

JUL 17 2014

RECEIVED

OCD Artesia

Form 3160-3
(March 2012)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SECRETARY'S POTENTIAL

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 20145. Lease Serial No.
SHL: NMLC0068408; BHL: NMNM130862

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work

☒ DRILL☐ REENTER

1b. Type of Well

☒ Oil Well☐ Gas Well☐ Other☒ Single Zone☐ Multiple Zone

2. Name of Operator

Cimarex Energy Co.

3a. Address

600 N. Marienfield St. Ste. 600 Midland Tx 79071

3b. Phone No. (include area code)

432-571-7800

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At Surface 330 FNL & 2280 FWL; 6-20S-31E

At proposed prod. Zone 660 FNL & 330 FWL; 1-20S-30E Bone Spring

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

8. Lease Name and Well No.

Hasta La Vista 1 Federal Com #D11H

9. API Well No.

30015

10. Field and Pool, or Exploratory

GATUNA CANYON, B.S.

11. Sec., T. R. M. or Blk. and Survey and Area

6, 20S, 31E

14. Distance in miles and direction from nearest town or post office*

Carlsbad, NM is approximately 23 miles southwest.

12. County or Parish

Eddy

13. State

NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line if any)

330'

16. No of acres in lease

NMLC0068408=1328.00 acres
NMNM130862=320.00 acres

17. Spacing Unit dedicated to this well

160
273.49

18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft.

50'

19. Proposed Depth

Pilot Hole TD: N/A

15,818 MD

8,550 TVD

20. BLM/BIA Bond No. on File

NM2575; NMB000835

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3439 GR

22. Approximate date work will start*

4/1/13

23. Estimated duration

35 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor
2. A Drilling Plan
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator Certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/Typed)

Terri Stathem

Date

11/18/13

Title

Regulatory Compliance

Approved By (Signature)

Name (Printed/Typed)

Date

7-18-14

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.S. 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.

(Continued on page 2)

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL

Capitan Controlled Water Basin

*(Instructions on page 2)

Operator Certification Statement
Hasta La Vista 1 Federal Com #1DI

Cimarex Energy Co.
UL: C, Sec. 6, 20S, 31E
Eddy Co., NM

Operator's Representative

Cimarex Energy Co. of Colorado
600 N. Marienfeld St., Ste. 600
Midland, TX 79701
Office Phone: (432) 571-7800

CERTIFICATION: I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 18 day of November, 2013

NAME: Paula Brunson
Paula Brunson

TITLE: Regulatory Compliance

ADDRESS: 600 N. Marienfeld St. Ste. 600 Midland Tx 79071

TELEPHONE: 432-571-7800

EMAIL: pbrunson@cimarex.com

Field Representative: Same as above

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015	¹ API Number 42533	² Pool Code 96688	³ Pool Name Bone Spring Wildcat	GATUNA CANYON BS.
⁴ Property Code 313536	⁵ Property Name HASTA LA VISTA 1 FEDERAL COM			⁶ Well Number DTH
⁷ GRID No. 215099	⁸ Operator Name CIMAREX ENERGY CO.			⁹ Elevation 3439'

Surface Location

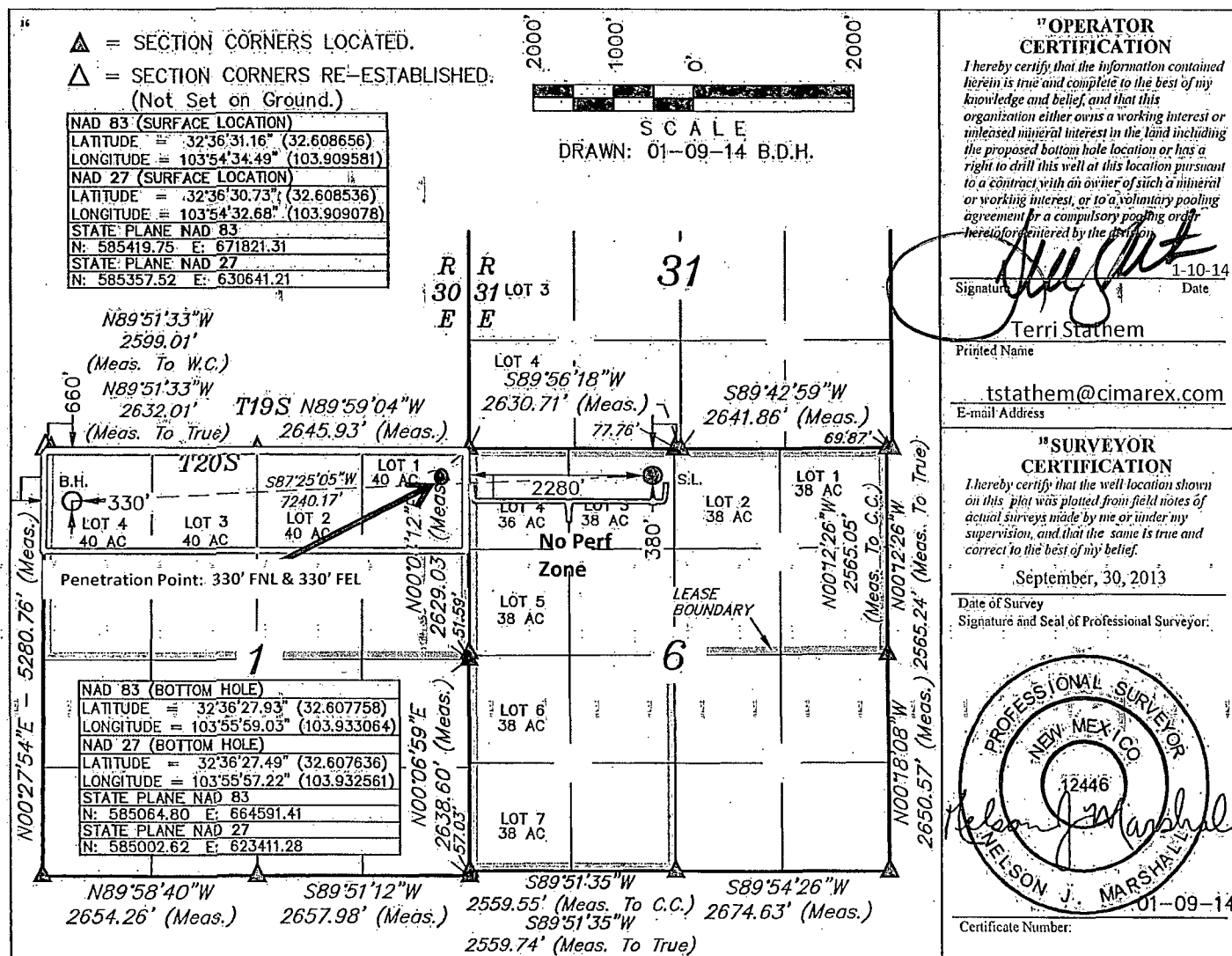
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	6	20S	31E		330	NORTH	2280	WEST	EDDY

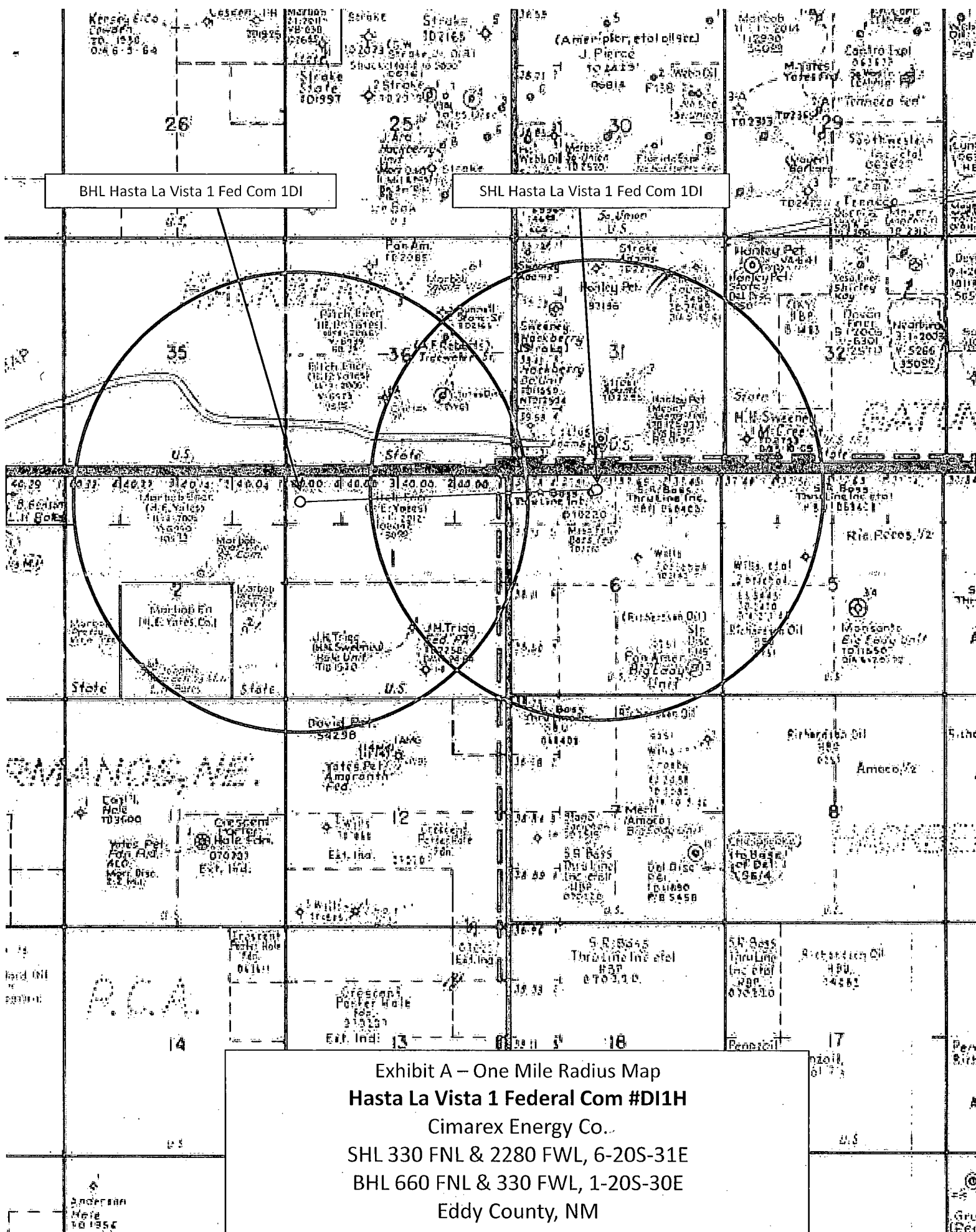
Bottom Hole Location If Different From Surface

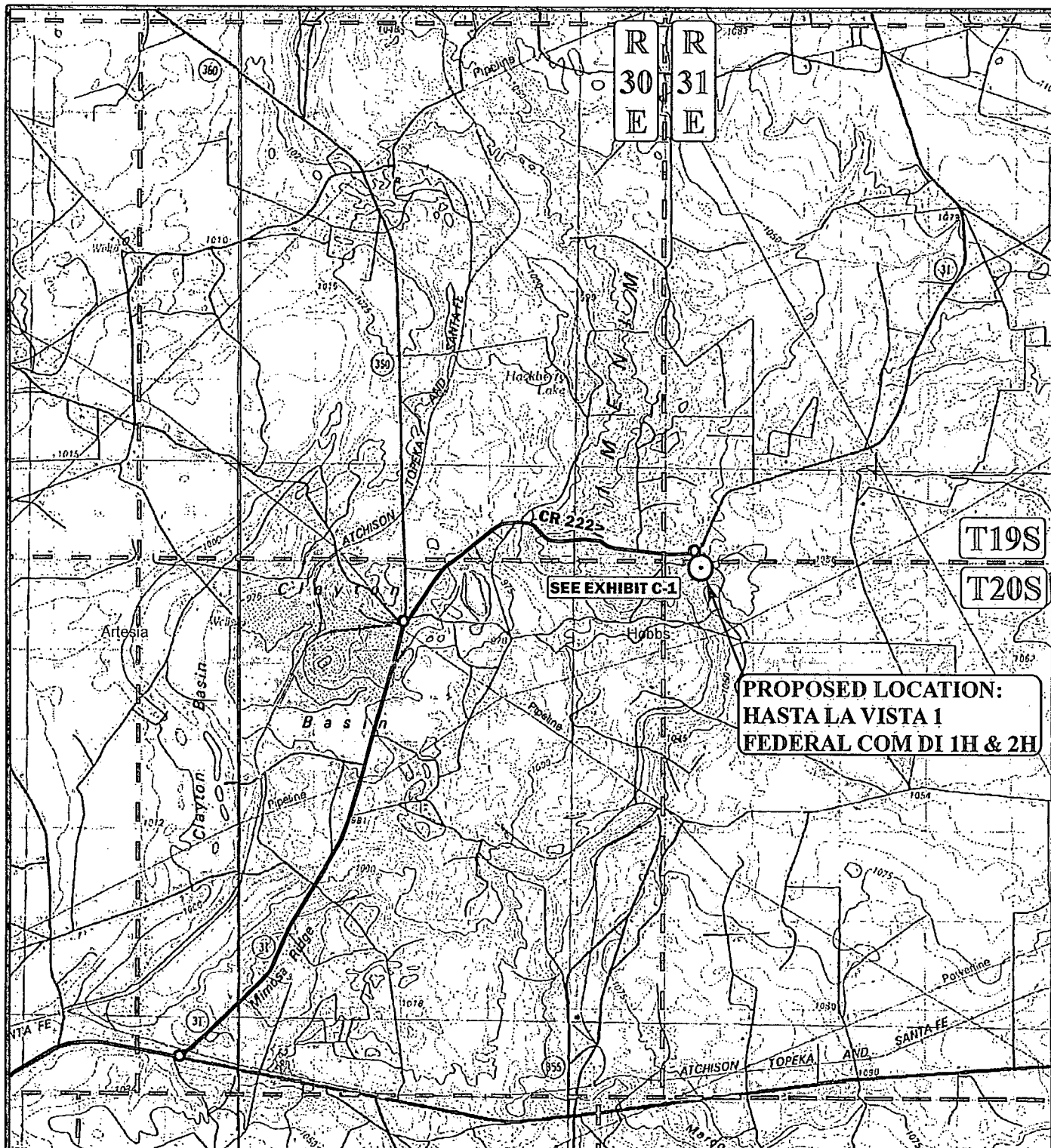
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	1	20S	30E		660	NORTH	330	WEST	EDDY

¹² Dedicated Acre 233.49	¹³ Joint or Infill 60	¹⁴ Consolidation Code	¹⁵ Order No.
----------------------------------------	--------------------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.







LEGEND:



PROPOSED LOCATION

CARLSBAD, NEW MEXICO IS
+/- 22.7 MILES
SOUTHWESTERLY

SCALE: 1:100,000

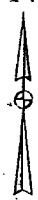
REV: 10-31-13 J.C.

DRAWN BY: J.L.G.

REV: 12-02-13 L.S.

DATE DRAWN: 10-03-13

N



CIMAREX ENERGY CO.

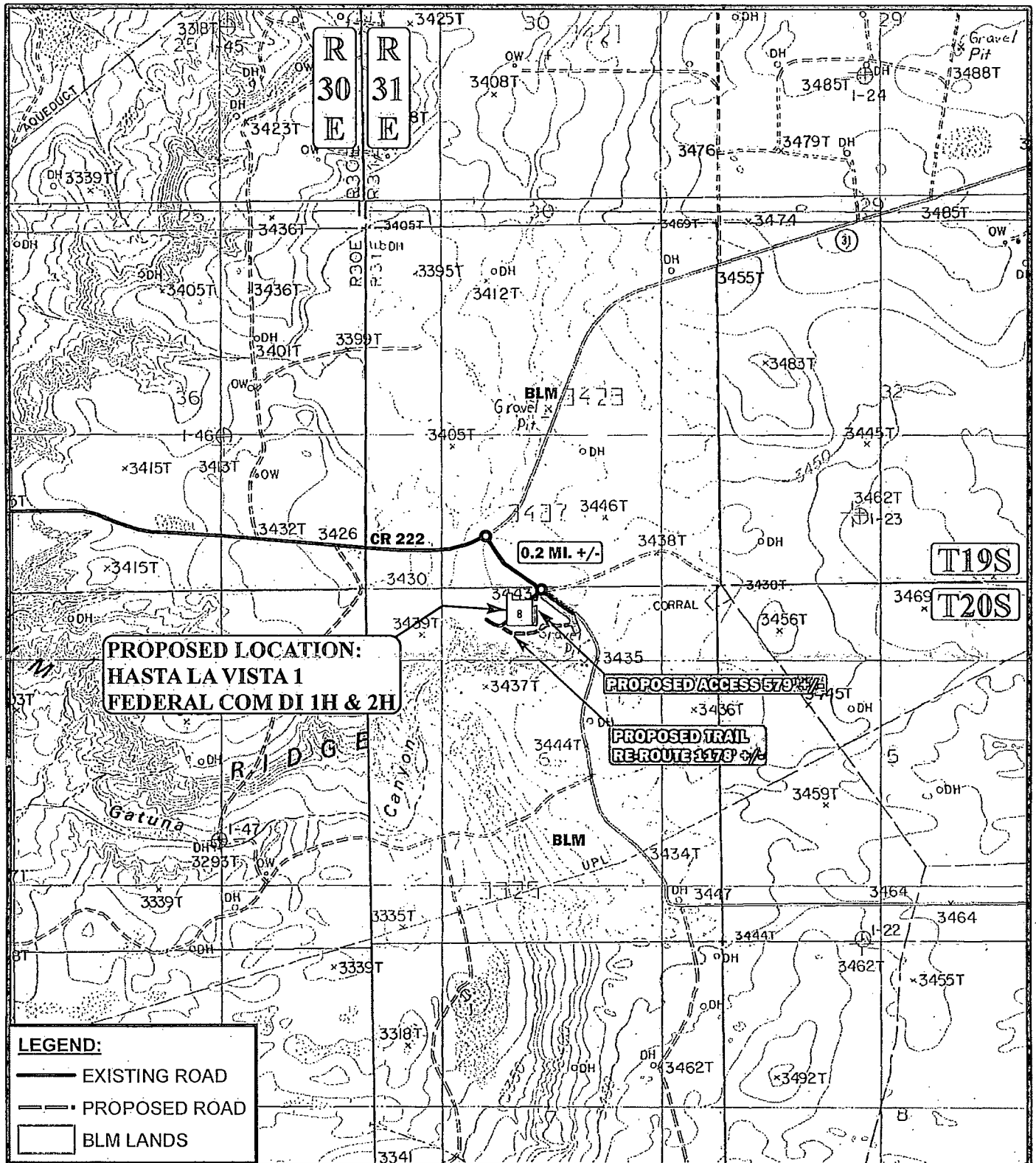
HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3

PUBLIC ACCESS ROAD MAP

EXHIBIT B



Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



**PROPOSED LOCATION:
HASTA LA VISTA 1
FEDERAL COM DI 1H & 2H**

PROPOSED ACCESS 579

**PROPOSED TRAIL
RE-ROUTE 1473**

0.2 MI. +/-

CR 222

LEGEND:

- EXISTING ROAD
- - - PROPOSED ROAD
- BLM LANDS

*PARCEL DATA SHOWN HAS BEEN OBTAINED FROM VARIOUS SOURCES AND SHOULD BE USED FOR MAPPING, GRAPHIC AND PLANNING PURPOSES ONLY. NO WARRANTY IS MADE BY UINTAH ENGINEERING & LAND SURVEYING (UELS) FOR ACCURACY OF THE PARCEL DATA.

SCALE: 1" = 2000'	REV: 10-31-13 J.C.
DRAWN BY: J.L.G.	REV: 12-02-13 L.S.
DATE DRAWN: 10-04-13	



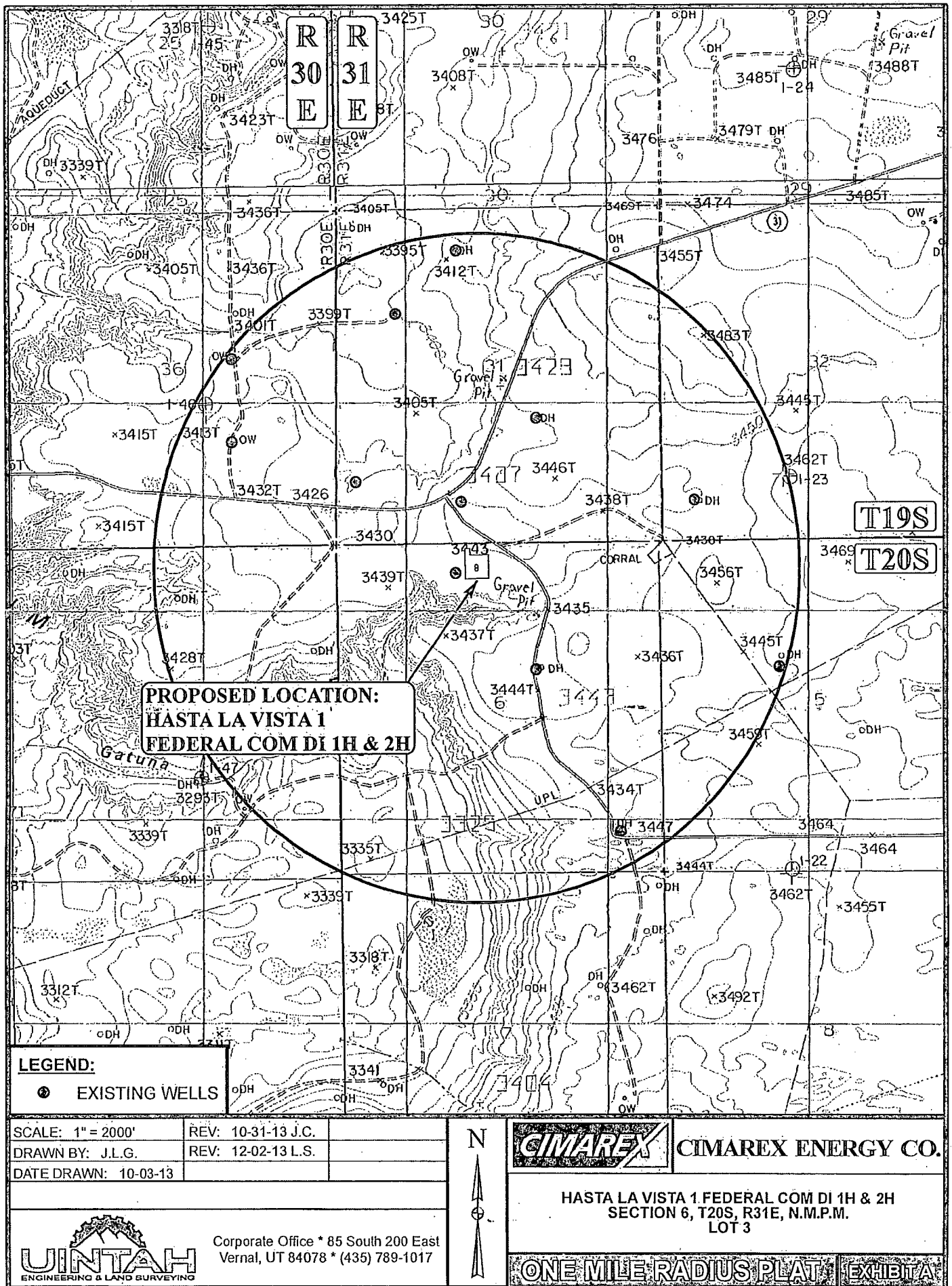
**HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3**

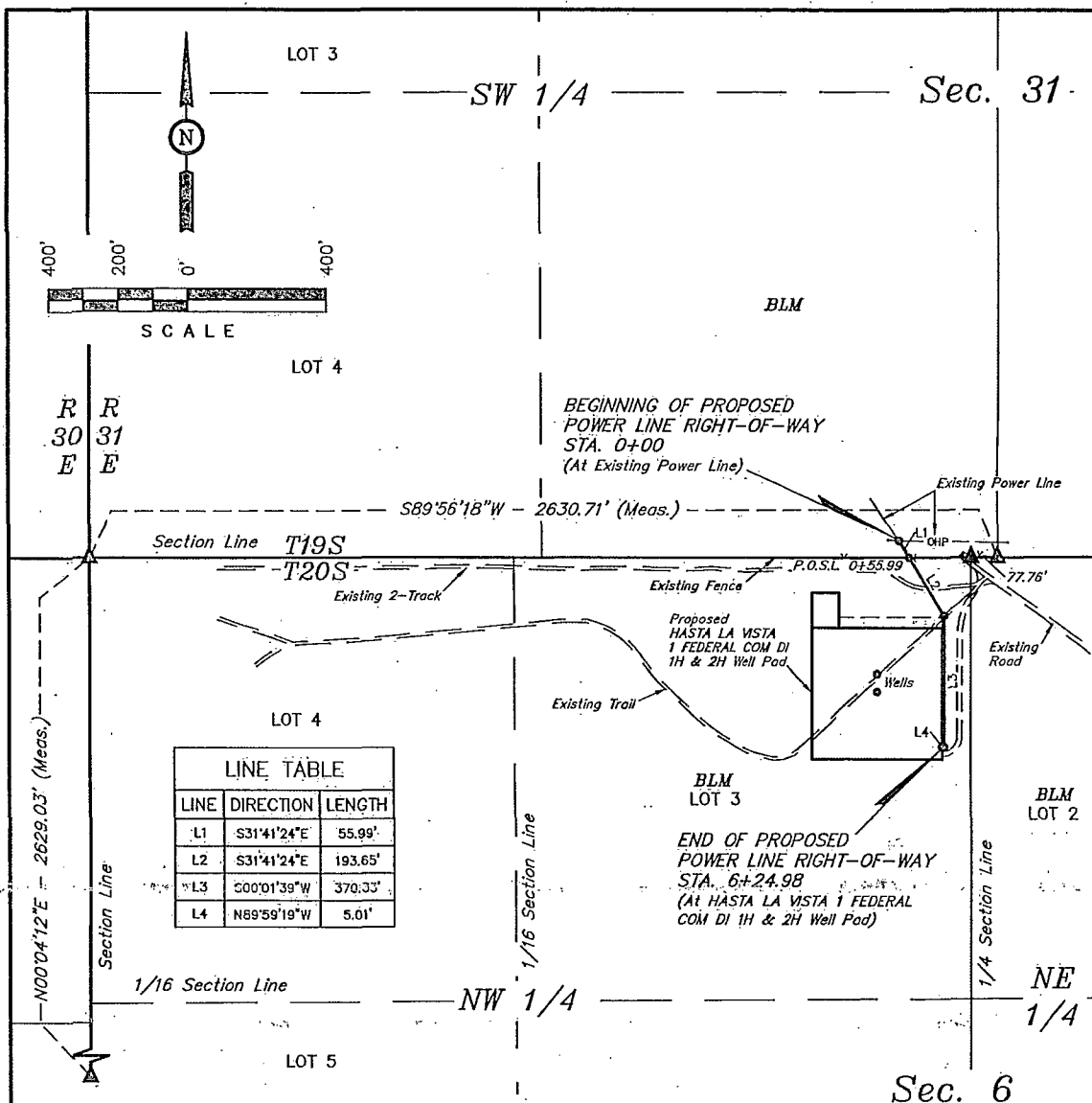


Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

ACCESS ROAD MAP

EXHIBIT C-1





RIGHT-OF-WAY DESCRIPTION

A 10' WIDE RIGHT-OF-WAY 5' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN SE 1/4 SW 1/4 OF SECTION 31, T19S, R31E, N.M.P.M., WHICH BEARS N77°09'13"W 213.40' FROM THE NORTH 1/4 CORNER OF SECTION 6, T20S, R31E, N.M.P.M., THENCE S31°41'24"E 55.99' TO A POINT ON THE SOUTH LINE OF THE SE 1/4 SW 1/4 OF SAID SECTION 31, THENCE S31°41'24"E 193.65'; THENCE S00°01'39"W 370.33'; THENCE N89°59'19"W 5.01' TO A POINT IN LOT 3 OF SAID SECTION 6, WHICH BEARS S08°52'39"W 541.79' FROM THE NORTH 1/4 CORNER OF SAID SECTION 6. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.143 ACRES MORE OR LESS.

RIGHT-OF-WAY LENGTHS

DESCRIPTION	FEET	ACRES	RODS
SW 1/4 SEC 31	55.99	0.013	3.39
NW 1/4 SEC. 6	568.99	0.130	34.49
TOTAL ON BLM LANDS	624.98	0.143	37.88

▲ = SECTION CORNERS LOCATED.

BEGINNING OF POWER LINE STA. 0+00 BEARS N77°09'13"E 213.40' FROM THE NORTH 1/4 CORNER OF SECTION 6, T20S, R31E, N.M.P.M.

P.O.S.L. STA. 0+55.99 BEARS S89°56'18"W 180.15' FROM THE NORTH 1/4 CORNER OF SECTION 6, T20S, R31E, N.M.P.M.

END OF ROAD STA. 6+24.98 BEARS S08°52'39"W 541.79' FROM THE NORTH 1/4 CORNER OF SECTION 6, T20S, R31E, N.M.P.M.

CERTIFICATION OF PROFESSIONAL SURVEYOR
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO

12-11-13

NOTES:

CIMAREX ENERGY CO.

HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3

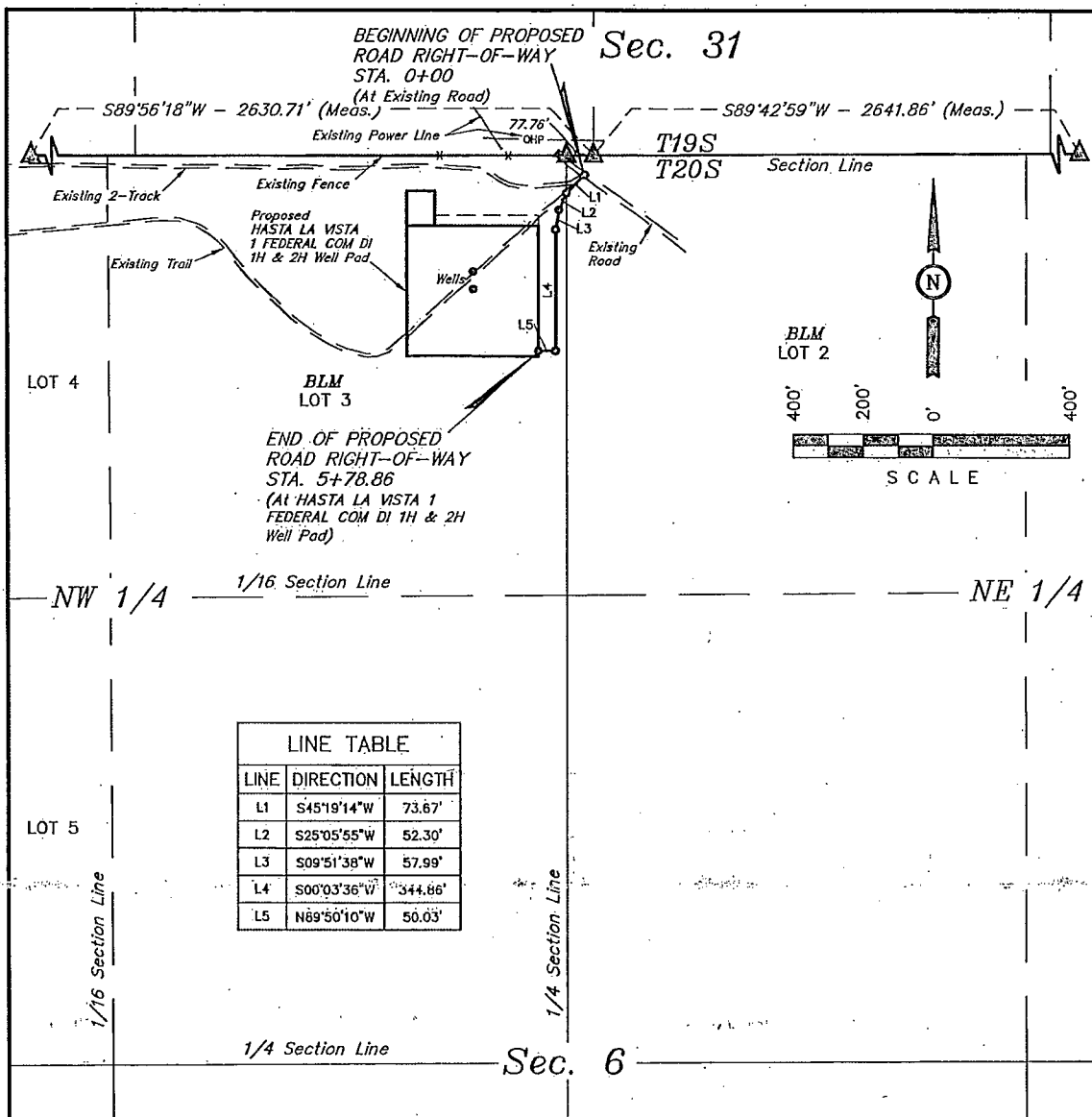
DRAWN BY: J.W. SCALE: 1" = 400' REV: 12-11-13 B.D.H.
DATE: 10-10-13 REVISED: 10-31-13 J.W.

POWER LINE R-O-W

EXHIBIT



Corporate Office • 85 South 200 East
Vernal, UT 84078 • (435) 789-1017



RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN LOT 2 OF SECTION 6, T20S, R31E, N.M.P.M., WHICH BEARS S43°25'36"E 74.62' FROM THE NORTH 1/4 CORNER OF SAID SECTION 6, THENCE S45°19'14"W 73.67'; THENCE S25°05'55"W 52.30'; THENCE S09°51'38"W 57.99'; THENCE S00°03'36"W 344.86'; THENCE N89°50'10"W 50.03' TO A POINT IN LOT 3 OF SAID SECTION 6, WHICH BEARS S08°33'47"W 561.47' FROM THE NORTH 1/4 CORNER OF SAID SECTION 6. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.399 ACRES MORE OR LESS.

BEGINNING OF ROAD STA. 0+00 BEARS S43°25'36"E 74.62' FROM THE NORTH 1/4 CORNER OF SECTION 6, T20S, R31E, N.M.P.M.

END OF ROAD STA. 5+78.86 BEARS S08°33'47"W 1759.94' FROM THE NORTH 1/4 CORNER OF SECTION 6, T20S, R31E, N.M.P.M.

RIGHT-OF-WAY LENGTHS

DESCRIPTION	FEET	ACRES	RODS
NE 1/4 SEC. 6	72.18	0.050	4.37
NW 1/4 SEC. 6	506.68	0.349	30.71
TOTAL ON BLM LANDS	578.86	0.399	35.08

▲ = SECTION CORNERS LOCATED.

NOTES:

- The maximum grade of existing ground for the proposed access road is ±1%.

CERTIFICATE OF PROFESSIONAL SURVEY

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

12446

Nelson J. Marshall

REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO

12-11-13



Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



CIMAREX ENERGY CO.

HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3

DRAWN BY: J.W.

SCALE: 1" = 400'

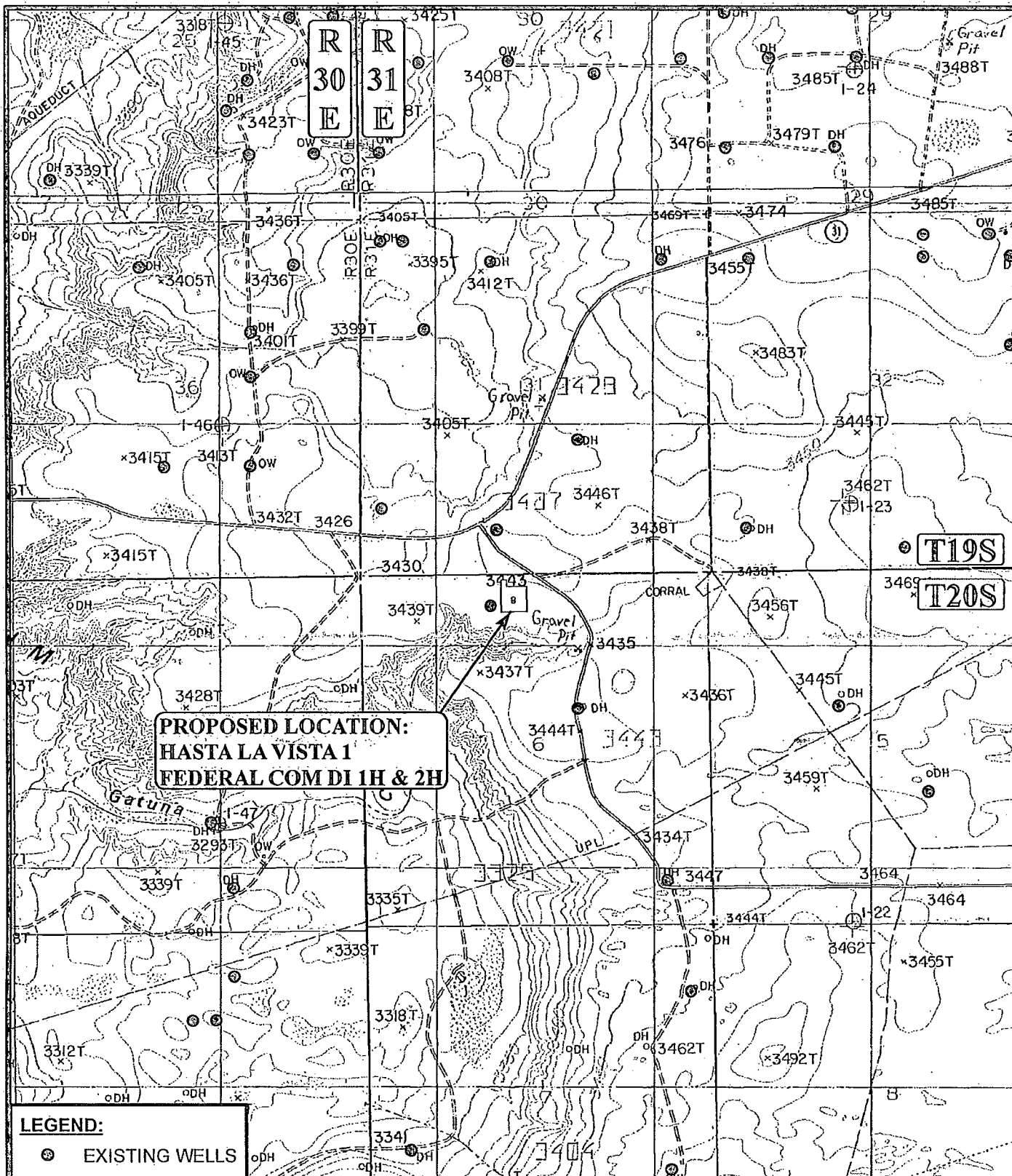
REV: 12-11-13 B.D.H.

DATE: 10-10-13

REVISED: 10-31-13 J.W.

ACCESS ROAD R-O-W

EXHIBIT C-2



SCALE: 1" = 2000'
 DRAWN BY: L.S.
 DATE DRAWN: 12-02-13

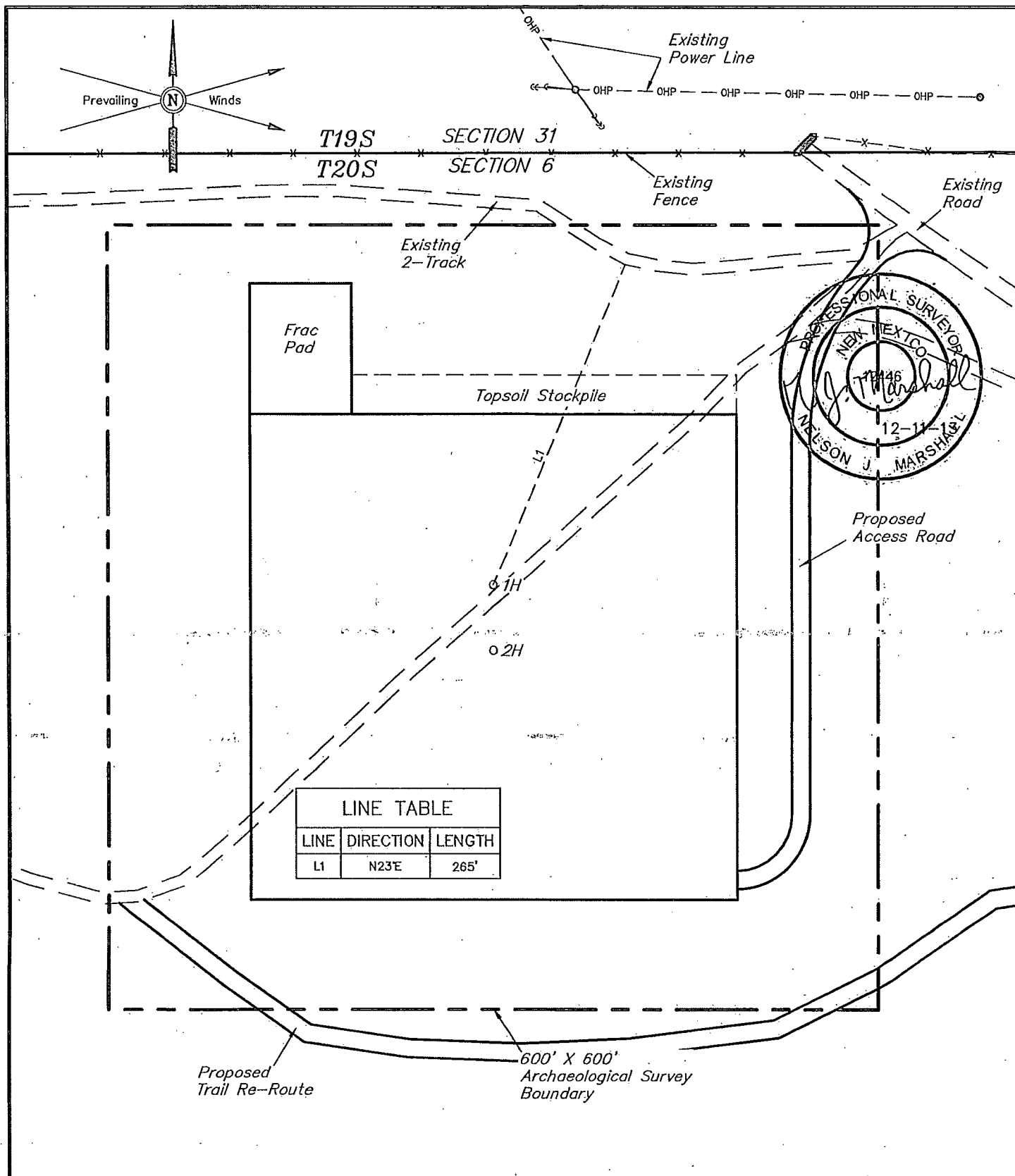
Corporate Office * 85 South 200 East
 Vernal, UT 84078 * (435) 789-1017



CIMAREX ENERGY CO.

HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3

USGS TOPOGRAPHIC MAP, EXHIBIT C



NOTES:



CIMAREX ENERGY CO.

HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3

DRAWN BY: J.W.

SCALE: 1" = 100'

REV: 12-11-13 B.D.H.

DATE: 10-10-13

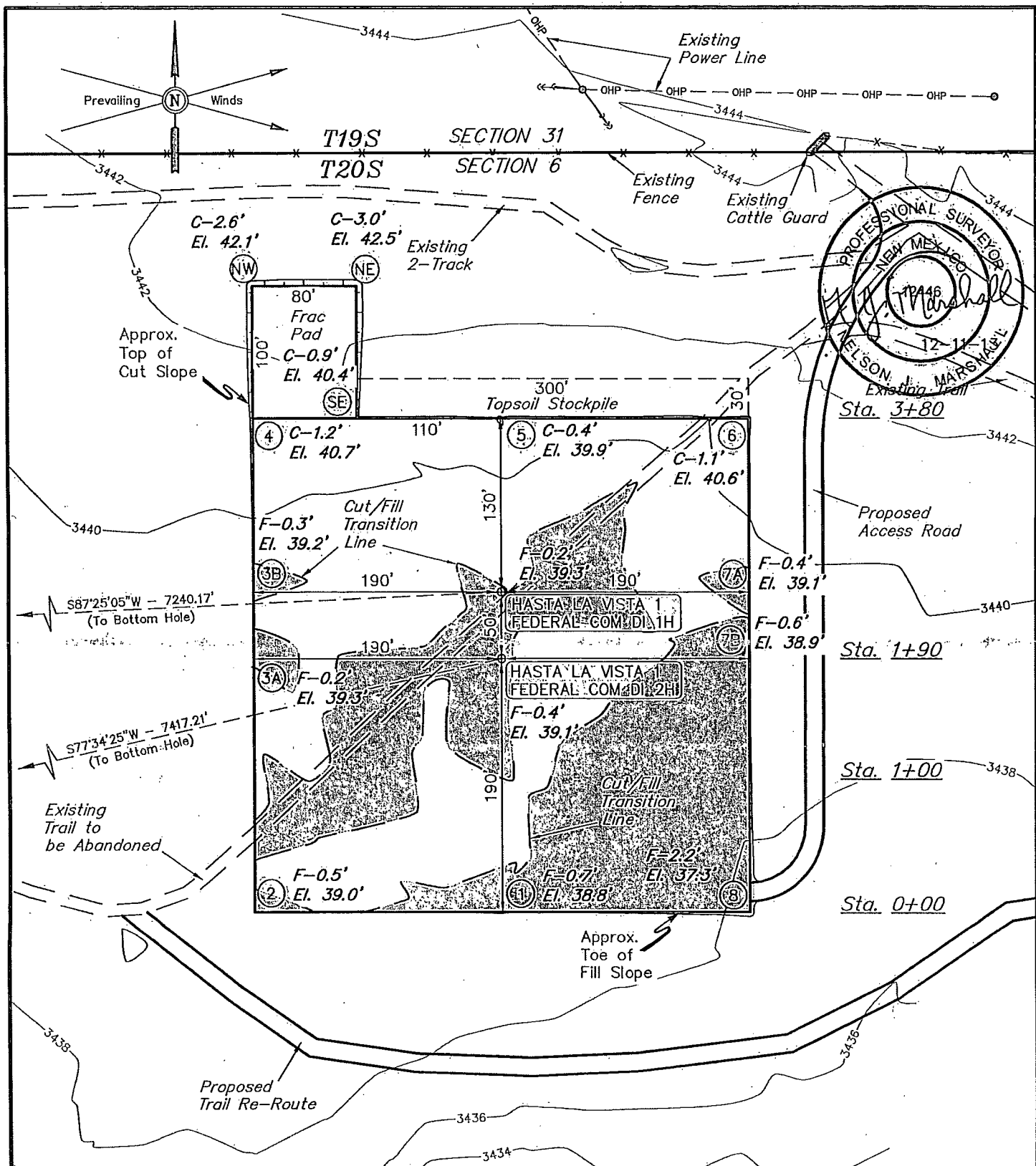
REVISED: 10-31-13 J.W.

ARCHAEOLOGICAL SURVEY
BOUNDARY

EXHIBIT D



Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



ELEV. UNGRADED GROUND AT 2H LOC. STAKE = 3439.1' FINISHED GRADE ELEV. AT 2H LOC. STAKE = 3439.5'

NOTES:

- Flare pit is to be located a min. of 100' from the well head.
- Construct diversion ditches as needed.
- Underground utilities shown on this sheet are for visualization purposes only, actual locations to be determined prior to construction.
- Earthwork calculations require a fill @ the location stakes for balance. All fill is to be compacted to a minimum of 95% of the maximum dry density obtained by AASHTO method T-99.



CIMAREX ENERGY CO.

**HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3**

DRAWN BY: J.W.

SCALE: 1" = 100'

REV: 12-11-13 B.D.H.

DATE: 10-10-13

REVISED: 10-31-13 J.W.

LOCATION LAYOUT

EXHIBIT D



Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



PHOTO: VIEW FROM LOCATION STAKES TO CORNER #1

CAMERA ANGLE: SOUTHERLY

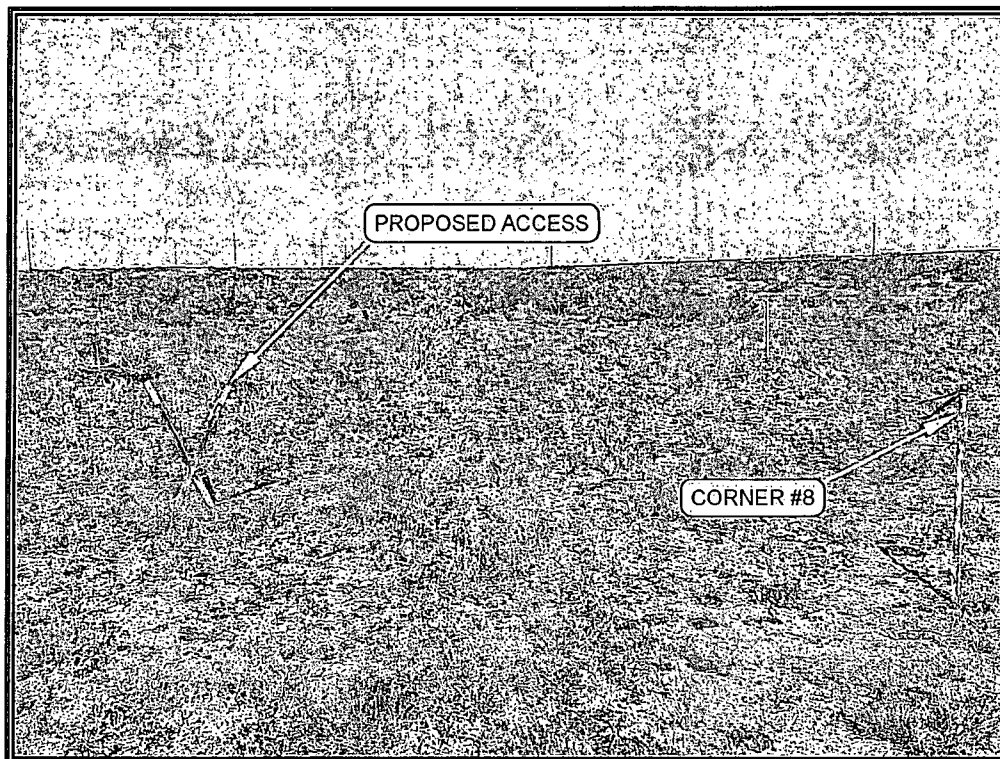


PHOTO: VIEW FROM END OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY

NOTES:



CIMAREX ENERGY CO.

HASTA LA VISTA 1 FEDERAL COM 1DI & 2DI
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3

TAKEN BY: J.V.

DRAWN BY: J.L.G.

REVISED: 10-31-13 J.C.

DATE: 10-02-13

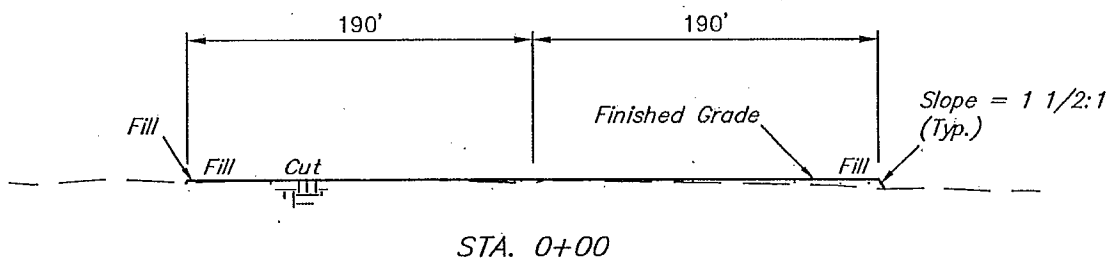
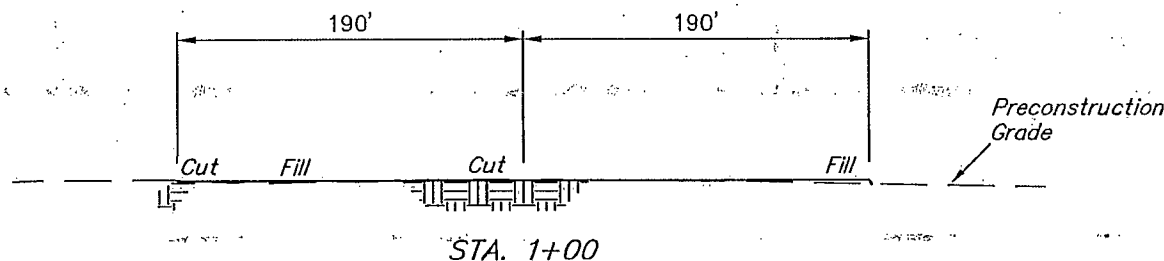
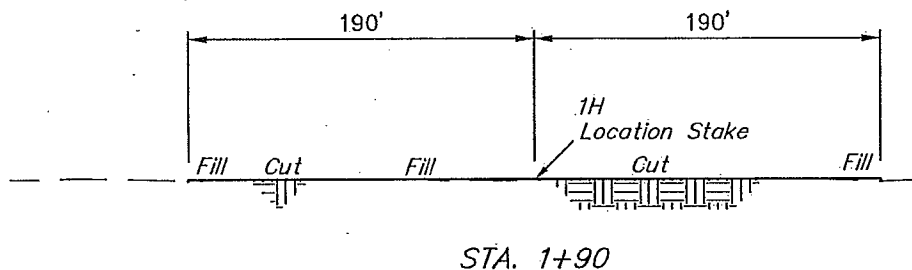
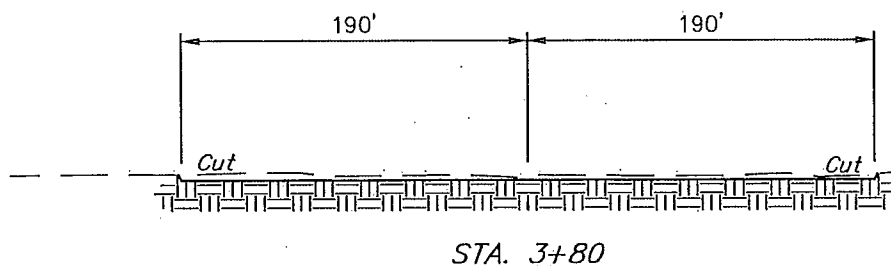
DATE: 10-04-13

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Vernal, UT 84078 * (435) 789-1017



PHOTO SHEET

1" = 40'
X-Section
Scale
1" = 100'



APPROXIMATE EARTHWORK QUANTITIES		APPROXIMATE SURFACE DISTURBANCE AREAS		
(2") TOPSOIL STRIPPING	930 Cu. Yds.		DISTANCE	ACRES
REMAINING LOCATION	1,200 Cu. Yds.	WELL SITE DISTURBANCE	NA	±3.667
TOTAL CUT	2,130 Cu. Yds.	ACCESS ROAD DISTURBANCE	±578.86'	±0.399
FILL	1,200 Cu. Yds.	POWER LINE DISTURBANCE	±574.49'	±0.132
EXCESS MATERIAL	930 Cu. Yds.	TRAIL RE-ROUTE DISTURBANCE	±1178.29'	±0.811
TOPSOIL	930 Cu. Yds.	TOTAL DISTURBANCE	±2331.64'	±5.009
EXCESS UNBALANCE (After Interim Rehabilitation)	0 Cu. Yds.			

NOTES:

- Fill quantity includes 5% for compaction.



CIMAREX ENERGY CO.

HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3



Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017



DRAWN BY: J.W. SCALE: AS SHOWN REV: 12-11-13 B.D.H.
DATE: 10-10-13 REVISED: 10-31-13 J.W.

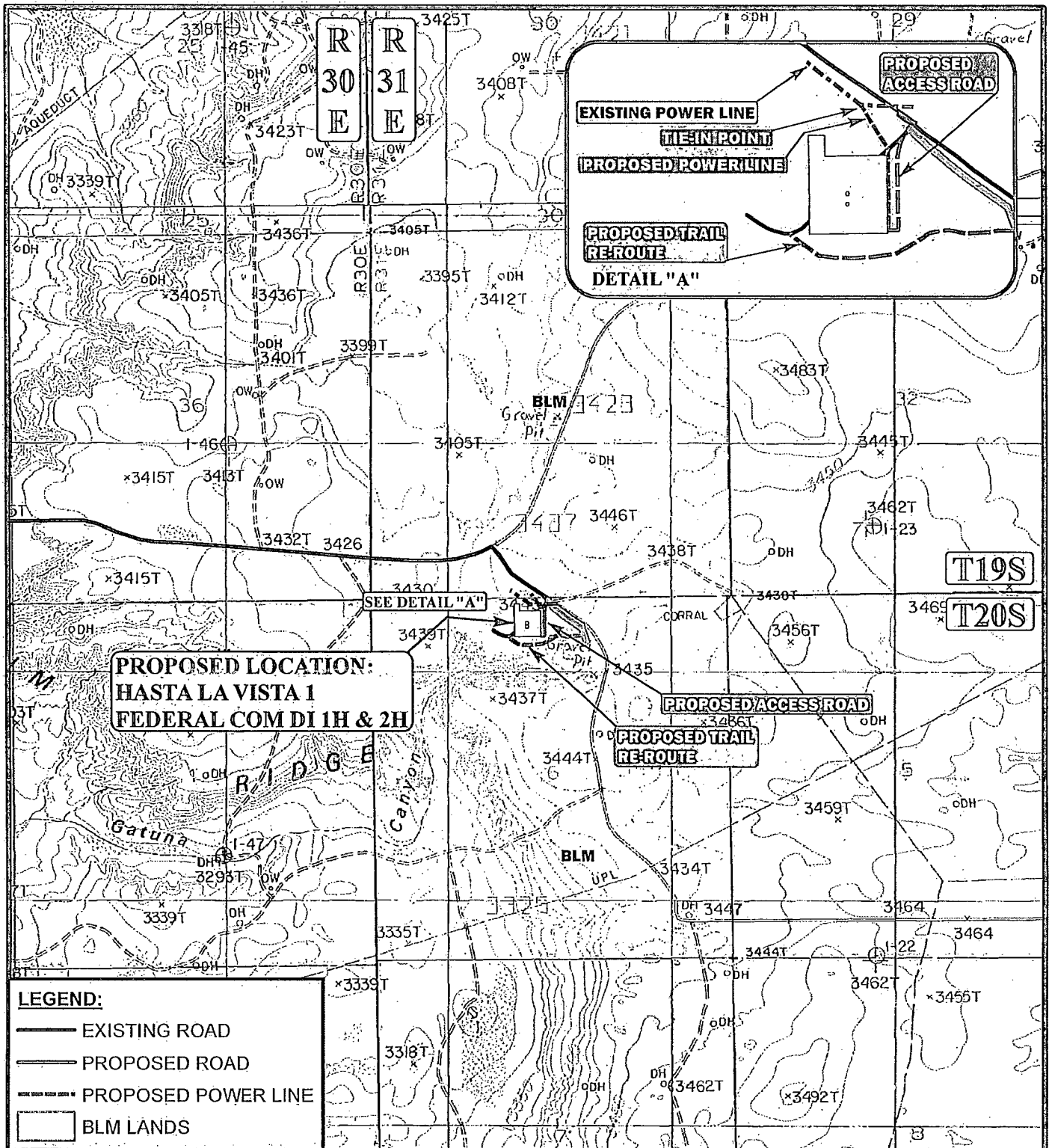
TYPICAL CROSS SECTIONS

EXHIBIT D

BEGINNING AT THE INTERSECTION OF HIGHWAY 360 AND COUNTY ROAD 222 LOCATED AT THE SOUTHWEST CORNER OF SECTION 3, T20S, R30E, N.M.P.M. PROCEED IN SOUTHEASTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 579' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM COUNTY ROAD 222 TO THE PROPOSED LOCATION IS APPROXIMATELY 0.3 MILES.

DRAWN BY: L.S.	REVISED: 00-00-00		CIMAREX ENERGY CO.
DATE DRAWN: 12-02-13			
 UINTAH ENGINEERING & LAND SURVEYING		Corporate Office * 85 South 200 East Vernal, UT 84078 * (435) 789-1017	
		HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H SECTION 6, T20S, R31E, N.M.P.M. LOT 3	
		ROAD DESCRIPTION	EXHIBIT J



SCALE: 1" = 2000'

REV: 10-31-13 J.C.

DRAWN BY: J.L.G.

REV: 12-02-13 L.S.

DATE DRAWN: 10-04-13



CIMAREX ENERGY CO.

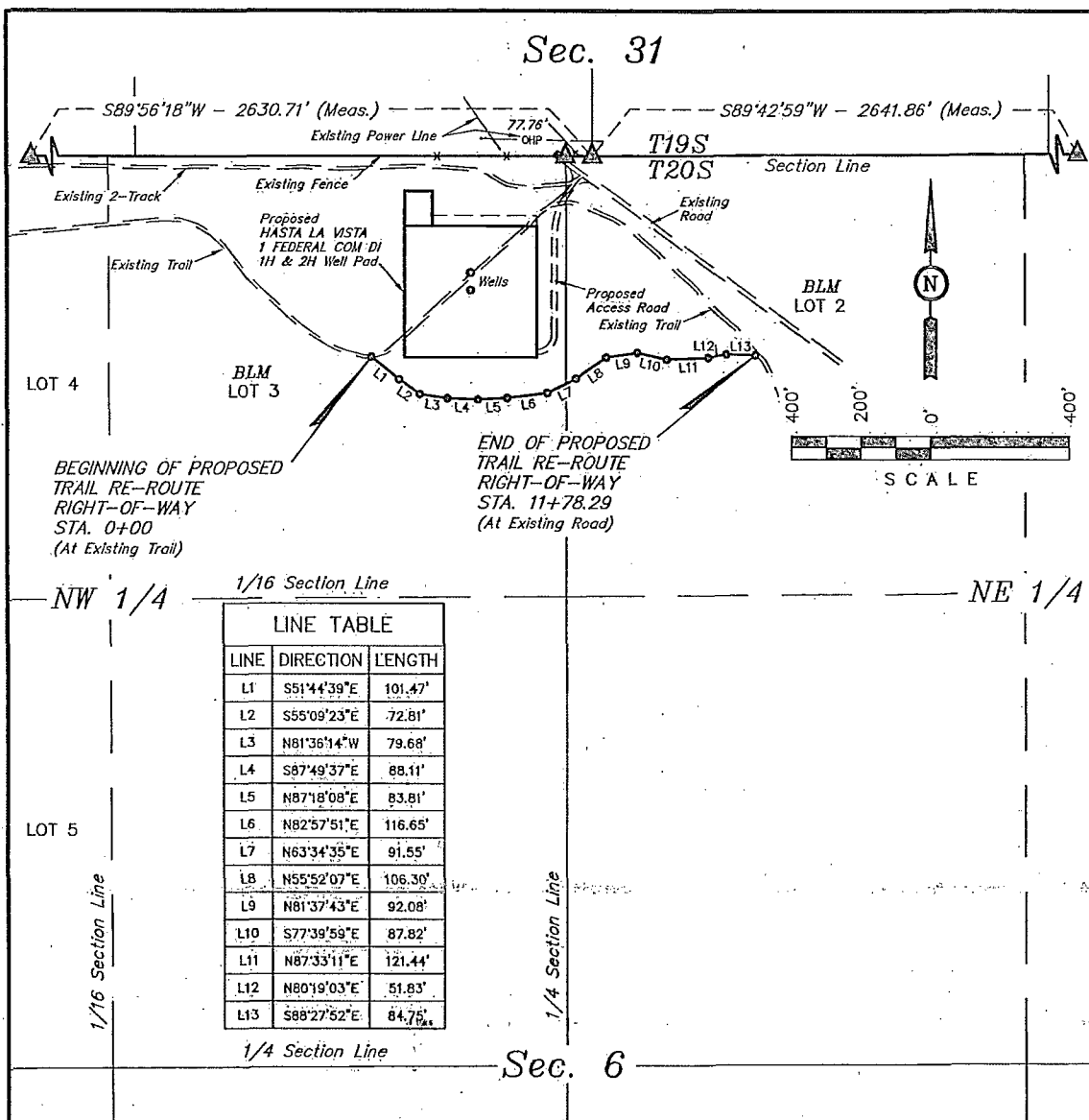
**HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3**



Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

POWER LINE MAP

EXHIBIT H



TRAIL RE-ROUTE RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN LOT 3 OF SECTION 6, T20S, R31E, N.M.P.M., WHICH BEARS S44°28'17"W 797.63' FROM THE NORTH 1/4 CORNER OF SAID SECTION 6, THENCE S51°44'39"E 101.47'; THENCE S55°09'23"E 72.81'; THENCE N81°36'14"W 79.68'; THENCE S87°49'37"E 88.11'; THENCE N87°18'08"E 83.81'; THENCE N82°57'51"E 116.65'; THENCE N63°34'35"E 91.55'; THENCE N55°52'07"E 106.30'; THENCE N81°37'43"E 92.08'; THENCE S77°39'59"E 87.82'; THENCE N87°33'11"E 121.44'; THENCE N80°19'03"E 51.83'; THENCE S88°27'52"E 84.75' TO A POINT IN LOT 2 OF SAID SECTION 6, WHICH BEARS S44°20'56"E 788.27' FROM THE NORTH 1/4 CORNER OF SAID SECTION 6. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.811 ACRES MORE OR LESS.

BEGINNING OF TRAIL RE-ROUTE STA. 0+00 BEARS S44°28'17"W 797.63' FROM THE NORTH 1/4 CORNER OF SECTION 6, T20S, R31E, N.M.P.M.

END OF TRAIL RE-ROUTE STA. 11+78.29 BEARS S44°20'56"E 788.27' FROM THE NORTH 1/4 CORNER OF SECTION 6, T20S, R31E, N.M.P.M.

RIGHT-OF-WAY LENGTHS

DESCRIPTION	FEET	ACRES	RODS
NE 1/4 SEC. 6	576.83	0.397	34.96
NW 1/4 SEC. 6	601.46	0.414	36.45
TOTAL ON BLM LANDS	1178.29	0.811	71.41

▲ = SECTION CORNERS LOCATED.

NOTES:

The maximum grade of existing ground for the proposed trail re-route is ±2%.

CERTIFICATE OF PROFESSIONAL SURVEY

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Nelson Marshall
REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO
12-11-13



Corporate Office • 85 South 200 East
Vernal, UT 84078 • (435) 789-1017



CIMAREX ENERGY CO.

HASTA LA VISTA 1 FEDERAL COM DI 1H & 2H
SECTION 6, T20S, R31E, N.M.P.M.
LOT 3

DRAWN BY: J.W.

SCALE: 1" = 400'

REV: 12-11-13 B.D.H.

DATE: 10-10-13

REVISED: 10-31-13 J.W.

TRAIL RE-ROUTER ROW

Exhibit H

Application to Drill
Hasta La Vista 1 Federal Com #DI1H
 Cimarex Energy Co.
 UL: C, Sec. 6, 20S, 31E
 Eddy Co., NM

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

1. **Location:** SHL 330 FNL & 2280 FWL; 6-20S-31E
 BHL 660 FNL & 330 FWL; 1-20S-30E
2. **Elevation Above Sea Level:** 3,439' GR
3. **Geologic Name of Surface Formation:** Quaternary Alluvium Deposits
4. **Drilling Tools and Associated Equipment:** Conventional rotary drilling rig using fluid as a circulating medium for solids removal
5. **Proposed Drilling Depth:** 15,818 MD 8,550 TVD Pilot Hole TD: N/A
6. **Estimated Tops of Geological Markers:**

Formation	Est Top	Bearing
Rustler	375	N/A
Salado	540	N/A
Tansill	1850	N/A
Yates	1970	N/A
Seven Rivers	2200	N/A
Cherry Canyon	4130	N/A
Brushy Canyon	5050	N/A
Bone Spring	6700	N/A
1st BSS	7965	Hydrocarbons
2nd BSS	8620	Hydrocarbons

7. **Possible Mineral Bearing Formation:** Shown above

7A. **OSE Ground Water Estimated Depth:** 50'

8. **Casing Program:**

Name	Casing Depth From (ft)	Casing Setting Depth (ft) MD	Casing Setting Depth (ft) TVD	Open Hole Size (inches)	Casing Size (inches)	Casing Weight (lb/ft)	Casing Grade	Thread	Condition	BHP (psig)	Anticipated Mud Weight (ppg)	Collapse SF at Full Evacuation(1.125)	Collapse SF at 1/3 Evacuation(1.125)	Burst SF (1.125)	Cumulative Air Weight	Cumulative Bouyed Weight (lbs)	Bouyant Tension SF (1.8)
Surface	0	400	400	24"	20"	94.00	J-55	BT&C	New	172	8.3	3.01		12.22	37,600	32,835	42.70
Intermediate	0	1800	1800	17 1/2"	13-3/8"	54.50	J-55	ST&C	New	988	10.0		1.59	2.77	103,550	87,741	5.86
Intermediate 2	0	4100	4100	12 1/4"	9-5/8"	36.00	J-55	LT&C	New	1769	8.3		1.64	1.99	147,600	128,896	3.51
Production	0	8303	8303	8 3/4"	5-1/2"	17.00	P-110	LT&C	New	3885	9.0	1.93		2.74	145,350	125,378	3.55
Production	8303	15818	8550	8 3/4"	5-1/2"	17.00	P-110	BT&C	New	4001	9.0	1.87		2.66	4,199	3,622	150.74

Note: Intermediate Casing has a DV Tool/ACP set @ 2050 ft +/- 100'

Will select suitable seat for ACP based on drilling recorder rate of penetration, above the lost circulation zone.

Application to Drill
Hasta La Vista 1 Federal Com #D11H
 Cimarex Energy Co.
 UL: C, Sec. 6, 20S, 31E
 Eddy Co., NM

8A. Casing Design and Casing Loading Assumptions:

Surface	Tension	A 1.8 design factor with effects of buoyancy: 8.30 ppg.
	Collapse	A 1.125 design factor with full internal evacuation and a collapse force equal to a 8.30 ppg mud gradient.
	Burst	A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.
Intermediate	Tension	A 1.8 design factor with effects of buoyancy: 10.00 ppg.
	Collapse	A 1.125 design factor evacuated 1/3 TVD of next casing string with a collapse force equal to a 10.00 ppg mud gradient.
	Burst	A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.
Intermediate 2	Tension	A 1.8 design factor with effects of buoyancy: 8.30 ppg.
	Collapse	A 1.125 design factor evacuated 1/3 TVD of next casing string with a collapse force equal to a 8.30 ppg mud gradient.
	Burst	A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.
Production and/or Production Completion System	Tension	A 1.8 design factor with effects of buoyancy: 9.00 ppg.
	Collapse	A 1.125 design factor with full internal evacuation of next casing string with a collapse force equal to a 9.00 ppg mud gradient.
	Burst	A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.

9. Cementing Program:

Casing Type	Type	Sacks	Yield	Weight	Cubic Feet	Cement Blend
Surface	Tail	746	1.34	14.80		999: Class C + LCM, 6.32 gps water
	TOC: 0		160% Excess			Centralizers per Onshore Order 2.III.B.1f
Intermediate	Lead	1356	1.88	12.90		2548 35:65 (poz/C) + Salt + Bentonite + LCM + retarder, 9.65 gps water
	Tail	345	1.34	14.80		462 Class C + retarder + LCM, 6.32 gps water
	TOC: 0		162% Excess			
Intermediate 2 - Stage #2		436	1.88	12.90		819 35:65 (poz/C) + Salt + Bentonite + LCM + retarder, 9.65 gps water
	TOC: 0		0% Excess			
Intermediate 2 - Stage #1	Lead	564	1.88	12.90		1060 35:65 (poz/C) + Salt + Bentonite + LCM + retarder, 9.65 gps water
	Tail	289	1.34	14.80		386: Class C + retarder + LCM, 6.32 gps water
	TOC: 2050		109% Excess			
Production	Lead	836	2.40	11.90		2006 35:65 (poz/H) + salt + Sodium Metasilicate + Bentonite + Fluid Loss + Dispersant + LCM + Retarder, 13.80 gps water
	Tail	3267	1.24	14.50		4050: 50:50 (poz/H) + Bentonite + Salt + Fluid Loss + Dispersant + LCM + Retarder, 5.55 gps water
	TOC: 3600		84% Excess			No centralizers planned in the lateral section. 1 every jt from EOC to KOP. 1 every 4th joint from KOP to 500' inside previous casing.

Cement volumes will be adjusted depending on hole size

9a. Proposed Drilling Plan:

Pilot Hole TD: No Pilot KOP: 8,303' EOC: 9,069'

Set Surface and Intermediate casing strings. Drill production hole to KOP. Continue drilling lateral through the curve to TD. Run prod casing & cement.

Application to Drill
Hasta La Vista 1 Federal Com #DI1H

Cimarex Energy Co.

UL: C, Sec. 6, 20S, 31E

Eddy Co., NM

10. Pressure Control Equipment:

Exhibit "E-1". A BOP consisting of two rams with blind rams and pipe rams, and one annular preventer. Below the surface casing, a 2M system will be used. Below the intermediate casing, a 3M system will be used. See attachments for BOP and choke manifold diagrams. An accumulator that meets the requirements in Onshore Order #2 for the pressure rating of the BOP stack. A Rotating head may be installed as needed. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

BOP and associated equipment will be installed, used, maintained, and tested in a manner necessary to assure well control and shall be in place and operational prior to drilling the surface casing shoe. The Annular Preventer shall be functioned at least weekly. The pipe and blind rams will be operated each trip. No abnormal pressure or temperature is expected while drilling.

BOPS will be tested by an independent service company. The ram preventers, choke manifold, and safety valves will be tested as follows: On the surface casing, pressure tests will be made to 250 psi low and 2000 psi high. On the intermediate casing, pressure tests will be made to 250 psi low and 3000 psi high.

The Annular Preventer will be tested to 250 psi low and 1000 psi high on the surface casing, and 250 low and 1500 high on the intermediate casing.

Cimarex Energy Co. of Colorado requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached (please see Exhibit F, F-1, F-2, F-3). The hose is not required by the manufacturer to be anchored. In the event the specific hose is not available, one of equal or higher rating will be used.

11. Proposed Mud Circulating System:

Depth	Mud Weight	Visc	Fluid Loss	Type Mud
0' to 400' <i>475</i>		8.30-28	NC	FW Spud Mud
400' to 1900' <i>2250</i>	<i>see 60A</i>	10.00-30-32	NC	Brine Water
1900' to 15818' <i>4500</i>		9.00-30-32	NC	FW/Cut Brine

2250 - 4100 to be drilled with FW

Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. In order to run DSTs, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs.

The Mud Monitoring System is an electronic Pason System satisfying requirements of Onshore Order 1.

12. Testing, Logging and Coring Program:

- A. Mud logging program: 2 man unit from 1900 to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / GR -- Inter. Csg to TD
CNL / GR -- Surf to Inter. Csg
- C. No DSTs or cores are planned at this time
- D. CBL w/ CCL from as far as gravity will let it fall to TOC

13. Potential Hazards:

No abnormal pressures or temperatures are expected. In accordance with Onshore Order 6, Cimarex does not anticipate that there will be enough H₂S from the surface to the Bone Spring formations to meet the BLM's minimum requirements for the submission of an "H₂S Drilling Operation Plan" or "Public Protection Plan" for the drilling and completion of this well. Since we have an H₂S Safety package on all wells, attached is an "H₂S Drilling Operations Plan." Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

Estimated BHP: 3848 psi

Estimated BHT: 148°

14. Construction and Drilling:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved.

Drilling expected to take: 35 days.

If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. Other Facets of Operations:

If production casing is run an additional 30 days will be required to complete and construct surface facilities.

2nd BSS pay will be perforated and stimulated.

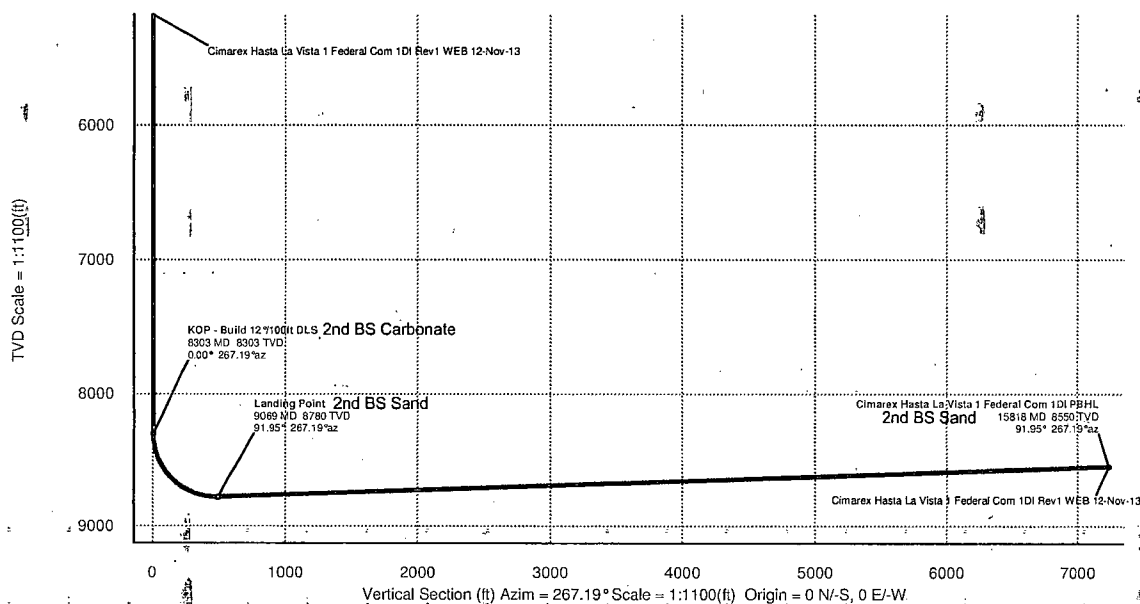
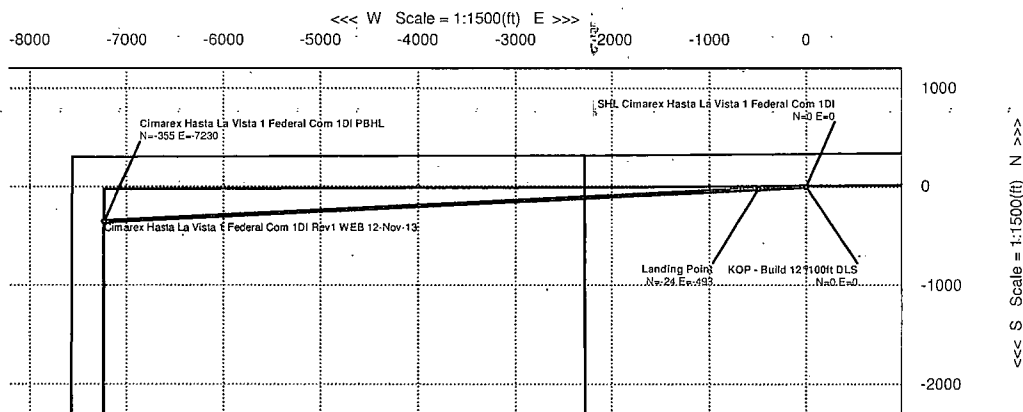
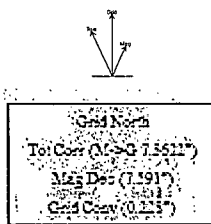
The proposed well will be tested and potential as **Oil**



Cimarex

PATHFINDER
A Schlumberger Company

WELL	Hasta La Vista 1 Federal Com 1DI	FIELD	NM Eddy County	STRUCTURE	TBD
Magnetic Parameters	Dip: 62.413° Model: BOGM 2013 Mag Dec: 7.591°	Date: November 12, 2013 File: 4832.107	Surface Location Lat: N 32 38 31.161 Lon: W 103 54 34.488	NAD83 New Mexico State Plane, Eastern Zone, US Feet Northing: 585419.75 NUS Easting: 671807.31 NUS Grid Conv: 0.228° Scale Fac: 0.99996399	Mezounous Shot: Cimarex Hasta La Vista 1 Federal Com 1DI Plan: Rev1 WEB 12-Nov-13 Dry Date: November 12, 2013



Critical Points								
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+)/S(-)	E(+)/W(-)	DLS
SHL Cimarex Hasta La Vista 1 Federal Com 1DI	0.00	0.00	267.19	0.00	0.00	0.00	0.00	
KOP - Build 12 7/100ft DLS	8302.82	0.00	267.19	8302.82	0.00	0.00	0.00	0.00
Landing Point	9069.09	91.95	267.19	8780.00	493.74	-24.21	-493.14	12.00
Cimarex Hasta La Vista 1 Federal Com 1DI PBHL	15818.41	91.95	267.19	8550.00	7239.14	-354.98	-7230.43	0.00



Cimarex Hasta La Vista 1 Federal Com 1DI Rev0 WEB 30-Oct-13 Proposal
Report 100' Interpolated
(Non-Def Plan)

Report Date: November 05, 2013 - 04:50 PM
Client: Cimarex
Field: NM Lea County (NAD 83)
Structure / Slot: Cimarex Hasta La Vista 1 Federal Com 1DI / Cimarex Hasta La Vista 1 Federal Com 1DI
Well: Cimarex Hasta La Vista 1 Federal Com 1DI
Borehole: Original Borehole
UWI / API#: Unknown / Unknown
Survey Name: Cimarex Hasta La Vista 1 Federal Com 1DI Rev0 WEB 30-Oct-13
Survey Date: October 30, 2013
Tort / AHD / DDI / ERD Ratio: 91.953 ° / 7239.139 ft / 6.079 / 0.824
Coordinate Reference System: NAD83 New Mexico State Plane, Eastern Zone, US Feet
Location Lat / Long: N 32° 36' 31.16059", W 103° 54' 34.48816"
Location Grid N/E Y/X: N 585419.750 ftUS, E 671821.310 ftUS
CRS Grid Convergence Angle: 0.2284 °
Grid Scale Factor: 0.99992859

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 267.189 ° (Grid North)
Vertical Section Origin: 0.000 ft, 0.000 ft
TVD Reference Datum: Ground level
TVD Reference Elevation: 3439.000 ft above MSL
Seabed / Ground Elevation: 3439.000 ft above MSL
Magnetic Declination: 7.595 °
Total Gravity Field Strength: 998.5160mgn (9.80665 Based)
Total Magnetic Field Strength: 48556.208 nT
Magnetic Dip Angle: 60.415 °
Declination Date: October 30, 2013
Magnetic Declination Model: BGGM 2013
North Reference: Grid North
Grid Convergence Used: 0.2284 °
Total Corr Mag North->Grid North: 7.3662 °
Local Coord Referenced To: Structure Reference Point

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")	Closure (ft)	Closure Azimuth (°)	DLS (°/100ft)
SHL Cimarex Hasta La Vista 1 Federal Com 1DI	0.00	0.00	267.19	0.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	N/A
	100.00	0.00	267.19	100.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	200.00	0.00	267.19	200.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	300.00	0.00	267.19	300.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	400.00	0.00	267.19	400.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	500.00	0.00	267.19	500.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	600.00	0.00	267.19	600.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	700.00	0.00	267.19	700.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	800.00	0.00	267.19	800.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	900.00	0.00	267.19	900.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1000.00	0.00	267.19	1000.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1100.00	0.00	267.19	1100.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1200.00	0.00	267.19	1200.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1300.00	0.00	267.19	1300.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1400.00	0.00	267.19	1400.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1500.00	0.00	267.19	1500.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1600.00	0.00	267.19	1600.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1700.00	0.00	267.19	1700.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1800.00	0.00	267.19	1800.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	1900.00	0.00	267.19	1900.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	2000.00	0.00	267.19	2000.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	2100.00	0.00	267.19	2100.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	2200.00	0.00	267.19	2200.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	2300.00	0.00	267.19	2300.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	2400.00	0.00	267.19	2400.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	2500.00	0.00	267.19	2500.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	2600.00	0.00	267.19	2600.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	2700.00	0.00	267.19	2700.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")	Closure (ft)	Closure Azimuth (°)	DLS (°/100ft)
KOP - Build 12"/100ft DLS	8300.00	0.00	267.19	8300.00	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	8302.82	0.00	267.19	8302.82	0.00	0.00	0.00	585419.75	671821.31	N 32 36 31.16	W 103 54 34.49	0.00	0.00	0.00
	8400.00	11.66	267.19	8399.33	9.86	-0.48	-9.84	585419.27	671811.47	N 32 36 31.16	W 103 54 34.60	9.86	267.19	12.00
	8500.00	23.66	267.19	8494.44	40.14	-1.97	-40.09	585417.78	671781.22	N 32 36 31.14	W 103 54 34.96	40.14	267.19	12.00
	8600.00	35.66	267.19	8581.18	89.54	-4.39	-89.43	585415.36	671731.88	N 32 36 31.12	W 103 54 35.53	89.54	267.19	12.00
	8700.00	47.66	267.19	8655.75	155.89	-7.64	-155.70	585412.11	671665.62	N 32 36 31.09	W 103 54 36.31	155.89	267.19	12.00
Landing point	8800.00	59.66	267.19	8714.90	236.30	-11.59	-236.01	585408.16	671585.31	N 32 36 31.06	W 103 54 37.25	236.30	267.19	12.00
	8900.00	71.66	267.19	8756.03	327.24	-16.05	-326.85	585403.70	671494.48	N 32 36 31.01	W 103 54 38.31	327.24	267.19	12.00
	9000.00	83.66	267.19	8777.36	424.76	-20.83	-424.25	585398.92	671397.10	N 32 36 30.97	W 103 54 39.45	424.76	267.19	12.00
	9069.09	91.95	267.19	8780.00	493.74	-24.21	-493.14	585395.54	671326.20	N 32 36 30.94	W 103 54 40.25	493.74	267.19	12.00
	9100.00	91.95	267.19	8778.95	524.63	-25.73	-524.00	585394.03	671297.35	N 32 36 30.93	W 103 54 40.61	524.63	267.19	0.00
	9200.00	91.95	267.19	8775.54	624.57	-30.63	-623.82	585389.13	671197.54	N 32 36 30.88	W 103 54 41.78	624.57	267.19	0.00
	9300.00	91.95	267.19	8772.13	724.51	-35.53	-723.64	585384.23	671097.72	N 32 36 30.84	W 103 54 42.95	724.51	267.19	0.00
	9400.00	91.95	267.19	8768.73	824.45	-40.43	-823.46	585379.33	670997.91	N 32 36 30.79	W 103 54 44.12	824.45	267.19	0.00
	9500.00	91.95	267.19	8765.32	924.40	-45.33	-923.28	585374.42	670898.09	N 32 36 30.75	W 103 54 45.28	924.40	267.19	0.00
	9600.00	91.95	267.19	8761.91	1024.34	-50.23	-1023.11	585369.52	670798.28	N 32 36 30.70	W 103 54 46.45	1024.34	267.19	0.00
	9700.00	91.95	267.19	8758.50	1124.28	-55.13	-1122.93	585364.62	670698.47	N 32 36 30.66	W 103 54 47.62	1124.28	267.19	0.00
	9800.00	91.95	267.19	8755.10	1224.22	-60.03	-1222.75	585359.72	670598.65	N 32 36 30.61	W 103 54 48.78	1224.22	267.19	0.00
	9900.00	91.95	267.19	8751.69	1324.16	-64.93	-1322.57	585354.82	670498.84	N 32 36 30.57	W 103 54 49.95	1324.16	267.19	0.00
	10000.00	91.95	267.19	8748.28	1424.11	-69.83	-1422.39	585349.92	670399.02	N 32 36 30.53	W 103 54 51.12	1424.11	267.19	0.00
	10100.00	91.95	267.19	8744.87	1524.05	-74.73	-1522.21	585345.02	670299.21	N 32 36 30.48	W 103 54 52.29	1524.05	267.19	0.00
	10200.00	91.95	267.19	8741.46	1623.99	-79.63	-1622.04	585340.12	670199.39	N 32 36 30.44	W 103 54 53.45	1623.99	267.19	0.00
	10300.00	91.95	267.19	8738.06	1723.93	-84.53	-1721.86	585335.22	670099.58	N 32 36 30.39	W 103 54 54.62	1723.93	267.19	0.00
	10400.00	91.95	267.19	8734.65	1823.87	-89.43	-1821.68	585330.32	669999.76	N 32 36 30.35	W 103 54 55.79	1823.87	267.19	0.00
	10500.00	91.95	267.19	8731.24	1923.82	-94.34	-1921.50	585325.42	669899.95	N 32 36 30.30	W 103 54 56.95	1923.82	267.19	0.00
	10600.00	91.95	267.19	8727.83	2023.76	-99.24	-2021.32	585320.52	669800.14	N 32 36 30.26	W 103 54 58.12	2023.76	267.19	0.00
	10700.00	91.95	267.19	8724.42	2123.70	-104.14	-2121.14	585315.62	669700.32	N 32 36 30.21	W 103 54 59.29	2123.70	267.19	0.00
	10800.00	91.95	267.19	8721.02	2223.64	-109.04	-2220.97	585310.72	669600.51	N 32 36 30.17	W 103 55 0.46	2223.64	267.19	0.00
	10900.00	91.95	267.19	8717.61	2323.58	-113.94	-2320.79	585305.82	669500.69	N 32 36 30.12	W 103 55 1.62	2323.58	267.19	0.00
	11000.00	91.95	267.19	8714.20	2423.52	-118.84	-2420.61	585300.92	669400.88	N 32 36 30.08	W 103 55 2.79	2423.52	267.19	0.00
	11100.00	91.95	267.19	8710.79	2523.47	-123.74	-2520.43	585296.02	669301.06	N 32 36 30.03	W 103 55 3.96	2523.47	267.19	0.00
	11200.00	91.95	267.19	8707.39	2623.41	-128.64	-2620.25	585291.12	669201.25	N 32 36 29.99	W 103 55 5.12	2623.41	267.19	0.00
	11300.00	91.95	267.19	8703.98	2723.35	-133.54	-2720.07	585286.22	669101.44	N 32 36 29.95	W 103 55 6.29	2723.35	267.19	0.00
	11400.00	91.95	267.19	8700.57	2823.29	-138.44	-2819.90	585281.32	669001.62	N 32 36 29.90	W 103 55 7.46	2823.29	267.19	0.00
	11500.00	91.95	267.19	8697.16	2923.23	-143.34	-2919.72	585276.42	668901.81	N 32 36 29.86	W 103 55 8.63	2923.23	267.19	0.00
	11600.00	91.95	267.19	8693.75	3023.18	-148.24	-3019.54	585271.52	668801.99	N 32 36 29.81	W 103 55 9.79	3023.18	267.19	0.00
	11700.00	91.95	267.19	8690.35	3123.12	-153.14	-3119.36	585266.62	668702.18	N 32 36 29.77	W 103 55 10.96	3123.12	267.19	0.00
	11800.00	91.95	267.19	8686.94	3223.06	-158.04	-3219.18	585261.72	668602.36	N 32 36 29.72	W 103 55 12.13	3223.06	267.19	0.00
	11900.00	91.95	267.19	8683.53	3323.00	-162.95	-3319.00	585256.82	668502.55	N 32 36 29.68	W 103 55 13.29	3323.00	267.19	0.00
	12000.00	91.95	267.19	8680.12	3422.94	-167.85	-3418.83	585251.92	668402.73	N 32 36 29.63	W 103 55 14.46	3422.94	267.19	0.00
	12100.00	91.95	267.19	8676.72	3522.89	-172.75	-3518.65	585247.02	668302.92	N 32 36 29.59	W 103 55 15.63	3522.89	267.19	0.00
	12200.00	91.95	267.19	8673.31	3622.83	-177.65	-3618.47	585242.12	668203.11	N 32 36 29.54	W 103 55 16.80	3622.83	267.19	0.00
	12300.00	91.95	267.19	8669.90	3722.77	-182.55	-3718.29	585237.21	668103.29	N 32 36 29.50	W 103 55 17.96	3722.77	267.19	0.00
	12400.00	91.95	267.19	8666.49	3822.71	-187.45	-3818.11	585232.31	668003.48	N 32 36 29.45	W 103 55 19.13	3822.71	267.19	0.00
	12500.00	91.95	267.19	8663.08	3922.65	-192.35	-3917.93	585227.41	667903.66	N 32 36 29.41	W 103 55 20.30	3922.65	267.19	0.00
	12600.00	91.95	267.19	8659.68	4022.60	-197.25	-4017.76	585222.51	667803.85	N 32 36 29.36	W 103 55 21.46	4022.60	267.19	0.00
	12700.00	91.95	267.19	8656.27	4122.54	-202.15	-4117.58	585217.61	667704.03	N 32 36 29.32	W 103 55 22.63	4122.54	267.19	0.00
	12800.00	91.95	267.19	8652.86	4222.48	-207.05	-4217.40	585212.71	667604.22	N 32 36 29.28	W 103 55 23.80	4222.48	267.19	0.00
	12900.00	91.95	267.19	8649.45	4322.42	-211.95	-4317.22	585207.81	667504.41	N 32 36 29.23	W 103 55 24.97	4322.42	267.19	0.00
	13000.00	91.95	267.19	8646.05	4422.36	-216.85	-4417.04	585202.91	667404.59	N 32 36 29.19	W 103 55 26.13	4422.36	267.19	0.00
	13100.00	91.95	267.19	8642.64	4522.30	-221.75	-4516.86	585198.01	667304.78	N 32 36 29.14	W 103 55 27.30	4522.30	267.19	0.00
	13200.00	91.95	267.19	8639.23	4622.25	-226.65	-4616.69	585193.11	667204.96	N 32 36 29.10	W 103 55 28.47	4622.25	267.19	0.00
	13300.00	91.95	267.19	8635.82	4722.19	-231.55	-4716.51	585188.21	667105.15	N 32 36 29.05	W 103 55 29.63	4722.19	267.19	0.00
	13400.00	91.95	267.19	8632.41	4822.13	-236.46	-4816.33	585183.31	667005.33	N 32 36 29.01	W 103 55 30.80	4822.13	267.19	0.00

Drilling 12-1/4" hole
below 13 3/8" Casing

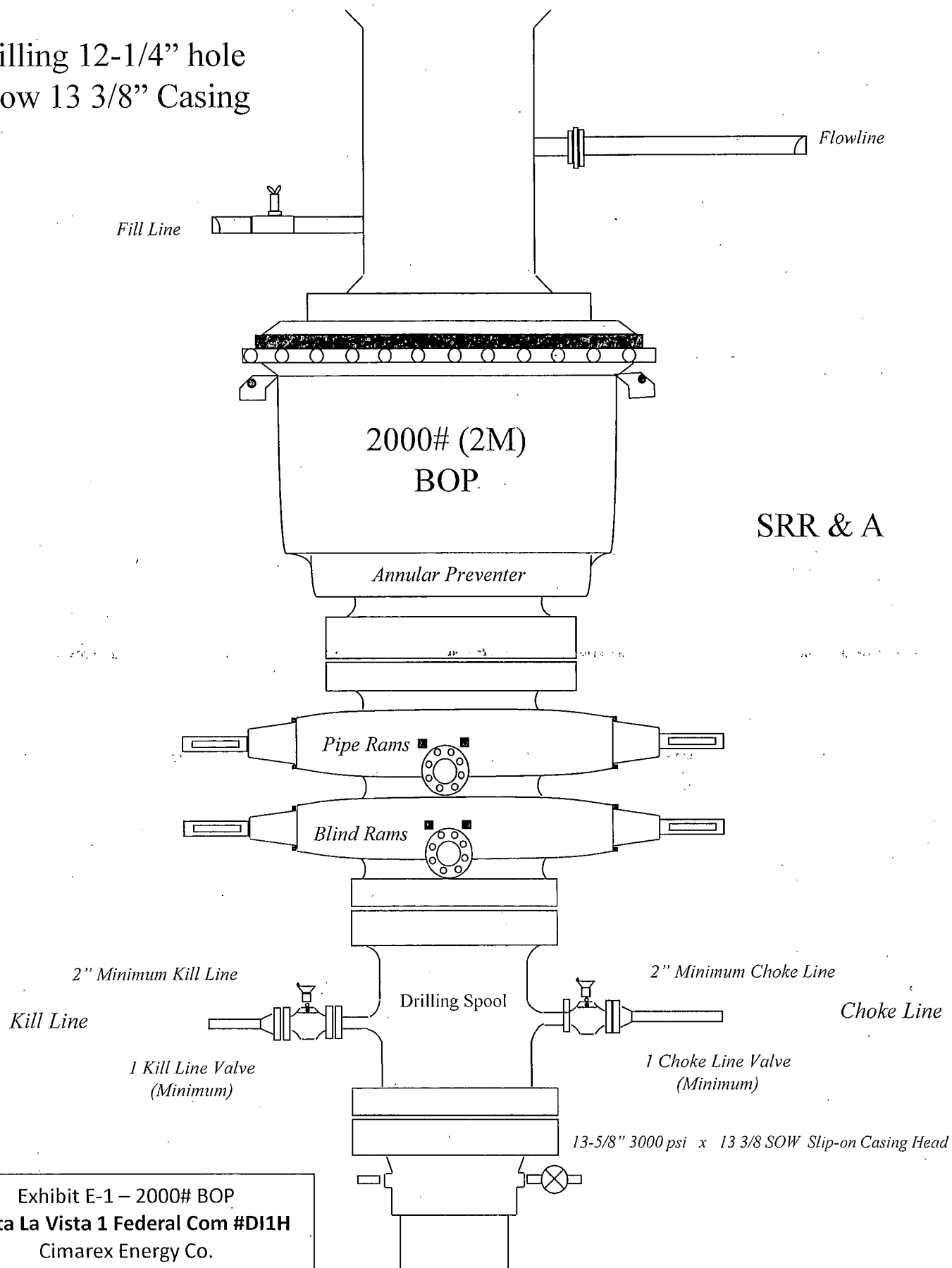
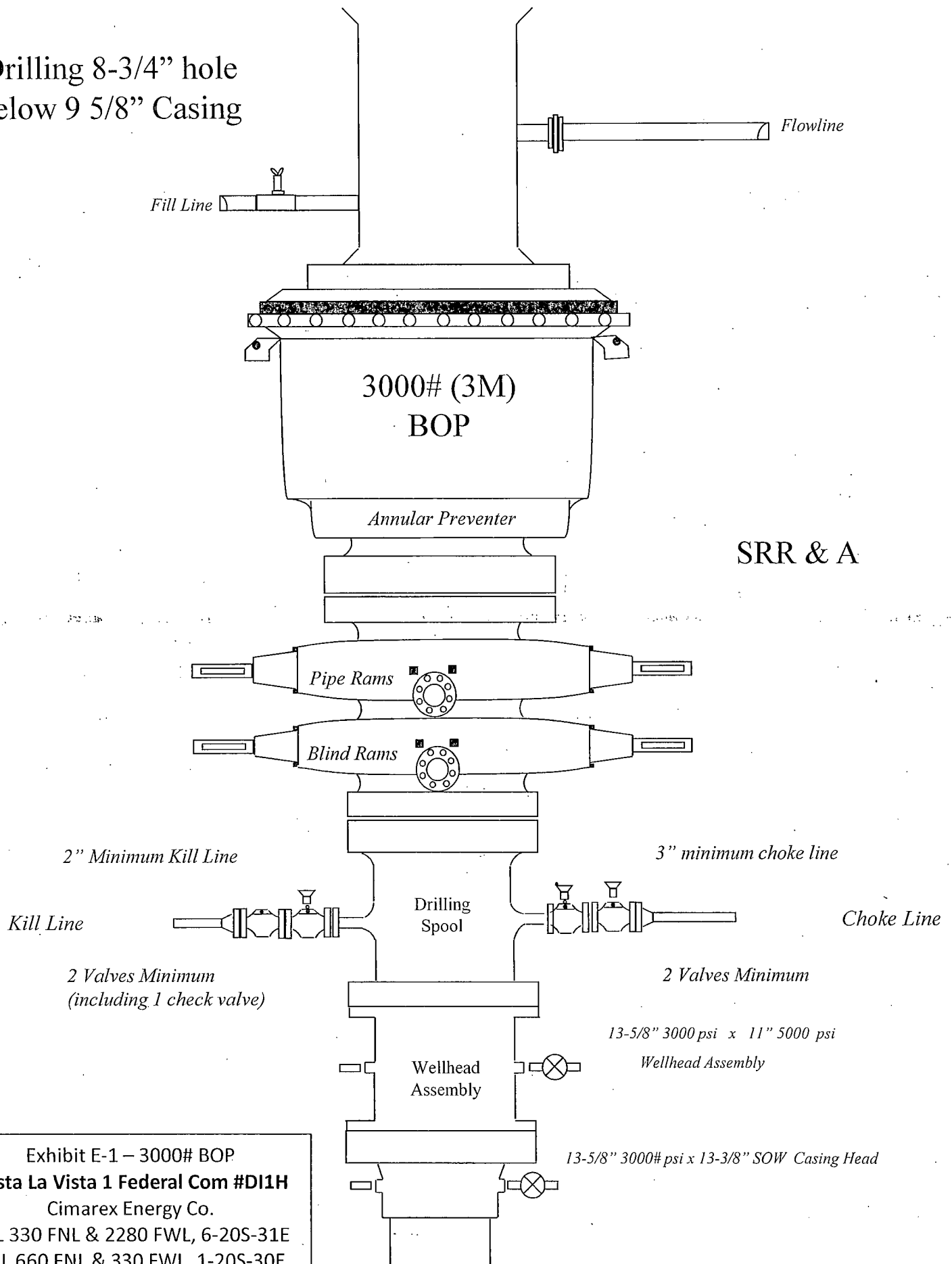


Exhibit E-1 – 2000# BOP
Hasta La Vista 1 Federal Com #DI1H
Cimarex Energy Co.
SHL 330 FNL & 2280 FWL, 6-20S-31E
BHL 660 FNL & 330 FWL, 1-20S-30E
Eddy County, NM

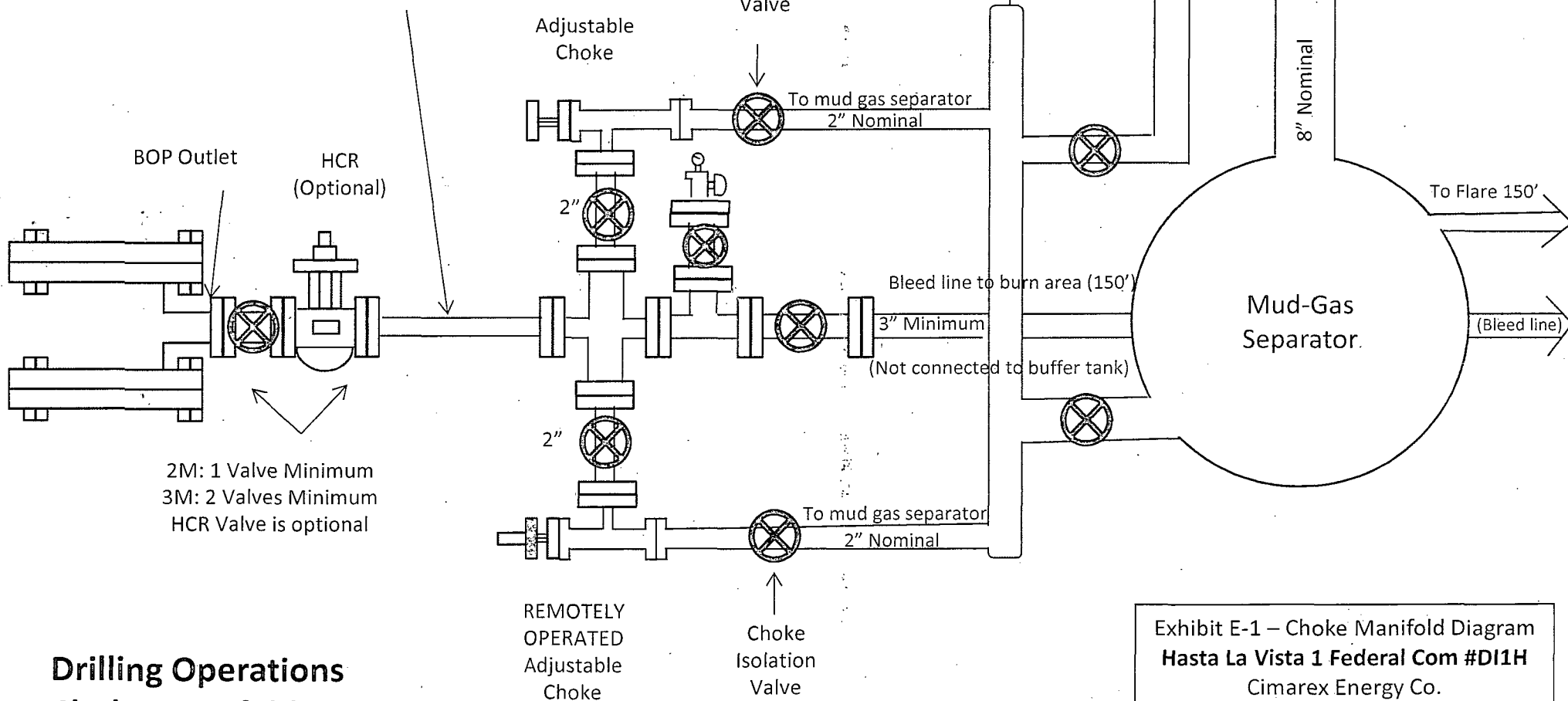
Drilling 8-3/4" hole
below 9 5/8" Casing



SRR & A

Exhibit E-1 – 3000# BOP
Hasta La Vista 1 Federal Com #DI1H
Cimarex Energy Co.
SHL 330 FNL & 2280 FWL, 6-20S-31E
BHL 660 FNL & 330 FWL, 1-20S-30E
Eddy County, NM

Choke Line:
 2M System: 2" Minimum
 3M System: 3" Minimum
 OPTIONAL: 4" Flex Hose may be
 used if approved in APD



Drilling Operations Choke Manifold 2M/3M Service

Exhibit E-1 – Choke Manifold Diagram
Hasta La Vista 1 Federal Com #D11H
 Cimarex Energy Co.
 SHL 330 FNL & 2280 FWL, 6-20S-31E
 BHL 660 FNL & 330 FWL, 1-20S-30E
 Eddy County, NM

Exhibit F – Co-Flex Hose
Hasta La Vista 1 Federal Com #DI1H
Cimarex Energy Co.
SHL 330 FNL & 2280 FWL, 6-20S-31E
BHL 660 FNL & 330 FWL, 1-20S-30E
Eddy County, NM

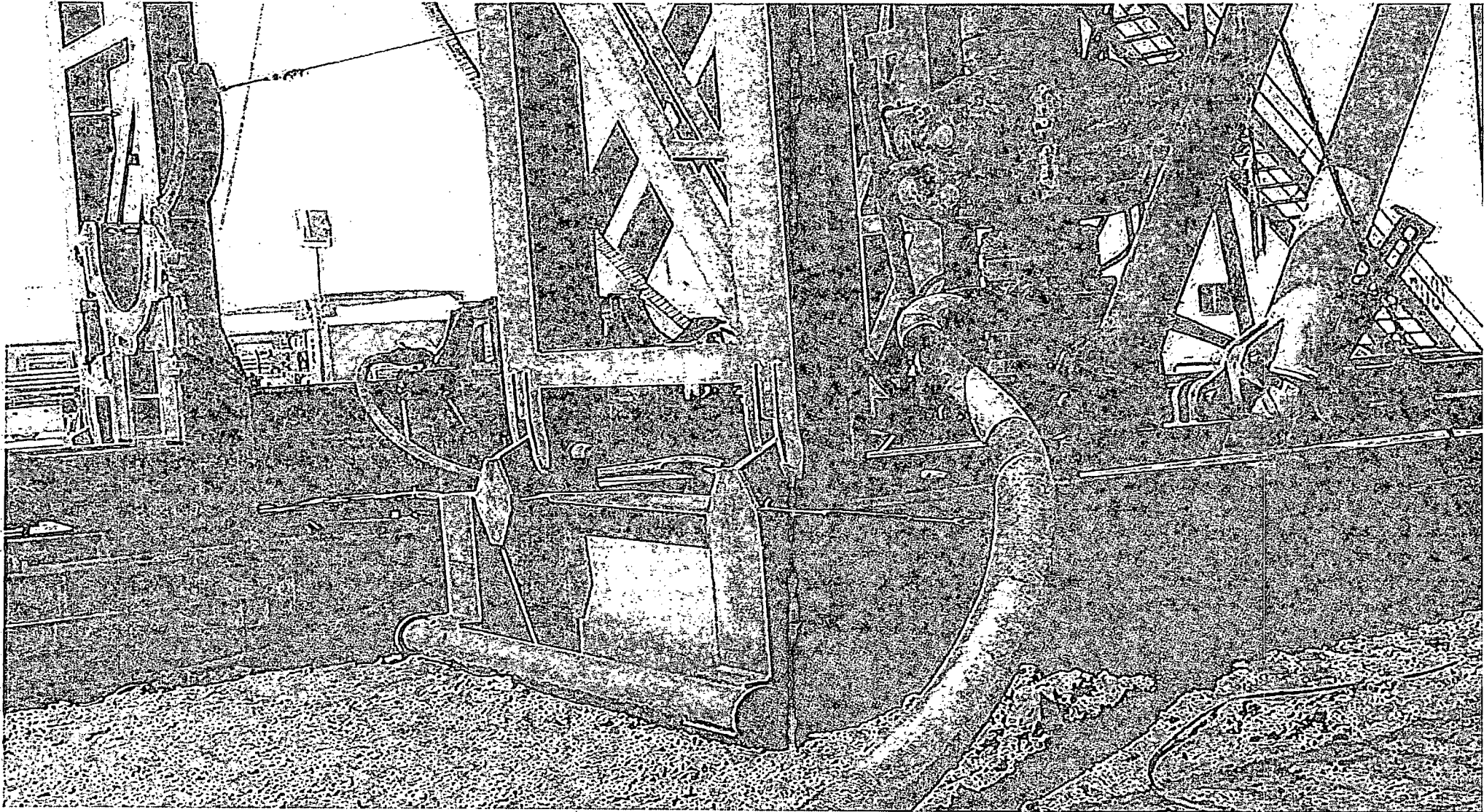


Exhibit F-1 - Co-Flex Hose Hydrostatic Test

Hasta La Vista 1 Federal Com #D11H

Cimarex Energy Co.

SHL 330 FNL & 2280 FWL, 6-20S-31E

BHL 660 FNL & 330 FWL, 1-20S-30E

Eddy County, NM



Midwest Hose & Specialty, Inc.

INTERNAL HYDROSTATIC TEST REPORT

Customer:

Oderco Inc

P.O. Number:

odyd-271

HOSE SPECIFICATIONS

Type: Stainless Steel Armor
Choke & Kill Hose

Hose Length: 45'ft.

I.D. 4 INCHES

O.D. 9 INCHES

WORKING PRESSURE

10,000 PSI

TEST PRESSURE

15,000 PSI

BURST PRESSURE

0 PSI

COUPLINGS

Stem Part No.

OKC
OKC

Ferrule No.

OKC
OKC

Type of Coupling:

Swage-It

PROCEDURE

Hose assembly pressure tested with water at ambient temperature.

TIME HELD AT TEST PRESSURE

15 MIN.

ACTUAL BURST PRESSURE:

0 PSI

Hose Assembly Serial Number:

79793

Hose Serial Number:

OKC

Comments:

Date:

3/8/2011

Tested:

A. James Jones

Approved:

Kevin J. Ford



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Graph

Customer: Houston

Pick Ticket #: 94260

Hose Specifications

Hose Type

C & K

LD

4"

Working Pressure

10000 PSI

Length

45'

O.D.

6.09"

Burst Pressure

Standard Safety Multiplier Applies

Verification

Type of Fittings

4 1/16 10K

Die Size

6.38"

Hose Serial #

5544

Coupling Method

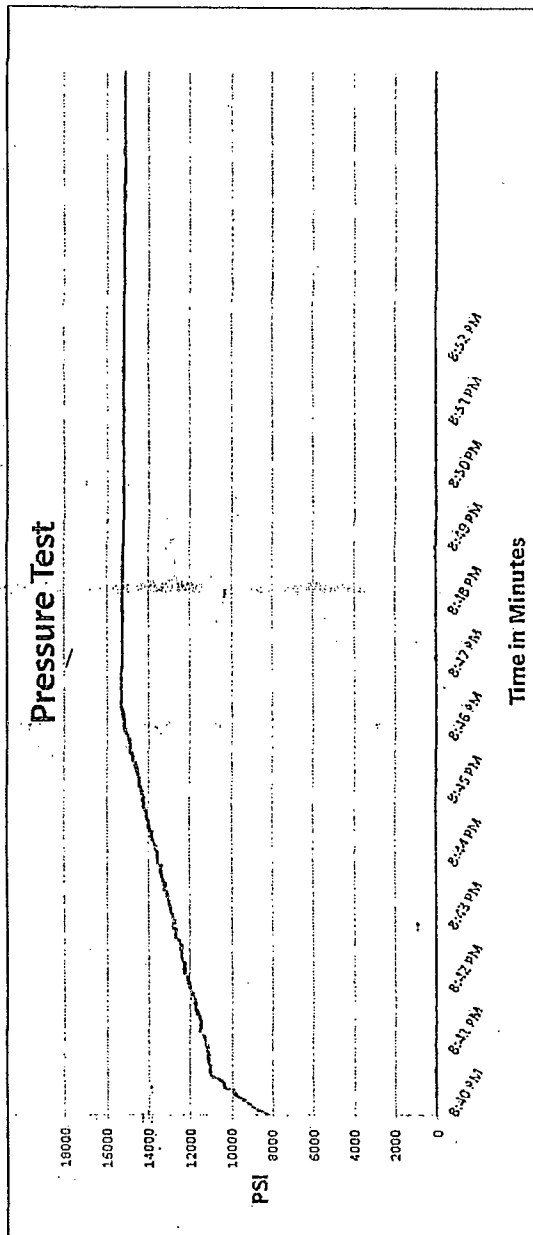
Swage

Final O.D.

6.25"

Hose Assembly Serial #

79793



Test Pressure

15000 PSI

Time Held at Test Pressure

11 Minutes

Actual Burst Pressure

15483 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Zac McConnell

Approved By: Kim Thomas

[Signature]

[Signature]

Exhibit F-1 - Co-Flex Hose Hydrostatic Test
Hasta La Vista 1 Federal Com #DI1H
Cimarex Energy Co.
SHL 330 FNL & 2280 FWL, 6-20S-31E
BHL 660 FNL & 330 FWL, 1-20S-30E
Eddy County, NM

March 3, 2011

Exhibit F-2 - Co-Flex Hose
Hasta La Vista 1 Federal Com #DI1H
Cimarex Energy Co.
SHL 330 FNL & 2280 FWL, 6-20S-31E
BHL 660 FNL & 330 FWL, 1-20S-30E
Eddy County, NM



Midwest Hose & Specialty, Inc.

Certificate of Conformity

Customer: DEM		PO ODYD-271
SPECIFICATIONS		
Sales Order 79793	Dated: 3/8/2011	
<p>We hereby certify that the material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards</p> <p>Supplier: Midwest Hose & Specialty, Inc. 10640 Tanner Road Houston, Texas 77041</p>		
Comments:		
Approved: <i>James Garcia</i>		Date: 3/8/2011

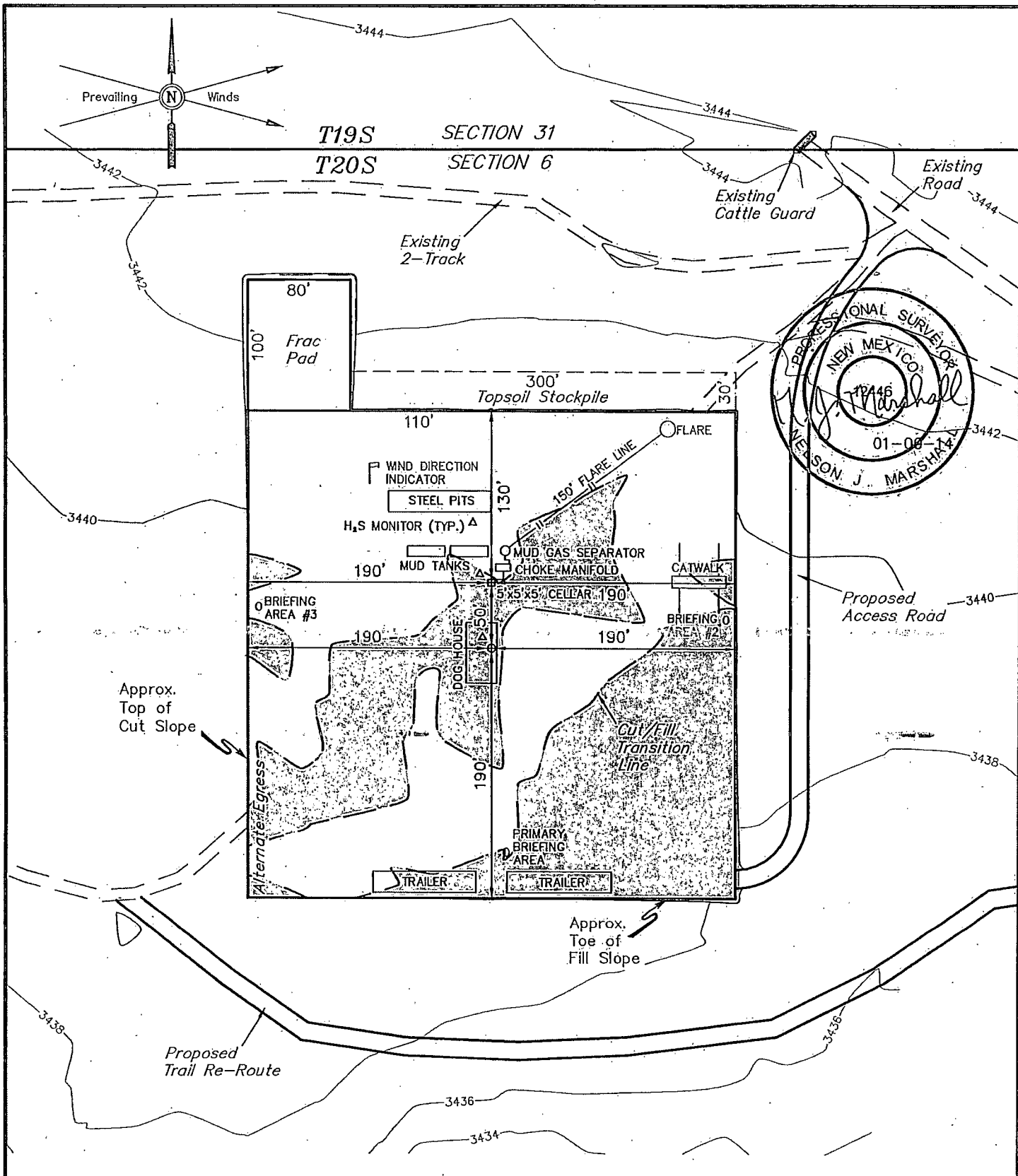


Exhibit F -3- Co-Flex Hose
Hasta La Vista 1 Federal Com #DI1H
Cimarex Energy Co.
SHL 330 FNL & 2280 FWL, 6-20S-31E
BHL 660 FNL & 330 FWL, 1-20S-30E
Eddy County, NM

Specification Sheet Choke & Kill Hose

The Midwest Hose & Specialty Choke & Kill hose is manufactured with only premium components. The reinforcement cables, inner liner and cover are made of the highest quality material to handle the tough drilling applications of today's industry. The end connections are available with API flanges, API male threads, hubs, hammer unions or other special fittings upon request. Hose assembly is manufactured to API 7K. This assembly is wrapped with fire resistant vermiculite coated fiberglass insulation, rated at 2000 degrees with stainless steel armor cover.

Working Pressure:	5,000 or 10,000 psi working pressure
Test Pressure:	10,000 or 15,000 psi test pressure
Reinforcement:	Multiple steel cables
Cover:	Stainless Steel Armor
Inner Tube:	Petroleum resistant, Abrasion resistant
End Fitting:	API flanges, API male threads, threaded or butt weld hammer unions, unbolt and other special connections
Maximum Length:	110 Feet
ID:	2-1/2", 3", 3-1/2", 4"
Operating Temperature:	-22 deg F to +180 deg F (-30 deg C to +82 deg C)



- 1 All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Principal and operation of H₂S detectors, warning system and briefing areas.
 - D. Evacuation procedure, routes and first aid.
 - E. Proper use of safety equipment & life support systems
 - F. Essential personnel meeting Medical Evaluation criteria will receive additional training on the proper use of 30 minute pressure demand air packs.
- 2 H₂S Detection and Alarm Systems:
 - A. H₂S sensors/detectors to be located on the drilling rig floor, in the base of the sub structure/cellar area, on the mud pits in the shale shaker area. Additional H₂S detectors may be placed as deemed necessary.
 - B. An audio alarm system will be installed on the derrick floor and in the top doghouse.
- 3 Windsock and/or wind streamers:
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock on the rig floor and / or top doghouse should be high enough to be visible.
- 4 Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag indicates normal safe condition. Yellow flag indicates potential pressure and danger. Red flag indicates danger (H₂S present in dangerous concentration). Only H₂S trained and certified personnel admitted to location.
- 5 Well control equipment:
 - A. See exhibit "E-1"
- 6 Communication:
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
- 7 Drillstem Testing:

No DSTs or cores are planned at this time.
- 8 Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 9 If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

H₂S Contingency Plan
Hasta La Vista 1 Federal Com #1DI
Cimarex Energy Co.
UL: C, Sec. 6, 20S, 31E
Eddy Co., NM

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must:

- « Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- « Evacuate any public places encompassed by the 100 ppm ROE.
- « Be equipped with H₂S monitors and air packs in order to control the release.
- « Use the "buddy system" to ensure no injuries occur during the response.
- « Take precautions to avoid personal injury during this operation.
- « Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- « Have received training in the:
 - Detection of H₂S, and
 - Measures for protection against the gas,
 - Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

Characteristics of H₂S and SO₂

Please see attached International Chemical Safety Cards.

Contacting Authorities

Cimarex Energy Co. of Colorado's personnel must liaise with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Cimarex Energy Co. of Colorado's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H₂S Contingency Plan Emergency Contacts
Hasta La Vista 1 Federal Com #1DI
 Cimarex Energy Co.
 UL: C, Sec. 6, 20S, 31E
 Eddy Co., NM

Company Office

Cimarex Energy Co. of Colorado	800-969-4789
Co. Office and After-Hours Menu	

Key Personnel

Name	Title	Office	Mobile
Larry Seigrist	Drilling Manager	432-620-1934	580-243-8485
Doug McQuitty	Drilling Superintendent	432-620-1933	806-640-2605
Scott Lucas	Drilling Superintendent	432-620-1989	432-894-5572
Conner Cromeens	Construction Foreman		432-270-0313
Roy Shirley	Construction Superintendent		432-634-2136

Artesia

Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	575-746-2701
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-887-3798
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

Santa Fe

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
New Mexico Emergency Response Commission (Santa Fe) 24 Hrs	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635

National

National Emergency Response Center (Washington, D.C.)	800-424-8802
-------------------------------------------------------	--------------

Medical

Flight for Life - 4000 24th St.; Lubbock, TX	806-743-9911
Aerocare - R3, Box 49F; Lubbock, TX	806-747-8923
Med Flight Air Amb - 2301 Yale Blvd S.E., #D3; Albuquerque, NM	505-842-4433
SB Air Med Service - 2505 Clark Carr Loop S.E.; Albuquerque, NM	505-842-4949

Other

Boots & Coots IWC	800-256-9688	or	281-931-8884
Cudd Pressure Control	432-699-0139	or	432-563-3356
Halliburton	575-746-2757		
B.J. Services	575-746-3569		

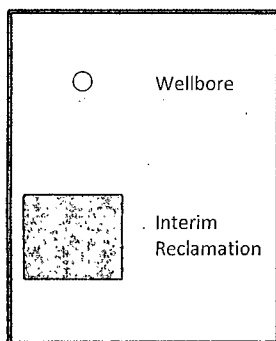
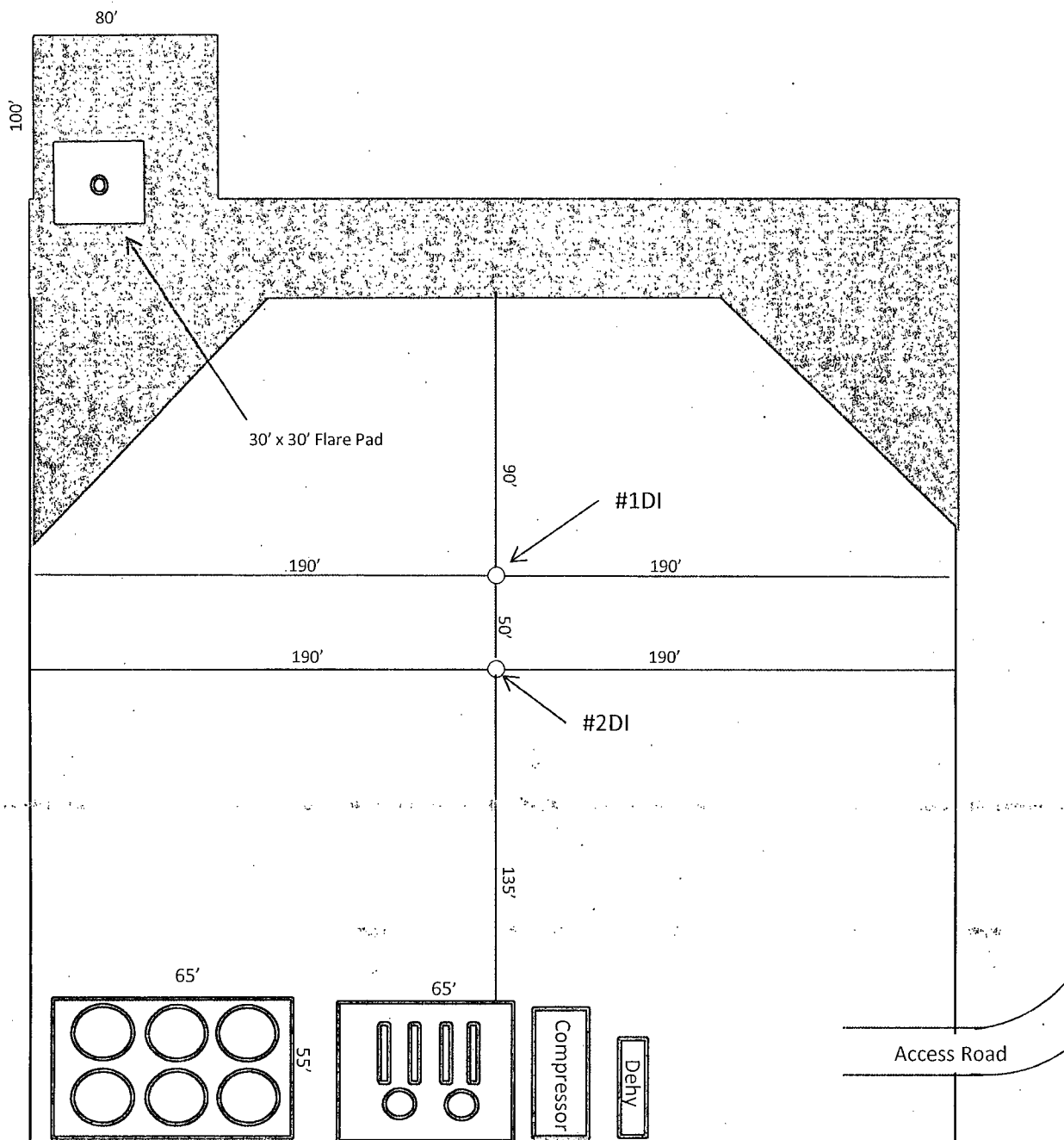


Exhibit D-1
 Interim Reclamation Diagram
Hasta La Vista 1 Federal Com #DI1H
 Cimarex Energy Co.
 SHL 330 FNL & 2280 FWL, 6-20S-31E
 BHL 660 FNL & 330 FWL, 1-20S-30E
 Eddy County, NM

Surface Use Plan
Hasta La Vista 1 Federal Com #DI 1H
Cimarex Energy Co.
UL: C, Sec. 6, 20S, 31E
Eddy Co., NM

The following surface use plan of operations will be followed and carried out once the APD is approved. No other disturbance will be created other than what is submitted in this surface use plan without approval. If any other disturbance is needed after the APD is approved, a BLM approved sundry notice or right of way application will be submitted for approval prior to any new surface disturbance.

1. Existing Roads:

Area access roads and general road maps:

- Exhibit B: General Highway Map
- Exhibit C: USGS Topographic Map
- Exhibit C-1: Public Access Road Map
- Exhibit C-2: Existing and proposed access roads plat

The maximum width of the driving surface will be 14'. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.

Existing access road route to the proposed project is depicted on the public access point map if applicable. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done, unless otherwise noted in the New or Reconstructed Access Roads section of the surface use plan.

Beginning at County Road 222, proceed in southeasterly direction approximately 0.2 miles to the beginning of the proposed access to the southwest; follow road flags in a southwesterly direction approximately 579' to the proposed location. Total distance from County Road 222 to the proposed location is approximately 0.3 miles. Exhibit J

If existing roads are used, the operator will improve or maintain existing roads in a condition the same as or better than before the operations began. The operator will repair pot holes, etc. All existing structures on the entire access route such as cattleguards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.

The operator will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or other events. The operator will obtain written BLM approval prior to the application of surfactants, binding agents, or other dust suppression chemicals on the roadways.

2. New or Reconstructed Access Roads:

A new road will be constructed for this project.

Cimarex Energy plans to construct 578.85' of new on-lease access road to service the well. The planned access road does not cross lease boundaries, a right of way grant will not be acquired from the BLM.

The maximum width of the driving surface will be 14'. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.

Proposed and existing access road route to the proposed wellsite is depicted on Exhibit C-2. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done without prior approval from the BLM.

The operator will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or other events.

3. Planned Electric Line:

Cimarex Energy plans to construct a new on lease electric line to service the well.

Cimarex Energy plans to install an overhead electric line from the proposed well to an existing overhead electric line located in SW of section 31. The proposed electric line will be 624.98' in length, 2-40 poles, 480 volt, 4 wire, 3 phase. The electric line will exist off the North side of the well location and travel North 624.98' until it would intercept the existing electric line.

Route is within lease boundaries, a right of way grant will not be acquired from the BLM. Please see Exhibit H. Any changes to E-Line route will be submitted via sundry notice.

4. Location of Existing Well in a One-Mile Radius -Exhibit A:

- Water Wells - None known
- Disposal Wells - None known
- Drilling Wells - None known
- Producing Wells - As shown on Exhibit A
- Abandoned Wells - As shown on Exhibit A

Surface Use Plan
Hasta La Vista 1 Federal Com #DI 1H
Cimarex Energy Co.
UL: C, Sec. 6, 20S, 31E
Eddy Co., NM

5. Location of Existing or Proposed Production Facilities:

If on completion this well is a producer, a tank battery will be used and the necessary production equipment will be installed at the wellsite. Exhibit D-1 illustrates the proposed facility/battery. Any changes to the facility will be submitted via sundry notice.

6. Location and Type of Water Supply:

Water will be purchased locally from a commercial source and trucked over the access roads.

7. Source of Construction Material:

If possible, native caliche will be obtained from the excavation of drill site. The primary way of obtaining caliche will be by "turning over" the location. This means caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cu yds is the max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

- The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
- An approximate 120' x 120' area is used within the proposed well site to remove caliche.
- Subsoil is removed and piled alongside the 120' by 120' area within the pad site.
- When caliche is found, material will be stockpiled within the pad site to build the location and road.
- Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- Once well is drilled, the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in Exhibit D – Rig Layout Diagram.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM-approved caliche pit.

8. Methods of Handling Waste

- Drilling fluids, produced oil, and water from the well during drilling and completion operations will be stored safely and disposed of properly in a NMOCD approved disposal facility.
- Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around well site will be collected for disposal.
- Human waste and grey water will be properly contained and disposed of properly at a state approved disposal site.
- After drilling and completion operations, trash, chemicals, salts, frac sand and other waste will be removed and disposed of properly at a state approved disposal site.
- The well will be drilled utilizing a closed loop system. Drill cuttings will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

9. Ancillary Facilities:

No camps or airstrips to be constructed.

10. Well Site Layout:

- Exhibit D: Rig Layout
- Exhibit D-2: Well Site layout plat
- Mud pits in the closed circulation system will be steel pits and the cuttings will be stored in steel containment pits.
- Cuttings will be stored in steel pits until they are hauled to a state-approved disposal facility.
- If the well is a producer, those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements. Exhibit D-1: Interim Reclamation Diagram.

Surface Use Plan
Hasta La Vista 1 Federal Com #DI 1H
Cimarex Energy Co.
UL: C, Sec. 6, 20S, 31E
Eddy Co., NM

11. Plans for Restoration of Surface:

Rehabilitation of the location will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

In areas planned for interim and final reclamation, surfacing materials will be removed and returned to a mineral pit or recycled to repair or build roads and well pads.

Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recountoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, those areas of the location not essential to production facilities and operations will be reclaimed and seeded per BLM requirements. Exhibit D-1 illustrates the proposed Interim Reclamation.

12. Other Information:

- Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- The wellsite is on surface owned by Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
- An archaeological survey will be conducted on the location and proposed roads and this report will be filed with the Bureau of Land Management.
- There are no known dwellings within 1½ miles of this location.

13. On Site Notes and Information:

An on-site meeting was held on 9/24/13 with Barry Hunt, Cimarex representative; Jesse Rice, BLM; Thor Dye, Lone Mountain Archeology; and John Hawkins and Roy Shirley, with Cimarex. The location was moved 300' east and 80' north. V-door east. Frac pad NW corner (north). Top soil north. Battery south. Interim reclamation: north, northeast corner, northwest corner. An earthen berm will be constructed (off the pad) around the south, east, and west sides of the pad. Access road from the SE corner, north, to lease road. Power line to be staked from the well, north, to existing line (30' in Sec. 31, drop pole in Sec. 6 so not ROW required). Hackberry recreational moto-cross trail to be re-routed to use existing abandoned two-track road to the South. Exhibit H provides reroute information. Trail will be built in compliance with BLM standards. *R 1/22/14*

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Cimarex Energy Co.
LEASE NO.:	NMNM130862
WELL NAME & NO.:	1D1-Hasta La Vista 1 Federal Com
SURFACE HOLE FOOTAGE:	330' FNL & 2280' FEL
BOTTOM HOLE FOOTAGE:	660' FSL & 330' FWL
LOCATION:	Section 1, T. 20S., R30., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - OHV Trail Reroute
 - Hackberry OHV
 - Pad Berm
 - Cultural
 - Well Name
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - Mud Program
 - Secretary's Potash
 - Capitan Reef
 - Cement Requirements
 - Logging Requirements
 - Waste Material and Fluids
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Electric Lines
- ☐ **Interim Reclamation**

☐ **Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator 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 shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

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.

V. SPECIAL REQUIREMENT(S)

Hackberry OHV Trail

Cimarex shall be responsible for rerouting the OHV trail prior to construction. The trail route will be constructed as shown on survey plats contained in the approved APD. The trail width should be 6 feet (to accommodate UTV's but not vehicles). Vegetation should be removed (including shrub and grass clump roots) and cross tread (trail side-to-side) slope should not exceed 10 percent.

Hackberry Lake Special Recreation Management Area

Pipelines shall be buried a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. Power poles and associated ground structures (poles, guy wires) will not be placed within 20 feet of recreation trails. Guy wires must be equipped with a sleeve, tape or other industry approved apparatus that is highly visible during the day and reflective at night. Appropriate safety signage will be in place during all phases of the project. Upon completion of construction, the road shall be returned to pre-construction condition with no bumps or dips. All vehicle and equipment operators will observe speed limits and practice responsible defensive driving habits.

Watershed Protection

- The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.
- Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control.

Tank Battery COAs:

- Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.
- Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Well Name

The Well name shall be changed via sundry notice to remove "Com" from the name, since a Communitization Agreement is not necessary.



EXHIBIT NO. 1

Date of Issue:

12/24/2013

Bureau of Land Management, Carlsbad Field Office
620 E. Greene Street Carlsbad, NM 88220

Cultural and Archaeological Resources

NOTICE OF STIPULATIONS

BLM Report No.

14-NM-523-194

Historic properties in the vicinity of this project are protected by federal law. In order to ensure that they are not damaged or destroyed by construction activities, the project proponent and construction supervisors shall ensure that the following stipulations are implemented.

Project Name:	Cimarex Energy, Hasta La Vista 1 Federal Com 1D1 & 2D1 Well Pad, Eddy County, New Mexico
Required	1). A 3-day preconstruction call-in notification. Contact BLM Inspection and Enforcement at
A. <input checked="" type="checkbox"/>	These stipulations must be given to your monitor at least 5 days prior to the start of construction.
B. <input checked="" type="checkbox"/>	No construction, including vegetation removal or other site prep may begin prior to the arrival of the monitor.
A. <input type="checkbox"/>	3. Cultural site barrier fencing. (Your monitor will assist you). A temporary site protection barrier(s) shall be erected prior to all ground-disturbing activities. The minimum barrier(s) shall consist of upright wooden survey lath spaced no more than ten (10) feet apart and marked with blue ribbon, flagging or blue paint. There shall be no construction activities or vehicular traffic past the barrier(s) at any time.
B. <input type="checkbox"/>	A permanent, 4-strand barbed wire fence strung on standard "T-posts" shall be erected prior to all ground-disturbing activities. No construction activities or vehicle traffic are allowed past the fence.
Required	4. The archaeological monitor shall:
A. <input checked="" type="checkbox"/>	Monitor the bike trail construction. Ensure the bike trail and proposed well pad are correctly staked prior to construction.
B. <input checked="" type="checkbox"/>	Observe all ground-disturbing activities within 200 feet of cultural site LA 18387.
C. <input type="checkbox"/>	Ensure that the proposed
D. <input type="checkbox"/>	Ensure the proposed reroute for the
E. <input checked="" type="checkbox"/>	Submit a brief monitoring report within 30 days of completion of monitoring.
Other:	If subsurface cultural resources are encountered during the monitoring, all activities shall cease and a BLM-CFO archaeologist shall be notified immediately. IF THE CONTRACT ARCHAEOLOGIST DOES NOT KNOW WHERE THE SITE(S) ARE LOCATED AT PLEASE COME BY THE CARLSBAD BLM AND MAPS AND OTHER DATA WILL BE PROVIDED UPON REQUEST TO THE CONTRACT ARCHAEOLOGIST

Site Protection and Employee Education: It is the responsibility of the project proponent and his construction supervisor to inform all employees and subcontractors that cultural and archaeological sites are to be avoided by all personnel, vehicles, and equipment; and that it is illegal to collect, damage, or disturb cultural resources on Public Lands.

For assistance contact:

Bruce Boeke (575) 234-5917

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

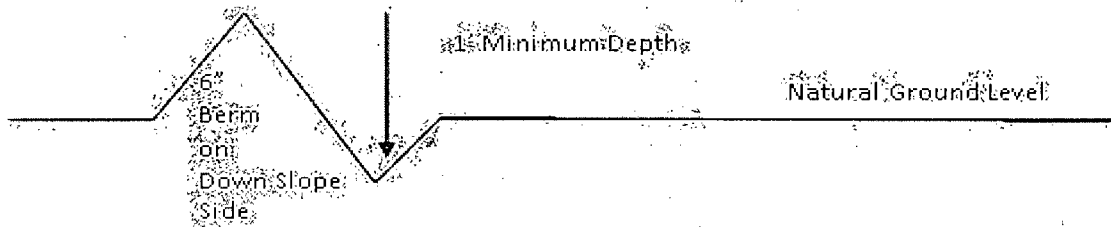
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

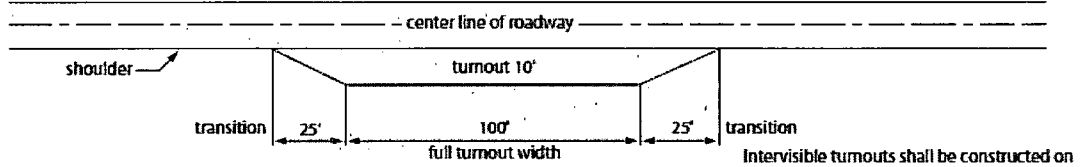
Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

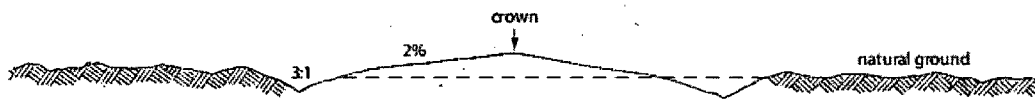
1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

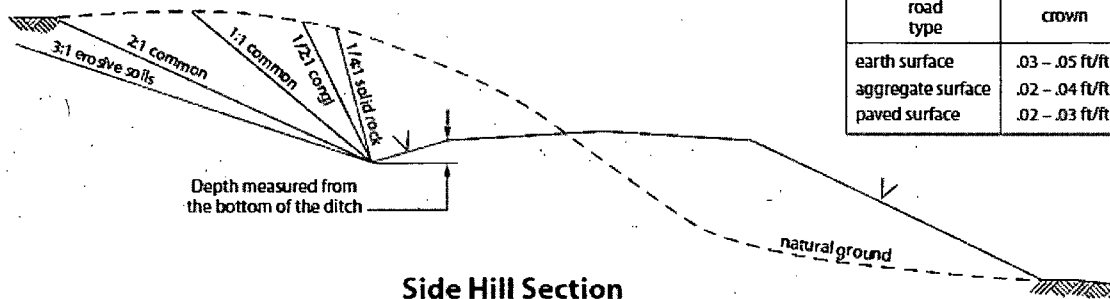


Typical Turnout Plan

Intervisible turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.

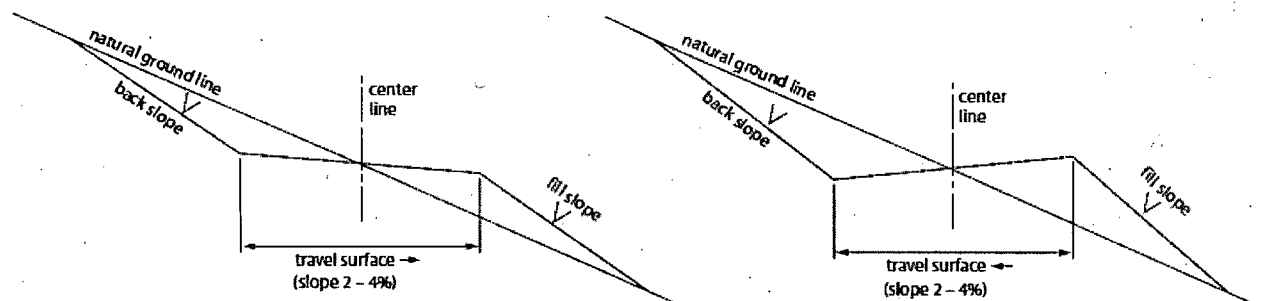


Level Ground Section



road type	crown
earth surface	.03 - .05 ft/ft
aggregate surface	.02 - .04 ft/ft
paved surface	.02 - .03 ft/ft

Side Hill Section



Typical Outsloped Section

Typical Insloped Section

Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Hydrogen Sulfide (H₂S) monitors shall be installed prior to drilling out the surface shoe. If H₂S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Secretary's Potash

Capitan Reef

Possible water flows – Salt, Tansill, Yates and Seven Rivers.

Possible lost circulation – Rustler, Tansill, Yates, Seven Rivers, Capitan Reef and Delaware.

1. The **20** inch surface casing shall be set at approximately **475** (in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet above the salt) and cemented to the surface.
Fresh water mud to be used to setting depth.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Both intermediate casings to be kept fluid filled to meet BLM's minimum collapse criteria.

2. The minimum required fill of cement behind the **13-3/8 inch 1st** intermediate casing is: **(Ensure casing is set in the Seven Rivers formation at approximately 2250')**

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.
- ☒ **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

12-1/4 inch hole shall be drilled with fresh water based mud.

3. The minimum required fill of cement behind the **9-5/8 inch 2nd** intermediate casing is:

Operator has proposed DV tool at depth of 2050', but with the change in casing depth this is no longer acceptable. DV tool shall be at least 50' below previous casing at a depth of 2300'. Operator shall adjust cement proportionately according to the depth change. Operator is to submit sundry if DV tool depth varies by more than 100' from approved depth.

- a. First stage to DV tool:

- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

- b. Second stage above DV tool:

- ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to Potash and Capitan Reef. Excess calculates to negative 3% - Additional cement will be required.**

4. The minimum required fill of cement behind the **5-1/2 inch** production casing is:

- ☒ Cement should tie-back at least **50 feet above the Capitan Reef** (Top of Capitan Reef estimated at 2300'). Operator shall provide method of verification.

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi.
 - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **13-3/8 1st** intermediate casing shoe shall be **3000 (3M)** psi.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength,

whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item):

- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion 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.

CRW 030414

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES (Not applied for in APD)

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, 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. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. 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 the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (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.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 1, for Loamy 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 regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (small/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 lovegrass (<i>Eragrostis intermedia</i>)	0.5
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sideoats grama (<i>Bouteloua curtipendula</i>)	5.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

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