

ATS-07-693
EA-07-1361

OCD-ARTESIA

AUG 29 2008

OCD-ARTESIA

Form 3160-3
(April 2004)

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

S

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM-89878

6. If Indian, Allottee or Tribe Name

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

Pending

8. Lease Name and Well No 37371
Omaha 29 Federal Com No. 1

9. API Well No
30-015-36590

10. Field and Pool, or Exploratory 97197
Abo County line tank

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

29-Per Zone 9-25-07
30-16S-29E

12. County or Parish
Eddy

13. State
NM

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. of Colorado 162683
Foswell Controlled Water Basin

3a. Address
PO Box 140907
Irving, TX 75014

3b. Phone No. (include area code)
972-401-3111

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

At Surface 1980' FNL & 330' FWL 1650' FNL & 330' FWL

At proposed prod. Zone 1980' FNL & 330' FWL 1980' FNL & 330' FEL

14. Distance in miles and direction from nearest town or post office*
18 miles ESE of Lake Arthur CL. 01/02/04

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
1356.87

17. Spacing Unit dedicated to this well
S2N2 160

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

19. Proposed Depth
TVD 7115
11613 11626 MD

20. BLM/BIA Bond No. on File
NM-2575

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3626' GR

22. Approximate date work will start*
1/1/2008

23. Estimated duration
30-35 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 Zeno Farris Name (Printed/Typed) Zeno Farris Date 09.20.07

Title Manager Operations Administration

Approved By (Signature) /s/ Don Peterson Name (Printed/Typed) /s/ Don Peterson Date AUG 19 2008

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.

Title 18 U.S.S. Section 1001 and Title 43 U.S.C. Section 1212, States any false, fictitious, or fraudulent statements or represent

NOTE: NEW PIT RULE
19-15-17 NMAC PART 17
A form C-144 must be approved
before starting drilling operations.

department or agency of the United

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

No. 0282, P. 3/7
FORM API, REVISED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.*

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM-89878
2. Name of Operator Climarex Energy Co. of Colorado	6. If Indian, Allottee or Tribe Name
3a. Address PO Box 140907; Irving, TX 75014-0907	7. If Unit or C/A Agreement, Name and/or No. Pending
3b. Phone No. (include area code) 972-401-3111	8. Well Name and No. Omaha 29 Federal Com No. 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL 1980' FNL & 330' FWL, BHL 1980' FNL & 330' FEL 29-16S-29E	9. API Well No. 30-015-
	10. Field and Pool, or Exploratory Area Abo V. County Line Tank
	11. County or Parish, State Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Alter SHL
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Per the request of Cody Layton, BLM Surface Specialist, Climarex has changed its SHL for the proposed Omaha 29 Federal Com No. 1.

Old Location
SHL 1980' FNL & 330' FWL
BHL 1980' FNL & 330' FEL
29-16S-29E

New Location
SHL 1650' FNL & 330' FWL
BHL 1980' FNL & 330' FEL
29-16S-29E

Please see attached revised plats.

OK C.R.L. 01/10/09

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

Natalie Krueger
Signature

Title

Reg Analyst

Date

January 4, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Don Peterson

FIELD MANAGER

Date AUG 19 2008

Conditions of Approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CARLSBAD FIELD OFFICE

Title 18 U S C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code <i>977917</i>	Pool Name Abo <i>County Line Tank</i>
Property Code	Property Name <i>97197</i> OMAHA "29" FEDERAL COM	Well Number 1
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3628'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	29	16 S	29 E		1650	NORTH	330	WEST	EDDY

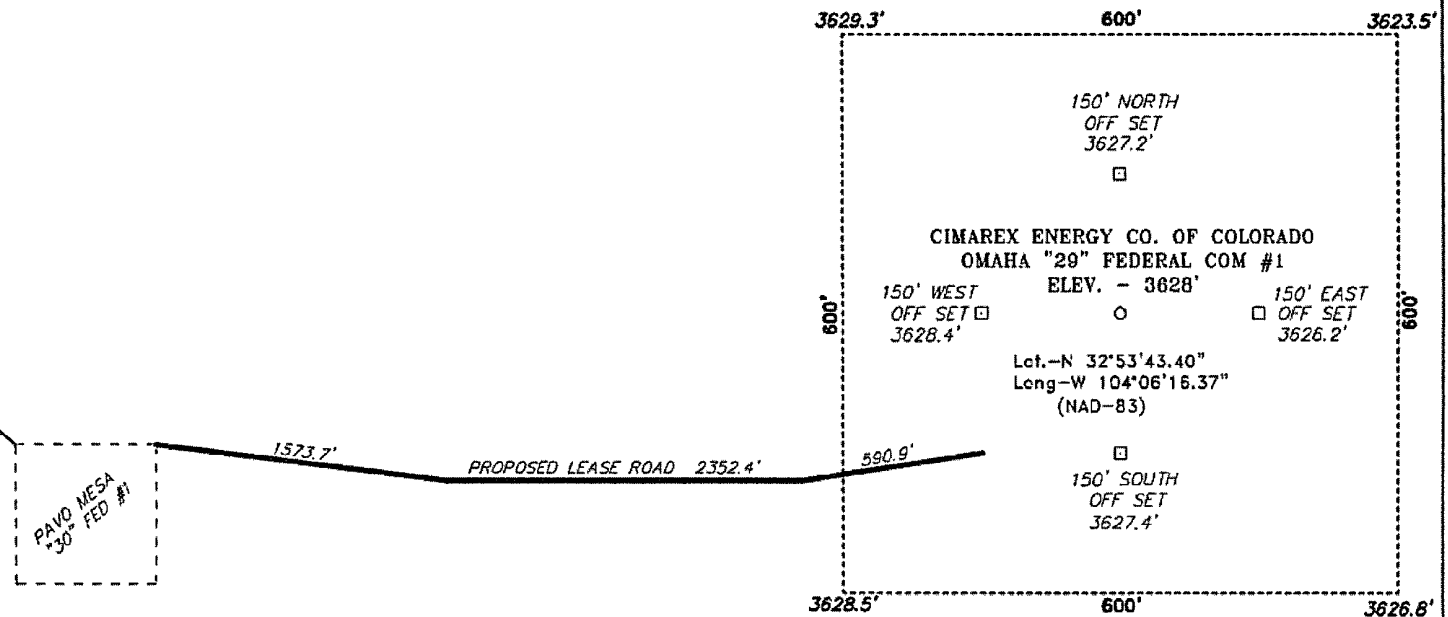
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	29	16 S	29 E		1980	NORTH	330	EAST	EDDY
Dedicated Acres 160	Joint or Infill	Consolidation Code P	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

		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Natalie Krueger</i> 01-04-08 Signature Date</p> <p>Natalie Krueger Printed Name</p>
<p>SURFACE LOCATION Lat - N32°53'43.40" Long - W104°06'16.37" NMSPCE- N 689552.324 SHL 611560.970 (NAD-83)</p>	<p>BOTTOM HOLE LOCATION Lat - N32°53'40.1" Long - W104°05'22.1" NMSPCE- N 689226.931 E 688184.671 (NAD-83)</p>	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 02 2008 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature Professional Surveyor</p> <p>W.C. Jones 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

SECTION 29, TOWNSHIP 16 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 214 (BARNIVAL DRAW), GO NORTH FOR 6.4 MILES TO "Y", TAKE LEFT FORK AND GO NORTHWEST FOR 0.7 MILES TO PIPELINE ROW, THENCE SOUTHWEST ALONG PIPELINE ROW FOR 1.1 MILES, THENCE SOUTHEAST 0.5 MILES, THENCE WEST 0.3 MILES, THENCE SOUTH 0.4 MILES, THENCE EAST TO LEASE ROAD FOR PAVO MESA, FOLLOW ROAD TO LOCATION AND PROPOSED LEASE ROAD.

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

W.O. Number: 19000 Drawn By: J. SMALL

Date: 01-03-2008 Disk: JMS 19000W

200 0 200 400 FEET



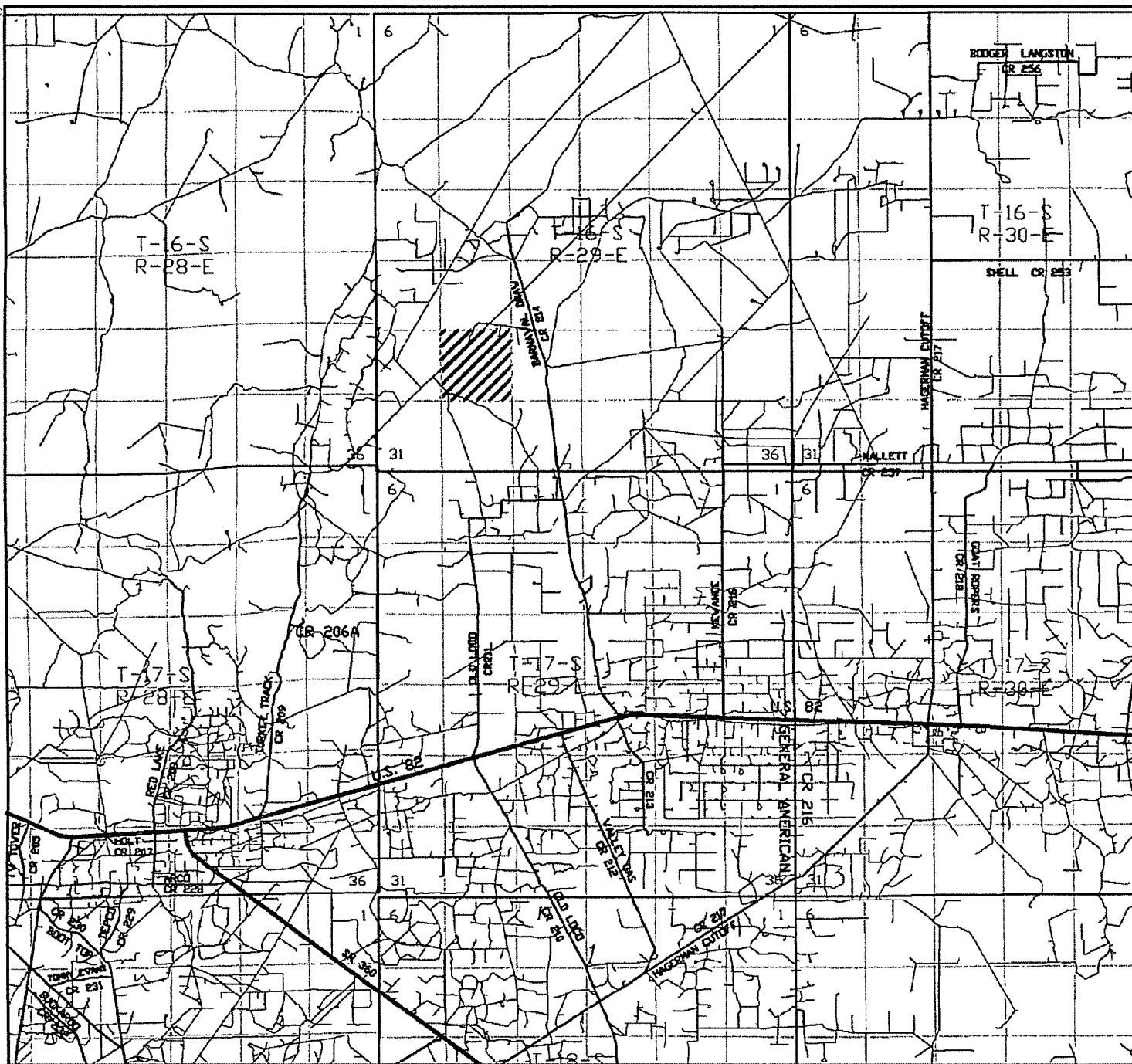
SCALE: 1" = 200'

CIMAREX ENERGY CO. OF COLORADO

REF: OMAHA "29" FEDERAL COM #1 / WELL PAD TOPO

THE OMAHA "29" FEDERAL COM #1 LOCATED 1650'
FROM THE NORTH LINE AND 330' FROM THE WEST LINE OF
SECTION 29, TOWNSHIP 16 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-02-2008 Sheet 1 of 1 Sheets



OMAHA "29" FEDERAL COM #1
 Located 1650' FNL and 330' FWL
 Section 29, Township 16 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: JMS 19000TR

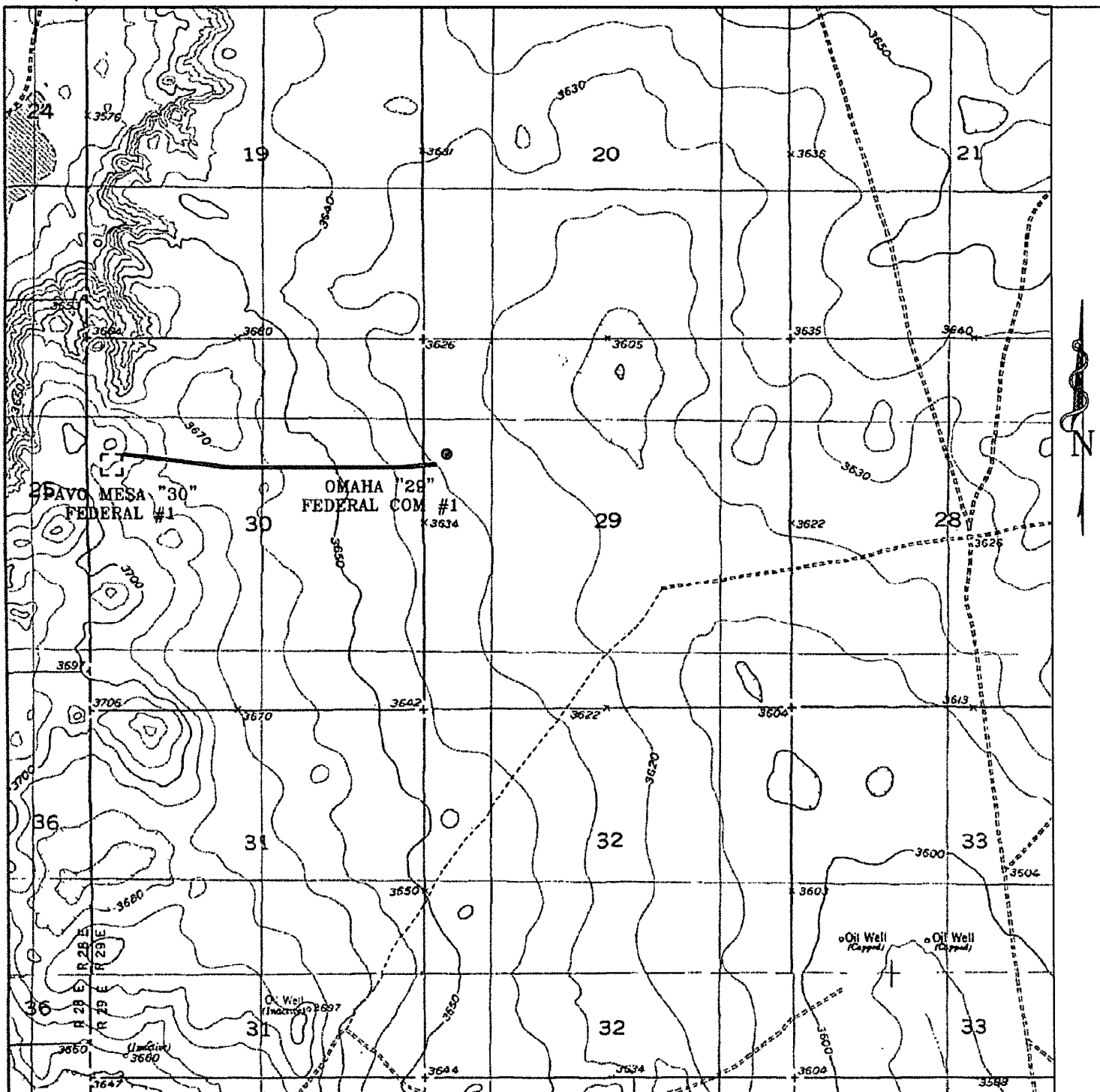
Survey Date: 01-02-2007

Scale: 1" = 2 MILES

Date: 01-03-2007

CIMAREX
ENERGY CO.
OF COLORADO

Exhibit B



OMAHA "29" FEDERAL COM #1
 Located 1650' FNL and 330' FWL
 Section 29, Township 16 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: JMS 19000T

Survey Date: 01-02-2008

Scale: 1" = 2000'

Date: 01-03-2008

CIMAREX
ENERGY CO.
OF COLORADO

Exhibit C

Application to Drill
Cimarex Energy Co. of Colorado
Omaha 29 Federal Com No. 1
Unit E Section 29
T16S R29E Eddy County, 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 1980' FNL & 330' FWL
 BHL 1980' FNL & 330' FEL
- 2 Elevation above sea level: 3626' 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: 11613'
- 6 Estimated tops of geological markers:
San Andres 2,400'
Abo Shale 5,825'
Lower Abo Dolomite 7,075'
Wolfcamp 7,200'
- 7 Possible mineral bearing formation:
Abo Oil Primary

8 Proposed Mud Circulating System:

Depth	Mud Wt	Visc	Fluid Loss	Type Mud
0' to 340'	8.4 - 8.6	28-29	May lose circ	FW spud mud
340' to 2,500'	10.0	28-29	May lose circ	Brine Water
2,500' to 11,613'	8.4 - 9.5	29-32	NC	Fresh water and brine, use hi-vis sweeps to keep hole clean

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. Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until production casing is run and cemented.

8a. Proposed drilling Plan

Drill pilot hole to 7500.' Set kick-off plug at 7075.' Kick off horizontal leg at 6880' and drill 7-7/8" hole to 11613' MD, 7115' TVD. Run 5-1/2" 17# N-80 LTC casing and cement as shown on page 2, production casing details.

Application to Drill
Cimarex Energy Co. of Colorado
Omaha 29 Federal Com No. 1
Unit E Section 29
T16S R29E Eddy County, NM

9 Casing & Cementing Program:

Hole Size	Depth		Casing OD	Weight	Thread	Collar	Grade
17-1/2	0	to 340'	New 13-3/8	48#	8-R	STC	H-40
11	0	to 2,500'	New 8-5/8	24#	8-R	STC	J-55
7-7/8	0	to 11,613'	New 5-1/2	17#	8-R	LTC	N-80

10 Cementing & Setting Depth:

13-3/8 **Surface** Set 340' of 13-3/8 48# H-40 STC
Lead: 300 sx Thixotropic/Premium Plus + 10# Gilsonite + 10# Cal-Seal + 1% CaCl + 0.125# Poly-e-flake (wt 14.2, yld 1.64)
Tail: 220 sx Premium Plus + 2% CaCl (wt 14.8, yld 1.35)
TOC Surface

8-5/8 **Intermediate** Set 2,500' of 8-5/8 24# J-55 STC
Lead: 425 sx Interfill C + 0.125# flocele (wt 11.9, yld 2.45)
Tail: 200 sx Prem Plus + 1% CaCl (wt 14.8, yld 1.33)

TOC Surface

5-1/2 **Production** Set 11,613' of 5-1/2 17# N-80 LTC
1550 sx Super H + 0.5% Halad-344 + 0.4% CFR-3 + 1lbm/sk salt + 5 lb/sk Gilsonite + 0.125 lb/sk PolyEflake + 0.35% HR-7 (wt 13.0 ppg, yld 1.67 cf/sk)

TOC 1300'

Fresh water will be protected by setting 13-3/8 casing at 340' and cementing to Surface
Hydrocarbon zones will be protected by setting 8-5/8 casing at 2,500' and cementing to Surface
and by setting 5-1/2 casing at 11,613' and cementing to 1300'

Cimarex uses the following minimum safety factors:

Burst	Collapse	Tension
1.125	1.0	1.80

Application to Drill
Cimarex Energy Co. of Colorado
Omaha 29 Federal Com No. 1
Unit E Section 29
T16S R29E Eddy County, NM

11 Pressure control Equipment:

Exhibit "E". A 13 3/8" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000 # annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 6000'. 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 unit will be hydraulically operated. BOP will be nipped up and operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling. From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 psi BOP system.

We are requesting a variance for testing the 13-3/8" surface casing from Onshore Order No. 2, which states that all casing strings below the conductor shall be pressure tested to 0.22 psi per foot or 1500 psi, whichever is greater, but not to exceed 70% of the manufacturer's stated maximum internal yield. We are requesting to test the 13-3/8" casing to 1000 psi using rig pumps. The BOP will be tested to 5000 PSI by an independent service company.

12 Testing, Logging and Coring Program:

- A. Mud logging program: 2 man unit from 5000' to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / CAL / GR
- C. No DSTs are planned at this time.

13 Potential Hazards:

No abnormal pressures or temperatures are expected. The area has a potential H2S hazard. An H2S drilling plan is attached. 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 **4000 psi** Estimated BHT **175**

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

Drilling expected to take 30-35 days

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

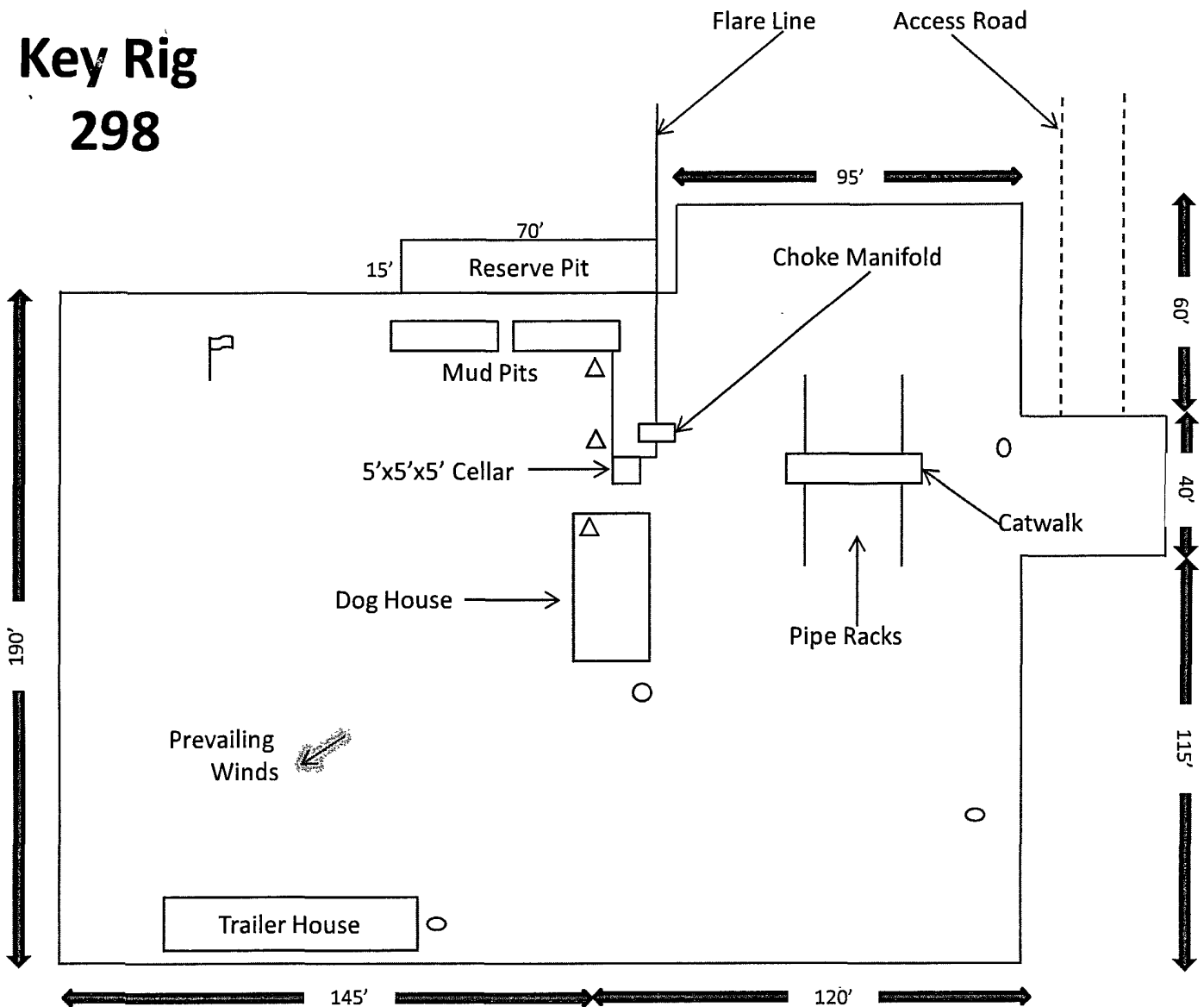
15 Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals.

Abo pay will be perforated and stimulated.

The proposed well will be tested and potentialized as **an oil well**

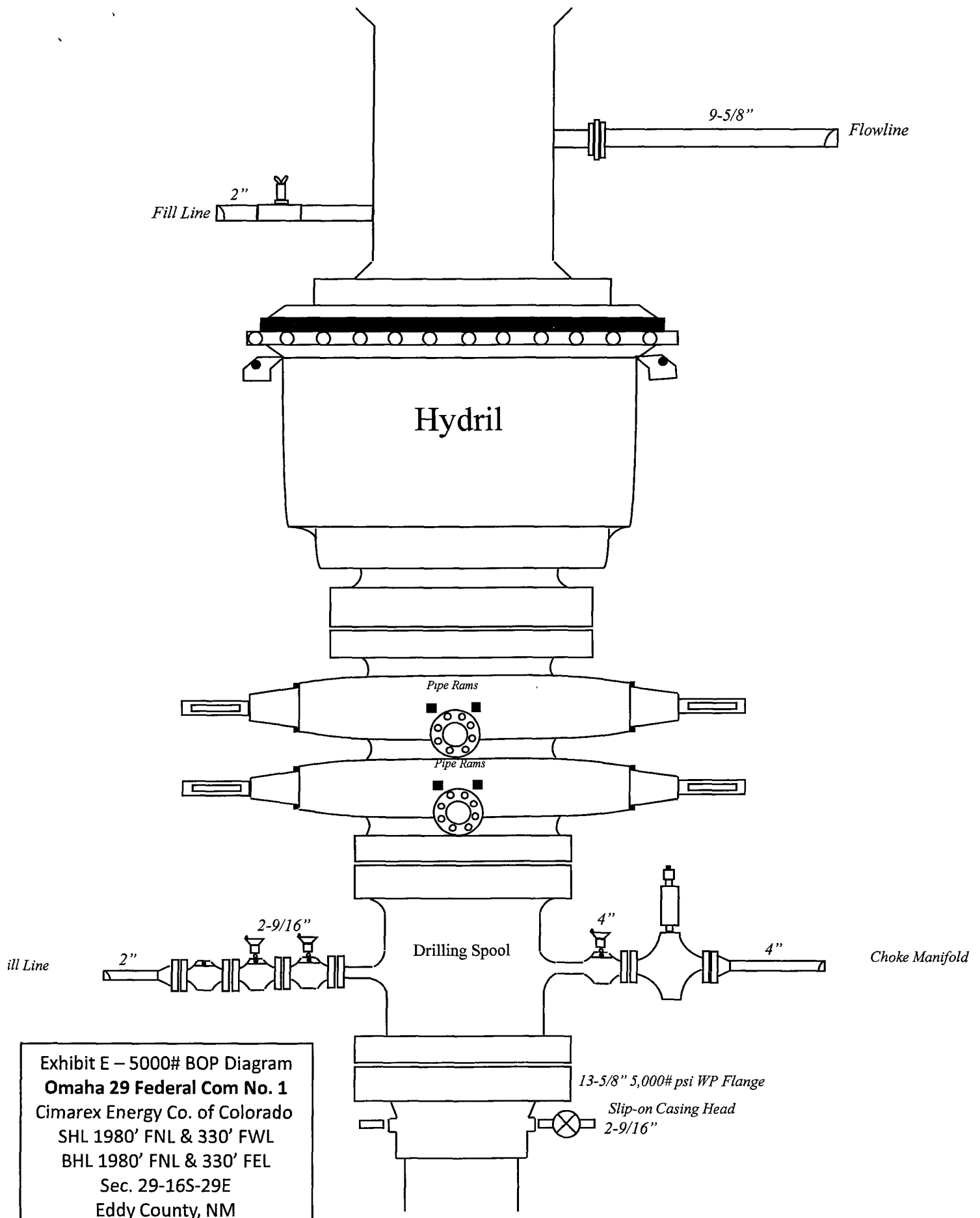
Key Rig 298



- Wind Direction Indicators
(wind sock or streamers)
- △ H2S Monitors
(alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit

Exhibit D – Rig Diagram
Omaha 29 Federal Com No. 1
 Cimarex Energy Co. of Colorado
 SHL 1980' FNL & 330' FWL
 BHL 1980' FNL & 330' FEL
 Sec. 29-16S-29E
 Eddy County, NM

SR & A



**DRILLING OPERATIONS
CHOKE MANIFOLD
5M SERVICE**

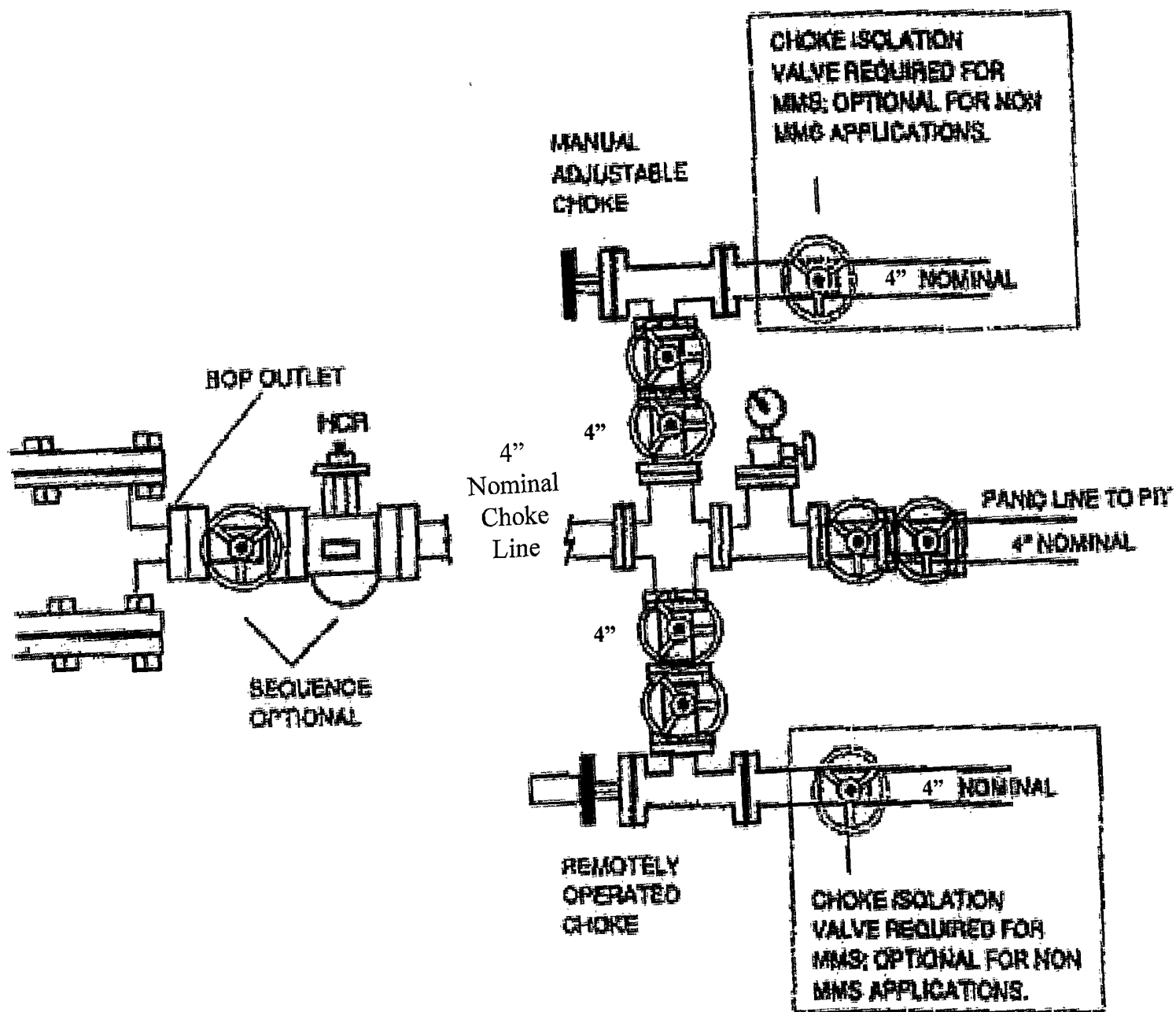


Exhibit E-1 – Choke Manifold Diagram

Omaha 29 Federal Com No. 1

Cimarex Energy Co. of Colorado

SHL 1980' FNL & 330' FWL

BHL 1980' FNL & 330' FEL c. l. D/10/09

Sec. 29-16S-29E

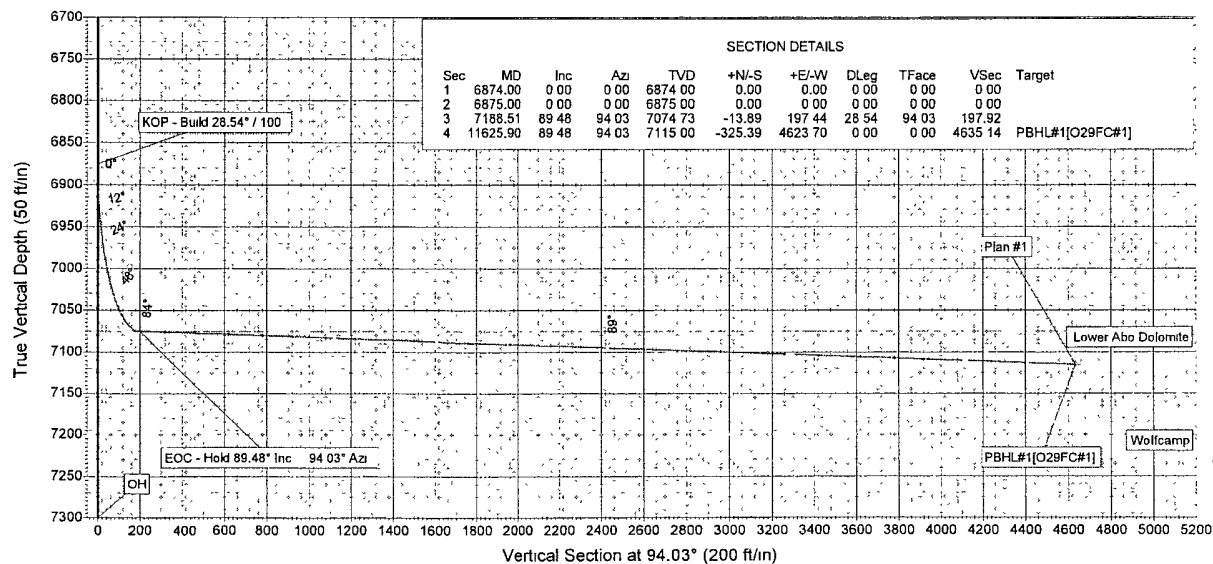
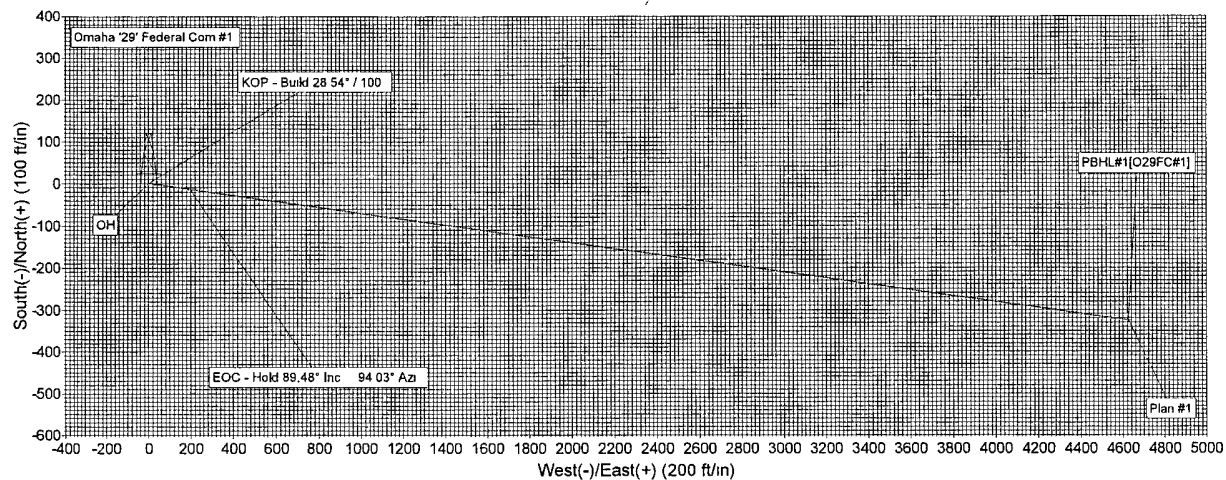
Eddy County, NM



Project Eddy Co., New Mexico
 Site Omaha '29' Federal Com #1
 Well Omaha '29' Federal Com #1
 Wellbore Lateral #1
 Plan Plan #1 (Omaha '29' Federal Com #1/Lateral #1)

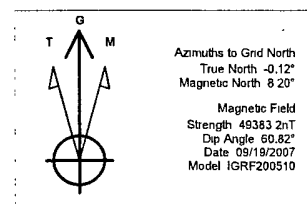


PROJECT DETAILS Eddy Co., New Mexico
 Geodetic System US State Plane 1983
 Datum North American Datum 1983
 Ellipsoid GRS 1980
 Zone New Mexico Eastern Zone
 System Datum Mean Sea Level



ANNOTATIONS

TVD MD Annotation
 6875.00 6875.00 KOP - Build 28.54° / 100
 7074.73 7188.51 EOC - Hold 89.48° Inc 94.03° Azi





Cimarex Energy Co., Inc.

Eddy Co., New Mexico

Omaha '29' Federal Com #1

Omaha '29' Federal Com #1

Lateral #1

Plan: Plan #1

Standard Survey Report

04 January, 2008





Black Viper Energy Survey Report



Company: Cimarex Energy Co., Inc.
Project: Eddy Co., New Mexico
Site: Omaha '29' Federal Com #1
Well: Omaha '29' Federal Com #1
Wellbore: Lateral #1
Design: Plan #1

Local Co-ordinate Reference: Site Omaha '29' Federal Com #1
TVD Reference: WELL @ 3626.00ft (Original Well Elev)
MD Reference: WELL @ 3626.00ft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 2003 14.1.0 Server DB

Project: Eddy Co., New Mexico

Map System: US State Plane 1983
Geo Datum: North American Datum 1983
Map Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

Site: Omaha '29' Federal Com #1

Site Position: Northing: 689,552.32 ft Latitude: 32° 53' 43.383 N
From: Map Easting: 611,560.97 ft Longitude: 104° 6' 16.381 W
Position Uncertainty: 0.00 ft Slot Radius: " Grid Convergence: 0.12 °

Well: Omaha '29' Federal Com #1

Well Position: +N-S 0.00 ft Northing: 689,552.32 ft Latitude: 32° 53' 43.383 N
+E-W 0.00 ft Easting: 611,560.97 ft Longitude: 104° 6' 16.381 W
Position Uncertainty: 0.00 ft Wellhead Elevation: ft Ground Level: 3,628.00 ft

Wellbore: Lateral #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	09/19/2007	8.32	60.82	49,383

Design: Plan #1

Audit Notes:

Version: Phase: PROTOTYPE Tie On Depth: 6,874.00

Vertical Section:	Depth From (TVD) (ft)	+N-S (ft)	+E-W (ft)	Direction (°)
	0.00	0.00	0.00	94.03

Survey Tool Program Date: 01/04/2008

From (ft)	To (ft)	Survey (Wellbore)	Tool Name	Description
6,874.00	11,625.90	Plan #1 (Lateral #1)	MWD	MWD - Standard

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
6,874.00	0.00	0.00	6,874.00	0.00	0.00	0.00	0.00	0.00	0.00
6,875.00	0.00	0.00	6,875.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP - Build 28.54° / 100									
6,880.00	1.43	94.03	6,880.00	0.00	0.06	0.06	28.54	28.54	0.00
6,900.00	7.14	94.03	6,899.94	-0.11	1.55	1.55	28.54	28.54	0.00
6,920.00	12.84	94.03	6,919.62	-0.35	5.01	5.02	28.54	28.54	0.00
6,940.00	18.55	94.03	6,938.87	-0.73	10.41	10.43	28.54	28.54	0.00
6,960.00	24.26	94.03	6,957.48	-1.24	17.68	17.73	28.54	28.54	0.00
6,980.00	29.97	94.03	6,975.28	-1.88	26.77	26.84	28.54	28.54	0.00
7,000.00	35.68	94.03	6,992.08	-2.64	37.58	37.68	28.54	28.54	0.00
7,020.00	41.39	94.03	7,007.72	-3.52	50.01	50.13	28.54	28.54	0.00
7,040.00	47.09	94.03	7,022.04	-4.50	63.92	64.08	28.54	28.54	0.00
7,060.00	52.80	94.03	7,034.90	-5.57	79.18	79.38	28.54	28.54	0.00



Black Viper Energy Survey Report



Company: Cimarex Energy Co., Inc
Project: Eddy Co., New Mexico
Site: Omaha '29' Federal Com #1
Well: Omaha '29' Federal Com #1
Wellbore: Lateral #1
Design: Plan #1

Local Co-ordinate Reference: Site Omaha '29' Federal Com #1
TVD Reference: WELL @ 3626.00ft (Original Well Elev)
MD Reference: WELL @ 3626.00ft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 2003 14.1 0 Server DB

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
7,080.00	58.51	94.03	7,046.18	-6.73	95.65	95.89	28.54	28.54	0.00
7,100.00	64.22	94.03	7,055.76	-7.96	113.15	113.43	28.54	28.54	0.00
7,120.00	69.93	94.03	7,063.55	-9.26	131.52	131.85	28.54	28.54	0.00
7,140.00	75.64	94.03	7,069.47	-10.60	150.57	150.94	28.54	28.54	0.00
7,160.00	81.34	94.03	7,073.46	-11.97	170.11	170.53	28.54	28.54	0.00
7,173.03	85.06	94.03	7,075.00	-12.88	183.01	183.46	28.54	28.54	0.00
Lower Abo Dolomite									
7,180.00	87.05	94.03	7,075.48	-13.37	189.95	190.42	28.54	28.54	0.00
7,188.51	89.48	94.03	7,074.73	-13.89	197.44	197.93	28.54	28.54	0.00
EOC - Hold 89.48° Inc. :: 94.03° Azi.									
7,200.00	89.48	94.03	7,074.83	-14.70	208.90	209.41	0.00	0.00	0.00
7,300.00	89.48	94.03	7,075.74	-21.72	308.65	309.41	0.00	0.00	0.00
7,400.00	89.48	94.03	7,076.65	-28.74	408.40	409.41	0.00	0.00	0.00
7,500.00	89.48	94.03	7,077.55	-35.76	508.15	509.40	0.00	0.00	0.00
7,600.00	89.48	94.03	7,078.46	-42.78	607.89	609.40	0.00	0.00	0.00
7,700.00	89.48	94.03	7,079.37	-49.80	707.64	709.39	0.00	0.00	0.00
7,800.00	89.48	94.03	7,080.28	-56.82	807.39	809.39	0.00	0.00	0.00
7,900.00	89.48	94.03	7,081.19	-63.84	907.14	909.39	0.00	0.00	0.00
8,000.00	89.48	94.03	7,082.09	-70.86	1,006.89	1,009.38	0.00	0.00	0.00
8,100.00	89.48	94.03	7,083.00	-77.88	1,106.64	1,109.38	0.00	0.00	0.00
8,200.00	89.48	94.03	7,083.91	-84.90	1,206.39	1,209.37	0.00	0.00	0.00
8,300.00	89.48	94.03	7,084.82	-91.92	1,306.14	1,309.37	0.00	0.00	0.00
8,400.00	89.48	94.03	7,085.72	-98.94	1,405.89	1,409.37	0.00	0.00	0.00
8,500.00	89.48	94.03	7,086.63	-105.96	1,505.64	1,509.36	0.00	0.00	0.00
8,600.00	89.48	94.03	7,087.54	-112.98	1,605.39	1,609.36	0.00	0.00	0.00
8,700.00	89.48	94.03	7,088.45	-120.00	1,705.14	1,709.35	0.00	0.00	0.00
8,800.00	89.48	94.03	7,089.35	-127.02	1,804.89	1,809.35	0.00	0.00	0.00
8,900.00	89.48	94.03	7,090.26	-134.04	1,904.63	1,909.34	0.00	0.00	0.00
9,000.00	89.48	94.03	7,091.17	-141.06	2,004.38	2,009.34	0.00	0.00	0.00
9,100.00	89.48	94.03	7,092.08	-148.08	2,104.13	2,109.34	0.00	0.00	0.00
9,200.00	89.48	94.03	7,092.98	-155.10	2,203.88	2,209.33	0.00	0.00	0.00
9,300.00	89.48	94.03	7,093.89	-162.12	2,303.63	2,309.33	0.00	0.00	0.00
9,400.00	89.48	94.03	7,094.80	-169.14	2,403.38	2,409.32	0.00	0.00	0.00
9,500.00	89.48	94.03	7,095.71	-176.16	2,503.13	2,509.32	0.00	0.00	0.00
9,600.00	89.48	94.03	7,096.61	-183.18	2,602.88	2,609.32	0.00	0.00	0.00
9,700.00	89.48	94.03	7,097.52	-190.20	2,702.63	2,709.31	0.00	0.00	0.00
9,800.00	89.48	94.03	7,098.43	-197.22	2,802.38	2,809.31	0.00	0.00	0.00
9,900.00	89.48	94.03	7,099.34	-204.24	2,902.13	2,909.30	0.00	0.00	0.00
10,000.00	89.48	94.03	7,100.24	-211.26	3,001.88	3,009.30	0.00	0.00	0.00
10,100.00	89.48	94.03	7,101.15	-218.28	3,101.62	3,109.30	0.00	0.00	0.00
10,200.00	89.48	94.03	7,102.06	-225.30	3,201.37	3,209.29	0.00	0.00	0.00
10,300.00	89.48	94.03	7,102.97	-232.32	3,301.12	3,309.29	0.00	0.00	0.00
10,400.00	89.48	94.03	7,103.87	-239.34	3,400.87	3,409.28	0.00	0.00	0.00
10,500.00	89.48	94.03	7,104.78	-246.36	3,500.62	3,509.28	0.00	0.00	0.00
10,600.00	89.48	94.03	7,105.69	-253.38	3,600.37	3,609.27	0.00	0.00	0.00
10,700.00	89.48	94.03	7,106.60	-260.40	3,700.12	3,709.27	0.00	0.00	0.00
10,800.00	89.48	94.03	7,107.50	-267.42	3,799.87	3,809.27	0.00	0.00	0.00
10,900.00	89.48	94.03	7,108.41	-274.44	3,899.62	3,909.26	0.00	0.00	0.00
11,000.00	89.48	94.03	7,109.32	-281.46	3,999.37	4,009.26	0.00	0.00	0.00
11,100.00	89.48	94.03	7,110.23	-288.48	4,099.12	4,109.25	0.00	0.00	0.00
11,200.00	89.48	94.03	7,111.13	-295.50	4,198.87	4,209.25	0.00	0.00	0.00
11,300.00	89.48	94.03	7,112.04	-302.52	4,298.61	4,309.25	0.00	0.00	0.00
11,400.00	89.48	94.03	7,112.95	-309.53	4,398.36	4,409.24	0.00	0.00	0.00
11,500.00	89.48	94.03	7,113.86	-316.55	4,498.11	4,509.24	0.00	0.00	0.00



Black Viper Energy
Survey Report



Company: Cimarex Energy Co., Inc.
Project: Eddy Co., New Mexico
Site: Omaha '29' Federal Com #1
Well: Omaha '29' Federal Com #1
Wellbore: Lateral #1
Design: Plan #1

Local Co-ordinate Reference: Site Omaha '29' Federal Com #1
TVD Reference: WELL @ 3626 00ft (Original Well Elev)
MD Reference: WELL @ 3626 00ft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature
Database: EDM 2003 14.1.0 Server DB

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
11,600.00	89.48	94.03	7,114.76	-323.57	4,597.86	4,609.23	0.00	0.00	0.00
11,625.90	89.48	94.03	7,115.00	-325.39	4,623.70	4,635.14	0.00	0.00	0.00

PBHL#1[O29FC#1]

Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- hit/miss target									
Shape									
PBHL#1[O29FC#1]	0.00	0.00	7,115.00	-325.39	4,623.70	689,226.93	616,184.67	32° 53' 40.061 N	104° 5' 22.160 W
- plan hits target									
- Point									

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
7,173.03	7,075.00	Lower Abo Dolomite		0.00	0.00
	7,200.00	Wolfcamp		0.00	0.00

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates	Comment	
		+N/-S (ft)	+E/-W (ft)	
6,875.00	6,875.00	0.00	0.00	KOP - Build 28.54° / 100
7,188.51	7,074.73	0.00	0.00	EOC - Hold 89.48° Inc , 94.03° Azi.

Checked By: _____ Approved By: _____ Date: _____

Hydrogen Sulfide Drilling Operations Plan
Cimarex Energy Co. of Colorado
Omaha 29 Federal Com No. 1
Unit E Section 29
T16S R29E Eddy County, NM

- 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. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H2S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
- 2 H2S Detection and Alarm Systems
 - A. H2S detectors and audio alarm system to be located at bell nipple, end of flow line (mud pit) and on derrick floor or doghouse.
- 3 Windsock and/or wind streamers
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area 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 emergency personnel admitted to location.
- 5 Well control equipment
 - A. See exhibit "E"
- 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 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.

Surface Use Plan
Cimarex Energy Co. of Colorado
Omaha 29 Federal Com No. 1
Unit E Section 29
T16S R29E Eddy County, NM

- 1 Existing Roads: Area maps, Exhibit "B" is a reproduction of Eddy Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

A. Exhibit "A" shows the proposed well site as staked.

B. From the junction of US Hwy 82 and Co Rd 214 (Barnaval Draw), go North 6.4 miles to "Y." Take left fork and go Northwest for 0.7 miles to Pipeline ROW; thence Southwest along Pipeline ROW for 1.1 miles; thence Southeast 0.5 miles; thence West 0.3 miles; thence South 0.4 miles; thence East to lease road for Pavo Mesa. Follow road to location and proposed lease road.

- 2 Planned Access Roads: 4510.6' of lease road will be constructed, approximately 245' of which will be on-lease.

- 3 Location of Existing Wells in a One-Mile Radius - Exhibit A

- A. Water wells - None known
- B. Disposal wells - None known
- C. Drilling wells - None known
- D. Producing wells - As shown on Exhibit "A"
- E. Abandoned wells - As shown on Exhibit "A"

Surface Use Plan
Cimarex Energy Co. of Colorado
Omaha 29 Federal Com No. 1
Unit E Section 29
T16S R29E Eddy County, NM

- 4 If on completion this well is a producer, Cimarex Energy Co. of Colorado will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied by a Sundry Notice.
- 5 Location and Type of Water Supply
Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.
- 6 Source of Construction Material
If possible, construction will be obtained from the excavation of drill site. If additional material is needed, it will be purchased from a local source and transported over the access route as shown on Exhibit "C".
- 7 Methods of Handling Waste Material
 - A. Drill cuttings will be disposed of in the reserve pit.
 - B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary land fill.
 - C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
 - D. Sewage from living quarters will drain into holding tanks and be cleaned out periodically. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
 - E. Remaining drilling fluids will be allowed to dry in the reserve pit until the pit is dry enough for breaking out. In the event that drillings fluids do not dry out in a reasonable time they will be hauled off by transports and be disposed of at a State approved disposal facility. Water produced during drilling will be put in reserve pit. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.
- 8 Ancillary Facilities
 - A. No camps or airstrips to be constructed.

Surface Use Plan
Cimarex Energy Co. of Colorado
Omaha 29 Federal Com No. 1
Unit E Section 29
T16S R29E Eddy County, NM

9 Well Site Layout

- A. Exhibit "D" shows location and rig layout.
- B. This exhibit indicates proposed location of reserve and trash pits; and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be lined with PVC or polyethylene liner. The pit liner will be 12 mils thick. Pit liner will extend a minimum, 2'00" over the reserve pits dikes where the liner will be anchored down.
- D. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10 Plans for Restoration of Surface

Rehabilitation of the location and cuttings burial cell 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.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. 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, the previously noted procedures will apply to those areas which are not required for production facilities.

Surface Use Plan
Cimarex Energy Co. of Colorado
Omaha 29 Federal Com No. 1
Unit E Section 29
T16S R29E Eddy County, NM

11 Other Information

- A. Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- B. The wellsite is on surface owned by Department of the Interior, Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
- C. An Archaeological survey will be conducted on the location and proposed roads, and this report will be filed with the Bureau of Land Management in the Carlsbad BLM office.
- D. There are no know dwellings within 1 1/2 miles of this location.

Operator Certification Statement

Cimarex Energy Co. of Colorado

Omaha 29 Federal Com No. 1

Unit E Section 29

T16S R29E Eddy County, NM

Operator's Representative

Cimarex Energy Co. of Colorado

P.O. Box 140907

Irving, TX 75014

Office Phone: (972) 443-6489

Zeno Farris

CERTIFICATION: I hereby certify that the statements and plans made in this APD are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Cimarex Energy Co. of Colorado and/or its contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME: Zeno Farris
Zeno Farris

DATE: September 20, 2007

TITLE: Manager Operations Administration

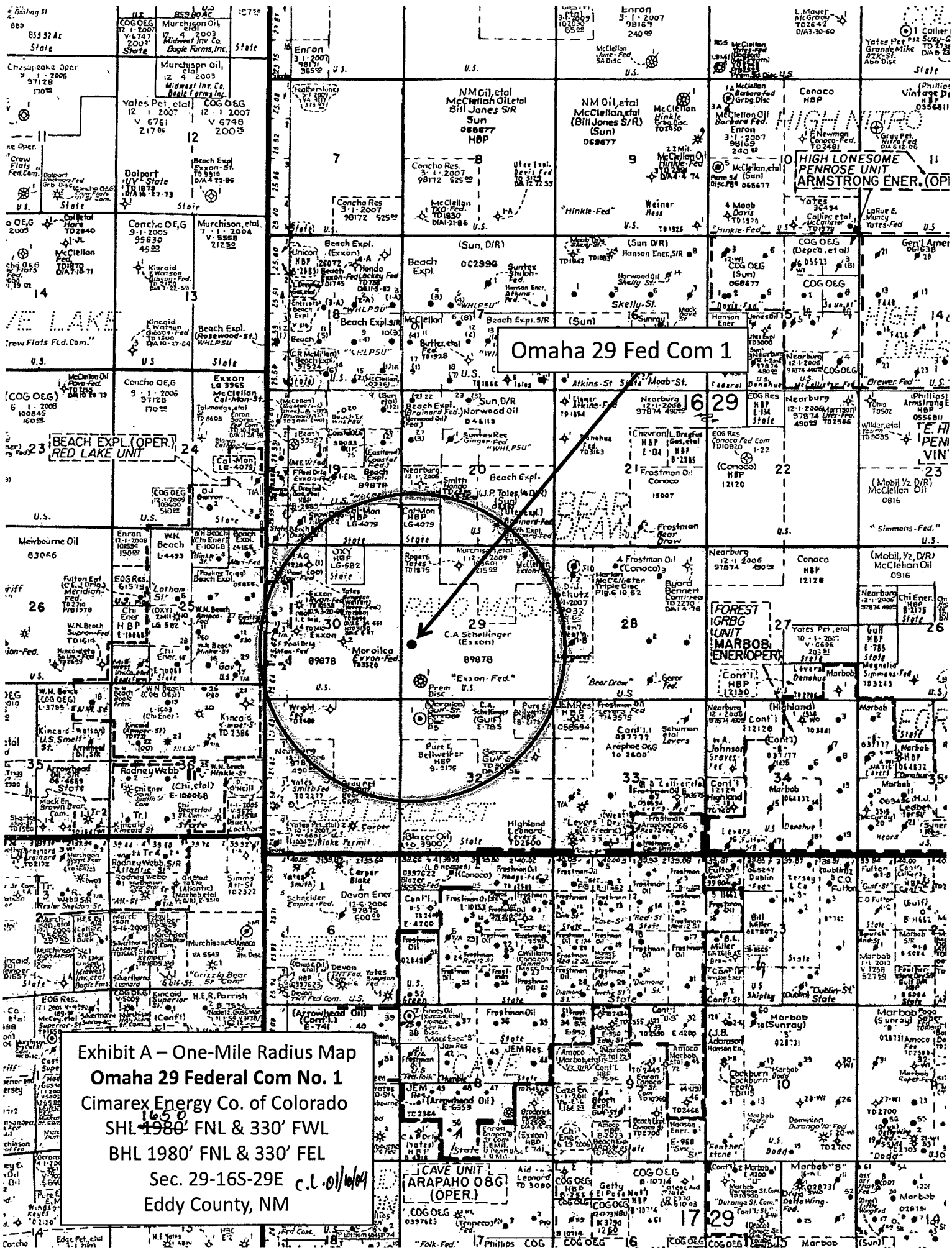


Exhibit A – One-Mile Radius Map
Omaha 29 Federal Com No. 1
Cimarex Energy Co. of Colorado
SHL 1980' FNL & 330' FWL
BHL 1980' FNL & 330' FEL
Sec. 29-16S-29E c.t. 01/01/04
Eddy County, NM

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Cimarex Energy Co. of Colorado
LEASE NO.:	NM – 89878
WELL NAME & NO.:	1 – Omaha 29 Federal Com
SURFACE HOLE FOOTAGE:	1650' FNL & 330' FWL
BOTTOM HOLE FOOTAGE:	1980' FNL & 330' FEL
LOCATION:	Section 29, T. 16 S., R 29 E., 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**
- ☒ **Construction**
 - Notification
 - Topsoil
 - Reserve Pit
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
 - Electric Lines
- ☐ **Reserve Pit Closure/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)

/

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 (505) 234-5972 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 stockpile the topsoil of the well pad. The topsoil shall not be used to backfill the reserve pit and will be used for interim and final reclamation.

C. RESERVE PITS

The reserve pit shall be constructed and closed in accordance with the NMOCD rules.

The reserve pit shall be constructed 70' X 15' on the North side of the well pad V-Door East.

The reserve pit shall be constructed, so that upon completion of drilling operations, the dried pit contents shall be buried a minimum depth of three feet below ground level. Should the pit content level not meet the three foot minimum depth requirement, the excess contents shall be removed until the required minimum depth of three feet below ground level has been met. The operator shall properly dispose of the excess contents at an authorized disposal site.

The reserve pit shall be constructed and maintained so that runoff water from outside the location is not allowed to enter the pit. The berms surrounding the entire perimeter of the pit shall extend a minimum of two (2) feet above ground level. At no time will standing fluids in the pit be allowed to rise above ground level.

The reserve pit shall be fenced on three (3) sides during drilling operations. The fourth side shall be fenced immediately upon rig release.

D. FEDERAL MINERAL MATERIALS PIT

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the Carlsbad Field Office at (505) 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. 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 thirty (30) 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

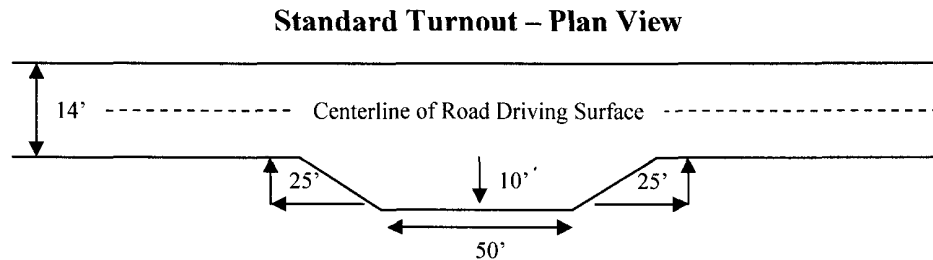
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

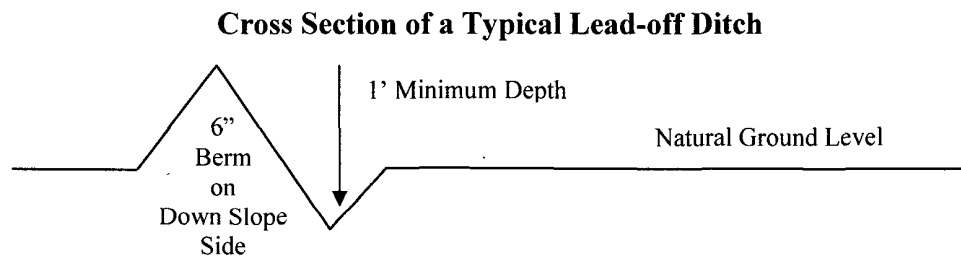
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:



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.



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:

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

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road 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 cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

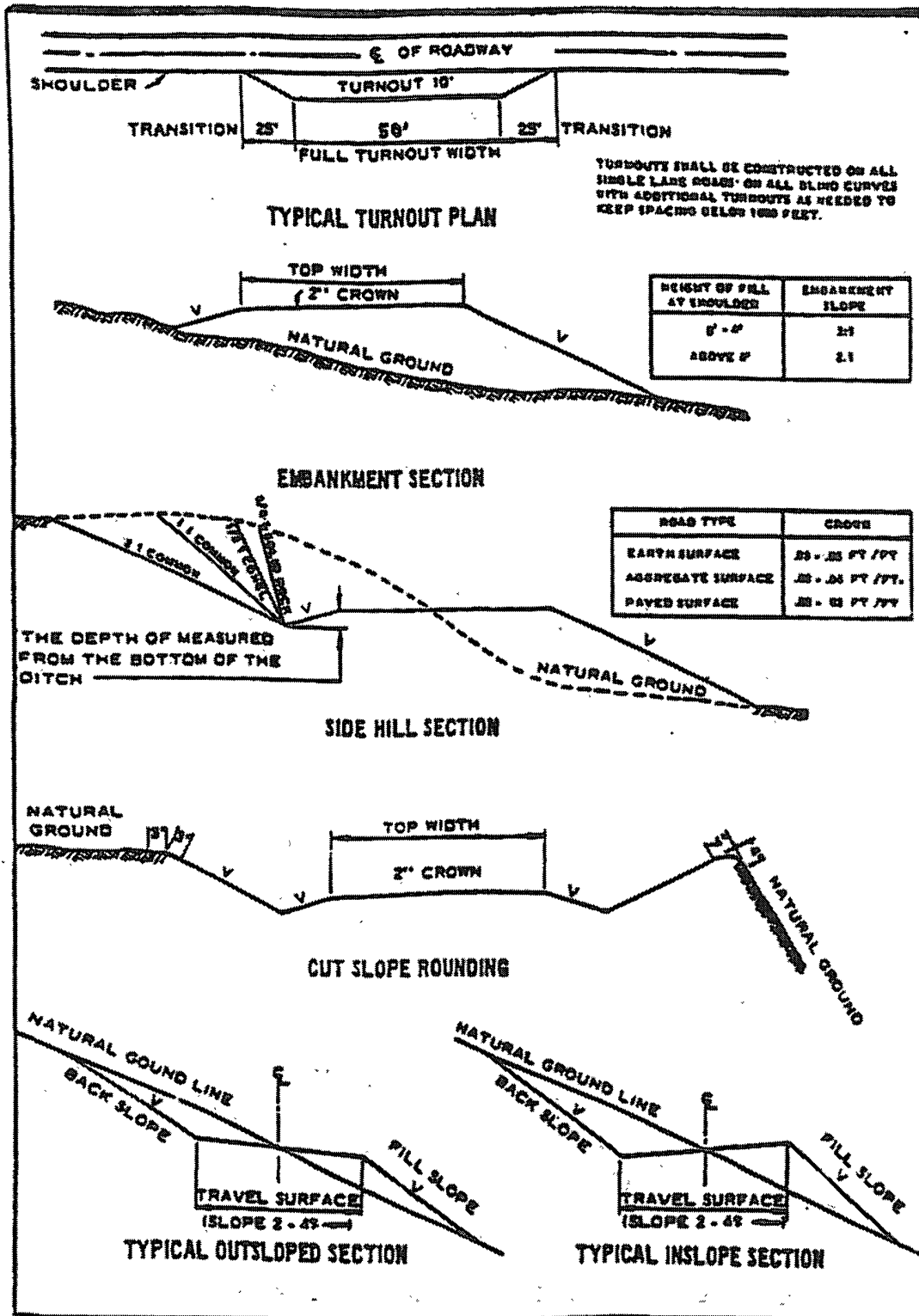
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

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

Figure 1 – Cross Sections and Plans For Typical Road Sections



VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Chaves and Roosevelt Counties, T16S Eddy County**

Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
(505) 627-0205.

1. **Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts 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.
3. When floor controls are required, (3M or Greater) 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 are located, this does not include the dog house or stairway area.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work.

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

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement).

WOC for water basin or potash applies to entire wellbore.

**Possible lost circulation in the Grayburg and San Andres formations.
Possible high pressure gas bursts from the Wolfcamp.**

1. The **13-3/8** inch surface casing shall be set a **minimum of 25 feet into the Rustler Anhydrite and above the salt at approximately 375 feet** and cemented to the surface. **Setting depth may be closer to 220' based on BLM geologist report.**
 - 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 a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time 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. (This is to include the lead cement).
 - 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 action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is:
☒ Cement to surface. If cement does not circulate see B.1.a-d above.
3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.
4. 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. The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. 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.
 - d. 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.
 - e. A variance to test only the surface casing to the reduced pressure of **1000 psi** with the rig pumps is approved. **The BOP will be tested to 5000 psi by an independent service company.**

Engineer on call phone (after hours): Carlsbad: (505) 706-2779

WWI 102607

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.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

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, Munsell Soil Color Chart # 5Y 4/2

B. PIPELINES

C. ELECTRIC LINES

IX. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting 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.

At the time reserve pits are to be reclaimed, operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions 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 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.

B. RESERVE PIT CLOSURE

The reserve pit, when dried and closed, shall be recontoured, all trash removed, and reseeded as follows:

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

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed
(Insert Seed Mixture Here)

X. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.

On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the private surface land owner agreement.