

Surface Use Plan
Perry 22 Federal Com #1H
Cimarex Energy Co.
UL: A, Sec. 22, 20S, 34E
Lea Co., NM

HOBBS OCD

JAN 15 2014

RECEIVED

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 maps: Exhibit "B" - reproduction of Eddy Co. General Highway Map. Exhibit "C" - reproduction of a USGS Topographic Map. Exhibit "C-1" - well site layout map. Exhibits "C," "C-1" - existing roads map.

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.

From junction of Marathon Road and Lynch, go west on lease road for 1.5 miles to proposed well location.

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.

2. New or Reconstructed Access Roads:

A new road will be constructed for this project.

Cimarex Energy plans to construct 91' 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.

New access road route to the proposed project is depicted on the public access point map and Exhibit C-1. 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 NE of section 22. The proposed electric line will be 435' in length, 1-40 poles, 480 volt, 4 wire, 3 phase. The electric line will exist off the North side of the well location and travel North 435' 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 G. 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

JAN 21 2014

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Cimarex Energy Co.
UL: A, Sec. 22, 20S, 34E
Lea 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. 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. Ancillary Facilities:

No camps or airstrips to be constructed.

9. Well Site Layout:

- Exhibit "D" shows location and rig layout.
- 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.

Surface Use Plan
Perry 22 Federal Com #1H
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10. 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 producer, those areas of the location not essential to production facilities and operations will be reclaimed and seeded per BLM requirements. Please see Production Facilities Layout Diagram, exhibit D-1

11. 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.

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 ~~Department of the Interior, Bureau of Land Management~~ *Danny Berry - Operator - Land Owner Agreement Attached*. 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 in the Carsbad BLM office.
- There are no known dwellings within 1½ miles of this location.

13. On Site Notes and Information:

On Site Results: Barry Hunt, Trisha Badbear, Danny Berry, Basin Surveys on location 2/14/13. Moved location 5 ft. south and 330 ft. east so as to avoid a DCP gas pipeline. Rancher's windmill is not working nor does he care about protecting it.

Operator Certification Statement

Perry 22 Federal Com #1H

Cimarex Energy Co.

UL: A, Sec. 22, 20S, 34E

Lea 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 20 day of August, 2013

NAME: _____


Terri Stathem

TITLE: Regulatory Compliance

ADDRESS: 202 S. Cheyenne Ave., Ste 1000, Tulsa, OK 74102

TELEPHONE: 918-585-1100

EMAIL: TStathem@cimarex.com

Field Representative: Same as above

October 13, 2013

Bureau of Land Management
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220

VIA CERTIFIED MAIL RETURN RECEIPT NO.

Re: 1H – Perry 22 Federal Com, Lease LC061144
Township 20 South, Range 34 East, N.M.P.M.
Section 22: E/2E/2
Lea County, New Mexico

Gentlemen:

Per the Bureau of Land Management's ("BLM") letter dated, September 5, 2013, regarding Cimarex's Application for Permit to Drill ("APD") for the above captioned well, the BLM cited the following deficiency regarding the APD:

- "1-Operator does not appear to have operating rights on the bottom hole lease:"

Cimarex owns 100% of Lease NMNM 124662, covering the E/2NE/4 and the NE/4SE/4. Fasken Land & Minerals owns the SE/4SE/4. Fasken has received a well proposal and proposed joint Operating Agreement and has indicated that pending the finalizing of a joint development agreement, this deficiency will be cured.

Please let this letter serve as notice for curing the deficiency cited above in Cimarex's APD for the Perry 22 Fed Com #1H.

If you should have any questions, please contact the undersigned directly at (432) 571-7896 or by email at mcompton@cimarex.com.

Sincerely,

Cimarex Energy Co.

Mark Compton
Landman

Operator - Land Owner Agreement

Company: Cimarex Energy Co.

Proposed Well: Perry 22 Federal Com #1H

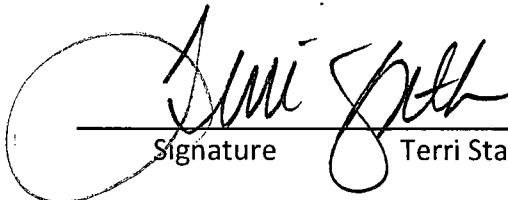
Federal Lease Number: NMNM124622

Please be advised that Cimarex Energy Co. has an agreement with the surface owner, listed below, concerning entry and surface restoration after completion of drilling operations at the above described well.

Mr. Danny Berry
Berry Ranch, Box 160
Eunice, NM 88231
575-369-5266

After abandonment of the well, all pits will be filled and levelled and all equipment and trash will be removed from the well site. No other requirements were made concerning restoration of the well site.

8-20-13
Date


Signature Terri Stathem

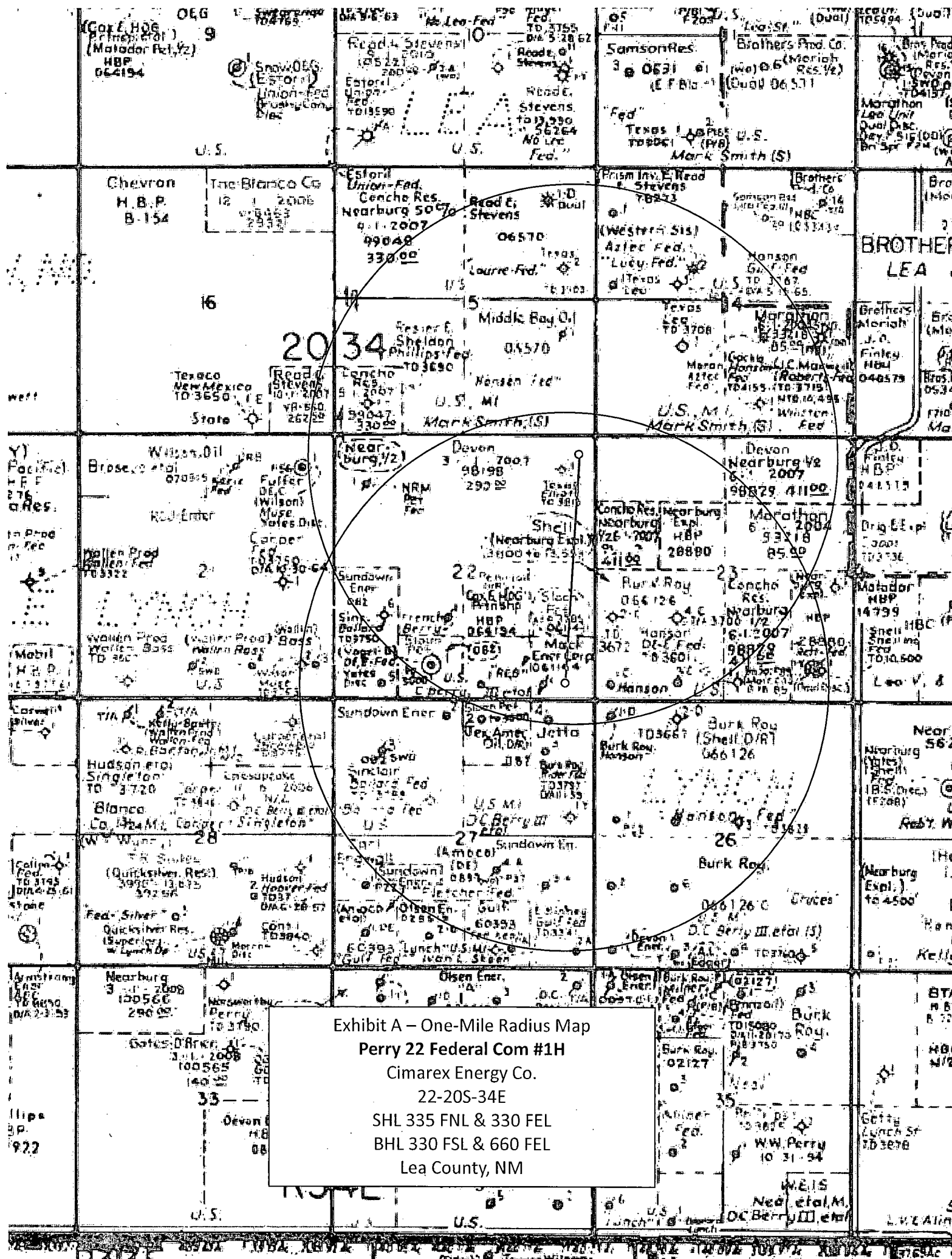
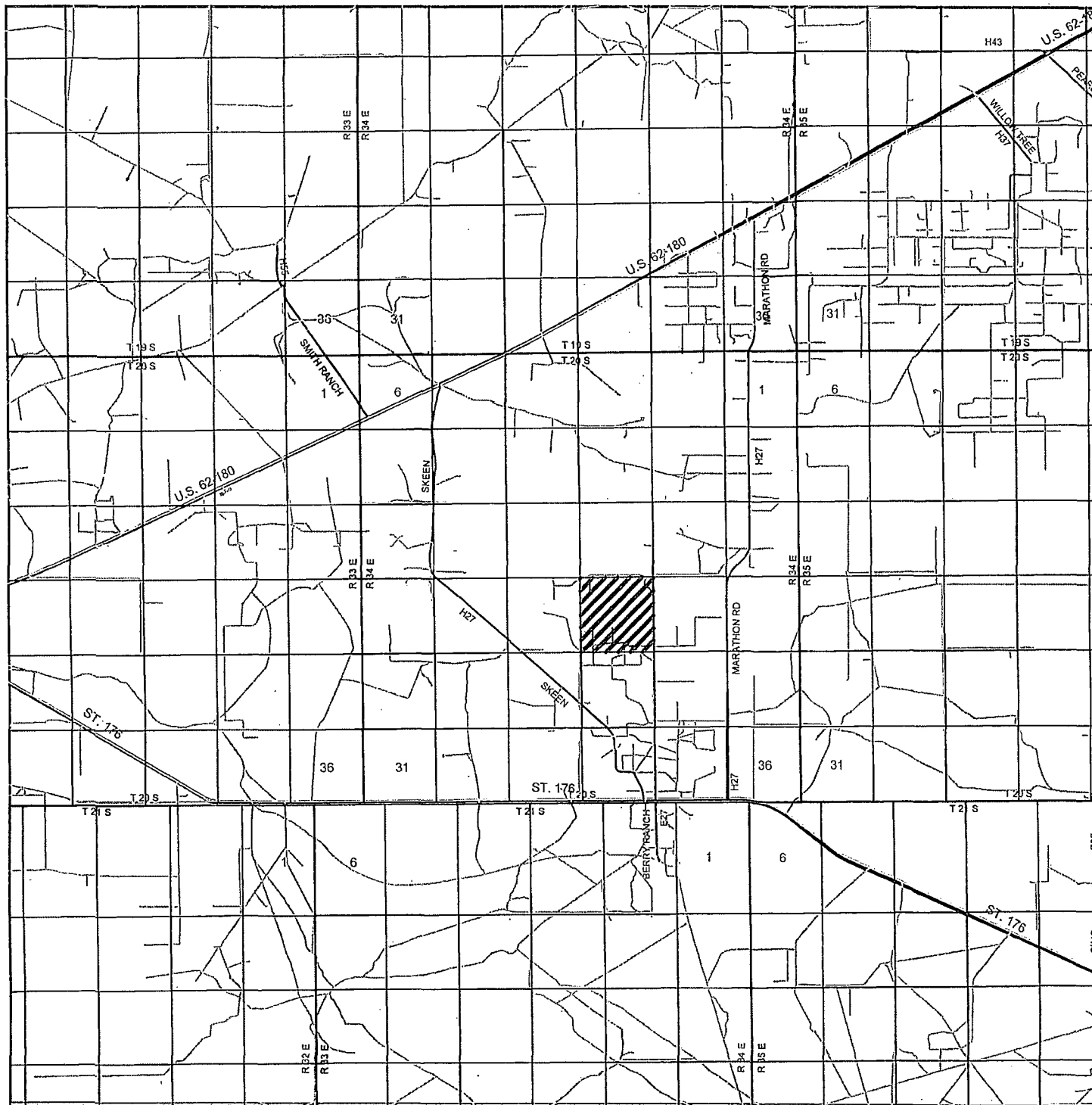
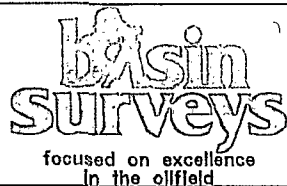


Exhibit A – One-Mile Radius Map
Perry 22 Federal Com #1H
Cimarex Energy Co.
22-20S-34E
SHL 335 FNL & 330 FEL
BHL 330 FSL & 660 FEL
Lea County, NM



PERRY 22 FEDERAL COM 1H
 Located 335' FNL and 330' FEL
 Section 22, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



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

W.O. Number: JMS 28174

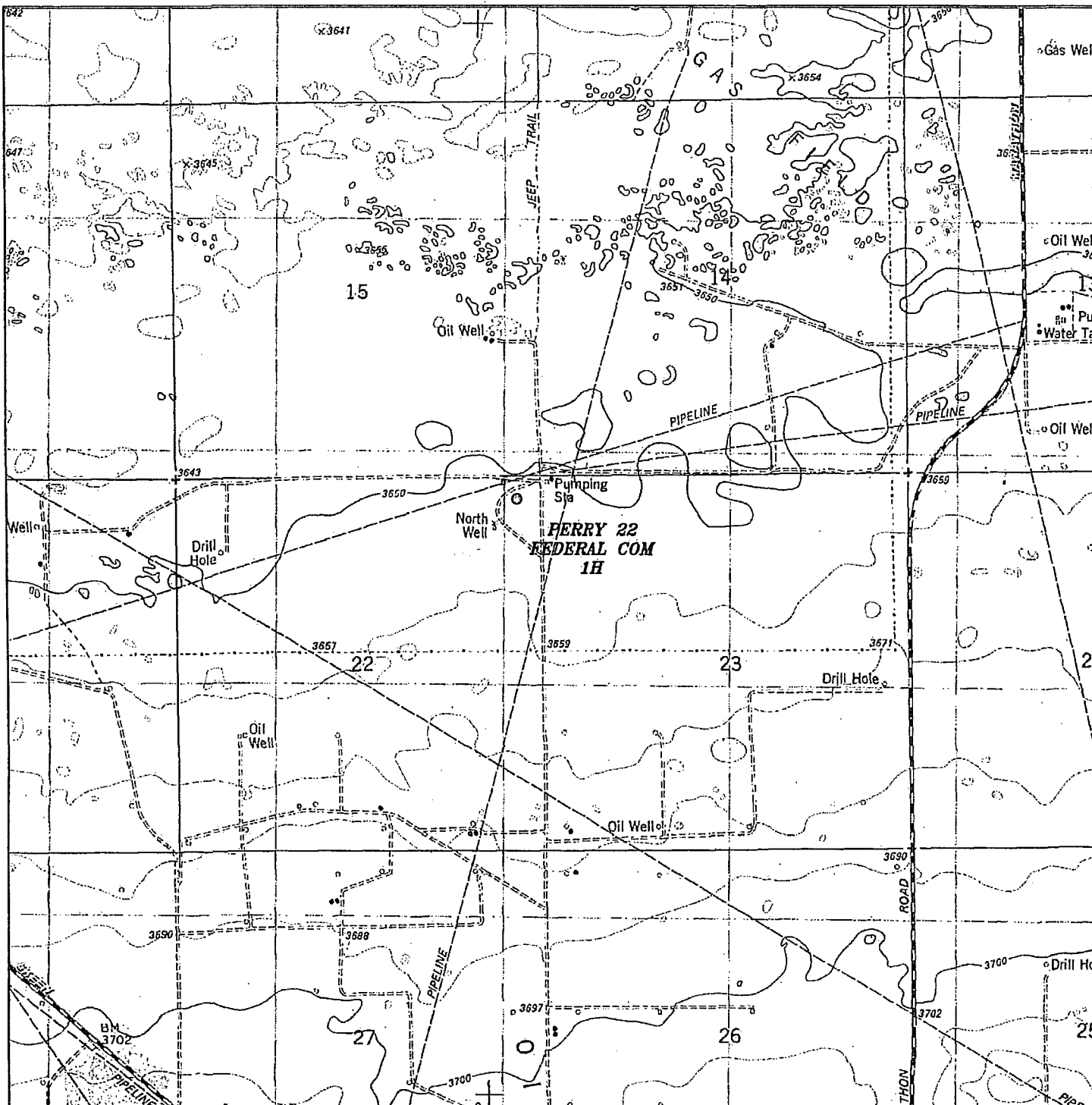
Survey Date: 02-15-2013

Scale: 1" = 2 Miles

Date: 02-20-2013

**CIMAREX
 ENERGY CO.**

Exhibit B



PERRY 22 FEDERAL COM 1H
 Located 335' FNL and 330' FEL
 Section 22, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

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Survey Date: 02-15-2013

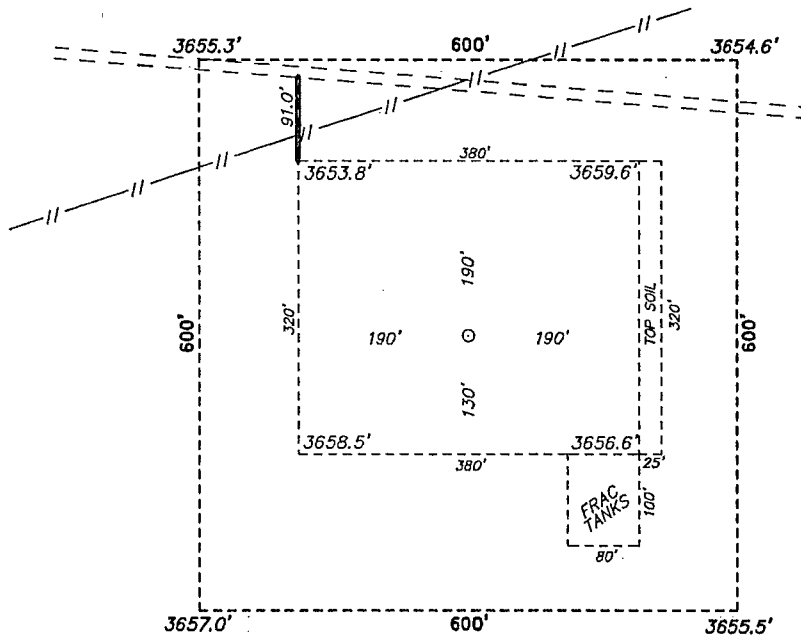
Scale: 1" = 2000'

Date: 02-20-2013

CIMAREX
ENERGY CO.

Exhibit C

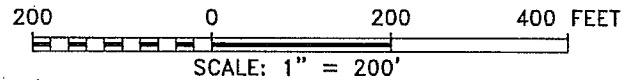
SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



CIMAREX ENERGY CO.
PERRY 22 FEDERAL COM 1H
ELEV. - 3655'

Lat - N 32°33'53.89"
Long - W 103°32'26.12"
NMSPCE- N 570175.7
E 785563.3
(NAD-83)

EUNICE, NM IS ±23 MILES TO THE EASTERLY OF LOCATION.



Directions to Location:

FROM THE JUNCTION OF MARATHON ROAD AND
LYNCH, GO WEST ON LEASE ROAD FOR 1.5 MILES
TO PROPOSED WELL LOCATION.

CIMAREX ENERGY CO.

REF: PERRY 22 FEDERAL COM 1H / WELL PAD TOPO

THE PERRY 22 FEDERAL COM 1H LOCATED 335'

FROM THE NORTH LINE AND 660' FROM THE EAST LINE OF

SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST,

N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 28174

Drawn By: J. SMALL

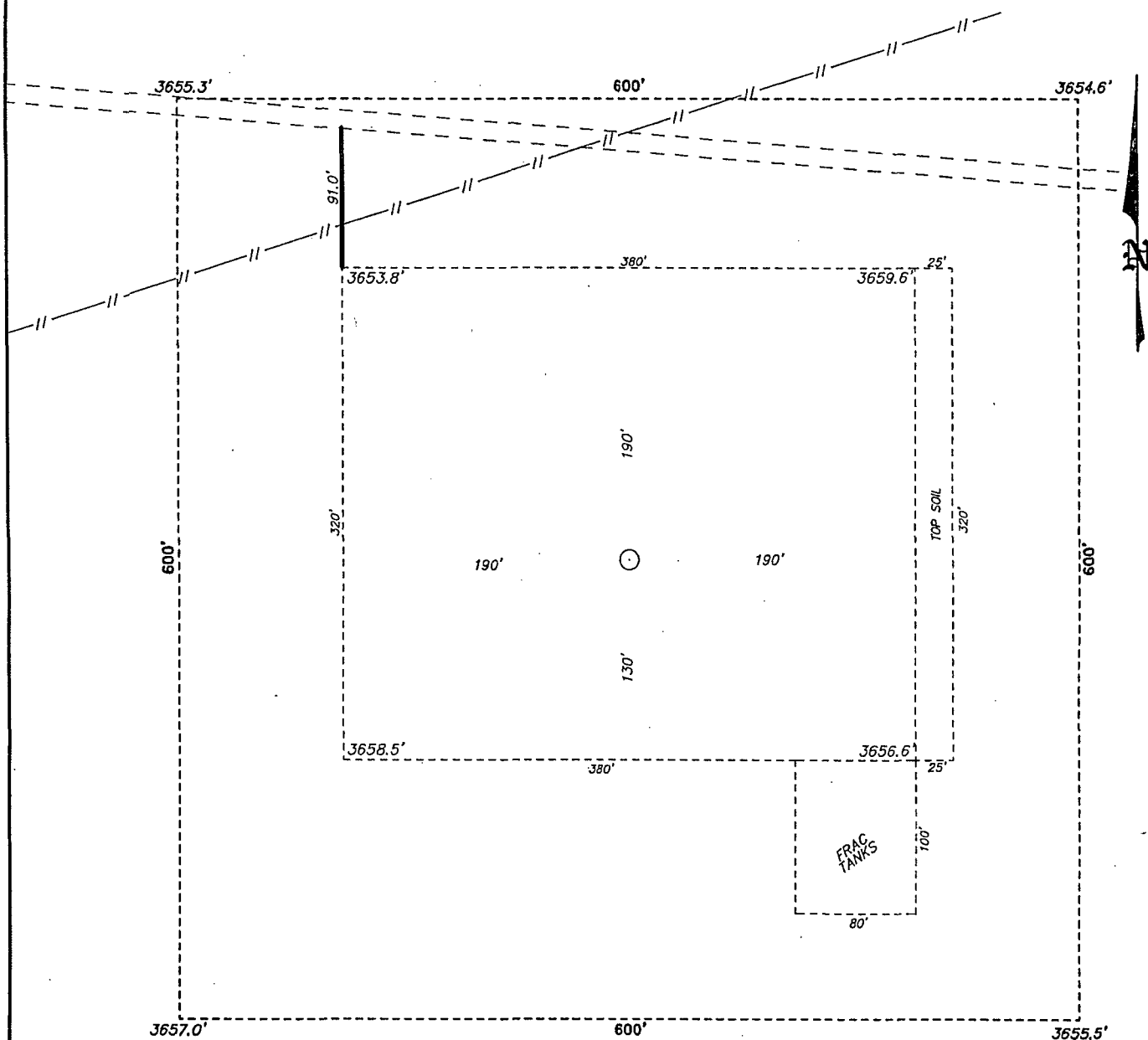
Date: 02-20-2013

Disk: JMS 28174

Survey Date: 02-15-2013

Sheet 1 of 1 Sheets

SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



EUNICE, NM IS ± 23 MILES TO THE EASTERLY OF LOCATION.
200 0 200 400 FEET
SCALE: 1" = 200'

CIMAREX ENERGY CO.

REF: PERRY 22 FEDERAL COM 1H / WELL PAD TOPO

THE PERRY 22 FEDERAL COM 1H LOCATED 335'
FROM THE NORTH LINE AND 660' FROM THE EAST LINE OF
SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 28174

Drawn By: J. SMALL

Date: 02-20-2013

Disk: JMS 28174

Survey Date: 02-15-2013

Sheet 1 of 1 Sheets

Directions to Location:

FROM THE JUNCTION OF MARATHON ROAD AND
LYNCH, GO WEST ON LEASE ROAD FOR 1.5 MILES
TO PROPOSED WELL LOCATION.

Marathon Road

PERRY 22
FEDERAL COM
1H

T20S
R34E

PERRY 22 FEDERAL COM 1H
Located 335' FNL and 330' FEL
Section 22, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

Public Access Route

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1120 N. West County Rd.
Hobbs, New Mexico 88241
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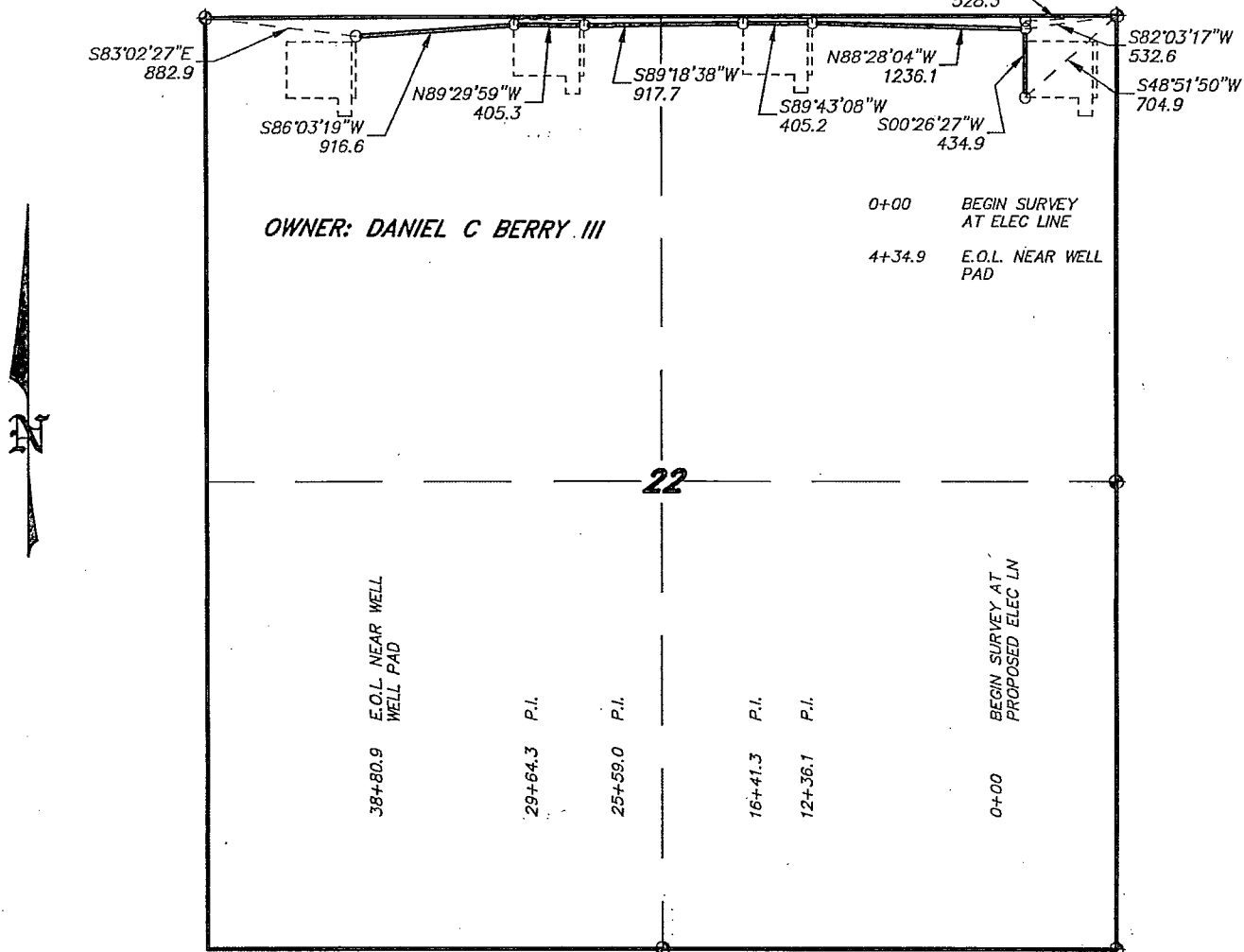
W.O. Number: JMS 28174

Scale: 1" = 2000'

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

CIMAREX
ENERGY CO.

SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES S.86°52'19"W, 528.3 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 22; THENCE S.00°26'27"W, 434.9 FEET TO THE END OF THIS LINE WHICH LIES S.48°51'50"W, 704.9 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 22; THENCE BEGINNING AGAIN AT A POINT WHICH LIES S.82°03'17"W, 532.6 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 22; THENCE N.88°28'04"W, 1236.1 FEET; THENCE S.89°43'08"W, 405.2 FEET; THENCE S.89°18'38"W, 917.7 FEET; THENCE N.89°29'59"W, 405.3 FEET; THENCE S.86°03'19"W, 916.6 FEET TO THE END OF THIS LINE WHICH LIES S.83°02'27"E, 882.9 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 22. SAID STRIP OF LAND BEING 4315.8 FEET OR 261.56 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS MAP WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES, P.S. No. 7977
LEA COUNTY, TEXAS No. 5074

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

W.O. Number: 28178 Drawn By: J. M. SMALL

Date: 02-20-2013 Disk: JMS 28178

1000 0 1000 2000 FEET

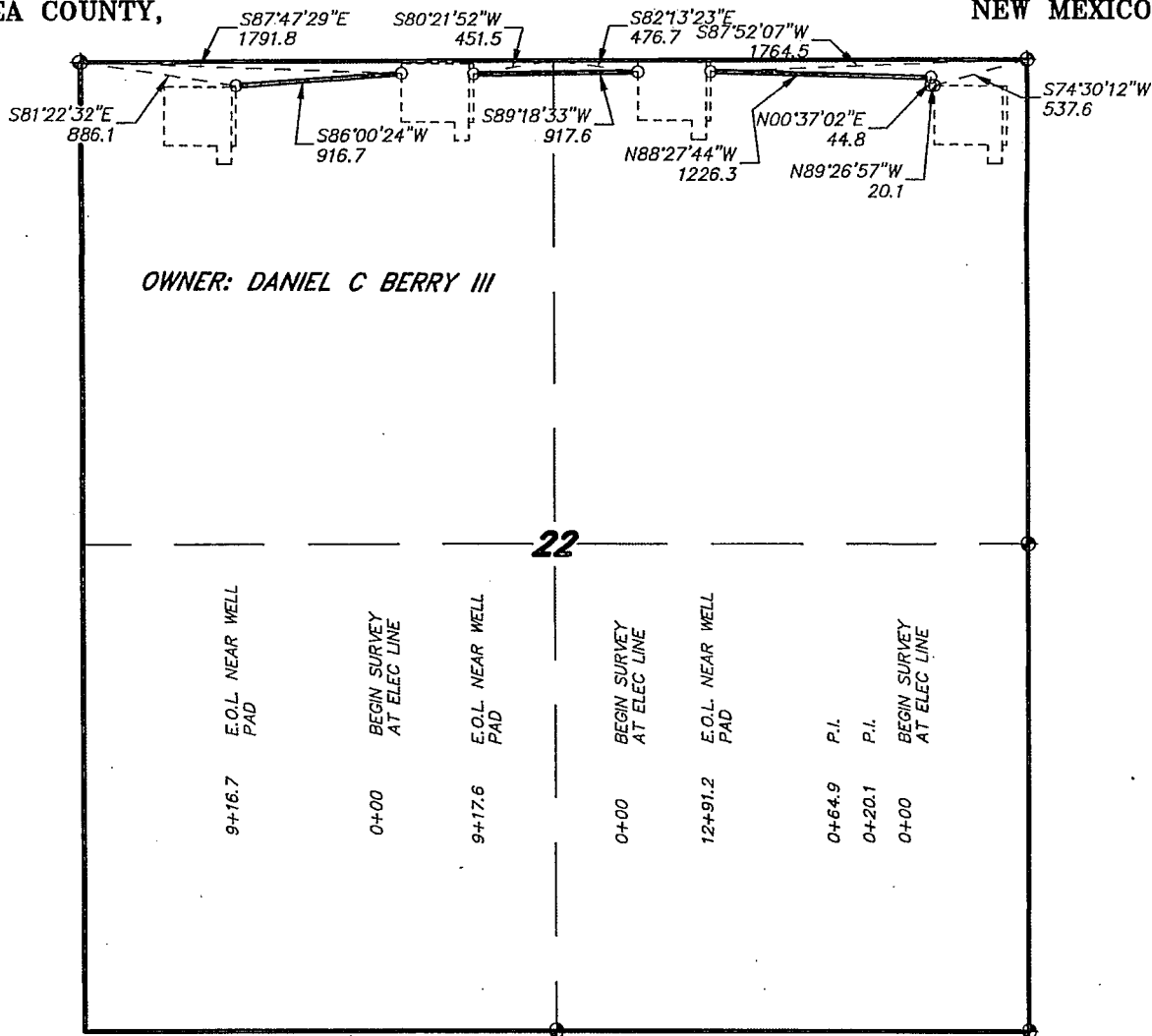
CIMAREX ENERGY COMPANY

REF: PROPOSED ELECTRIC LINE TO THE PERRY 22 WELLS

AN ELECTRIC LINE CROSSING FEE LAND IN
SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 02-15-2013 Sheet 1 of 1 Sheets

**SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**

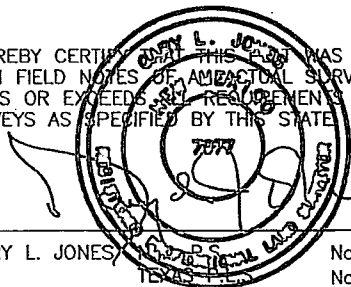


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES S.74°30'12"W., 537.6 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 22; THENCE N.89°26'57"W., 20.1 FEET; THENCE N.00°37'02"E., 44.8 FEET; THENCE N.88°27'44"W., 1226.3 FEET TO THE END OF THIS LINE WHICH LIES S.87°52'07"W., 1764.5 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 22; THENCE BEGINNING AGAIN AT A POINT WHICH LIES S.82°13'23"E., 476.7 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 22; THENCE S.89°18'33"W., 917.6 FEET TO THE END OF THIS LINE WHICH LIES S.80°21'52"W., 451.5 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 22; THENCE BEGINNING AGAIN AT A POINT WHICH LIES S.87°47'29"E., 1791.8 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 22; THENCE S.86°00'24"W., 916.7 FEET TO THE END OF THIS LINE WHICH LIES S.81°22'32"E., 886.1 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 22. SAID STRIP OF LAND BEING 3125.5 FEET OR 189.42 RODS IN LENGTH.

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



GARY L. JONES, State of New Mexico, No. 7977
 TEXAS, No. 5074

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

W.O. Number: 28178 Drawn By: J. M. SMALL

Date: 02-20-2013 Disk: JMS 28178

1000 0 1000 2000 FEET

CIMAREX ENERGY COMPANY

REF: PROPOSED FLOWLINE TO THE PERRY 22 WELLS

A FLOWLINE CROSSING FEE LAND IN
 SECTION 22, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
 N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 02-15-2013 Sheet 1 of 1 Sheets

Application to Drill
Perry 22 Federal Com #1H
 Cimarex Energy Co.
 UL: A, Sec. 22, 20S, 34E
 Lea 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 335 FNL & 330 FEL
 BHL 330 FSL & 660 FEL

2. Elevation Above Sea Level: 3,655' 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: 15,504 MD 10,900 TVD Pilot Hole TD: 11,200

6. Estimated Tops of Geological Markers:

Formation	Est Top	Bearing
Rustler	1650	N/A
Salt	1800	N/A
Tansill	3400	N/A
Yates	3600	N/A
Capitan Reef	3970	N/A
Delaware Sand	5700	N/A
Brushy Canyon	8080	N/A
Bone Spring	8400	Hydrocarbons
Avalon Shale	8900	Hydrocarbons
1st BSS	9600	Hydrocarbons
2nd Bone Spring Carb	9860	Hydrocarbons
2nd BSS	10150	N/A
3rd Carbonate	10630	N/A
3rd BSS	10782	Hydrocarbons
3rd BS C SS	10980	N/A
Wolfcamp	11114	Hydrocarbons

7. Possible Mineral Bearing Formation: Shown above

7A. OSE Ground Water Estimated Depth: 200'

8. Casing Program:

see COA

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	1680	1680	17 1/2	13-3/8"	54.50	J-55	ST&C	New	725	8.3	1.56		3.78	91,560	79,958	6.43
Intermediate	0	5600	5600	12 1/4	9-5/8"	40.00	J-55	LT&C	New	2912	10.0		1.32	1.36	224,000	189,801	2.74
Production	0	10598	10598	8 3/4	5-1/2"	17.00	P-110	LT&C	New	4959	9.0	1.51		2.15	185,300	159,839	2.78
Production	10598	15504	10900	8 3/4	5-1/2"	17.00	P-110	BT&C	New	5101	9.0	1.47		2.09	5,134	4,429	123.29