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Form 3160-3 (June 2015) UNITED STATE		CD Hobbs	OMB N	APPROVED o. 1004-0137 anuary 31, 2018	F/p
DEPARTMENT OF THE		CT HIGHNS	5. Lease Serial No.		
BUREAU OF LAND MAN	AGEMENT	HOBBS OCE	NMNM128835		
APPLICATION FOR PERMIT TO (6. If Indian, Allotee	or Tribe Name	
		JAN 1 6 2019	/		
la. Type of work: 🔽 DRILL	REENTER		7. If Unit or CA Ag	reement, Name and N	0.
		necewen			
1b. Type of Well: ✓ Oil Well Gas Well	Other	RECEIVED	8. Lease Name and	Well No.	
1c. Type of Completion: Hydraulic Fracturing	Single Zone	Multiple Zone	LEA 7 FEDERAL	COM 3878)	
2. Name of Operator CIMAREX ENERGY COMPANY (245099)		N	9. APJ-Well No. 30-02	44501)
3a. Address 202 S. Cheyenne Ave., Ste 1000 Tulsa OK 74103	3b. Phone N (432)620-1	lo. (include area code) 936	10. Field and Pool, BONE SPRING /	or Exploratory	77983) PRIN
4. Location of Well (Report location clearly and in accordance	with any State	requirements.*)		r Blk. and Survey or A	Irea
At surface SESW / 444 FSL / 1697 FWL / LAT 32.58	1608 / LONG	-103.499656	SEC 77 1205 / R	35E / NMP	
At proposed prod. zone LOT 1 / 330 FNL / 660 FWL / L	AT 32.59397	5 / LONG -103.503017			
14. Distance in miles and direction from nearest town or post of	ffice*		12. County or Paris LEA	h 13. State NM	
15. Distance from proposed* location to nearest property or lease line, ft.	16. No of ac 319.67	cres in lease 17. Spacin 159.4	ng.Unit dedicated to	this well	
(Also to nearest drig. unit line, if any)	10 Pranacio	d Donth J0 /PI M	DIA Dond No. in file		
 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 	l, drilling, completed, 20 feet				
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3673 feet	07/01/2018	/ !	23. Estimated durat 30 days	tion	
	24. Attač	chments			
The following, completed in accordance with the requirements (as applicable)	of Onshore Oil	and Gas Order No. 1, and the H $>$	Iydraulic Fracturing	rule per 43 CFR 3162.	3-3
 Well plat certified by a registered surveyor. A Drilling Plan. 	×`	4. Bond to cover the operation Item 20 above).	s unless covered by a	n existing bond on file	(see
3. A Surface Use Plan (if the location is on National Forest Syst SUPO must be filed with the appropriate Forest Service Office	em Lands, the	 5. Operator certification. 6. Such other site specific infor BLM. 	mation and/or plans a	s may be requested by t	the
25. Signature (Electronic Submission)		e (Printed/Typed) a Easterling / Ph: (918)560-7	060	Date 01/24/2018	
Title (()					
Approved by (Signature)	Nama	(Printed/Typed)	· · · · · · ·	Date	
(Electronic Submission)	Cody Layton / Ph: (575)234-5959			09/10/2018	
Title / /	Office			1	
ssistant Field Manager Lands & Minerals CARLSBAD					
Application approval does not warrant or certify that the applicat applicant to conduct operations thereon. Conditions of approval, if any, are attached.	ant holds legal	or equitable title to those rights	in the subject lease w	which would entitle the	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, of the United States any false, fictitious or fraudulent statements				any department or age	ency
GCP Rec 1/16/19		TONNITIONS	Kæ nill1	, 11	
	VED WI	TH CONDITIONS			$\mathcal{V} \in \mathcal{C}$
(Continued on page 2)	oval Date	?! :: 09/10/2018	*(In	structions on pag	e 2)

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INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.



The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U(\$.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

1. SHL: SESW / 444 FSL / 1697 FWL / TWSP: 20S / RANGE: 35E / SECTION: 7 / LAT: 32.581608 / LONG: -103.499656 (TVD: 0 feet, MD: 0 feet) PPP: LOT 4 / 664 FSL / 660 FWL / TWSP: 20S / RANGE: 35E / SECTION: 7 / LAT: 32.5822333 / LONG: -103.5030944 (TVD: 9550 feet, MD: 9696 feet) BHL: LOT 1 / 330 FNL / 660 FWL / TWSP: 20S / RANGE: 35E / SECTION: 7 / LAT: 32.593975 / LONG: -103.503017 (TVD: 9625 feet, MD: 13984 feet)

BLM Point of Contact

Name: Judith Yeager Title: Legal Instruments Examiner Phone: 5752345936 Email: jyeager@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Cimarex Energy Company
	NMNM128835
WELL NAME & NO.:	Lea 7 Federal Com 8H
SURFACE HOLE FOOTAGE:	444'/S & 1697'/W
BOTTOM HOLE FOOTAGE	330'/N & 660'W
LOCATION:	Section 7, T20S, R35E, NMPM
	Lea County, New Mexico



H2S	r Yes	∩ No	
Potash	• None	C Secretary	⊂ R-111-P
Cave/Karst Potential	€ Low	C Medium	High High
Variance	C None	• Flex Hose	C Other
Wellhead	Conventional	Multibowl	C Both
Other	F 4 String Area	Capitan Reef	F WIPP

A. Hydrogen Sulfide

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Yates and Seven Rivers** formations. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

- 1. The 13-3/8 inch surface casing shall be set at approximately 1780 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - 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 will be a minimum of <u>8</u> <u>hours</u> 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,

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whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Operator shall filled 1/3rd casing with fluid while running intermediate casing to maintain collapse safety factor.

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

- Special Capitan Reef requirements. If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
 (Use this for 3 string wells in the Capitan Reef, if 4 string well ensure FW based mud used across the capitan interval)
 - Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
 - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.
- 3. 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 3941') into previous casing string. Operator shall provide method of verification. Additional cement maybe required. Excess calculates to 3%.

C. PRESSURE CONTROL

- 1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.

GENERAL 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)
 - Chaves and Roosevelt Counties
 Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
 During office hours call (575) 627-0272.
 After office hours call (575)
 - Eddy County

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

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612

- 1. 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.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. 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

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which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log (one log per well pad is acceptable) 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.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. 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.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- <u>Wait on cement (WOC) for Potash Areas:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least <u>24 hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. <u>Wait on cement (WOC) for Water Basin:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the

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formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

- 7. 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.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. 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. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. 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.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, 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. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. 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, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
 - c. The tests shall be done by an independent service company utilizing a test plug. The results of the test shall be reported to the appropriate BLM office.
 - d. 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.
 - 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. This test shall be performed prior to the test at full stack pressure.
 - g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. 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.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

ZS 090518

PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Cimarex Energy Company
LEASE NO.:	NMNM128835
WELL NAME & NO.:	Lea 7 Federal Com 8H
SURFACE HOLE FOOTAGE:	444'/S & 1697'/W
BOTTOM HOLE FOOTAGE	330'/N & 660'W
LOCATION:	Section 7, T20S, R35E, NMPM
COUNTY:	Lea 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
Lesser Prairie-Chicken Timing Stipulations
Below Ground-level Abandoned Well Marker
Dune Sagebrush Lizard Trench Stipulation
Hydrology
Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
Road Section Diagram
Roduction (Post Drilling)
Well Structures & Facilities
Pipelines
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.

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V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Below Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

Dunes Sagebrush Lizard Trench Stipulation:

- Pre-construction contact with a BLM wildlife biologist is required within 5 days before any ground disturbing activities associated with the project occurs.
- Successful completion of the BLM Trench Stipulation Workshop is required for a non-agency person to be approved as a monitor.
- Any trench left open for (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, an agency approved monitor shall walk the entire length of the open trench and remove all trapped vertebrates. The bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried vertebrates. All vertebrates will be released a minimum of 100 yards from the trench.
- For trenches left open for eight (8) hours or more the following requirements apply:

- Earthen escape ramps and/or structures (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench. Metal structures will <u>not</u> be authorized. Options will be discussed in detail at the required Trench Stipulation Workshop.
- One approved monitor shall be required to survey up to three miles of trench between the hours of 11 AM-2 PM. A daily report (consolidate if there is more than one monitor) on the vertebrates found and removed from the trench shall be provided to the BLM (email/fax is acceptable) the following morning.
- Prior to backfilling of the trench all structures used as escape ramps will be removed and the bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried vertebrates. All vertebrates will be released a minimum of 100 yards from the trench.
- This stipulation shall apply to the entire length of the project in the DSL habitat polygon regardless of land ownership or CCA/CCAA enrollment status.
- A project closeout will be required within three business days of the completion of the project.

Hydrology Mitigation:

The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). 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 integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad 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. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

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 ¹/₂ times the content of the largest tank or 24 hour production, whichever is greater. 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.

A leak detection plan will be submitted to the BLM Carlsbad Field Office for approval prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will

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incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

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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)

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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.

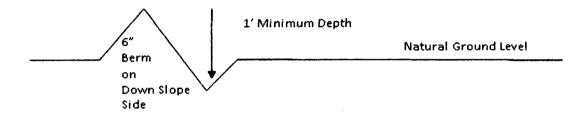
Drainage

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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 foot road with 4% road slope: 400' + 100' = 200' lead-off ditch interval 4%

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards 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 cattle guards 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.

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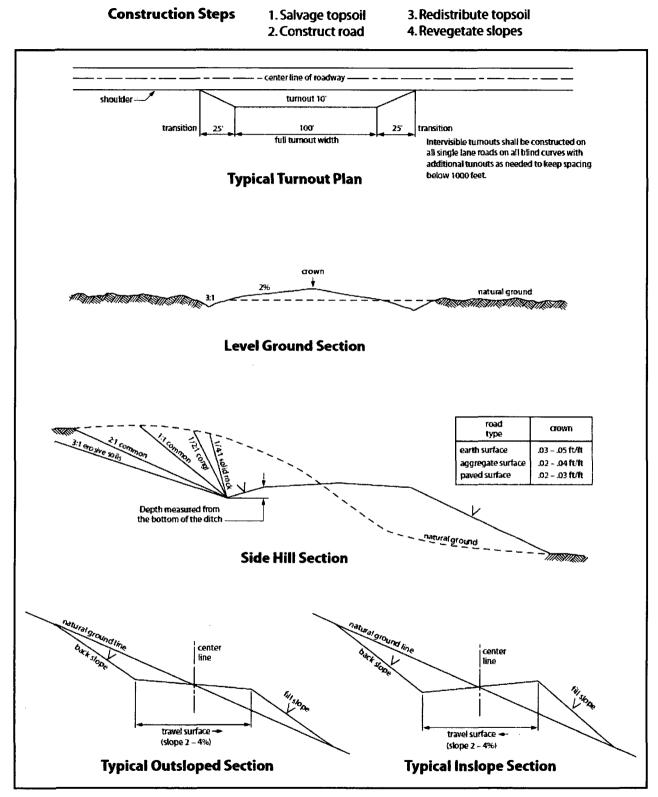


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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VII. 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

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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, <u>Shale Green</u> from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VRM Facility Requirement

Low-profile tanks not greater than eight-feet-high shall be used.

B. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the Grant and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review 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. 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. Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 *et seq.* (1982) with regard 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 in particular, 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. 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 activity of 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 provision applies without regard to whether a release is caused by Holder, its agent, or unrelated third parties.

4. Holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

- a. Activities of Holder including, but not limited to: construction, operation, maintenance, and termination of the facility;
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing
 - (2) Earth-disturbing and earth-moving work
 - (3) Blasting
 - (4) Vandalism and sabotage;
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Holder, regardless of fault. Upon failure of Holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he/she deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Holder. Such action by the Authorized Officer shall not relieve Holder of any responsibility as provided herein.

6. All construction and maintenance activity shall be confined to the authorized rightof-way width of <u>20</u> feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or

right-of-ways.

7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.

8. Holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of <u>24</u> inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. 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

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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 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.

16. 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, powerline 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.

17. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

- 18. Special Stipulations:
 - a. <u>Lesser Prairie-Chicken:</u> Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted.

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, 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, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, <u>et seq</u>.) 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. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-ofway.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be $\underline{30}$ feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (Blading is defined as the complete removal of brush and ground vegetation.)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed <u>30</u> feet. The trench and bladed area are included in this area. (Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately <u>6</u> inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1 () seed mixture 3

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() seed mixture 2	() seed mixture 4
(X) seed mixture 2/LPC	() Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (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.

17. 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 associated roads, 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.

18. <u>Escape Ramps</u> - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and

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maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.
- 19. Special Stipulations:

Wildlife Mitigation Measures

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Dunes Sagebrush Lizard Trench Stipulation

- Pre-construction contact with a BLM wildlife biologist is required within 5 days before any ground disturbing activities associated with the project occurs.
- Successful completion of the BLM Trench Stipulation Workshop is required for a non-agency person to be approved as a monitor.
- Any trench left open for (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, an agency approved monitor shall walk the entire length of the open trench and remove all trapped vertebrates. The

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bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried vertebrates. All vertebrates will be released a minimum of 100 yards from the trench.

- For trenches left open for eight (8) hours or more the following requirements apply:
 - Earthen escape ramps and/or structures (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench. Metal structures will <u>not</u> be authorized. Options will be discussed in detail at the required Trench Stipulation Workshop.
 - One approved monitor shall be required to survey up to three miles of trench between the hours of 11 AM-2 PM. A daily report (consolidate if there is more than one monitor) on the vertebrates found and removed from the trench shall be provided to the BLM (email/fax is acceptable) the following morning.
 - Prior to backfilling of the trench all structures used as escape ramps will be removed and the bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried vertebrates. All vertebrates will be released a minimum of 100 yards from the trench.
- This stipulation shall apply to the entire length of the project in the DSL habitat polygon regardless of land ownership or CCA/CCAA enrollment status.
- A project closeout will be required within three business days of the completion of the project.

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

Page 20 of 23

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.

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

VIII. 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).

IX. 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).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

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 <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall 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 of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). 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. Seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may 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:

Species	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

*Pounds of pure live seed:

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



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT



Operator 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.

NAME: Aricka Easterling

Signed on: 01/24/2018

Title: Regulatory Analyst

Street Address: 202 S. Cheyenne Ave, Ste 1000

State: OK

State:

City: Tulsa

Zip: 74103

Phone: (918)560-7060

Email address: aeasterling@cimarex.com

Field Representative

Representative Name:

Street Address:

City:

Phone:

Email address:

Zip:

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Application Data Report

APD ID: 10400026240

Operator Name: CIMAREX ENERGY COMPANY

Well Name: LEA 7 FEDERAL COM

Well Type: OIL WELL

Submission Date: 01/24/2018

Zip: 74103

Well Number: 8H Well Work Type: Drill Licklichted obie Gieterslitermeet Gemitchemges

09/10/2018

Show Final Text

Section 1 - General		
APD ID: 10400026240	Tie to previous NOS?	Submission Date: 01/24/2018
BLM Office: CARLSBAD	User: Aricka Easterling	Title: Regulatory Analyst
Federal/Indian APD: FED	BNG MEALER PORT	
Lease number: NMNM128835	Lease Acres: 319.67	and all all and the particular sector of an and an and a sector of the sector of the sector of the sector of the
Surface access agreement in place?	Allotted?	Reservation:
Agreement in place? NO	Federal or Indian agreer	nent:
Agreement number:		
Agreement name:		
Keep application confidential? YES		
Permitting Agent? NO	APD Operator: CIMARE	K ENERGY COMPANY
Operator letter of designation:		

Operator Info

Operator Organization Name: CIMAREX ENERGY COMPANY

Operator Address: 202 S. Cheyenne Ave., Ste 1000

Operator PO Box:

Operator City: Tulsa State: OK

Operator Phone: (432)620-1936

Operator Internet Address: tstathem@cimarex.com

Section 2 - Well Information

Well in Master Development Plan? NO	Mater Development Plan nam	Mater Development Plan name:		
Well in Master SUPO? NO	Master SUPO name:	Master SUPO name:		
Well in Master Drilling Plan? NO	Master Drilling Plan name:			
Well Name: LEA 7 FEDERAL COM	Well Number: 8H	Well API Number:		
Field/Pool or Exploratory? Field and Pool	Field Name: BONE SPRING	Pool Name: WILDCAT BONE SPRING		

Is the proposed well in an area containing other mineral resources? USEABLE WATER, NATURAL GAS, OIL

Well Number: 8H

New surface disturbance?

Multiple Well Pad Name: LEA 7 Number: E2W2 FEDERAL COM Number of Legs: 1

Well Work Type: Drill

Describe other minerals:

Well Class: HORIZONTAL

Type of Well Pad: MULTIPLE WELL

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: EXPLORATORY (WILDCAT)

Describe sub-type:

Distance to town:

Distance to nearest well: 20 FT

Is the proposed well in a Helium production area? N Use Existing Well Pad? NO

Distance to lease line: 444 FT

Reservoir well spacing assigned acres Measurement: 159.4 Acres

Well plat: Lea_7_Fed_Com_8H_C102_Plat_20180112073449.pdf

Well work start Date: 07/01/2018

Duration: 30 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number:

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	DM	TVD
SHL	444	FSL	169	FWL	20S	35E	7	Aliquot	32.58160	-	LEA	1	NEW	F	FEE	367	0	0
Leg			7					SESW	8	103.4996		MEXI				3		
#1										56		со	co					
кор	444	FSL	169	FWL	20S	35E	7	Aliquot	32.58160	-	LEA	NEW	NEW	F	FEE	-	921	915
Leg			7					SESW	8	103.4996		MEXI	() () () () () () () () () ()			547	9	2
#1										56		co	CO			9		
PPP	664	FSL	660	FWL	20S	35E	7	Lot	32.58223	-	LEA	NEW	NEW	F	FEE	-	969	955
Leg								4	33	103.5030		MEXI	MEXI			587	6	0
#1										944		co	со			7		

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	DVT
EXIT Leg #1	264 0	FSL	660	FWL	20S	35E	7	Lot 3	32.5877	- 103.5030 75	LEA	NEW MEXI CO	NEW MEXI CO	F	FEE	- 595 2	117 00	962 5
BHL Leg #1	330	FNL	660	FWL	20S	35E	7	Lot 1	32.59397 5	- 103.5030 17	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 128835	- 595 2	139 84	962 5

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

intermediate casing. After installation the pack-off and lower flange will be pressure tested to 3000 psi. The surface casing string will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater. The casing string utilizing steel body pack-off will be tested to 70% of casing burst. If well conditions dictate conventional slips will be set and BOPE will be tested to appropriate pressures based on permitted pressure requirements.

Choke Diagram Attachment:

Lea_7_Fed_Com_8H_Choke_2M3M_20180112075837.pdf

BOP Diagram Attachment:

Lea_7_Fed_Com_8H_BOP_2M_20180112075848.pdf

Pressure Rating (PSI): 3M

Rating Depth: 5677

Equipment: A BOP consisting of three rams, including one blind ram and two pipe rams and one annular preventer. 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 clock 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.

Requesting Variance? YES

Variance request: Co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. 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. Variance to include Hammer Union connections on lines downstream of the buffer tank only. **Testing Procedure:** A multi-bowl wellhead system will be utilized. After running the 13-3/8" surface casing, a 13 5/8" BOP/BOPE system with a minimum working pressure of 3000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 3000 psi test. Annular will be tested to 50% of working pressure. The pressure test will be repeated at least every 30 days, as per Onshore Order No. 2. The multi-bowl wellhead will be installed by vendor's representative. A copy of the installation instructions has been sent to the BLM field office. The wellhead will be installed by a third-party welder while being monitored by the wellhead vendor representative. All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type. A solid steel body pack-off will be utilized after running and cementing the intermediate casing. After installation the pack-off and lower flange will be pressure tested to 3000 psi. The surface casing string will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater. The casing string utilizing steel body pack-off will be tested to 70% of casing burst. If well conditions dictate conventional slips will be set and BOPE will be tested to appropriate pressures based on permitted pressure requirements.

Choke Diagram Attachment:

Lea_7_Fed_Com_8H_Choke_2M3M_20180112075909.pdf

BOP Diagram Attachment:

Lea_7_Fed_Com_8H_BOP_3M_20180112075917.pdf

Section 3 - Casing

5	String Type	Hole Size	Csg Size	Condition	Standard	Fapered String	Fop Set MD	Bottom Set MD	Fop Set TVD	Bottom Set TVD	Fop Set MSL	Bottom Set MSL	Calculated casing ength MD	Grade	Veight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
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Well Name: LEA 7 FEDERAL COM

Well Number: 8H

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1780	0	1780	0	1780	1780	J-55	54.5	STC	1.39	3.36	BUOY	5.3	BUOY	5.3
		12.2 5	9.625	NEW	API	N	0	5677	0	5677	0	5677	5677	J-55	40	LTC	1.51	1.31	BUOY	2.29	BUOY	2.29
	PRODUCTI ON	8.75	5.5	NEW	API	N	0	9218	0	9218	0	9218	9218	L-80	17	LTC	1.46	1.79	BUOY	2.07	BUOY	2.07
	PRODUCTI ON	8.75	5.5	NEW	API	N	9218	13984	9218	13984	9218	13984	4766	L-80	17	BUTT	1.4	1.72	BUOY	57.3 8	BUOY	57.3 8

Casing Attachments

Casing ID: 1 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Lea_7_Fed_Com_8H_Casing_Assumptions_20180112080026.pdf

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Lea_7_Fed_Com_8H_Casing_Assumptions_20180112080118.pdf

Well Number: 8H

Casing Attachments

Casing ID: 3 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Lea_7_Fed_Com_8H_Casing_Assumptions_20180112080204.pdf

Casing ID: 4 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Lea_7_Fed_Com_8H_Casing_Assumptions_20180112080258.pdf

Section	4 - Ce	emen	t								
String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1780	863	1.72	13.5	1483	50	Class C	Bentonite
SURFACE	Tail		0	1780	231	1.34	14.8	309	25	Class C	LCM
INTERMEDIATE	Lead		0	5677	1068	1.88	12.9	2077	50	35:65 (Poz:C)	Salt, Bentonite
INTERMEDIATE	Tail		0	5677	301	1.3	14.2	391	25	50:50 (Poz:H)	Salt, Bentonite, Fluid Loss, Dispersant, SMS
PRODUCTION	Lead		0	9218	322	3.64	10.3	1171	25	Tuned Light	LCM

ı

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
PRODUCTION	Tail		0	9218	1020	1.3	14.2	1325	10	50:50 (Poz:H)	Salt, Bentonite, Fluid Loss, Dispersant, SMS
PRODUCTION	Lead		9218	1398 4	322	3.64	10.3	1171	25	Tuned Light	LCM
PRODUCTION	Tail		9218	1398 4	1020	1.3	14.2	1325	10	50:50 (Poz:H)	Salt, Bentonite, Fluid Loss, Dispersant, SMS

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: 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. **Describe the mud monitoring system utilized:** PVT/Pason/Visual Monitoring

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (Ibs/cu ft)	Gel Strength (lbs/100 sqft)	Н	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1780	SPUD MUD	8.3	8.8							
1780	5677	SALT SATURATED	9.7	10.2							
5677	1398 4	OTHER : FW/Cut Brine	8.5	9							

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

No DST Planned

List of open and cased hole logs run in the well:

CNL,DS,GR

Coring operation description for the well:

n/a

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4504

Anticipated Surface Pressure: 2386.5

Anticipated Bottom Hole Temperature(F): 166

Anticipated abnormal pressures, temperatures, or potential geologic hazards? YES

Describe:

Lost circulation may be encountered in the Delaware mountain group. Abnormal pressure as well as hole stability issues may be encountered in the Wolfcamp.

Contingency Plans geoharzards description:

Lost circulation material will be available, as well as additional drilling fluid along with the fluid volume in the drilling rig pit system. Drilling fluid can be mixed on location or mixed in vendor mud plant and trucked to location if needed. Sufficient barite will be available to maintain appropriate mud weight for the Wolfcamp interval. **Contingency Plans geohazards attachment:**

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Lea_7_Fed_Com_8H_H2S_Plan_20180112080727.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Lea_7_Fed_Com_8H_Directional_Plan_20180112081334.pdf

Other proposed operations facets description:

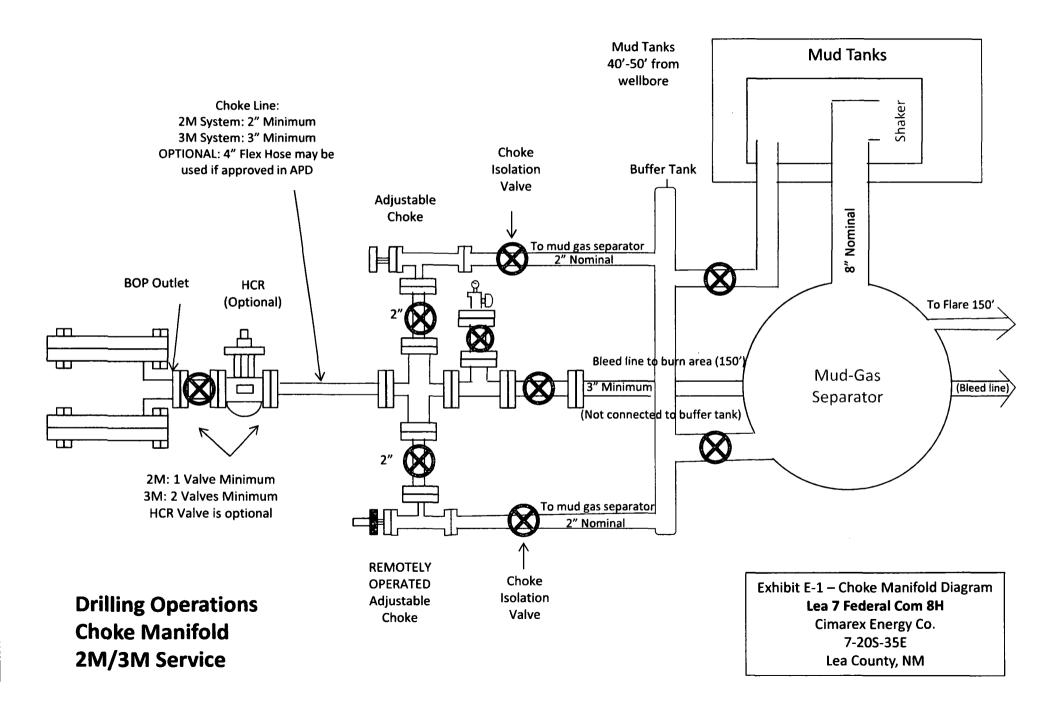
Other proposed operations facets attachment:

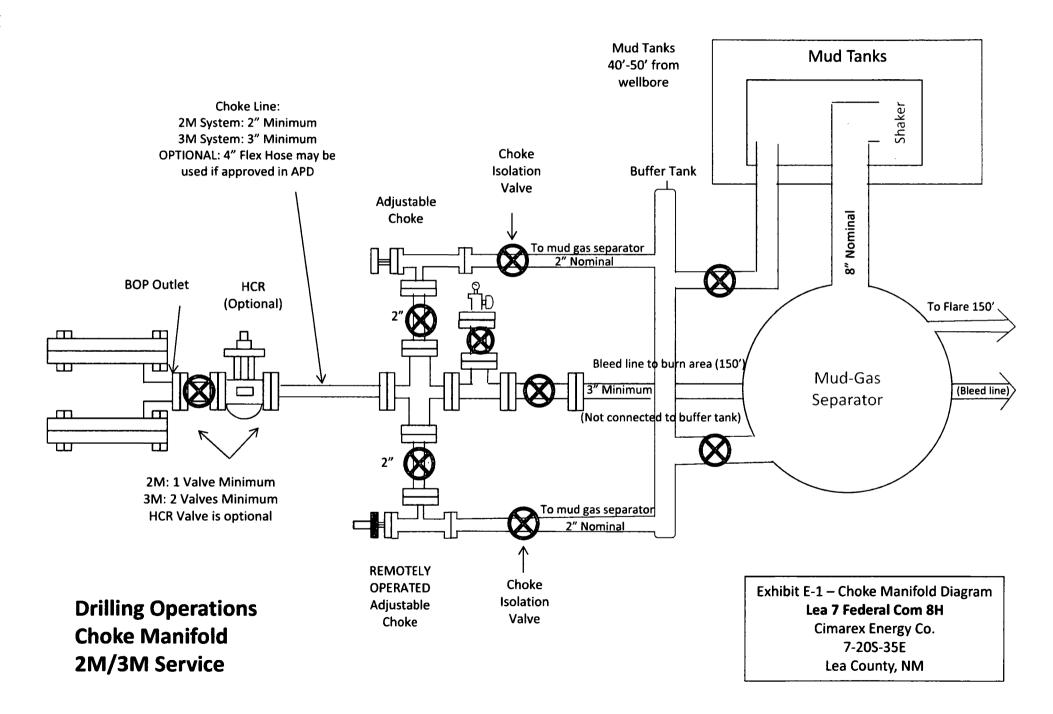
Lea_7_Fed_Com_8H_Drilling_Plan_20180112081354.pdf

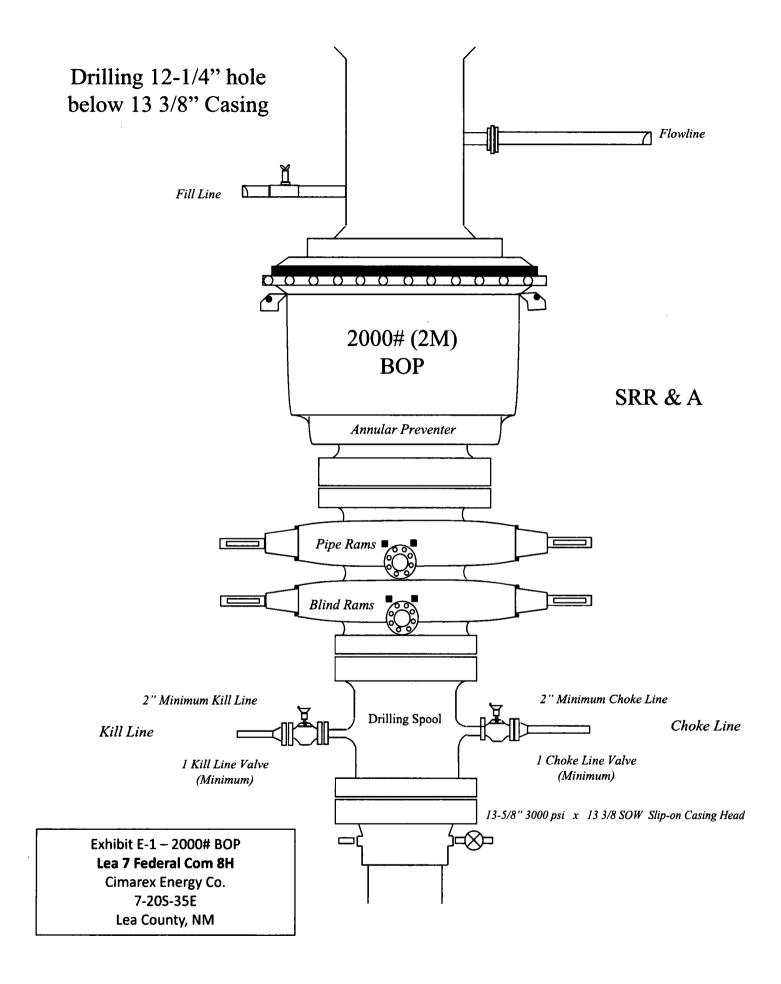
Lea_7_Fed_Com_8H_Flex_Hose_20180112081358.pdf

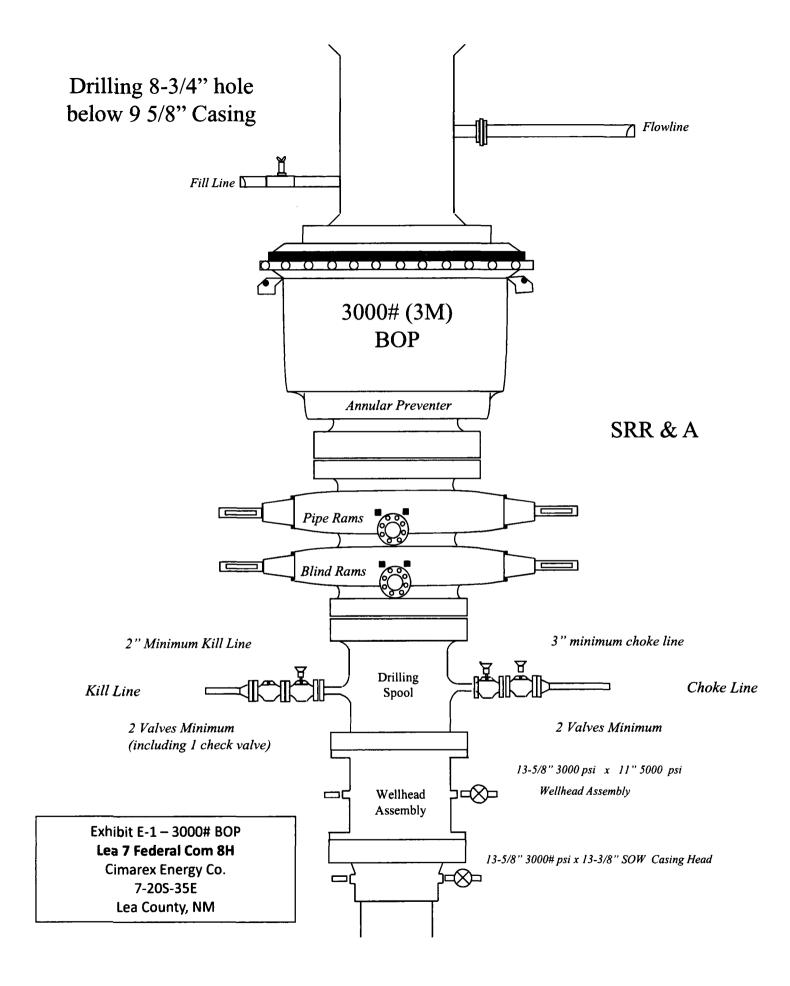
Lea_7_Fed_Com_8H_Gas_Capture_20180124081008.pdf

Other Variance attachment:









Casing Program

Hote Size	Casing Depth From	Casing Depth To	Casing Size	Weight (lb/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17 1/2	0	1780	13-3/8"	54.50	J-55	ST&C	1.39	3.36	5.30
12 1/4	0	5677	9-5/8*	40.00	J-55	LT&C	1.51	1.31	2.29
8 3/4	0	9218	5-1/2"	17.00	L-80	LT&C	1.46	1.79	2.07
8 3/4	9218	13984	5-1/2"	17.00	L-80	BT&C	1.40	1.72	57.38
	•	۰	L	BLM	Minimum	Safety Factor	1.125	1	1.6 Dry 1.8 Wet

TVD was used on all calculations.

Casing Program

Hole Size	Casing Depth From	Casing Depth To	Casing Size	Weight (Ib/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17 1/2	0	1780	13-3/8	54.50	J-55	ST&C	1.39	3.36	5.30
12 1/4	0	5677	9-5/8"	40.00	J-55	LT&C	1.51	1.31	2.29
8 3/4	0	9218	5-1/2"	17.00	L-80	LT&C	1.46	179	2.07
8 3/4	9218	13984	5-1/2"	17.00	L-80	BT&C	1.40	1.72	57.38
	•	L		BLM	Minimum	Safety Factor	1.125	1	1.6 Dry 1.8 Wet

TVD was used on all calculations.

Casing Program

Hole Size	Casing Depth From	Casing Depth To	Casing Size	Weight (lb/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17 1/2	0	1780	13-3/8"	54.50	J-55	ST&C	1.39	3.36	5.30
12 1/4	0	5677	9-5/8"	40.00	J-55	LT&C	1.51	1.31	2.29
8 3/4	0	9218	5-1/2"	17.00	L-80	LT&C	1.46	1.79	2.07
8 3/4	9218	13984	5-1/2"	17.00	L-80	BT&C	1.40	1.72	57.38
		•		BLM	Minimum	Safety Factor	1.125	1	1.6 Dry 1.8 Wet

TVD was used on all calculations.

Casing Program

Hole Size	Casing Depth From	Casing Depth To	Casing Size	Weight (lb/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17 1/2	0	1780	13-3/8"	54.50	J-55	ST&C	1.39	3.36	5.30
12 1/4	0	5677	9-5/8"	40.00	J-55	LT&C	1.51	1.31	2.29
8 3/4	0	9218	5-1/2"	17.00	L-80	LT&C	1.46	179	2.07
8 3/4	9218	13984	5-1/2"	17.00	L-80	BT&C	1.40	1.72	57.38
	_			BLM	Minimum	Safety Factor	1.125	1	1.6 Dry 1.8 Wet

TVD was used on all calculations.

7

Hydrogen Sulfide Drilling Operations Plan Lea 7 Federal Com 8H Cimarex Energy Co. UL: N, Sec. 7, 20S, 35E Lea Co., NM

- 1 <u>All Company and Contract personnel admitted on location must be trained by a qualified</u> <u>H2S safety instructor to the following:</u>
 - 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.

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 play placed as deemed necessary.
- B.

Β.

- 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.
 - 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 r 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 Lea 7 Federal Com 8H Cimarex Energy Co. UL: N, Sec. 7, 20S, 35E Lea Co., NM

Emergency Procedures

In the event of a release of gas containing H_2S , 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 432-620-1975
- « 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 (SO_2). 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 Lea 7 Federal Com 8H Cimarex Energy Co. UL: N, Sec. 7, 20S, 35E Lea Co., NM

Cimarex Energy Co. of Colora		800-969-4789		
Co. Office and After-Hours M	enu			
Key Personnel				
Name	Title	Office		Mobile
Larry Seigrist	Drilling Manager	432-620-1934		580-243-8485
Charlie Pritchard	Drilling Superintendent	432-620-1975		432-238-7084
Roy Shirley	Construction Superintendent			432-634-2136
<u> </u>				
<u>Artesia</u>				
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		575-746-2122		
New Mexico Oil Conservati	on 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	Committee	575-887-3798		
Local Emergency Planning US Bureau of Land Manage		<u>575-887-6544</u> 575-887-6544		· · · · · · · · · · · · · · · · · · ·
OS BUTEAU OF LANU Manage	anent	575-887-0544		
<u>Santa Fe</u>				
	sponse Commission (Santa Fe)	505-476-9600		
	sponse Commission (Santa Fe) 24 Hrs	505-827-9126		
New Mexico State Emerger		505-476-9635		
incluse state chiefget				•••••
National				
	nse Center (Washington, D.C.)	800-424-8802		
	· · · · · · · · · · · · · · · · · · ·			
<u>Medical</u>				
Flight for Life - 4000 24th S		806-743-9911		
Aerocare - R3, Box 49F; Lut		806-747-8923		
	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		
A .1				
<u>Other</u>				
Boots & Coots IWC		800-256-9688	or	281-931-8884
Cudd Pressure Control	<u> </u>	432-699-0139	or	432-563-3356
Halliburton		575-746-2757		
B.J. Services		575-746-3569		

.

Schlumberger

Cimarex Lea 7 Federal Com 8H Rev0 RM 09Jan18 Proposal Geodetic



Report (Non-Def Plan)

					(· · · · · · · · · · · · · · · · · · ·				
Report Date:		January 09, 2018 -	08:56 AM		:	Survey / DLS Computa	ition: N	finimum Curvature) / Lubinski	
Client:		Cimarex			1	Vertical Section Azimu	nth: 0	.000 * (Grid North)	
Field:		NM Lea County (NA	AD 83)		•	Vertical Section Origin	: 0	.000 ft, 0.000 ft		
Structure / Slot:		Cimarex Lea 7 Fed	eral Com 8H / Cima	rex Lea 7 Federai (Com 8H 1	TVD Reference Datum	: R	KB		
Well:		Cimarex Lea 7 Fed	eral Com 8H		1	TVD Reference Elevati	on: 3	697.700 ft above l	MSL	
Borehole:		Original Borehole			5	Seabed / Ground Eleva	ntion: 3	673.700 ft above l	MSL	
UWI/AP##:		Unknown / Unknow	'n			Magnetic Declination:	6	.682 °		
Survey Name:		Cimarex Lea 7 Fed	eral Com 8H Rev0 F	M 09Jan18	7	Total Gravity Field Stre	ongth: 9	98.5062mgn (9.80	(665 Based)	
Survey Date:		January 09, 2018				Gravity Model:	G	ARM		
Tort / AHD / DDI / EI	RD Ratio:	97.685 ° / 5511.328	ft / 5.893 / 0.573		-	Total Magnetic Field S	trenath: 4	8230.316 nT		
Coordinate Referen	ce System:		State Plane, Easte	rn Zone. US Feet		Magnetic Dip Angle:		0.543 °		
Location Lat / Long	:	N 32° 34' 53,78774	", W 103° 29' 58.76	488"		Declination Date:	J	anuary 09, 2018		
Location Grid N/E Y			E 798126.460 ftUS			Magnetic Declination I		DGM 2017		
CRS Grid Converge	nce Angle:	0.4490 °				North Reference:		irid North		
Grid Scale Factor:		0.99998461				Grid Convergence Use	-	.4490 *		
						Total Corr Mag North-	CHA			
Version / Patch:		2.10.696.0				North:	6	.2327 °		
					1	Local Coord Reference	ed To: S	tructure Reference	e Point	
Comments	MC		Azim Grid	TVD	VSEC	NS	EW	DLS	Northing	I
	(ft	<u> (°) </u>		(ft)	(ft)_	(ft)	(ft)	<u>(°/100ft)</u>	(ftUS)	
SHL (444' FSL, 1697 FWL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	576325.65	79
	100.00	0.00	270.00	100.00	0.00	0.00	0.00	0.00	576325.65	79
	200.00	0.00	270.00	200.00	0.00	0.00	0.00	0.00	576325.65	79
	300.00	0.00	270.00	300.00	0.00	0.00	0.00	0.00	576325.65	79
	400.00		270.00	400.00	0.00	0.00	0.00	0.00	576325.65	79
	500.00		270.00	500.00	0.00	0.00	0.00	0.00	576325.65	79
	600.00		270.00	600.00	0.00	0.00	0.00	0.00	576325.65	79

Comments	MD	Incl	Azim Grid	TVD	VSEC	NS	EW	DLS	Northing	Easting	Latitude	Longitude
	(作)	(°)	(°)	(ft)	. (ft)	<u>(ft)</u>	(ft)	<u>(°/100ft)</u>	(ftUS)	(ftUS)	(N/S ***)	(E/W ``')
SHL [444' FSL, 1697 FWL]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	N/A	576325.65	798126.46 N	32 34 53.79 V	V 103 29 58.76
	100.00	0.00	270.00	100.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	i 32 34 53.79 V	103 29 58,76
	200.00	0.00	270.00	200.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58.76
	300.00	0.00	270.00	300.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58,76
	400.00	0.00	270.00	400.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58.76
	500.00	0.00	270.00	500.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	/ 103 29 58.76
	600,00	0.00	270.00	600.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58,76
	700.00	0.00	270.00	700.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58,76
	800.00	0.00	270.00	800.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58.76
	900.00	0.00	270.00	900.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58,76
	1000.00	0.00	270.00	1000.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58.76
	1100.00	0.00	270.00	1100.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58,76
	1200.00	0.00	270.00	1200.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	1 32 34 53.79 V	V 103 29 58.76
	1300.00	0.00	270.00	1300.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	V 103 29 58.76
	1400.00	0.00	270.00	1400.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	32 34 53.79 V	103 29 58.76
Nudge 2°/100' DLS	1500.00	0.00	270.00	1500.00	0.00	0.00	0.00	0.00	576325.65	798126.46 N	I 32 34 53.79 V	v 103 29 58.76
	1600.00	2.00	270.00	1599.98	0.00	0.00	-1.75	2.00	576325.65	798124.71 N	32 34 53.79 V	V 103 29 58,79
	1700.00	4.00	270.00	1699.84	0.00	0.00	-6.98	2.00	576325.65	798119.48 N	1 32 34 53.79 V	103 29 58.85
Rustler	1730.25	4.60	270.00	1730.00	0.00	0.00	-9.25	2.00	576325.65	798117.21 N	32 34 53.79 W	103 29 58.87
	1800.00	6.00	270,00	1799.45	0.00	0.00	-15.69	2.00	576325.65	798110.77 N	32 34 53.79 V	103 29 58.95
Top of Salt	1830.73	6.61	270.00	1830.00	0.00	0.00	-19.07	2.00	576325.65	798107.39 N	32 34 53.79 W	/ 103 29 58.99
Hold Nudge	1884.25	7.69	270.00	1883.10	0.00	0.00	-25.73	2.00	576325.65	798100.73 N	32 34 53.79 V	103 29 59.07
	1900.00	7.69	270.00	1898.71	0.00	0.00	-27.84	0.00	576325.65	798098.62 N	32 34 53.79 V	103 29 59.09
	2000.00	7.69	270.00	1997.81	0.00	0.00	-41.21	0.00	576325.65	798085.25 N	32 34 53.79 V	103 29 59.25
	2100.00	7.69	270.00	2096.91	0.00	0.00	-54.58	0.00	576325.65	798071.88 N	32 34 53.79 V	103 29 59.40
	2200.00	7.69	270.00	2196.01	0.00	0.00	-67.96	0.00	576325.65	798058.51 N	32 34 53.79 V	103 29 59.56
	2300.00	7.69	270.00	2295.11	0.00	0.00	-81.33	0.00	576325.65	798045.13 N	32 34 53.79 V	103 29 59.72
	2300.00	7.69	270.00	2295.11	0.00	0.00	-81.33	0.00	576325.65	798045.13 N	32 34 53.79 V	103 29

Drilling Office 2.10.696.0

...Cimarex Lea 7 Federal Com 8H\Original Borehole\Cimarex Lea 7 Federal Com 8H Rev0 RM 09Jan18

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									a a: 1		
32 34 53.85 W 103 30 8.15		676325.65	00'0	24.608-	00'0	00.0	19.946.61	210.00	69'Z	00.0077	
32 34 53 85 W 103 30 8.00		59.325.65	00.0	80'062-	00.0	00'0	19.7487	270.00	69'2	00.0097	
32 34 53.85 W 103 30 7.84		59'926929	00.0	17.977-	00.0	00'0	14.8447	570.00	69 L 69 L	00.0027	
32 34 53.85 W 103 30 7.69		576325.65	00'0	EE.E97-	00'0	00.0	12.949.31	210.00		00.0065	
35 34 23 82 M 103 30 523		676325.65	00.0	96.647-	00'0 00'0	00.0	1210121	270.00	69'L 69'L	00.0057	
32 34 53.84 W 103 30 7.37		676325.65	00.0	69.967-			7052.00	00.072	69'2	00.0017	
32 34 63.84 W 103 30 7.22		59°575919	00.0	-723.22 52.527-	00.0	00.0	06.2305	00.075	69.7	00.0007	
32 34 23 84 M 103 30 2 06 35 34 23 84 M 103 30 6 80		29.822878 29.822878	00.0	74.868-	00.0	00.0	08.5388	00.015	69.7	00'0069	
32 34 53 84 W 103 30 6.75		39.326.978	00.0	01.688-	00.0	00.0	01.4278	270.00	6912	00.0088	
32 34 53.84 W 103 30 6.59		39.856978	00.0	£7.698-	00.0	00.0	09.8599	270.00	69.7	00'0029	
32 34 23 84 M 103 30 8 44		59.325.65	00.0	56.928-	00.0	00.0	67.9559	00.072	69.7	00.0088	
32 34 53.84 W 103 30 6.28		59.626978	00.0	86.248-	00.0	00.0	66.7348	00.072	69'2	00 0059	
32 34 23 84 M 103 30 6.12		99.926973	00.0	19.929-	00.0	00.0	62.8358	00.072	69.7	00'0079	
32 34 53.84 W 103 30 5.97		39.325.973	00.0	52.919-	00.0	00.0	61.8529	270.00	69'2	00'0069	
32 34 53.83 W 103 30 5.81		59.826973	00.0	98.209-	00.0	00.0	60.0818	270.00	69'7	6200.00	
28.2 06 501 W 58.53 16 55		59.825978	00.0	67.682-	00.0	00.0	86,0909	00.072	69'2	00.0019	
32 34 53.83 W 103 30 5.50		59.826978	00.0	21.972-	00.0	00.0	88.1962	00.072	69'2	00.0008	
32 34 53.83 W 103 30 5.34		59.826978	00.0	\$2.295-	00.0	00.0	87.2882	00'022	69'2	00.0063	
81.2 OF 501 W 58.53 16 52		59'525925	00.0	75.848-	00.0	00.0	89.6972	00.072	69'2	00.0082	
31 3 4 63 64 103 201 M 103 30 819		99'922929	00 0	81.848-	00.0	00.0	00'0#25	00.072	69'2	11.9229	Cherry Canyon
32 34 23 83 M 103 30 2 03		59.825978	00.0	00'965-	00.0	00.0	85 1995	00.07S	69'2	00.0078	
78.4 05 001 W 58.53 45 55		59'925929	00.0	-622.63	00.0	00.0	27'9999	00.072	69.7	00.0088	
32 34 23 83 M 103 30 4 72		99.926976	00.0	SZ'605-	00.0	00.0	75.884B	00.072	69 [°] Z	00'0099	
32 34 53.83 W 103 30 4.56		59.825978	00.0	88'96*-	00.0	00.0	72.7852	00.072	69'2	2400.00	
32 34 23 83 M 103 30 4 40		210352.65	00'0	19'281-	00'0	00.0	21 8929	270.00	69 L	00.0058	
32 34 63.82 W 103 30 4.26		59.255978	00.0	PI 697-	00.0	00.0	20.8913	00 ^{.07} 2	69'2	6200.00	
32 34 53.82 W 103 30 4.09		99.825978	00.0	92'997-	00.0	00.0	26 6909	00.07S	69'2	00.0018	
32 34 63.82 W 103 30 3.93		S9'SZE9/S	00.0	-445.38	00.0	00.0	98.0764	270.00	69.7	00.0008	
35 34 23 85 M 103 30 3 85		9326.65	00.0	-435.83	00.0	00.0	00'006	00.072	69'Z	4858 48	neliqeO
87.E 05 E01 W 28.E3 ME 25		59.825.65	00'0	-458.05	00'0	00.0	92 1287	00.072	69 [.] Z	4800.00	
32 34 53.82 W 103 30 3.62	N 28.017797	576325.65	00.0	49.214-	00.0	00.0	89.2774	270.00	69'2	00.0084	
19'E 06 E01 M 28'E9 # 20		676325.65	00.0	\$8'90 	00.00	00.0	00.007	520.00	69'Z	4126.68	ueenn
74.5 06 501 W 28.62 45 26	797724.20 N	59.825978	00.0	-402.27	00.0	00.0	99.5784	00.07S	69 L	00.0074	
32 34 53.82 W 103 30 3.31	N 19'181161	59.225973	00.0	06.885-	00.0	00.0	97.472A	270.00	69°2	4600.00	
32 34 63.82 W 103 30 3.15	N \$6'092262	576325°65	00'0	£9.87£-	00.0	00.0	36.37AA	270.00	69'2	00'0051	
32 34 53.82 W 103 30 3.00	N 16.497767	59°9Z69Z9	00.0	-362,15	00.0	00.0	4376.25	00.07S	69 Z	4400.00	
32 34 53.81 W 103 30 2.84	N 89'LLLL6L	576325.65	00.0	87.846-	00.0	00.0	21.7724	00.07S	69 2	4300.00	
32 34 53 81 W 103 30 2 68	N 90'162262	59.825975	00.0	14.255-	00'0	00.0	90.8714	210.00	69.7	4200.00	
52 34 53.81 W 103 30 2.53	N £4.408767	59.856978	00.0	-322.04	00'0	00.0	56.870h	210.00	69.7	00.0014	
35 34 23 81 M 103 30 5 44		676325.65	00.0	80.415-	00'0	00.00	4050'00	210.00	69'Z	4040 25	steviЯ neve2
76.5 06 501 W 18.62 M 52		59.856978	00.0	99.80£-	00'0	00.0	28.679E	210.00	69'1	4000.00	
32 34 53.81 W 103 30 2.22		59.825978	00.0	-595.29	00'0	00.0	47.088E	270.00	69'2	3900.00	
32 34 53,81 W 103 30 2.06	N 99'##8767	59.652676	00.0	26.182-	00.0	00.0	49.187E	270.00	69.7	00.008E	
32 34 53.81 W 103 30 1.90		59.826978	00.0	268.55	00.0	00.0	3682.54	270.00	69 Z	00.0075	
32.34 53.81 W 103.30 1.75		59,826978	00.0	71.2552-	00.0	00.0	3283.44	270.00	69'L	3600.00	
22 34 53 81 W 103 30 1.63		676325.65	00.0	-542'50	00.0	00.0	3210.00	520.00	69'Z	3625.90	lizneT
92.34 53.81 W 103.30 1.59		59.8326.65	00.0	-241.80	00.0	00.0	3484.34	00.072	69'2	3200.00	
32 34 53.81 W 103 30 1.43		59°926976	00.0	-528.43	00'0	00.0	5385° 33	270.00	69'2	3400.00	
32 34 53.80 W 103 30 1.28		59.826978	00'0	-215.05	00.0	00.0	3286.13	270.00	69°2	3300.00	
32 34 53.80 W 103 30 1.12		59°9ZE929	00.0	-201 e8	00.0	00.0	£0.781£	270.00	69.7	3200.00	
32 34 53.80 W 103 30 0.97		59.826978	00'0	15.881-	00.0	00.0	56.7805	270.00	69°2	3100.00	
18.0 05 103 30 0.81		59.825978	00.0	\$6'\$ <u>7</u> 1-	00.0	00.0	2988.83	00.012	69'2	3000.00	
35 34 23 80 M 103 30 0.65		676325.65	00'0	95.191-	00.0	00.0	2889.73	270.00	69'2	5800.00	
32 34 23 80 M 103 30 0 20		676325.65	00'0	61.841-	00.0	00'0	2790.62	210.00	69'2	2800.00	
32 34 63.80 W 103 30 0.34		59°925929	00'0	28.451-	00.0	00.0	2691.52	270.00	69'2	2100.00	
32 34 53.80 W 103 30 0.18		59°926929	00'0	-121.45	00.0	00.0	2592.42	510.00	69.7	5600.00	
32 34 53.80 W 103 30 0.03		59.825976	00'0	70.801-	00.0	00'0	2483.32	510.00	69'2	5200'00	
35 34 23 80 M 103 58 28 8		2103329.65	00'0	-04'96-	00.0	00'0	5394:25	<u>510.00</u>	69'L	5400'00 (U)	·
((SAN) Bungar	(SUN)	(#001/%)	(1)	(U)	(ų) (ų)			loni		comments.
	gnites3	gninthoN	S10	EM	SN	AZEC	QVT	bhð mizA	1241	aw	
ignod ebuitted											

0.363.01.5 soffO gnillhO

Comments	MD (ft) 2800.00	ncl B	Azim Grid (°)	TVD (ft) 7745 77	VSEC	SN (1)	EV (ft) -816.82	(1100f) (1100f) (1100f)	Northing (RUS) 576325.65		Latitude (N/S • • *) 32 34 53 85 W 10	Longitude (E.W • • **) 3.30 8.31
	7900.00	7.69	270.00	7844.82	0.0	0.0	-830.20	0.0	576325.65	797296.28	20	330 8.47
	8000.00	7.69	270.00	7943.92	0.00	0.00	-843.57	0.00	576325.65		32 34 53.85 W 10	3 30 8.62
Brushy Canyon	8086.86	7.69	270.00	8030.00	0.00	0.00	-855.19	0.00	5/6325.65		32 34 53.85 W 10.	B/ B 06
	8100.00	1.69	2/0.00	8043.02	0.0	0.0	-830.94 070 32	0.0	0/0750/00 575375 65	A 50,802/8/	32 34 33.83 W 10	330 8./8
Rone Spring	8268 40	60° /	270.00	8210.00	000	0.00	-879.47	0.00	576325.65		32 34 53.86 W 10	30 9.04
Funde	8300.00	7 69	270.00	8241.22	00.0	000	-883.69	00.0	576325.65		32 34 53 86 W 10	330 9.09
	8400.00	7.69	270.00	8340.33	0.00	0.00	-897.06	0.00	576325.65		34 53.86 W 10	3 30 9.25
	8500.00	7.69	270.00	8438.43	0.00	0.00	-910.43	0.00	576325.65	797216.04	34 53.86 W 10	3 30 9.40
	8600.00	7.69	270.00	8538.53	0.0	0.00	-923.81	000	576325.65	797202.67	34 53.86 W 10	330 9.56
	8700.00	7.69	270.00	8637.63 8736 73	0.0	0.0	-937.18 060.66	0.0	5/6325.65 676325 66	707175 02	34 53.86 W 10 34 53 86 W 10	530 9.72 230 0.87
	8000.00	7 60	00.072	8835 84	300		-963 82	000	576325.65	797162.55	34 53 86 W 10	30 10.03
`	00.0008	2.69	270.00	8934.94	0.0	0.00	-977.30	00.0	576325.65	797149.18	34 53.86 W 10	3 30 10.19
	9100.00	7.69	270.00	9034.04	0.00	0.00	-990.67	0.00	576325.65	797135.81 N	34 53.86 W 10	3 30 10.34
	9200.00	7.69	270.00	9133.14	0.00	0.00	-1004.04	00.0	576325.65	797122.44	34 53.87 W 10	3 30 10.50
KOP - Build 12*1100' DI S	9218.85	7.69	270.00	9151.82	0.00	00.00	-1006.56	0.00	576325.65	797119.91	N 32 34 53.87 W 103	3 30 10.53
0 110	00 0068	12 38	322.08	9231.86	6.88	6.88	-1017.36	12.00	576332.53	797109.12	34 53.93 W	33
	9400.00	22.99	341.46	9327.07	33.95	33.95	-1030.21	12.00	576359.60		32 34 54.20 W	8
	9500.00	34.50	348.68	94 14.62	80.41	80.41	-1042.02	12.00	576406.06			3 30 10.93
ne Coring	9000.00	40.24	00.700	80.08 1 8	77:84	7	07.7001-	12.00	10.804010			3
Sand	9696.34	57.63	355.10	9550.00	219.51	219.51	-1060.28	12.00	576545.16	797066.20 N	5	2
	00.0076	58.06	355.18	9551.95	222.60	222.60	-1060.54	12.00	576548.25	797065.94	34 56.07 W	3 30 11.14
	9800.00	69.93 81 81	357.18	9695.72 0620.00	312.11	312.11 And DE	-1066.44	12.00	5/663/./6 576734.50	79/060.04 7	34 56.96 W	88
l andino Point	9968 85	00.06	00.0	9625.00	477.47	477.47	-1070.38	12.00	576803.11	797056,10	34 58,59 W	ខ្ល
	10000.00	00.06	0.00	9625.00	508.62	508.62	-1070.38	0.00	576834.26	797056.10	34 58.90 W	3 30 11.23
	10100.00	90.00	0.00	9625.00	608.62	608.62	-1070.37	0.00	576934.26		32 34 59.89 W	30 11
	10200.00	90.00	0.0	9625.00	708.62	708.62	-1070.37	8.0	577034.25		32 35 0.88 W	3 30 11.21
	10400.00	00.08	0.0	9625.00	908.62	908.62	-1070.36	00.0	577234.25	797056.12		301
	10500.00	90.06	0.00	9625.00	1008.62	1008.62	-1070.35	0.00	577334.25	_	32 35 3.85 W	3 30 11.18
	10600.00	90.00	0.00	9625.00	1108.62	1108.62	-1070.34	0.0	577434.25		8	3 30 11.17
	10700.00	90.00	0.00	9625.00	1208.62	1208.62	40.0/01-		07.4501/0		W 58.6 C5 25	01.11.05 0.00 11 15
		00.08	0.00	9023-UU 0675 00	1408 62	1408.62	-1070 33	000	577734 24		32 35 0.02 W	330 11.13
	11000 00	00.06		9625.00	1508.62	1508.62	-1070.32	00.0	577834 24		32 35 8.80 W	3 30 11.14
	11100.00	00.09	0.00	9625.00	1608.62	1608.62	-1070.31	00.0	577934.24		32 35 9.79 W	3 30 11.13
	11200.00	90.06	0.00	9625.00	1708.62	1708.62	-1070.30	0.00	578034.24	797056.17	35 10.78 W	3 30 11.12
	11300.00	90.00	0.00	9625.00	1808.62	1808.62	-1070.30	0.00	578134.24	797056.18	35 11.77 W	3 30 11.11
	11400.00	00'06	0.0	9625.00	1908.62	1908.62	-1070.29	8.0	578234.23	797056.19	35 12.75 W	11 02
	00.00611	00.08		00.6208	2008.02	2108.62	-10/01-28	00.0	5/8534.23 578434 23	1 81.000/8/	35 14 73 W	
	11700.00	00.00	00.0	9625.00	2208.62	2208.62	-1070.27	00.0	578534.23	797056.21	35 15.72 W	30 11
	11800.00	00.08	00.0	9625.00	2308.62	2308.62	-1070.27	0.00	578634.23	797056.21	35 16.71 W	30 11
	11900.00	90.06	0.00	9625.00	2408.62	2408.62	-1070.26	00.0	578734.22	797056.22	35 17.70 W	
	12000.00	00 ^{.06}	0.0	9625.00	2508.62	2508.62	-1070.25	0.0	578834.22	797056.22	35 18.69 W	E S
	12100.00	00 ^{.06}	0.0	9625.00 0625.00	2608.62	2608.62	-1070.25	0.0	578934.22 570034.22	707056.23	35 19.68 W	20 11 20 11
	12200.00	00.08	0.0	9023.UU 0625.DD	21/00.02 28/38 62	2/ U0.02	-1070.24		570134.22	797056.24	35 21 66 W	30.11.02
	12400.00	90,00	00.0	9625.00	2908.62	2908.62	-1070.23	00.0	579234.22	797056.25	35 22.65 W	30 11.
	12500.00	90.08	0.00	9625.00	3008.62	3008.62	-1070.22	0.00	579334.21	797056.26	35 23.64 W	8
	12600.00	00.00	0.00	9625.00	3108.62	3108.62	-1070.22	0.0	579434.21	797056.26	35 24.63 W	ខ្ល
	12700.00	90.00	0.0	9625.00 0625.00	3208.62	3208.62	10/07-10/01-	8.0	579534.21	1 17:960/6/	35 25.62 W	99
	12800.00	00.08		9625.00 9625.00	3408.62	3408.62	-1070 20		570734 21	797056.28	35 27 60 W	3.30 10.96
	00.0004											;
	:		i	:		i			:			
Drilling Office 2.10.696.0	6.0		Cimar	Cimarex Lea 7 Federal Com 8H/Unginal Borenole/Cimarex Lea 7 Federal Com 8H KeVU KM 09Jan16	com 8H/Unginal B	Jorehole/Cimarex I	.ea / Federal Con	n 8H Kevû KM U	9Jan 16		0.6 8102/21/1	1/12/2018 9:08 AM Page 3 01 4

Commente	QW	lncl E	Azim Grid	₽£	VSEC	SN	EW (#)	DLS	Northing	· Easting	Latitude (N/S ° • ")	Longitude
	13000.00	90 [.] 06	0.0	9625.00	3508.62	3508.62	-1070.19	0.00	579834.21	797056.29 N	32 35 28 59 W 103 30 10.95	03 30 10.95
	13100.00	80.00	0.00	9625.00	3608.62	3608.62	-1070.18	0.00	579834.20	797056.29 N	32 35 29.58 W 103 30 10.94	03 30 10.94
	13200.00	90.00	0.00	9625.00	3708.62	3708.62	-1070.18	0.00	580034.20	797056.30 N	32 35 30.56 W 103 30 10.93	03 30 10.93
	13300.00	90.00	0.0	9625.00	3808.62	3808.62	-1070.17	0.00	580134.20	797056.31 N	32 35 31.55 W 103 30 10.92	03 30 10.92
	13400.00	90.00	0.0	9625.00	3908.62	3908.62	-1070.17	0.00	580234.20	797056.31 N	32 35 32.54 W 103 30 10.91	103 30 10.91
	13500.00	90.00	0.0	9625.00	4008.62	4008.62	-1070.16	0.00	580334.20	797066.32 N	32 35 33.53 W 103 30 10.91	03 30 10.91
	13600.00	90.08	0.0	9625.00	4108.62	4108.62	-1070.15	0.00	580434.20	797056.33 N	32 35 34.52 W 103 30 10.90	103 30 10.90
	13700.00	90.06	0.0	9625.00	4208.62	4208.62	-1070.15	0.00	580534.19	797056.33 N	32 35 35.51 W 103 30 10.89	103 30 10.89
	13800.00	90.08	0.0	9625.00	4308.62	4308.62	-1070.14	0.00	580634.19	797056.34 N	32 35 36.50 W 103 30 10.88	103 30 10.88
	13900.00	90.00	0.0	9625.00	4408.62	4408.62	-1070.13	0.00	580734.19	797056.34 N	32 35 37.49 W 103 30 10.87	103 30 10.87
Cimarex Lea 7 Federal Com 8H - PBHL [330' FNL, 660' FWL]	13983.71	90.00	0.00	9625.00	4492.33	4492.33	-1070.13	0.00	580817.90	797056.35 N	32 35 38.32 W 103 30	103 30 10.86
Survey Type:	Non-C	Non-Def Plan										

<u>-</u>2

y Error Model: ISCWSA Rev 0 *** 3-D 95.000% CA

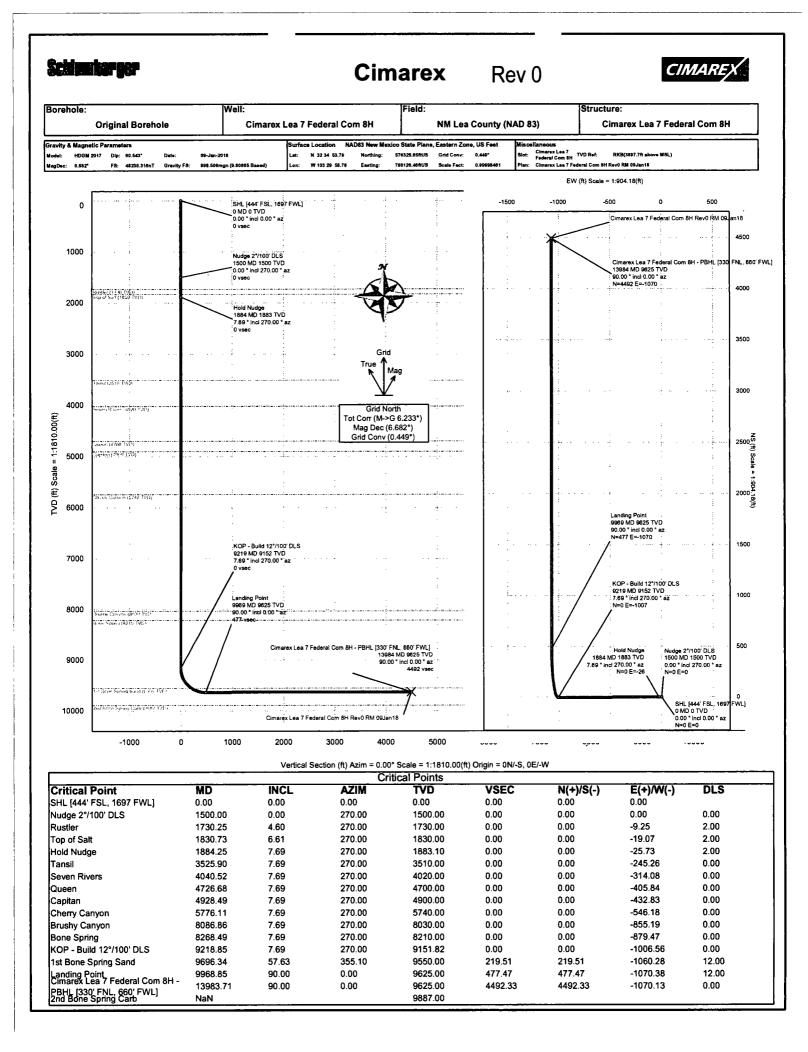
	Borehole / Survey	Original Borehole / Cimarex Lea 7 Federal Com 8H Rev0 RM 09Jan18	Original Borehole / Cimarex Lea 7 Federal Com 8H Rev0 RM
	Survey Tool Type	NAL_MWD_PLUS_0.5_DEG- C	NAL_MWD_PLUS_0.5_DEG
	Casing Expected Max Diameter Inclination (in) (deg)		
	Casing E Diameter (in)	30.000	30.000
	Hole Size (in)	30.000	30.000
ą	EOU Freq (ft)	1/100.000	1/100.000
dence 2.7955 sigπ	MD To (ft)	24.000	13983.712
D 95.000% Confic	MD From MD To (ft) (ft)	0.000	24.000
ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma	Part	-	-
Survey Error Model: Survey Program:	Description		•

Drilling Office 2.10.696.0

.

Cimarex Lea 7 Federal Com 8H\Original Borehole\Cimarex Lea 7 Federal Com 8H Rev0 RM 09Jan18.

1/12/2018 9:08 AM Page 4 of 4



1. Geological Formations

TVD of target 9,625	Pilot Hole TD N/A
MD at TD 13,984	Deepest expected fresh water

ī

Formation	Depth (TVD) from KB	Water/Mineral Bearing/Target Zone	Hazards
Rustler	1730	N/A	
Top of Salt	. 1830	N/A	
Tansil (Base of Salt)	3510	N/A	
Capitan	3760	N/A	
Base Capitan	4680	N/A	
Delaware Sands	5700	Hydrocarbons	
Brushy Canyon	8066	Hydrocarbons	
Bone Spring	8254	Hydrocarbons	
1st Bone Spring Sand	9561	Hydrocarbons	
1st Bone spring Sand Target	9650	Hydrocarbons	
2nd Bone Spring Carb	9688	Hydrocarbons	

2. Casing Program

Hole Size	Casing Depth From	Casing Depth To	Casing Size	Weight (lb/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17 1/2	0	1780	13-3/8"	54.50	J-55	ST&C	1.39	3.36	5.30
12 1/4	0	5677	9-5/8"	40.00	J-55	LT&C	1.51	1.31	· 2.29
8 3/4	0	9218	5-1/2"	17.00	L-80	LT&C	1.46	1.79	2.07
8 3/4	9218	13984	5-1/2"	17.00	L-80	BT&C	1.40	1.72	57.38
1		<u> </u>		BLM	Minimum	Safety Factor	1.125	1	1.6 Dry 1.8 Wet

TVD was used on all calculations.

	Y or N
s casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	N
s premium or uncommon casing planned? If yes attach casing specification sheet.	Y
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Vill the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
s well located within Capitan Reef?	N
f yes, does production casing cement tie back a minimum of 50' above the Reef?	N
s well within the designated 4 string boundary.	N
s well located in SOPA but not in R-111-P?	N
f yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	N
s well located in R-111-P and SOPA?	N
f yes, are the first three strings cemented to surface?	N
s 2nd string set 100' to 600' below the base of salt?	N
s well located in high Cave/Karst?	N
f yes, are there two strings cemented to surface?	N
For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	N
s well located in critical Cave/Karst?	N
f yes, are there three strings cemented to surface?	N

3. Cementing Program

Casing	# Sks	Wt. Ib/gal	Yld ft3/sack	H2O gal/sk	500# Comp. Strength (hours)	Slurry Description	
Surface	863	13.50	1.72	9.15	15.5	Lead: Class C + Bentonite	
.	231	14.80	1.34	6.32	9.5	Tail: Class C + LCM	
Intermediate	1068	12.90	1.88	9.65	12	Lead: 35:65 (Poz:C) + Salt + Ben	tonite
	301	14.20	1.30	5.86	14:30	Tail: 50:50 (Poz:H) + Salt + Bente	onite + Fluid Loss + Dispersant + SMS
Production	322	10.30	3.64	22.18		Lead: Tuned Light + LCM	
	1020	14.20	1.30	5.86	14:30	Tail: 50:50 (Poz:H) + Salt + Bente	onite + Fluid Loss + Dispersant + SMS
Casing String				тос			% Excess
Surface				1		0	45
Intermediate						0	44
Production			······································			5477	16

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size	Min Required WP	Туре		Tested To
12 1/4	13 5/8	2M	Annular	x	50% of working pressure
			Blind Ram		
			Pipe Ram		2М
			Double Ram	х	
			Other		
8 3/4	13 5/8	3M	Annular	x	50% of working pressure
			Blind Ram		
			Pipe Ram		3М
			Double Ram	x	
			Other		7

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

 Formation integrity test will be performed per Onshore Order #2.

 On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed.

 Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.

 X
 A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.

 N
 Are anchors required by manufacturer?

5. Mud Program

Depth	Туре	Weight (ppg)	Viscosity	Water Loss
0' to 1780'	FW Spud Mud	8.30 - 8.80	30-32	N/C
1780' to 5677'	Brine Water	9.70 - 10.20	30-32	N/C
5677' to 13984'	FW/Cut Brine	8.50 - 9.00	30-32	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid? PVT/Pason/Visual Monitoring

Interval

6. Logging and Testing Procedures

Log	Logging, Coring and Testing					
X	Will run GR/CNL fromTD to surface (horizontal well - vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.					
	No logs are planned based on well control or offset log information.					
	Drill stem test?					
	Coring?					

Additional Logs Planned

7. Drilling Conditions

Condition	
BH Pressure at deepest TVD	4504 psi
Abnormal Temperature	No

Hydrogen Sulfide (H25) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

 X
 H2S is present

 X
 H2S plan is attached

8. Other Facets of Operation

9. Welihead

A multi-bowl wellhead system will be utilized.

After running the 13-3/8" surface casing, a 13 5/8" BOP/BOPE system with a minimum working pressure of 3000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 3000 psi test. Annular will be tested to 50% of working pressure. The pressure test will be repeated at least every 30 days, as per Onshore Order No. 2.

The multi-bowl wellhead will be installed by vendor's representative. A copy of the installation instructions has been sent to the BLM field office.

The wellhead will be installed by a third-party welder while being monitored by the wellhead vendor representative.

All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type.

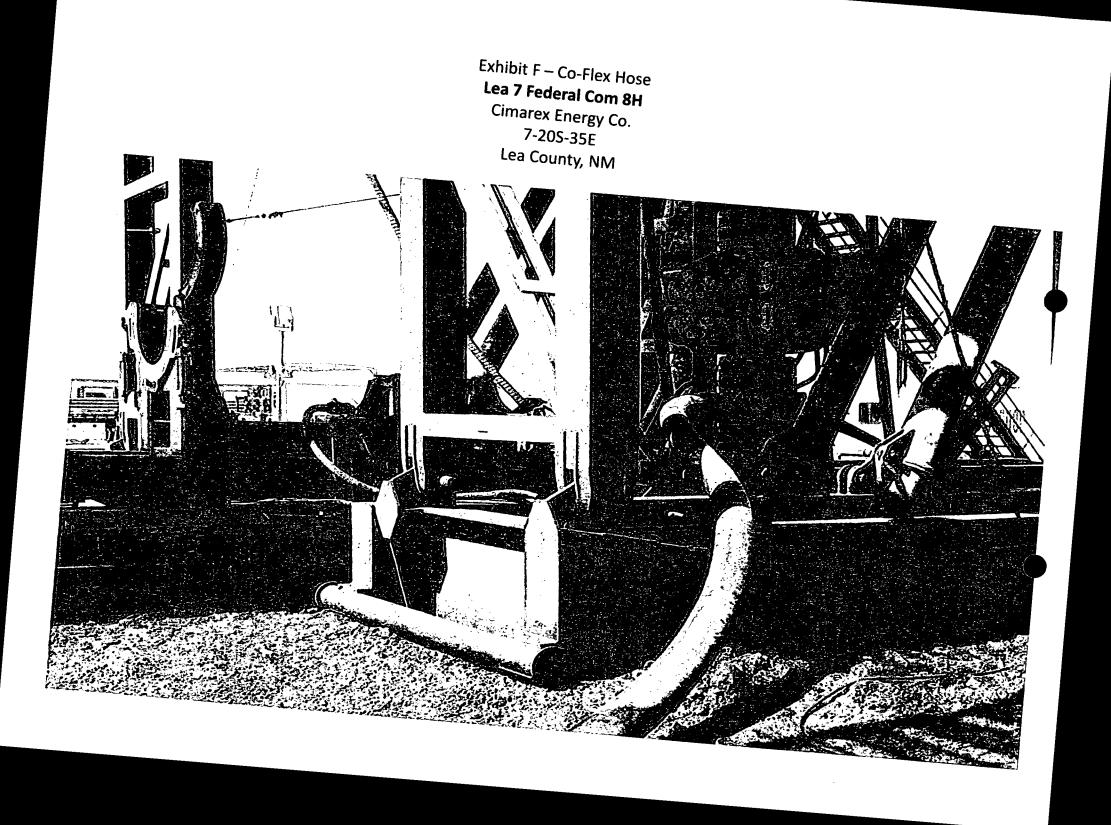
A solid steel body pack-off will be utilized after running and cementing the intermediate casing. After installation the pack-off and lower flange will be pressure tested to 3000 psi.

The surface casing string will be tested as per Onshore Order No. 2 to at least 0.22 psi/ft or 1500 psi, whichever is greater.

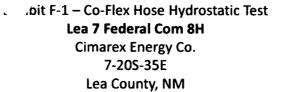
The casing string utilizing steel body pack-off will be tested to 70% of casing burst.

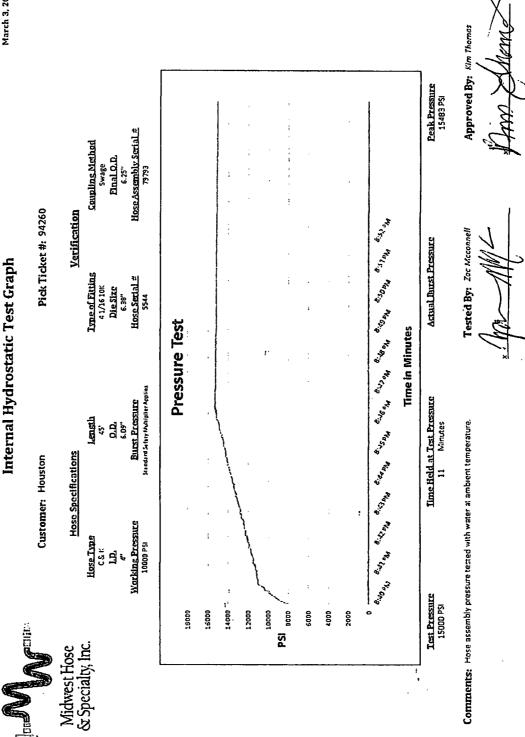
If well conditions dictate conventional slips will be set and BOPE will be tested to appropriate pressures based on permitted pressure requirements.

Drilling Plan



Lea County, NM Midwest Hose					
	& Specialty, Inc.				
	INTERNAL	HYDROST	ATIC TES	FREPORT	Г
	Customer:	derco Inc	· · · ·	P.O. Numbe odyd	
		HOSE SPECI	FICATIONS		
	Type: Stainless Steel Armor Choke & Kill Hose		Hose Length: 45'ft.		n: 45'ft.
	I.D. 4	INCHES	0.D.	9	INCHES
		TEST PRESSUR		BURST PRESS	
	10,000 PSI	15,000			0
	Stem Part No.	COU	PLINGS Ferrule No.	·· <u>·</u> ·	
	ОКС			OKC OKC	
	Type of Coupling:				
	Swage-It				
	PROCEDURE				
		pressure tested wi			
		TEST PRESSURE	ACTUAL E	BURST PRESSUR	
	15 Hose Assembly Seria 79793		Hose Serial I	Number:	<u>0 PSI</u>
	79793 OKC				





March 3, 2011

bit F-2 – Co-Flex Hose a 7 Federal Com 8H imarex Energy Co. 7-20S-35E 7-20S-35E		
Lea County, NM Midwe	est Hose	
& Spec	ialty, Inc.	
Certificate of Conformity		
Customer: DEM		PO ODYD-271
SPECIFI	CATIONS	
Sales Order 79793	Dated:	3/8/2011
for the referenced purch		
according to the requirer order and current industr Supplier: Midwest Hose & Special 10640 Tanner Road Houston, Texas 77041	ry standards	ourchase
order and current indust Supplier: Midwest Hose & Special 10640 Tanner Road Houston, Texas 77041	ry standards	ourchase

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Exhibit F -3– Co-Flex Hose Lea 7 Federal Com 8H Cimarex Energy Co. 7-20S-35E Lea County, NM

Specification Sheet Choke & Kill Hose

The Midwest Hose & Specialty Choke & Kill hose is manufactured with only premium componets. 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 mate threads, hubs, hammer unions or other special fittings upon request. Hose assembly is manufactured to API 7K. This assembly is wrapped with fire resistant vermculite coated fiberglass insulation, rated at 2000 degrees with stainless steel armor cover.

Working Pressure:	5,000 or 10,000 psi working preasure
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, unibolt 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)

P.O. Box 96558 - 1421 S.E. 29th St. Oklahoma City, OK 73143 * (405) 670-6718 * Fax: (405) 670-6816

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? NO

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? NO

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

Lea_7_Fed_Com_E2W2_One_Mile_and_existing_wells_20180112081934.pdf

Existing Wells description:

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description:

Production Facilities map:

Lea_7_Fed_Com_CTB_layout_20180112081949.pdf

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

Section 5 - Location a	nd Types of Water Sup	ply		
Water Source Tal	ble			
Water source use type: INTERMED SURFACE CASING Describe type:	IATE/PRODUCTION CASING,	Water source type: MUNICIPAL		
Source latitude:		Source longitude:		
Source datum:				
Water source permit type: WATER	RIGHT,WATER RIGHT			
Permit Number:				
Source land ownership: STATE				
Water source transport method: PIPELINE,PIPELINE,TRUCKING,TR Source transportation land owners				
Water source volume (barrels): 500	00	Source volume (acre-feet): 0.6444655		
Source volume (gal): 210000				
Vater source and transportation map	:			
ea_7_Fed_Com_E2W2_Drilling_Water	_Route_20180112082415.pdf			
Vater source comments:				
lew water well? NO				
New Water Well Ir	nfo			
Well latitude:	Well Longitude:	Well datum:		
Well target aquifer:				
Est. depth to top of aquifer(ft):	Est thickness of	aquifer:		
Aquifer comments:				
Aquifer documentation:				
Vell depth (ft):				
Il casing outside diameter (in.): Well casing inside diameter (in.):				
v water well casing? Used casing source:				
Prilling method:	Drill material:	Drill material:		
Frout material:	Grout depth:			
casing length (ft.):	Casing top depth (ft.):		
Vell Production type:	Completion Metho	d:		
Vater well additional information:				

Weil Name: LEA 7 FEDERAL COM

Well Number: 8H

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: The drilling and testing operations will be conducted on a watered and compacted native soil grade. Soft spots will be covered with scoria, free of large rocks (3" diameter). Upon completion as a commercial producer the location will be covered with scoria, free of large rocks (3" dia.) from an existing privately owned gravel pit. **Construction Materials source location attachment:**

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Drilling Fluids, drill cuttings, water and other waste produced from the well during drilling operations.

Amount of waste: 15000 barrels

Waste disposal frequency : Weekly

Safe containment description: n/a

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: COMMERCIAL FACILITY Disposal type description:

Disposal location description: Haul to R360 commercial Disposal

Waste type: GARBAGE

Waste content description: Garbage and trash produced during drilling and completion operations

Amount of waste: 32500 pounds

Waste disposal frequency : Weekly

Safe containment description: n/a

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: COMMERCIAL FACILITY Disposal type description:

Disposal location description: Windmill Spraying Service hauls trash to Lea County Landfill

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.) Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Operator Name: CIMAREX ENERGY COMPANY

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.)

Cuttings area depth (ft.)

Cuttings area width (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

Lea_7_Fed_Com_8H_Wellsite_Layout_20180112082536.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name: LEA 7 FEDERAL COM

Multiple Well Pad Number: E2W2

Recontouring attachment:

Lea_7_Fed_Com_E2W2_Interim_Reclaim_20180112082555.pdf

Drainage/Erosion control construction: To control and prevent potentially contaminated precipitation from leaving the pad site, a perimeter berm and settlement pond will be installed. Contaminated water will be removed from pond, stored in waste tanks, and disposed of at a state approved facility. Standing water or puddles will not be allowed. Drainage ditches would be established and maintained on the pad and along access roads to divert water away from operations. Natural drainage areas

Operator Name: CIMAREX ENERGY COMPANY

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

disturbed during construction would be re-contoured to near original condition prior to construction. Erosion Control Best Management Practices would be used where necessary and consist of seeding, fiber rolls, water bars, silt fences, and temporary diversion dikes. Areas disturbed during construction that are no longer needed for operations would be obliterated, re-contoured to near original condition prior to construction. Erosion Control Best Management Practices would be used where necessary and consist of seeding, fiber rolls, water bars, silt fences, and temporary diversion dikes. Areas disturbed during construction that are no longer needed for operations would be obliterated, re-contoured, and reclaimed to near original condition to re-establish natural drainage.

Drainage/Erosion control reclamation: All disturbed and re-contoured areas would be reseeded according to specifications. Approved seed mixtures would be certified weed free and consist of grasses, forbs, or shrubs similar to the surrounding area. Compacted soil areas may need to be obliterated and reclaimed to near natural conditions by re-contouring all slopes to facilitate and re-establish natural drainage.

Well pad proposed disturbance (acres): 6.067	Well pad interim reclamation (acres): 2.711	Well pad long term disturbance (acres): 3.356
Road proposed disturbance (acres): 0	Road interim reclamation (acres): 0	Road long term disturbance (acres): 3.347
Powerline proposed disturbance (acres): 0 Pipeline proposed disturbance	Powerline interim reclamation (acres): 0 Pipeline interim reclamation (acres): 0	Powerline long term disturbance
(acres): 0.096 Other proposed disturbance (acres):	Other interim reclamation (acres): 0	(acres): 0.096 Other long term disturbance (acres):
3.8636 Total proposed disturbance: 10.0266	Total interim reclamation: 2.711	3.8636 Total long term disturbance: 10.6626

Disturbance Comments: Flowline: 141', Gas lift: 141', Temp fresh water line: 16832'

Reconstruction method: After well plugging, all disturbed areas would be returned to the original contour or a contour that blends with the surrounding landform including roads unless the surface owner requests that they be left intact. In consultation with the surface owners it will be determined if any gravel or similar materials used to reinforce an area are to be removed, buried, or left in place during final reclamation. Salvaged topsoil, if any, would be re-spread evenly over the surfaces to be re-vegetated. As necessary, the soil surface would be prepared to provide a seedbed for re-establishment of desirable vegetation. Site preparation may include gouging, scarifying, dozer track-walking, mulching, or fertilizing. Reclamation, Re-vegetation, and Drainage: All disturbed and re-contoured areas would be reseeded using techniques outlined under Phase I and II of this plan or as specified by the land owner. Approved seed mixtures would be certified weed free and consist of grasses, forbs, or shrubs similar to the surrounding area. Compacted soil areas may need to be obliterated and reclaimed to near natural conditions by re-contouring all slopes to facilitate and re-establish natural drainage. **Topsoil redistribution**: Salvaged topsoil, if any, would be re-spread evenly over the surfaces to be re-vegetated.

Soil treatment: As necessary, the soil surface would be prepared to provide a seedbed for re-establishment of desirable vegetation. Site preparation may include gouging, scarifying, dozer track-walking, mulching or fertilizing. **Existing Vegetation at the well pad:**

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Existing Vegetation Community at the road attachment: Existing Vegetation Community at the pipeline: Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances:

Well Name: LEA 7 FEDERAL COM

Existing Vegetation Community at other disturbances attachment:

Non native seed used?

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project?

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation?

Seed harvest description:

Seed harvest description attachment:

Seed Managemer	nt	
Seed Table		
Seed type:		Seed source:
Seed name:		
Source name:		Source address:
Source phone:		
Seed cultivar:		
Seed use location:		
PLS pounds per acre:		Proposed seeding season:
Seed S	ummary	Total pounds/Acre:
Seed Type	Pounds/Acre	

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name:

Last Name:

Phone:

Email:

Seedbed prep:

Seed BMP:

Seed method:

Operator Name: CIMAREX ENERGY COMPANY

Well Name: LEA 7 FEDERAL COM

Well Number: 8H

Existing invasive species? NO Existing invasive species treatment description: Existing invasive species treatment attachment: Weed treatment plan description: N/A Weed treatment plan attachment: Monitoring plan description: N/A Monitoring plan attachment: Success standards: N/A Pit closure description: N/A

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Page 8 of 10

Well Number: 8H

Fee Owner: S&S Inc, Pearl Valley Limited Partnership (Pat Sims) **Phone:** (575)390-2642 Fee Owner Address: PO BOx 1046 Eunice, NM 88231 Email:

Surface use plan certification: YES Surface use plan certification document:

Lea_7_Fed_Com_8H_Operator_Land_Owner_Agmt_20180112085415.pdf

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: See Operator-Land Owner Agreement

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other Information

Right of Way needed? YES **ROW Type(s):** 288100 ROW – O&G Pipeline,Other Use APD as ROW? YES

ROW Applications

SUPO Additional Information:

Use a previously conducted onsite? YES

Previous Onsite information: Onsite with BLM (Jesse Rice) and Cimarex (Barry Hunt) on 12/6/13.

Other SUPO Attachment

Lea_7_Fed_Com_8H_Operator_Land_Owner_Agmt_20180112084255.pdf

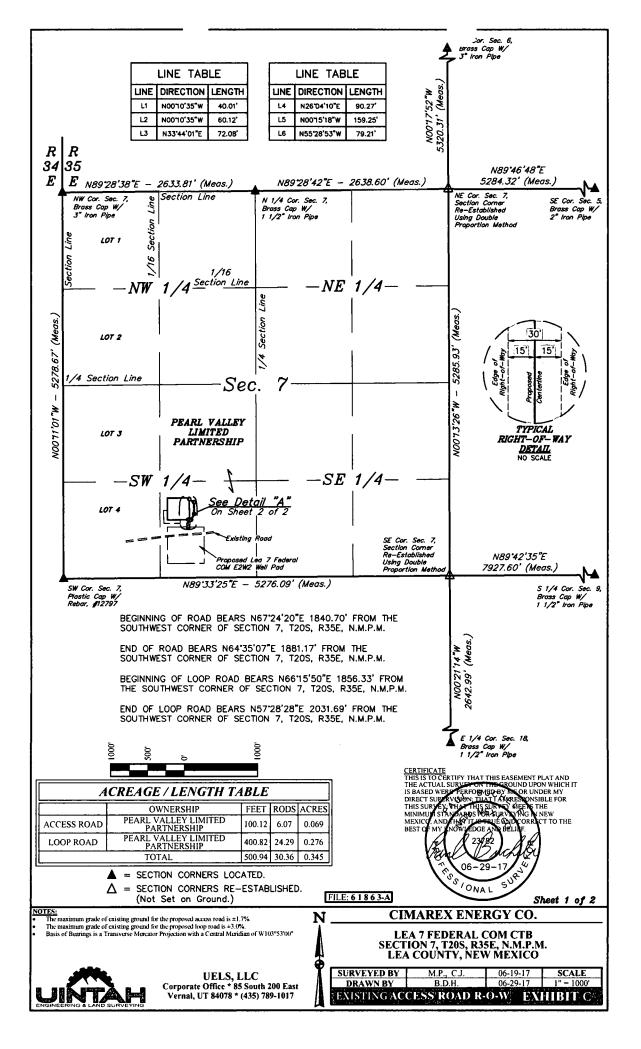
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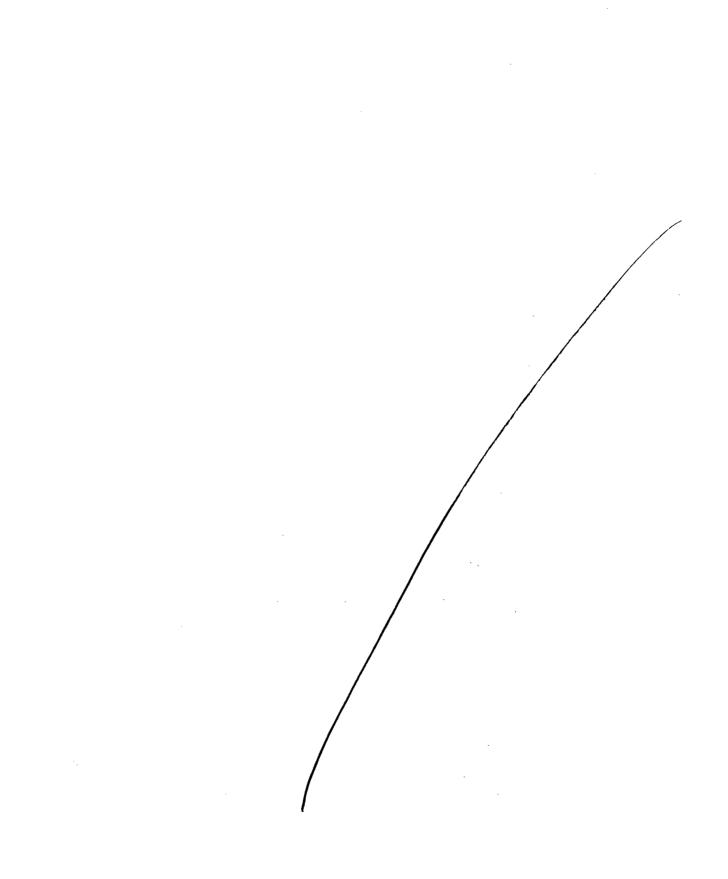
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Lea_7_Fed_Com_E2W2_Public_Access_Route_20180112084258.pdf

Lea_7_Fed_Com_E2W2_Temp_Water_Route_20180112084300.pdf

Lea_7_Fed_Com_E2W2_Road_Description_20180112084259.pdf





ROAD RIGHT-OF-WAY DESCRIPTIO.

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

BEGINNING AT A POINT IN THE SE 1/4 SW 1/4 OF SECTION 7, T20S, R35E, N.M.P.M., WHICH BEARS N67'24'20"E 1840.70' FROM THE SOUTHWEST CORNER OF SAID SECTION 7, THENCE NO0'10'35"W 40.01'; THENCE CONTINUING N00'10'35"W 60.12' TO A POINT IN THE SE 1/4 SW 1/4 OF SAID SECTION 7, WHICH BEARS N64'35'07"E 1881.17' FROM THE SOUTHWEST CORNER OF SAID SECTION 7. 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 TRANSVERSE MERCATOR PROJECTION WITH A CENTRAL MERIDIAN OF W103'53'00". CONTAINS 0.069 ACRES MORE OR LESS.

LOOP ROAD RIGHT-OF-WAY DESCRIPTION

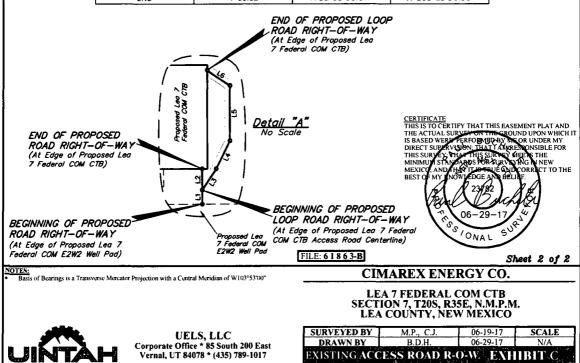
A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

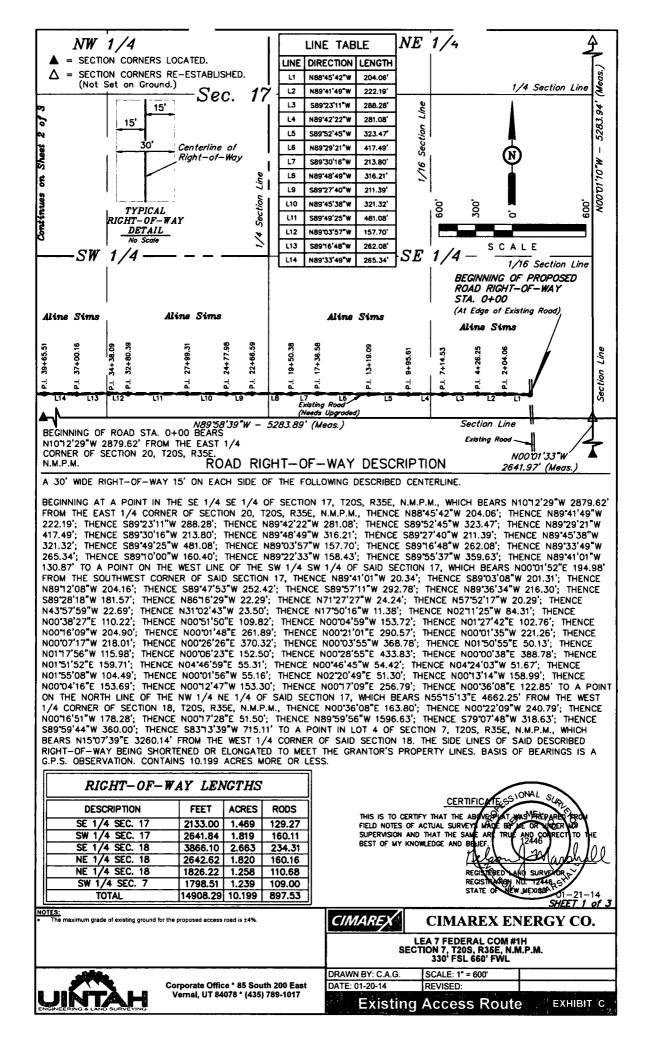
BEGINNING AT A POINT IN THE SE 1/4 SW 1/4 OF SECTION 7, T20S, R35E, N.M.P.M., WHICH BEARS N66'15'50"E 1856.33' FROM THE SOUTHWEST CORNER OF SAID SECTION 7, THENCE N33'44'01"E 72.08'; THENCE N26'04'10"E 90.27'; THENCE N00'15'18"W 159.25'; THENCE N55'28'53"W 79.21' TO A POINT IN THE SE 1/4 SW 1/4 OF SAID SECTION 7, WHICH BEARS N57'28'28'E 2031.69' FROM THE SOUTHWEST CORNER OF SAID SECTION 7. 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 TRANSVERSE MERCATOR PROJECTION WITH A CENTRAL MERIDIAN OF W103'53'00". CONTAINS 0.276 ACRES MORE OR LESS.

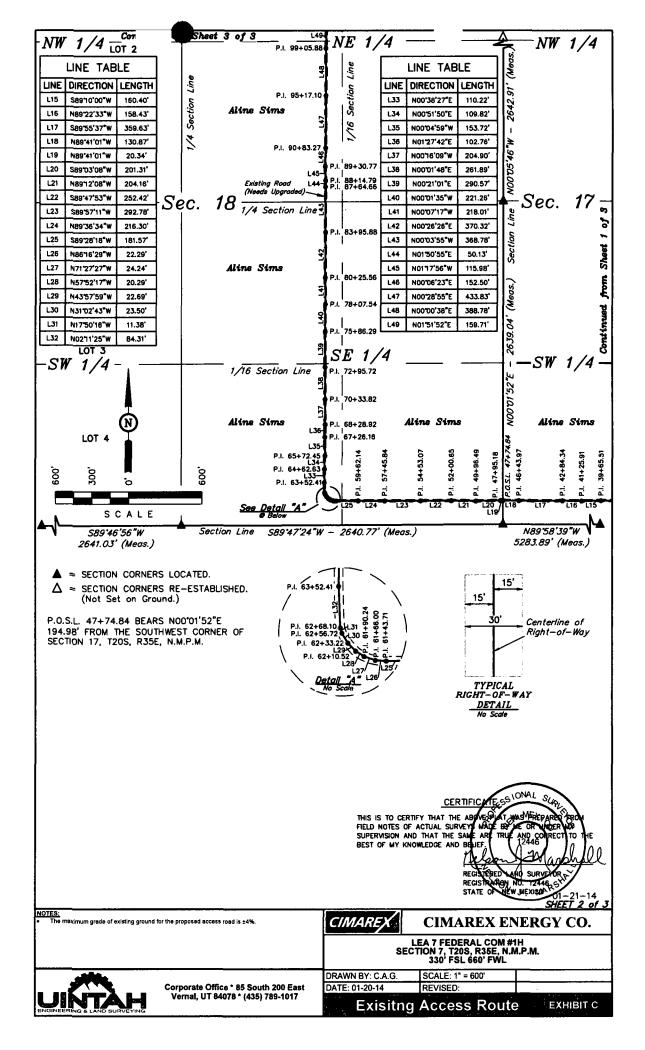
	LEA 7 FEDERAL CO	OM CTB	
SECTION CORNER	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
NW COR. SEC. 7, T205, R35E	BRASS CAP W/ 3" IRON PIPE	N 32°35'41.55"	W 103°30'18.57"
N 1/4 COR. SEC. 7, T20S, R35E	BRASS CAP W/ 1 1/2" IRON PIPE	N 32°35'41.69"	W 103°29'47.79"
NE COR. SEC. 7, T20S, R35E	SEC. COR. RE-ESTABLISHED	N 32°35'41.83"	W 103°29'16.96"
SE COR. SEC. 7, T20S, R35E	SEC. COR. RE-ESTABLISHED	N 32°34'49.54"	W 103°29'16.94"
SW COR. SEC. 7, T20S, R35E	PLASTIC CAP W/ REBAR, #12797	N 32°34'49.32"	W 103°30'18.59"
NE COR. SEC. 6, T20S, R35E	BRASS CAP W/ 3" IRON PIPE	N 32°36'34.47"	W 103°29'17.05"
SE COR. SEC. 5, T205, R35E	BRASS CAP W/ 2" IRON PIPE	N 32°35'41.84"	W 103°28'15.20"
S 1/4 COR. SEC. 9, T20S, R35E	BRASS CAP W/ 1 1/2" IRON PIPE	N 32°34'49.64"	W 103°27'44.31"
E 1/4 COR. SEC. 18, T20S, R35E	BRASS CAP W/ 1 1/2" IRON PIPE	N 32°34'23.39"	W 103°29'16.87"

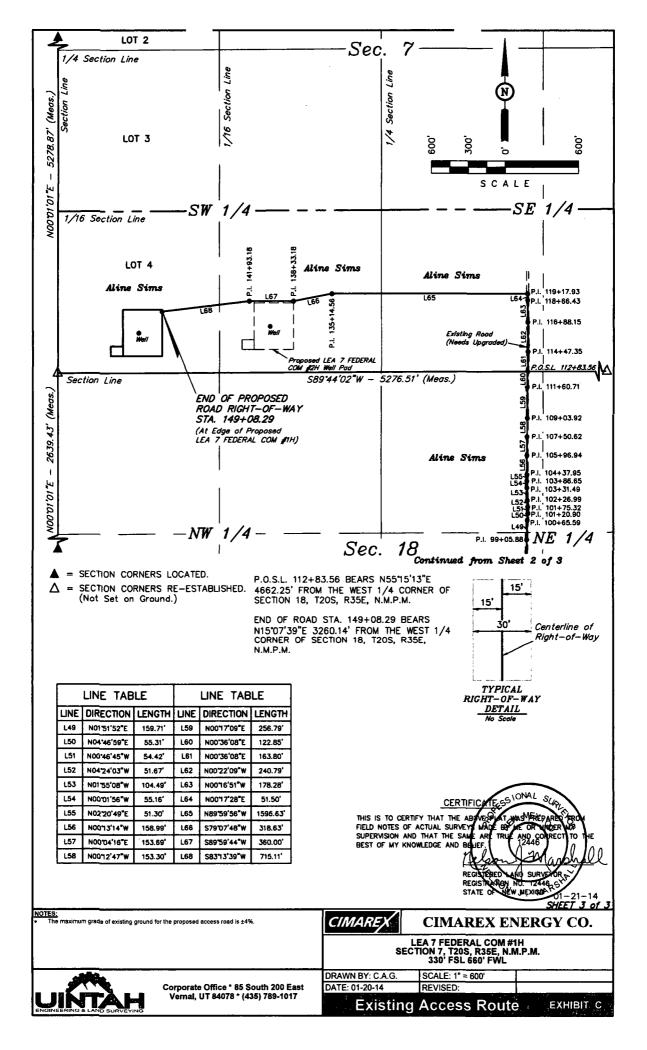
	LEA 7 FEDERAL C	OM CTB ACCESS ROAD	
NUMBER	STATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
BEGIN	0+00	N 32°34'56.26"	W 103°29'58.71"
1	0+40.01	N 32°34'56.66"	W 103°29'58.71"
END	1+00.12	N 32°34'57.25"	W 103°29'58.71"

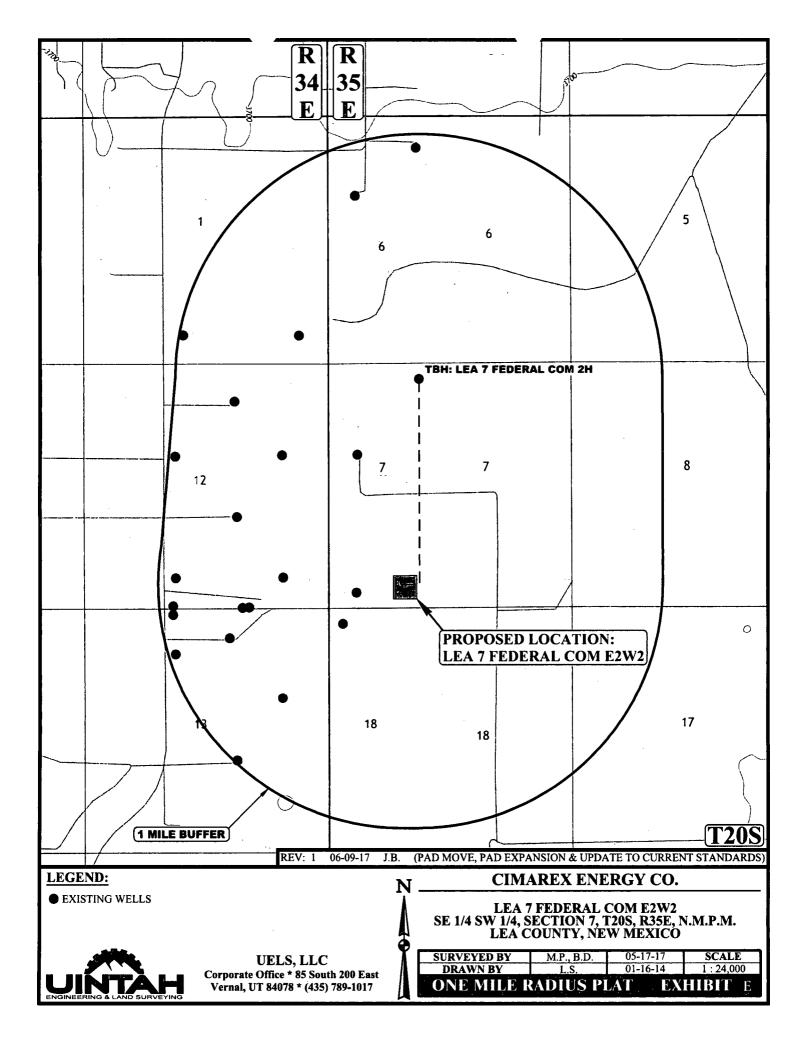
	LEA 7 FEDERAL COM	CTB LOOP ACCESS ROAD	
NUMBER	STATION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
BEGIN	0+00	N 32°34'56.66"	W 103°29'58.71"
1	0+72.08	N 32°34'57.25"	W 103°29'58.24"
2	1+62.35	N 32°34'58.05"	W 103°29'57.77"
3	3+21.61	N 32°34'59.62"	W 103°29'57.77"
END	4+00.82	N 32°35'00.07"	W 103°29'58.53"

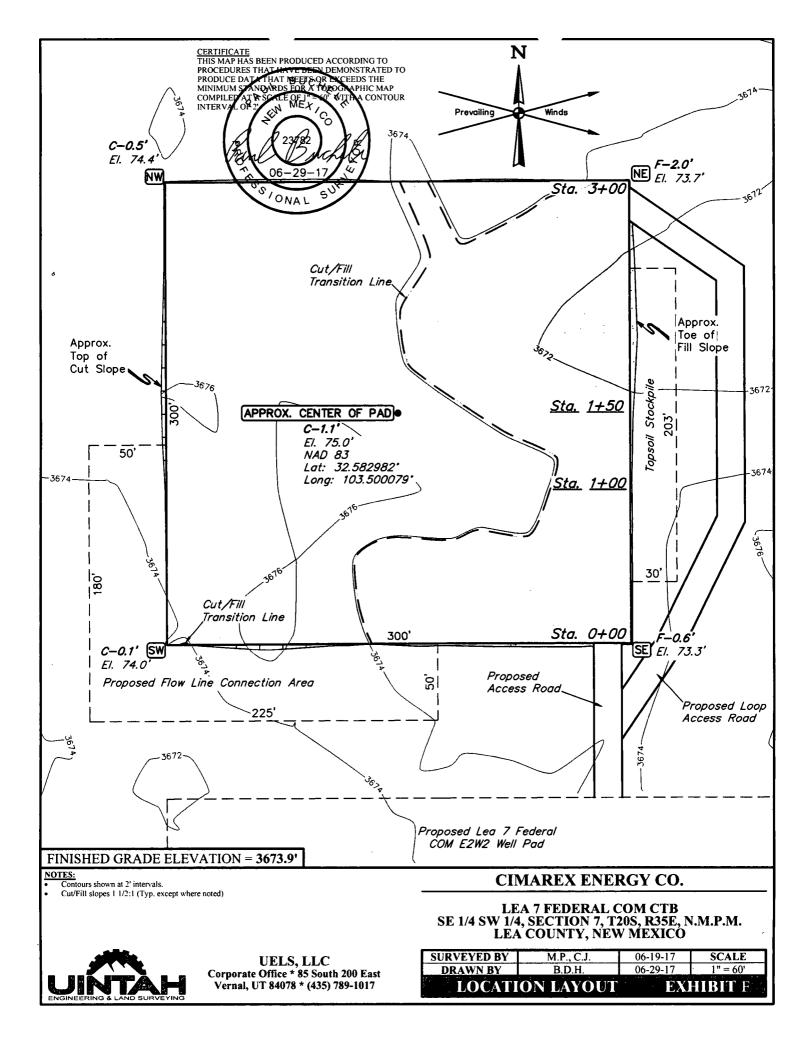


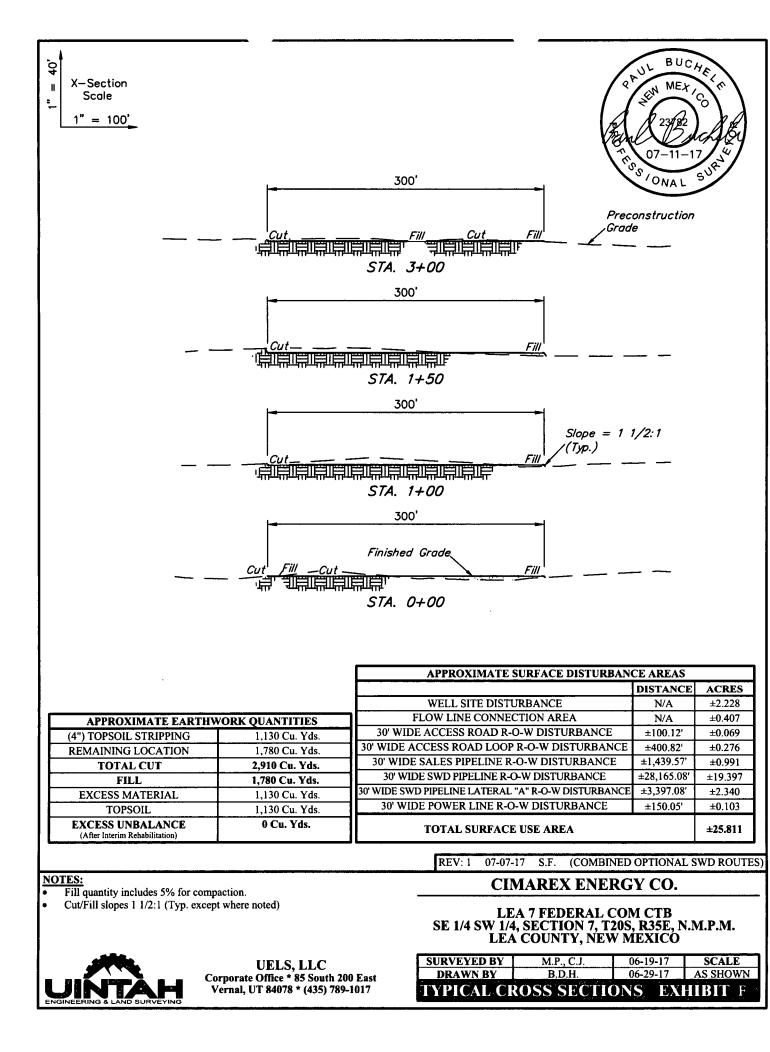


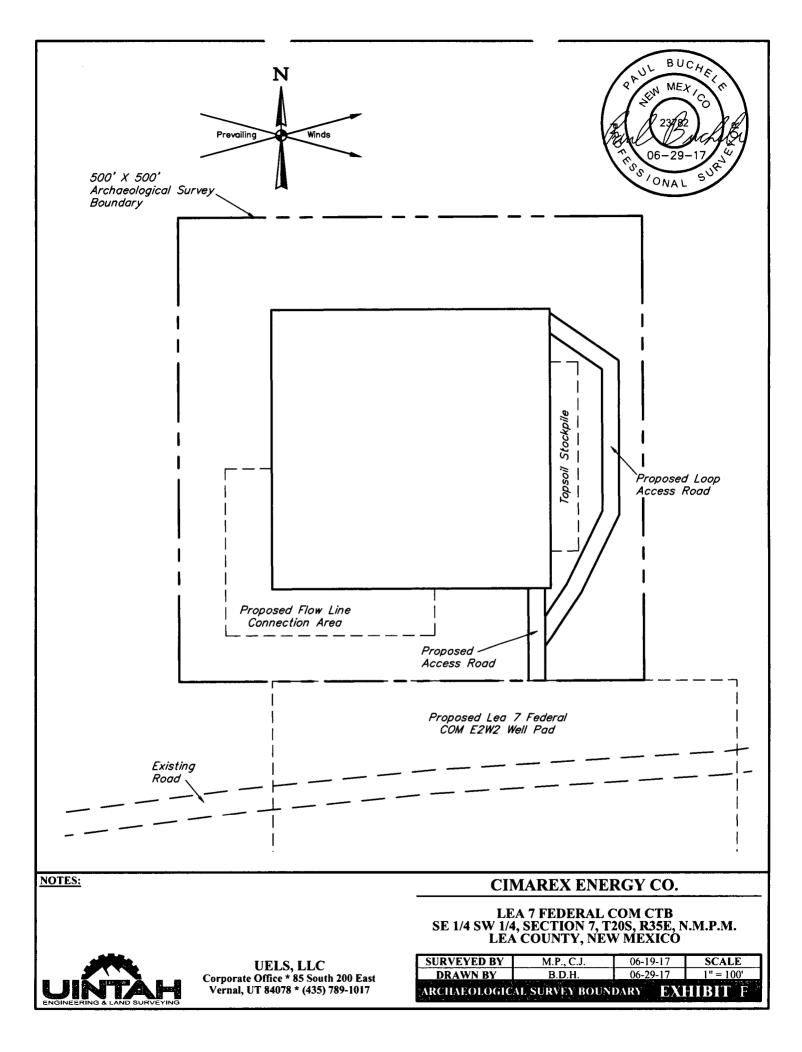












BEGINNING AT THE INTERSECTION OF HOBBS HIGHWAY/HIGHWAY 180 AND COUNTY ROAD 27-A/MARATHON ROAD (LOCATED AT NAD83 LATITUDE N32.6352° AND LONGITUDE W103.5155°) PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 5.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST: TURN LEFT AND PROCEED IN A EASTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.2 MILES TO BEGINNING OF THE EXISTING ACCESS ROAD FOR THE LEA 7 FEDERAL COM 1H PAD TO THE WEST: TURN LEFT AND PROCEED IN Α WESTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN LEFT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LEA 7 FEDERAL COM E2W2 LOCATION. FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION FOR APPROXIMATELY 100' TO THE PROPOSED LOCATION.

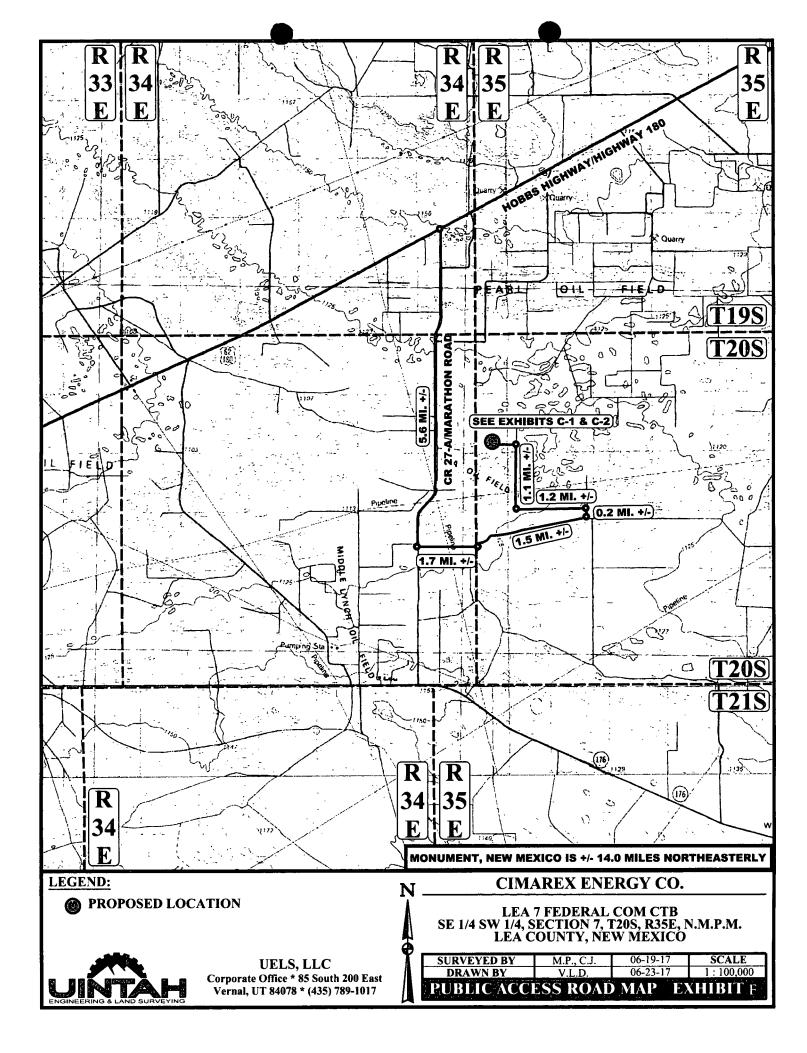
TOTAL DISTANCE FROM THE INTERSECTION OF HOBBS HIGHWAY/HIGHWAY 180 AND COUNTY ROAD 27-A/MARATHON ROAD (LOCATED AT NAD83 LATITUDE N32.6352° AND LONGITUDE W103.5155°) TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 11.7 MILES.

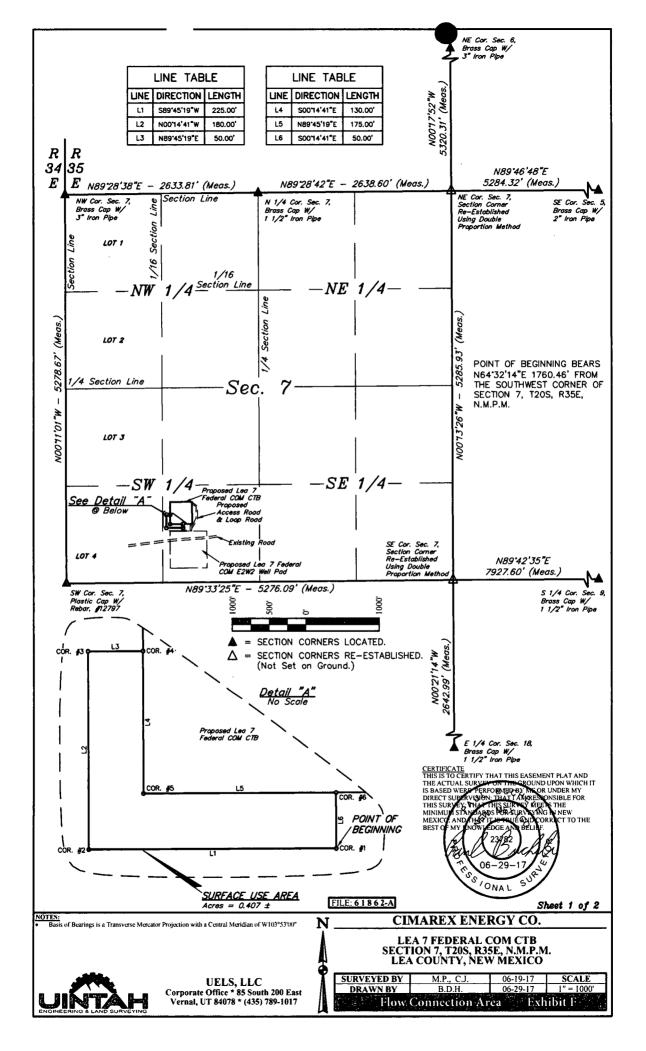


UELS, LLC Corporate Office * 85 South 200 East Vernal, UT 84078 * (435) 789-1017

LEA 7 FEDERAL COM CTB SE 1/4 SW 1/4, SECTION 7, T20S, R35E, N.M.P.M. LEA COUNTY, NEW MEXICO

SURVEYED BY	M.P., C.J.	06-19-17	
DRAWN BY	V.L.D.	06-23-17	
ROAD DES	CRIPTION	EXHI	BIT F



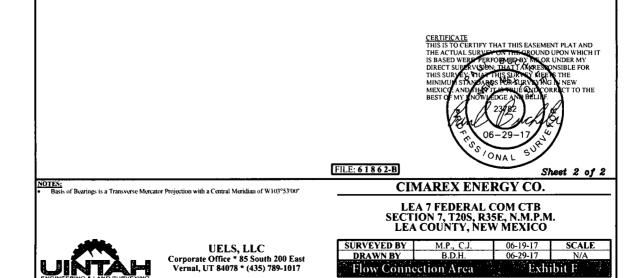


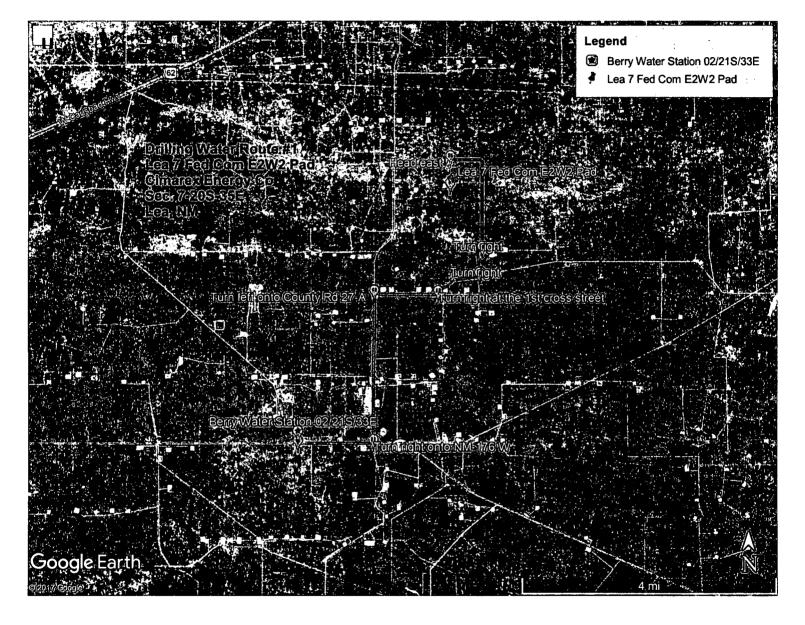
SURFACE USE AREA DESCRIPTION

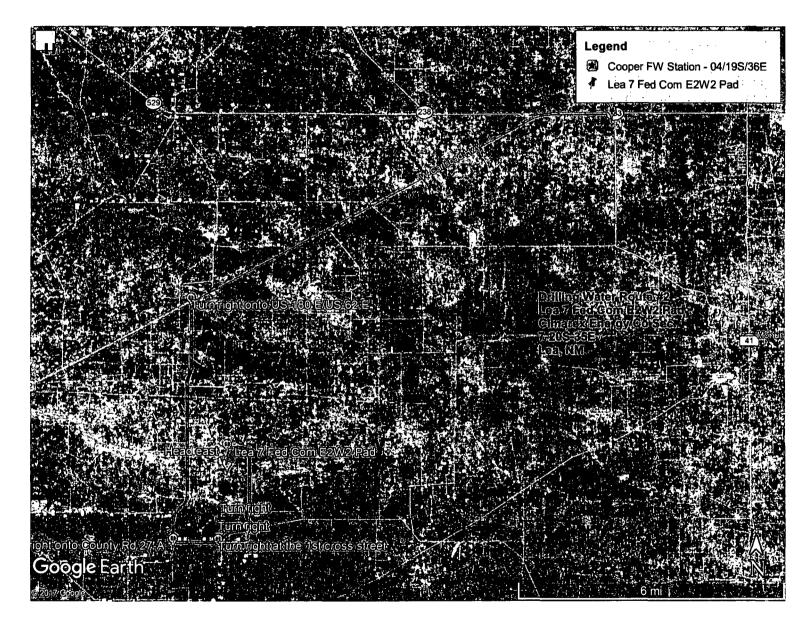
BEGINNING AT A POINT IN THE SE 1/4 SW 1/4 OF SECTION 7, T20S, R35E, N.M.P.M., WHICH BEARS N64'32'14"E 1760.46' FROM THE SOUTHWEST CORNER OF SAID SECTION 7, THENCE S89'45'19"W 225.00'; THENCE N00'14'41"W 180.00'; THENCE N89'45'19"E 50.00'; THENCE SOO'14'41"E 130.00'; THENCE N89'45'19"E 175.00'; THENCE S00'14'41"E 50.00' TO THE POINT OF BEGINNINGS S IS A TRANSVERSE MERCATOR PROJECTION WITH A CENTRAL MERIDIAN OF W103'53'00". CONTAINS 0.407 ACRES MORE OR LESS.

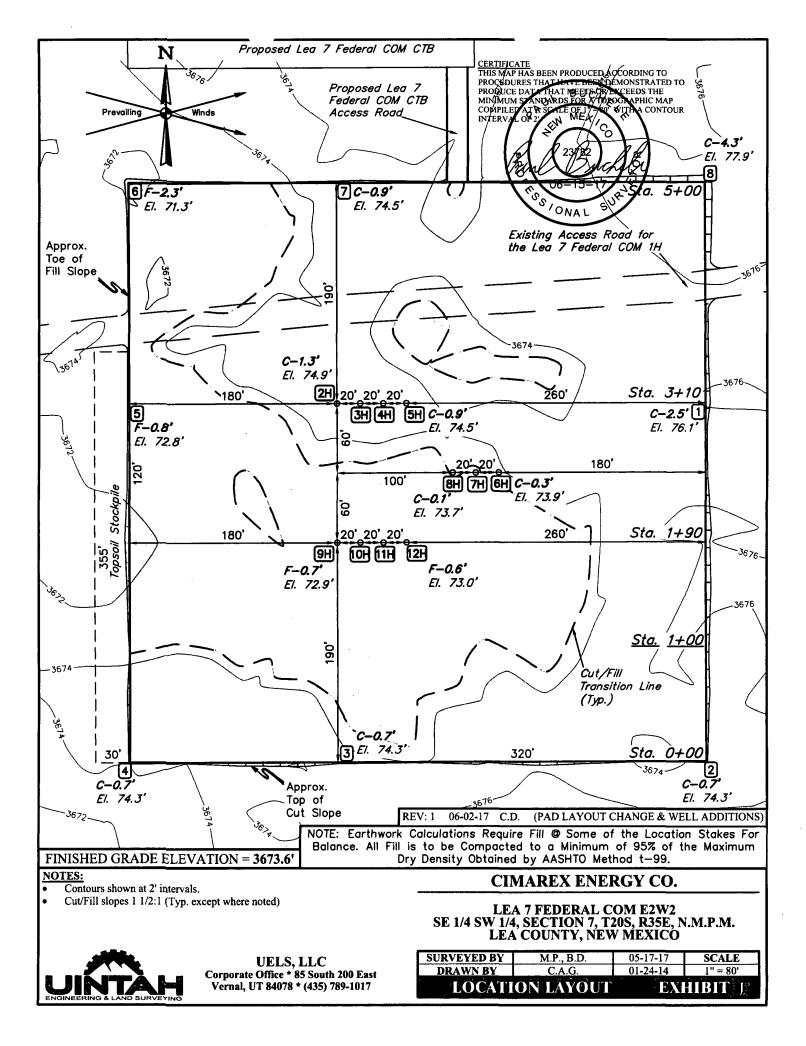
	LEA 7 FEDERAL CO	ОМ СТВ	
SECTION CORNER	DESCRIPTION	LATITUDE (NAD 83)	LONGITUDE (NAD 83)
NW COR. SEC. 7, T205, R35E	BRASS CAP W/ 3" IRON PIPE	N 32°35'41.55"	W 103°30'18.57"
N 1/4 COR. SEC. 7, T205, R35E	BRASS CAP W/ 1 1/2" IRON PIPE	N 32°35'41.69"	W 103°29'47.79"
NE COR. SEC. 7, T20S, R35E	SEC. COR. RE-ESTABLISHED	N 32°35'41.83"	W 103°29'16.96"
SE COR. SEC. 7, T20S, R35E	SEC. COR. RE-ESTABLISHED	N 32°34'49.54"	W 103°29'16.94"
SW COR. SEC. 7, T20S, R35E	PLASTIC CAP W/ REBAR, #12797	N 32°34'49.32"	W 103°30'18.59"
NE COR. SEC. 6, T20S, R35E	BRASS CAP W/ 3" IRON PIPE	N 32°36'34.47"	W 103°29'17.05"
SE COR. SEC. 5, T205, R35E	BRASS CAP W/ 2" IRON PIPE	N 32°35'41.84"	W 103°28'15.20"
S 1/4 COR. SEC. 9, T20S, R35E	BRASS CAP W/ 1 1/2" IRON PIPE	N 32°34'49.64"	W 103°27'44.31"
E 1/4 COR. SEC. 18, T20S, R35E	BRASS CAP W/ 1 1/2" IRON PIPE	N 32°34'23.39"	W 103°29'16.87"

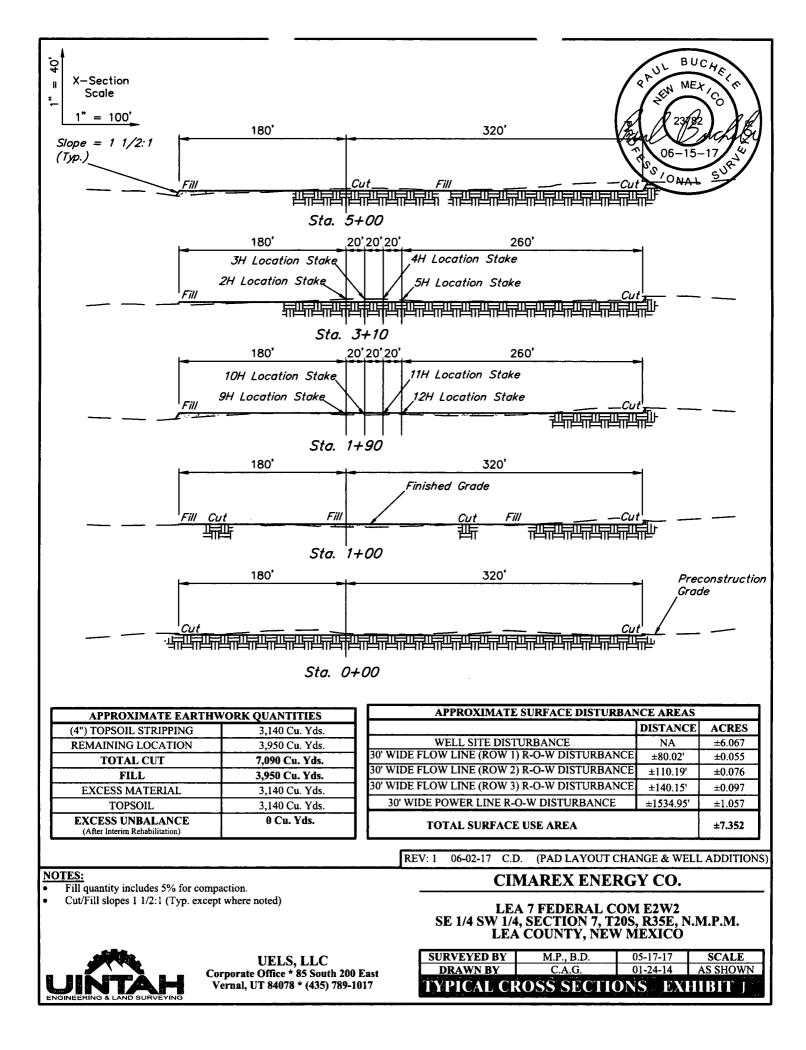
LEA 7	LEA 7 FEDERAL COM CTB SURFACE USE AREA		
CORNER	LATITUDE (NAD 83)	LONGITUDE (NAD 83)	
1	N 32°34'56.76"	W 103°29'59.99"	
2	N 32°34'56.75"	W 103°30'02.62"	
3	N 32°34'58.54"	W 103°30'02.62"	
4	N 32°34'58.54"	W 103°30'02.04"	
5	N 32°34'57.25"	W 103°30'02.04"	
6	N 32°34'57.25"	W 103°29'59.99"	

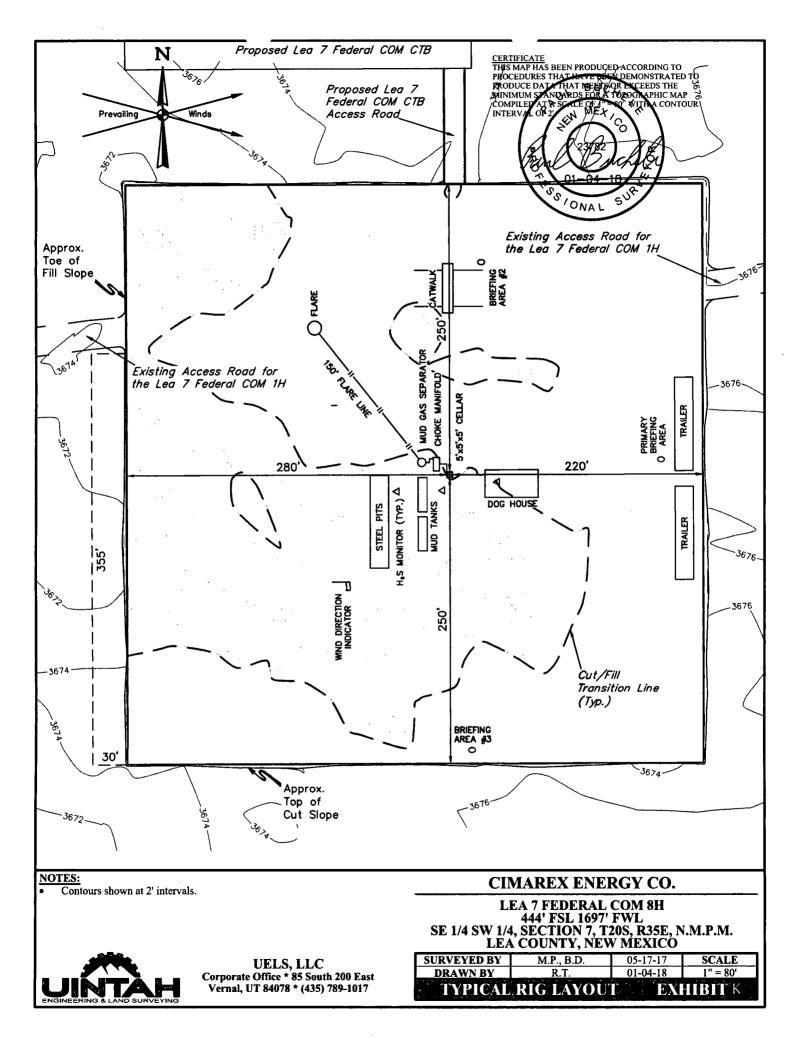


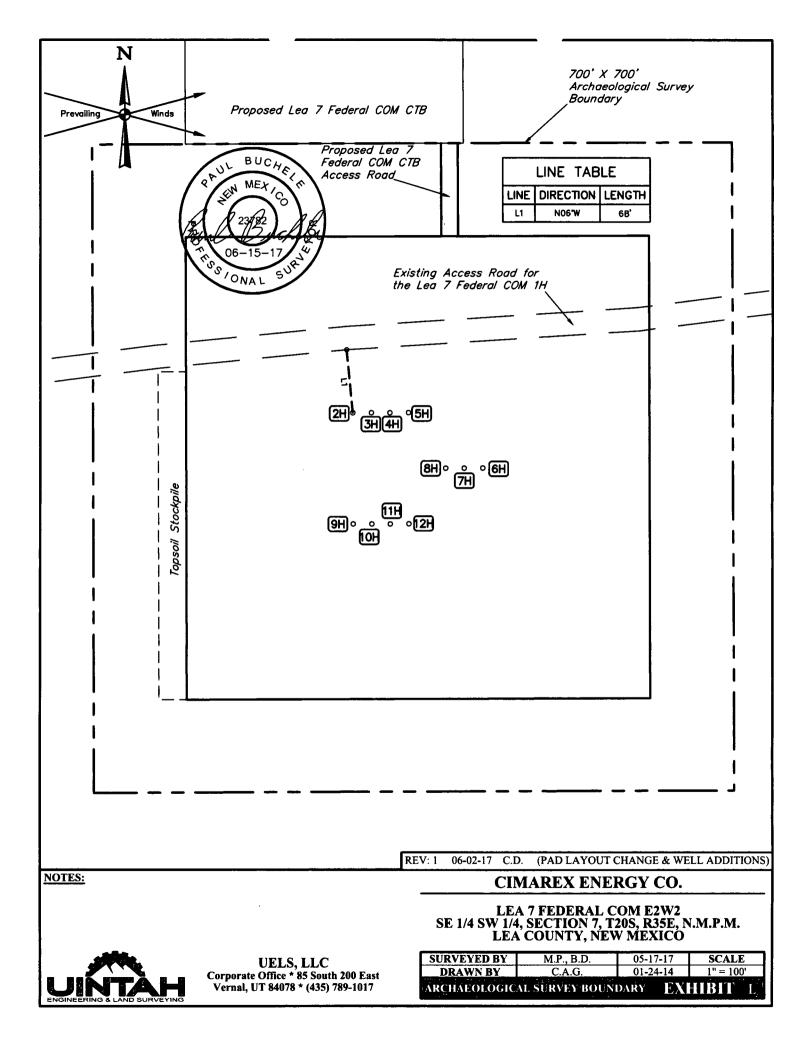


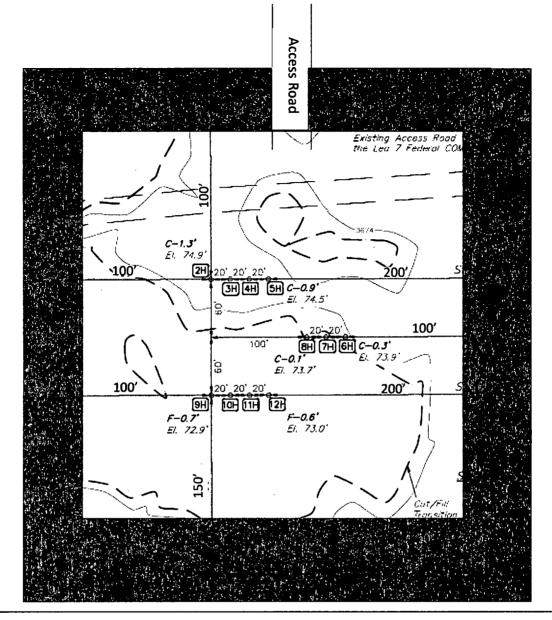












Pad will be reclaimed after cessation of drilling operations. Please see Surface Use Plan for pad reclamation plans.

Ν

0	Well locations
	Interim Reclamation

Exhibit P Interim Reclamation Diagram Lea 7 Fed Com E2W2 pad Cimarex Energy Co. Sec 7-20S-35E Lea Cty, NM

Operator - Land Owner Agreement

Company:	Cimarex Energy Co.
Proposed Well:	Lea 7 Fed Com 8H
Federal Lease Number:	NMNM128835

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.

S&S Inc, Pearl Valley Limited Partnership (Pat Sims) PO BOX 1046 Eunice, NM 88231 (575) 390-2642

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.

1/10/2018

Date

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1/10/2018

Date

Cimarex Lea 7 Federal Com 8H Surface Use Plan

Upon approval of the Application for Permit to Drill (APD) the following surface use plan of operations will be followed and carried out. The surface use plan outlines the proposed surface disturbance. If any other disturbance is needed after the APD is approved, a BLM sundry notice or right of way application will be submitted for approval prior to any additional surface disturbance.

Existing Roads

- Directions to location Exhibit A.
- Public access route Exhibit B.
- Existing access road for the proposed project. Please see Exhibit B and C.
- Cimarex Energy will:
 - o Improve and/or maintain existing road(s) condition the same as or better than before the operations began.
 - o Provide plans for improvement and /or maintenance of existing roads if requested.
 - o Repair or replace damaged or deteriorated structures as needed. Including cattle guards and culverts.
 - Prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or other events.
 - Obtain written BLM approval prior to the application of surfactants, binding agents, or other dust suppression chemicals on the roadways.
- The maximum width of the driving surface will be 18'. 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 or Reconstructed Access Roads

No new roads are proposed for this project.

Well Radius Map

Please see Exhibit E for wells within one mile or proposed well SHL and BHL.

Proposed or Existing Production Facility

An existing battery will be utilized for the project if the well is productive.

- Lea 7 Federal Com CTB
 - o Battery Pad diagram Exhibit F
 - o Battery will not require an expansion in order to accomodate additional production equipment for the project.

Gas Pipeline Specifications

No new gas pipelines are required for this project.

Salt Water Disposal Specifications

No new SWD pipelines are required for this project.

Power Lines

• No new power line is required for this project.

Well Site Location

- An existing well pad will be used to drill the proposed well.
 - Wells drilled or to be drilled: Lea 7 Federal 2H thru 12H.
- Well pad will not require expansion in order to accommodate additional drilling wells.
- Well pad previously approved. Sundry: Lea 7 Federal Com 2H.

Cimarex Lea 7 Federal Com 8H Surface Use Plan

Flowlines and Gas Lift Pipelines

All proposed pipelines will be constructed in a 30' ROW corridor.

- Flowlines
 - o Cimarex Energy plans to construct on-lease flowlines to service the well.
 - o 6" HP steel for oil, gas, and water production.
 - o Length: 141'.
 - o MAOP: 1,500 psi; Anticipated working pressure: 200-300 psi.
 - Please see Exhibit M for proposed on lease route.
- Gas Lift Pipeline
 - o Cimarex Energy plans to construct on-lease gas lift pipelines to service the well.
 - o 6" HP steel for gas lift.
 - o Length: 141'.
 - MAOP: 1,500 psi; Anticipated working pressure: 200-300 psi.
 - Please see Exhibit N for proposed on lease route.

Water Resources

- A temporary surface fresh water pipeline(s) will be utilized for this project.
- Cimarex plans to lay the fresh water surface pipeline(s) prior to commencement of the stimulation job.
- 10" lay-flat surface pipeline.
- The surface pipeline(s) will follow the road from a frac pit to the well.
- Length: 16,832'.
- Operating pressure: <140 psi.
- Fresh water will be purchased from a 3rd party.
- Please see Exhibit O for proposed route.

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 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.

Waste Minimization Plan

See Gas Capture Plan.

Ancillary Facilities

No camps or airstrips to be constructed.

Interim and Final Reclamation

- Rehabilitation of the location will start in a timely manner after all proposed drilling wells have been drilled from the pad or if drilling operations have ceased as outlined below:
 - o No approved or pending drill permits for wells located on the drill pad
 - No drilling activity for 5 years from the drill pad
- 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.
 - Exhibit P illustrates the proposed Surface Reclamation plans after cessation of drilling operations as outlined above.
 - The areas of the location not essential to production facilities and operations will be reclaimed and seeded per BLM requirements.
- Operator will amend the surface reclamation plan if well is a dry hole and/or a single well pad.

Surface Ownership

- The wellsite is on surface owned by Pearl Valley Limited Partnership (Pat Sims).
- A copy of Surface Use Agreement has been given to the surface owner.
- The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.

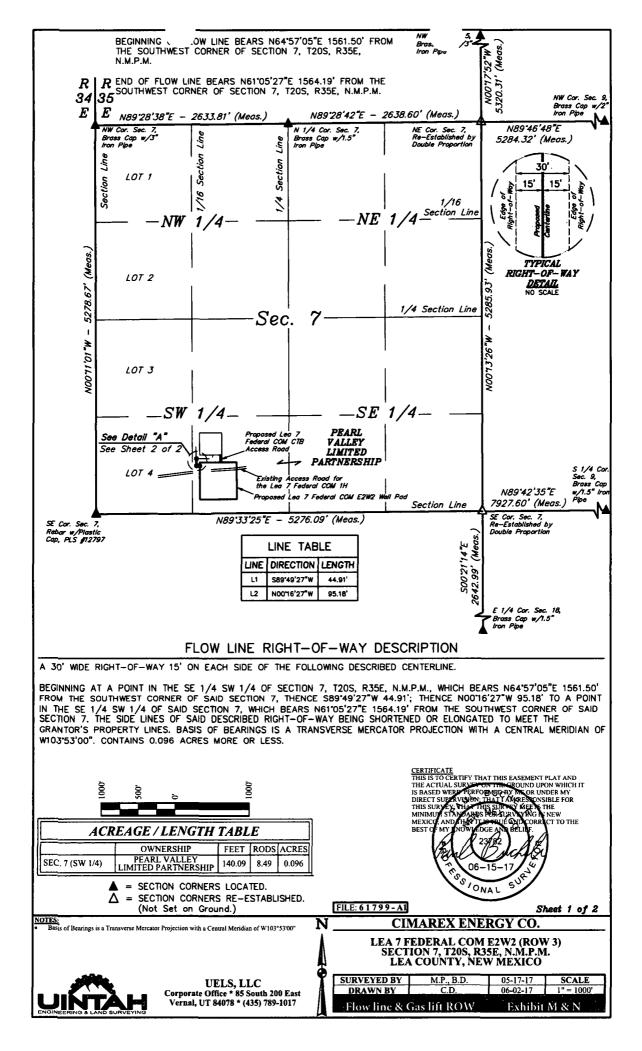
Cimarex Lea 7 Federal Com 8H Surface Use Plan

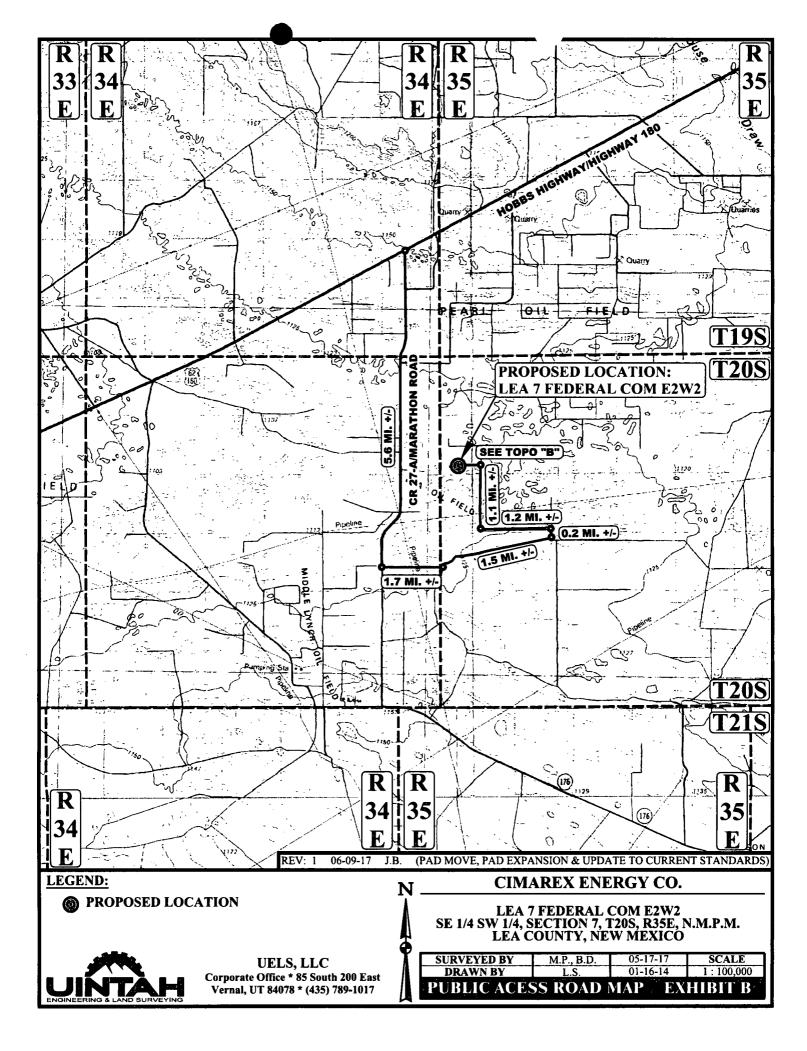
Cultural Resource Survey - Archeology

• Cultural Resources Survey will be conducted for the entire project as proposed in the APD and submitted to the BLM for review and approval.

On Site Notes and Information

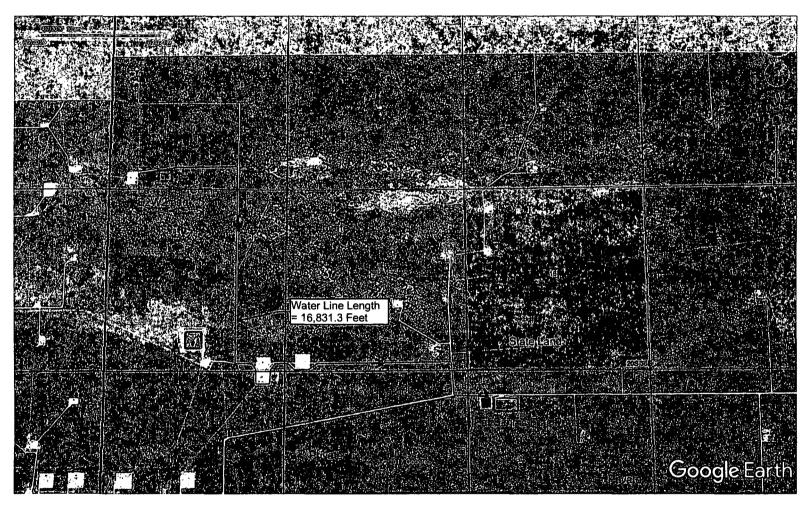
Onsite Date: 12/6/2013 BLM Personnel on site: Jesse Rice Cimarex Energy personnel on site: Barry Hunt Pertinent information from onsite:





Lea 7 Federal Com 8H, Sec 7-20S-35E, to Simms Frac Pit(Sec. 21-20S-35E) Lea County, NM Proposed Frac Water Route

Exhibit O



- 1 10" Water Line

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BEGINNING AT THE INTERSECTION OF HOBBS HIGHWAY/HIGHWAY 180 AND COUNTY ROAD 27-A/MARATHON ROAD (LOCATED AT NAD83 LATITUDE N32.635186° AND LONGITUDE W103.515469°) PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 5.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN A EASTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 0.2 MILES TO BEGINNING OF THE EXISTING ACCESS ROAD FOR THE LEA 7 FEDERAL COM 1H PAD TO THE WEST: TURN LEFT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN LEFT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 0.4 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM THE INTERSECTION OF HOBBS HIGHWAY/HIGHWAY 180 AND COUNTY ROAD 27-A/MARATHON ROAD (LOCATED AT NAD83 LATITUDE N32.635186° AND LONGITUDE W103.515469°) TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 11.7 MILES.

	REV : 1 06-09-17 J.B.	(PAD MOVE, PAD EXPA	ANSION & UPD	ATE TO CURRENT STANDAR	RDS)
		CIMAREX ENERGY CO. LEA 7 FEDERAL COM E2W2 SE 1/4 SW 1/4, SECTION 7, T20S, R35E, N.M.P.M. LEA COUNTY, NEW MEXICO			
UINTAH					
	UELS, LLC Corporate Office * 85 South 200 East Vernal, UT 84078 * (435) 789-1017	SURVEYED BY DRAWN BY	M.P., B.D. L.S.	05-17-17 01-16-14	\exists
				Exhibit A	



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT



Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO **Produced Water Disposal (PWD) Location: PWD** surface owner: Lined pit PWD on or off channel: Lined pit PWD discharge volume (bbl/day): Lined pit specifications: Pit liner description: Pit liner manufacturers information: Precipitated solids disposal: Decribe precipitated solids disposal: Precipitated solids disposal permit: Lined pit precipitated solids disposal schedule: Lined pit precipitated solids disposal schedule attachment: Lined pit reclamation description: Lined pit reclamation attachment: Leak detection system description: Leak detection system attachment: Lined pit Monitor description: Lined pit Monitor attachment: Lined pit: do you have a reclamation bond for the pit? Is the reclamation bond a rider under the BLM bond? Lined pit bond number: Lined pit bond amount: Additional bond information attachment:

PWD disturbance (acres):

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

PWD disturbance (acres):

PWD disturbance (acres):

Injection well type: Injection well number: Assigned injection well API number? Injection well new surface disturbance (acres): Minerals protection information: **Mineral protection attachment: Underground Injection Control (UIC) Permit? UIC Permit attachment:**

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location: PWD surface owner: Surface discharge PWD discharge volume (bbl/day): Surface Discharge NPDES Permit? Surface Discharge NPDES Permit attachment: Surface Discharge site facilities information: Surface discharge site facilities map: Section 6 - Other Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location: PWD surface owner: Other PWD discharge volume (bbl/day): Other PWD type description: Other PWD type attachment: Have other regulatory requirements been met? Other regulatory requirements attachment:

PWD disturbance (acres):

Injection well name:

Injection well API number:

PWD disturbance (acres):

WAFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Bond Information

Federal/Indian APD: FED

BLM Bond number: NMB001188

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

Bond Info Data Report

09/10/2018

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400026240

Submission Date: 01/24/2018

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Show Final Text

09/10/2018

Drilling Plan Data Report

Operator Name: CIMAREX ENERGY COMPANY Well Name: LEA 7 FEDERAL COM

Well Number: 8H Well Work Type: Drill

Well Type: OIL WELL

Section 1 - Geologic Formations

Formation			True Vertical	Measured		, <u>, , , , , , , , , , , , , , , , , , </u>	Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	
1	RUSTLER	3673	1730	1730	· · · · · ·	USEABLE WATER	No
2	SALADO	1843	1830	1830		NONE	No
3	TANSILL	163	3510	3510	·	NATURAL GAS,OIL	No
4	CAPITAN REEF	-87	3760	3760		NONE	No
5	DELAWARE SAND	-2027	5700	5700		NONE	No
6	BRUSHY CANYON	-4393	8066	8066		NATURAL GAS,OIL	No
7	BONE SPRING	-4581	8254	8254		NATURAL GAS,OIL	No
8	BONE SPRING 1ST	-5888	9561	9561		NATURAL GAS,OIL	Yes
9	BONE SPRING 2ND	-6015	9688	9688		NATURAL GAS,OIL	No

Section 2 - Blowout Prevention

Pressure Rating (PSI): 2M

Rating Depth: 1780

Equipment: A BOP consisting of three rams, including one blind ram and two pipe rams and one annular preventer. 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 clock 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.

Requesting Variance? YES

Variance request: Co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. 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. Variance to include Hammer Union connections on lines downstream of the buffer tank only.. **Testing Procedure:** A multi-bowl wellhead system will be utilized. After running the 13-3/8" surface casing, a 13 5/8" BOP/BOPE system with a minimum working pressure of 3000 psi will be installed on the wellhead system and will be pressure tested to 250 psi low followed by a 3000 psi test. Annular will be tested to 50% of working pressure. The pressure test will be repeated at least every 30 days, as per Onshore Order No. 2. The multi-bowl wellhead will be installed by vendor's representative. A copy of the installation instructions has been sent to the BLM field office. The wellhead will be installed by a third-party welder while being monitored by the wellhead vendor representative. All BOP equipment will be tested utilizing a conventional test plug. Not a cup or J-packer type. A solid steel body pack-off will be utilized after running

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Submission Date: 01/24/2018

Well Number: 8H

Well Work Type: Drill

Kiringhan dala Masuk Thempol Inemistikan

09/10/2018

SUPO Data Report

E Carlos

Show Final Text

APD ID: 10400026240

Operator Name: CIMAREX ENERGY COMPANY

Well Name: LEA 7 FEDERAL COM

Well Type: OIL WELL

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

Lea_7_Fed_Com_CTB_Existing_Road_ROW_20180112082354.pdf Lea_7_Fed_Com_E2W2_Existing_Access_Road_20180112082355.pdf Existing Road Purpose: ACCESS

Row(s) Exist? YES

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? NO