and final reclamation must be completed. This includes reclaiming and/or removal of:
 - Any roads approved for use with the pond
 - Surface water lines
 - Tanks, pumps, fencing etc.
- Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Requirements for Operations and Final Reclamation:

4. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such pollutant, wherever found, shall be the responsibility of holder, regardless of fault.

5. 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.

6. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf 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.

7. 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 the roads, pads, associated 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.

8. After all disturbed areas have been satisfactorily contoured and prepared for seeding the location needs to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact Jim Amos, Supervisor, Environmental Protection – (575)234-5909, **prior** to beginning surface reclamation operations.

9. Seeding is required: Use the following seed mix.

- | | |
|---|--|
| ☐ seed mixture 1 | ☐ seed mixture 3 |
| ☐ seed mixture 2 | ☐ seed mixture 4 |
| ☒ LPC mixture | ☐ Aplomado Falcon mix |

10. The topsoil to be stripped is approximately 6 inches in depth.

11. Special Stipulations:

12. Upon failure of holder to control, dispose of, or clean up such discharge, or to repair all damages resulting there-from, 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.

EA File # 11-459