30-025-40723

HOBBS OCD

AUG 09 2012

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Surface Use Plan
Lynch 25 Federal 1
Cimarex Energy Co.
Unit I, Section 25
T20S-R34E, Lea County, NM

1. Existing Roads: Area maps, Exhibit "A" shows the proposed well site as staked. Exhibit "B" is a reproduction of Eddy Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, and Exhibit "C-1" is a well site layout map, showing proposed road to location and existing road.
   A. The maximum width of the driving surface will be 15.' The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.
   B. From the junction of Hwy 176 and Marathon Road, go north on Marathon Road for 2.5 miles to lease road, on lease road go east 1.1 miles to lease road. On lease road go south 1.12 miles to proposed lease road.

2. Planned Access Roads: Approximately 484.8' new access road into location is proposed.

3. Location of Existing Wells in a One-Mile Radius - Exhibit A
   A. Water wells - None known
   B. Disposal wells - None known
   C. Drilling wells - None known
   D. Producing wells - As shown on Exhibit "A"
   E. Abandoned wells - As shown on Exhibit "A"

4. Location of Proposed Production Facilities:
   If on completion this well is a producer, a tank battery will be used and the necessary production equipment will be installed at the wellsite. See production facilities layout diagram. Any changes to the facilities or off-site facilities will be accompanied by a Sundry Notice.

5. Location and Type of Water Supply:
   Water will be purchased locally from a commercial source and trucked over the access roads.

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

7. Methods of Handling Waste Material:
   A. Drill cuttings will be separated by a series of solids removal equipment and stored in steel containment pits and then hauled to a state-approved disposal facility.
   B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary land fill.
   C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
   D. Sewage from living quarters will drain into holding tanks and be cleaned out periodically and hauled to a waste disposal facility. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
   E. Drilling fluids will be contained in steel pits in a closed circulating system. Fluids will be cleaned and reused. Water produced during testing will be contained in the steel pits and disposed of at a state approved disposal facility. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

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8. Ancillary Facilities:
   A. No camps or airstrips to be constructed.

9. Well Site Layout:
   A. Exhibit "D" shows location and rig layout.
   C. Mud pits in the closed circulating system will be steel pits and the cuttings will be stored in steel containment pits.
   D. Cuttings will be stored in steel pits until they are hauled to a state-approved disposal facility.
   E. If the well is a producer, those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. Plans for Restoration of Surface:

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

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

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

Should the well be a producer, those areas of the location not essential toproduction facilities and operations will be reclaimed and seeded per BLM requirements. Please see Production Facilities Layout Diagram, exhibit D-1.

11 Other Information
   A. Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
   B. The wellsite is on surface owned by Department of the Interior, Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
   C. An Archaeological survey will be conducted on the location and proposed roads, and this report will be filed with the Bureau of Land Management in the Carlsbad BLM office.
   D. There are no know dwellings within 1½ miles of this location.

Operator Certification Statement
Lynch 25 Federal 1
Cimarex Energy Co.
Unit I, Section 25
T20S-R34E, Lea County, NM

Operator's Representative
Cimarex Energy Co. of Colorado
600 N Marienfeld St Ste 600
Midland TX 79701
Office Phone: (432) 571-7800
Zeno Farris

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

Executed this 9th day of March, 2012

NAME: Zeno Farris
Zeno Farris

TITLE: Manager Operations Administration

ADDRESS: 600 N Marienfeld St Ste 600
Midland TX 79701

TELEPHONE: Office Phone: (432) 571-7800

EMAIL: zfarris@cimarex.com

Field Representative: Same as above

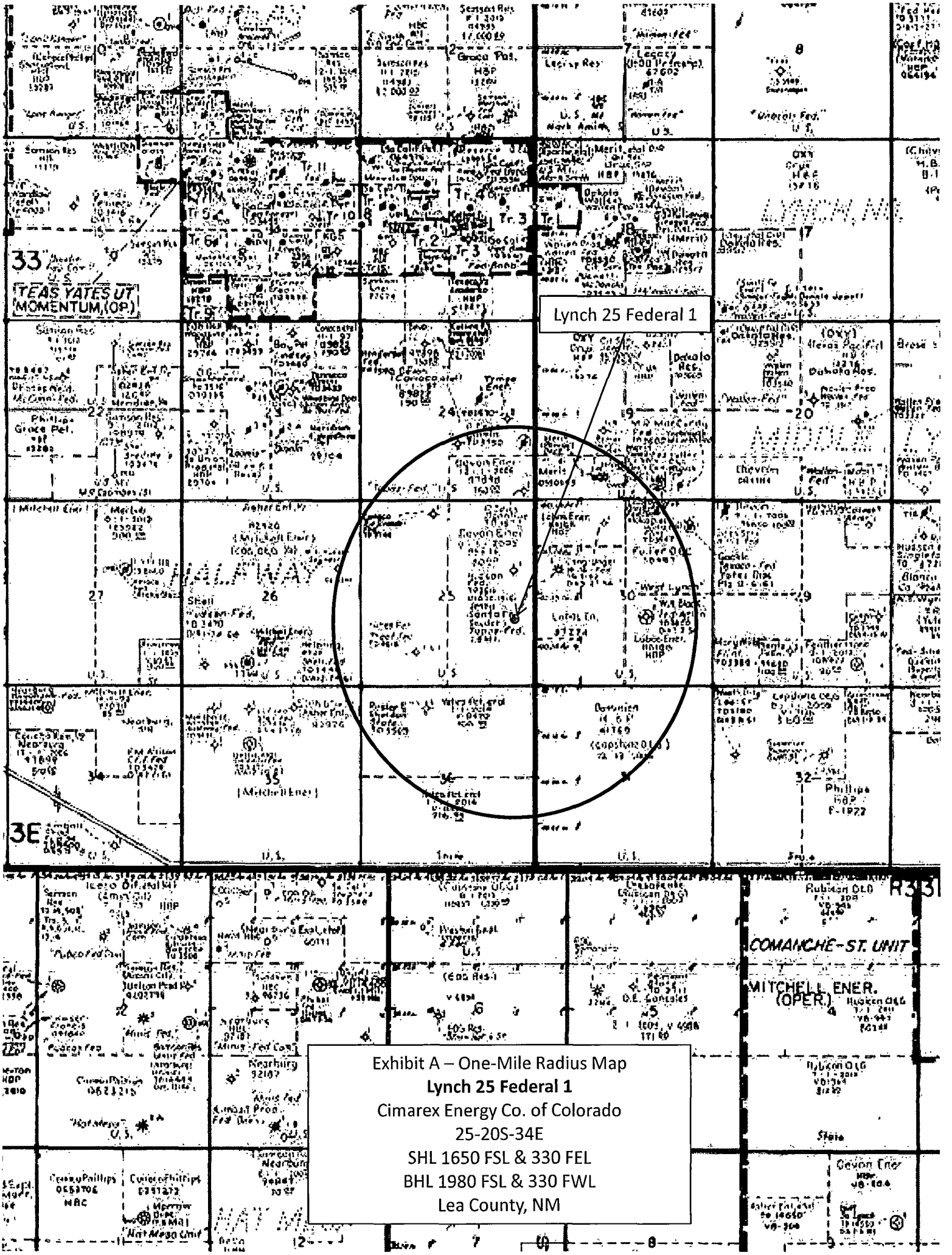
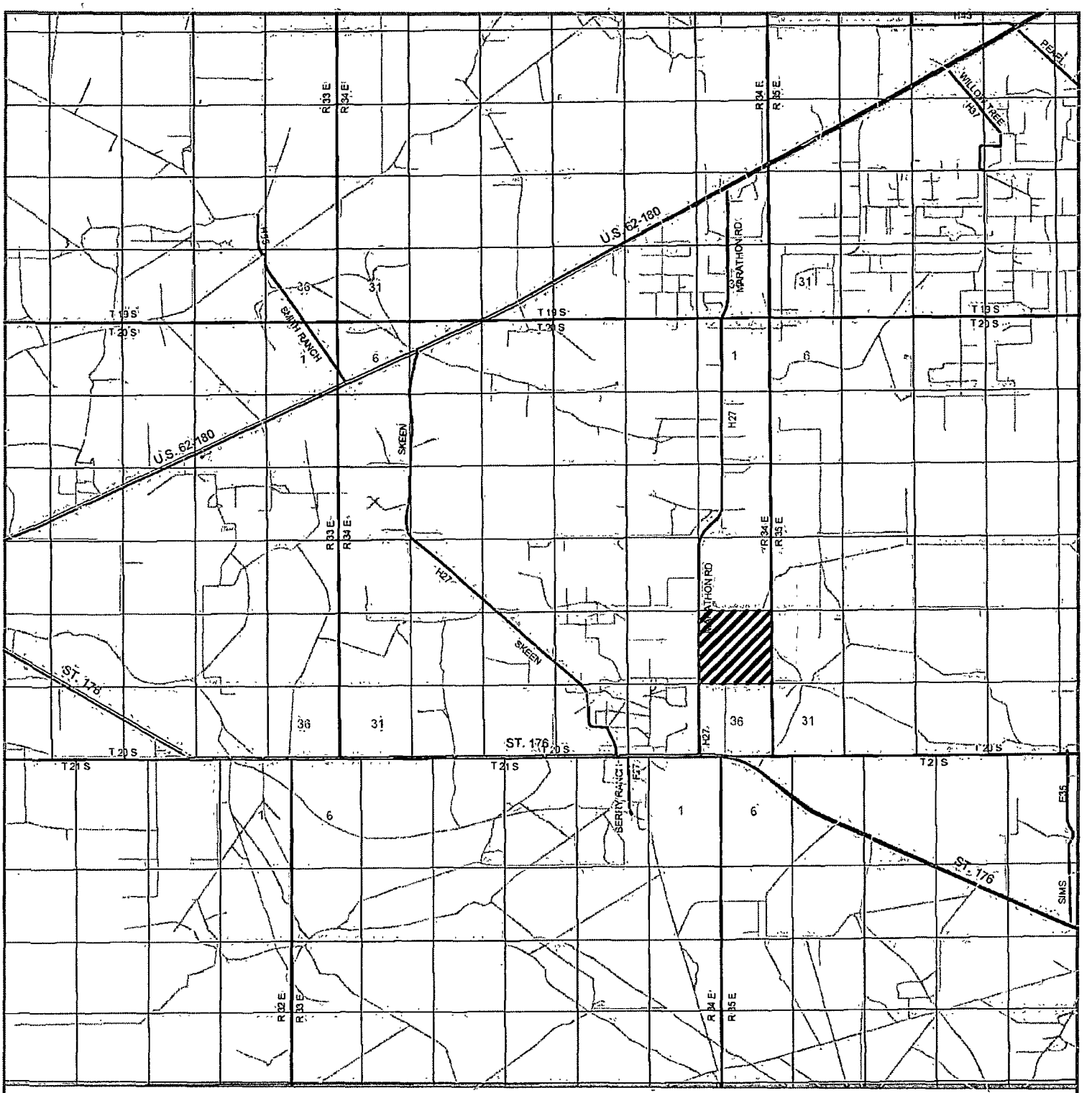


Exhibit A – One-Mile Radius Map
Lynch 25 Federal 1
Cimarex Energy Co. of Colorado
25-20S-34E
SHL 1650 FSL & 330 FEL
BHL 1980 FSL & 330 FWL
Lea County, NM



LYNCH "25" FEDERAL #1
Located 1650' FSL and 330' FEL
Section 25, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

basin surveys
focused on excellence in the oilfield

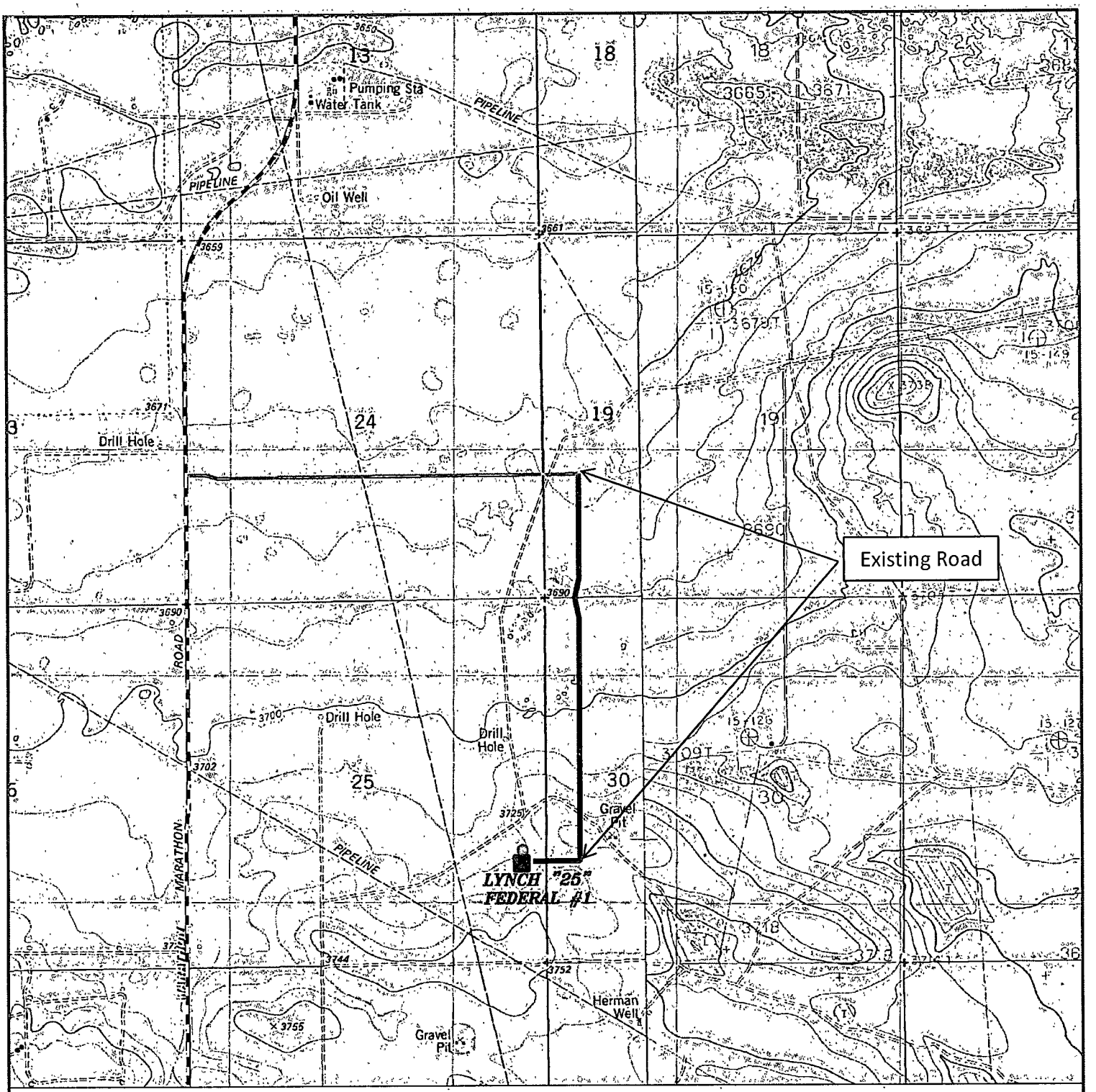
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number:	JMS 26240
Survey Date:	02-17-2012
Scale:	1" = 2 Miles
Date:	02-24-2012

N

CIMAREX ENERGY CO.

Exhibit B



LYNCH "25" FEDERAL #1 ■ Battery
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basinsurveys.com

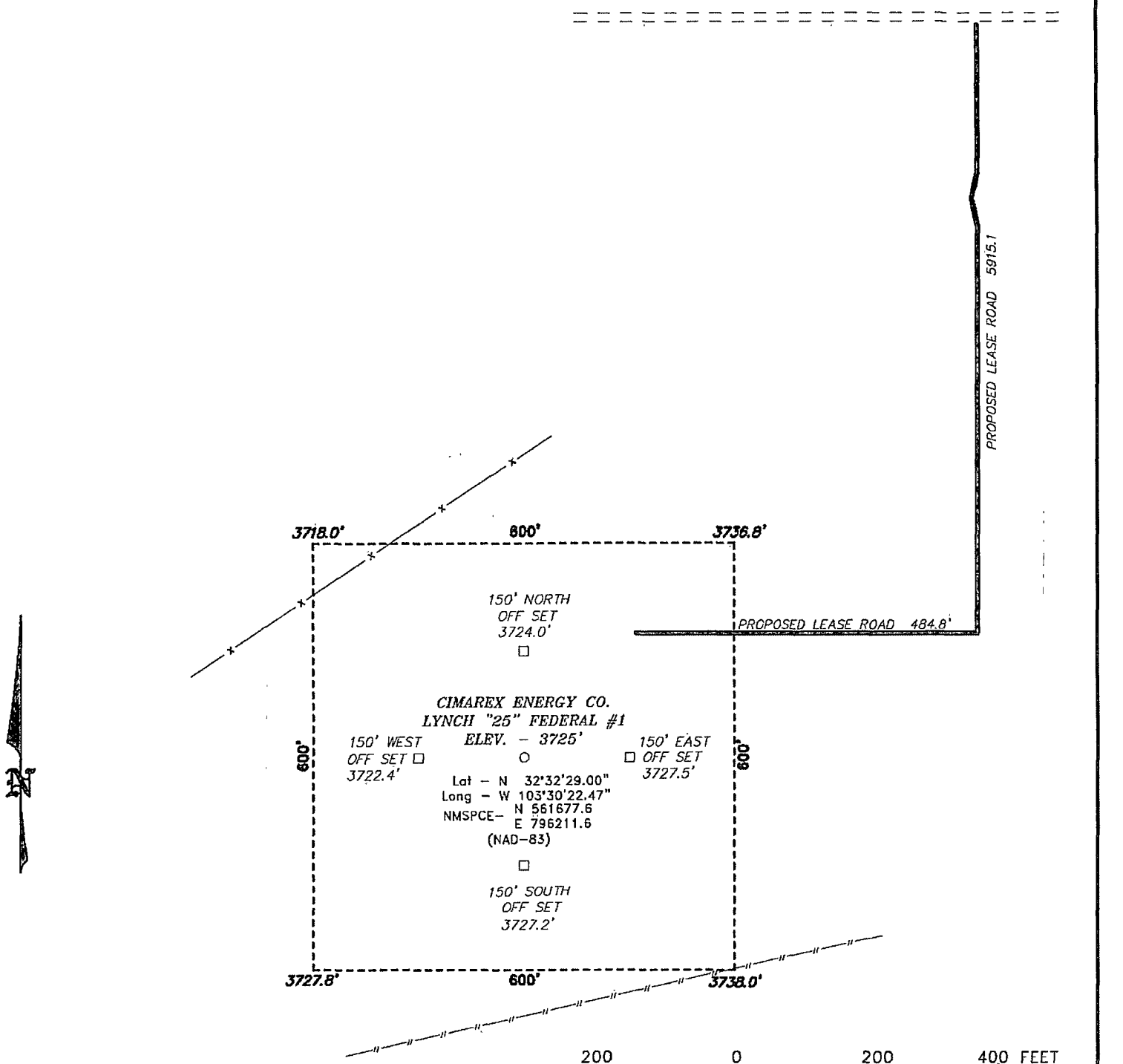
W.O. Number:	JMS 26240
Survey Date:	02-17-2012
Scale:	1" = 2000'
Date:	02-24-2012

N

CIMAREX ENERGY CO.

Exhibit C

SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF HWY 176 AND MARATHON ROAD, GO NORTH ON MARATHON ROAD FOR 2.5 MILES TO LEASE ROAD, ON LEASE ROAD GO EAST 1.1 MILES TO PROPOSED LEASE ROAD.

CIMAREX ENERGY CO.

REF: LYNCH "25" FEDERAL #1 / WELL PAD TOPO

THE LYNCH "25" FEDERAL #1 LOCATED 1650' FROM THE SOUTH LINE AND 330' FROM THE EAST LINE OF SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 26240	Drawn By: J. SMALL		
Date: 02-24-2012	Disk: JMS 26240	Survey Date: 02-17-2012	Sheet 1 of 1 Sheets

Exhibit C-1