

Surface Use Plan  
**Lea South 25 Federal Com #9H**  
Nearburg Producing Co. Agent: Cimarex Energy Co.  
UL: M, Sec. 25-20S-34E  
Lea County, NM

HOBBS OCD

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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, and Exhibit "C-1" is a well site layout map, showing proposed road to location and existing road. Existing road shown on Exhibits "C," "C"-1," will be maintained in a condition equal to or better than current conditions.

- A. The maximum width of the driving surface will be 15.' 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.
- B. From the Junction of Hwy 76 and Marathon Rd, Go North on Marathon Rd for 1.3 miles to lease road. On lease road go East 0.4 miles to lease road, turn South for 0.4 miles to proposed lease road.

2. **Planned Access Roads:**

Cimarex as agent for Nearburg Producing Company plans to construct 929.8' of new access road to service the Lea South 25 Federal Com #9H and the Lea South 25 Federal Com #5H.

3. **Planned Electric Line:**

Nearburg Producing Company plans to install an overhead electric line from the proposed well to an existing overhead electric line in the NW/4 of Sec. 25. The proposed electric line would be approximately 4600' in length, 14 - 40' poles, 480 volt, 4 wire, 3 phase. The electric line would exit off the West side of the Lea South 25 Fed Com #5H well location and travel North for approximately 4600' along Marathon Road until it would intercept the existing electric line. The electric line will be routed on the East side of Marathon Road and 40-50' from and parallel to Marathon Road. Route is within lease boundaries, and has been staked, however the plat has not been completed. A plat of the Eline will be submitted to the BLM under separate cover. Any changes to E-Line route will be submitted via sundry notice.

4. **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 Exhibits "A" |
| E. Abandoned wells - | As shown on Exhibits "A" |

5. **Location of 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 or off site facilities 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.

6. **Source of Construction Material:**

If possible, native caliche will be obtained from the excavation of drill site. Topsoil will be pushed back from the drill site and existing caliche will be ripped and compacted. Then topsoil will be stockpiled on location as depicted on Exhibit "D" (rig layout). If additional material is needed, it will be purchased from a BLM-approved pit as near as possible to the well location.

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**8. Auxiliary Facilities:**

- A. No camps or airstrips to be constructed.

**9. Well Site Layout:**

- A. Exhibit "D" shows location and rig layout.
- B. Mud pits in the closed circulation system will be steel pits and the cuttings will be stored in steel containment pits.
- C. Cuttings will be stored in steel pits until they are hauled to a state-approved disposal facility.
- D. If the well is a producer, 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 will start in a timely manner after all drilling operations cease or within 6 months after completion of the well. 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 (caliche) will be removed and returned to a mineral pit or recycled to repair or build roads and well pads. All unused equipment and structures including pipelines, electric poles, tanks, etc., that serviced the well will be removed for final reclamation.

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 recontoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be producer, topsoil will be evenly respread and revegetated over the entire area not needed for operations. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Monitoring periodically will ensure vegetation has reestablished and weeds and erosion are controlled.

**11. Methods of Handling Waste**

- A. 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.
- B. 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.
- C. Human waste and grey water will be properly contained and disposed of properly at a state approved disposal site.
- D. 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.
- E. 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**

- 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 Ms. Martha Skeen, 6301 Porter Road, Carlsbad, NM (575) 910-6731. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production. Cimarex certifies Ms. Skeen has been provided a copy of the Surface Use Agreement.
- 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 Roswell BLM office.
- D. There are no known dwellings within 1½ miles of this location.

**13. On Site Notes and Information:**

On March 27, 2013 an onsite meeting was held with Barry Hunt, Cimarex representative, Tim Green, Nearburg Producing Co., and Basin Surveys. V-Door North Northwest (to parallel gas pipeline to the north). Top soil south. Trish Badbear and Tim Green discussed the locations prior to staking.


Operator Certification Statement  
Lea South 25 Federal Com #9H  
Nearburg Producing Co. Agent: Cimarex Energy Co.  
UL: M, Sec. 25-20S-34E  
Lea County, 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 28th day of May, 2013

NAME: Terrence Gant 

TITLE: Midland Manager

ADDRESS: 3300 N. A Street, Bldg 2, Ste 120  
Midland, TX 79705

TELEPHONE: 432--818-2940

EMAIL: tgreen@nearburg.com

Field Representative: Same as above