

SECRETARY'S POTASH

ATS-14-231

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

Split Estate

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Nearburg Producing Company

3a. Address

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

3b. Phone No. (include area code)

432-686-8235

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

At Surface 330' FSL 1980' FEL

At proposed prod. Zone 330' FNL 2080' FEL

Horizontal Bone Spring test

14. Distance in miles and direction from nearest town or post office*

Approximately 22 miles NW of Eunice NM

5. Lease Serial No.

SHL: NMLC066126; BHL: NMNM56265

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

Lea South 25 Federal Com #7H

9. API Well No.

30-025-43029

10. Field and Pool, or Exploratory

Lea Bone Spring South

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

25-20S-34E

12. County or Parish

Lea

13. State

NM

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drig. unit line if
any) 330'

16. No of acres in lease

NMNM56265=240 acres;
NMLC066126= 800 acres

17. Spacing Unit dedicated to this well

160

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

150' from #11H

19. Proposed Depth

15,649' MD 11,350' TVD

20. BLM/BIA Bond No. on File

NM2575; NMB000835

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

3743' GR

22. Approximate date work will start*

01.05.14

23. Estimated duration

35 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator Certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Tim Green

Name (Printed/Typed)

Tim Green

Date

10.14.13

Title

Marketing and Production Services Manager

Approved By (Signature)

/s/George MacDonell

Name (Printed/Typed)

Date

JAN 11 2016

Title

FOR FIELD MANAGER

Office

BLM-CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

APPROVAL FOR TWO YEARS

Conditions of approval, if any, are attached.

Title 18 U.S.S. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Witness Surface &
Intermediate Casing

K2
01/19/15

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

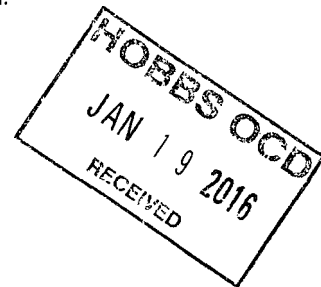
Capitan Controlled Water Basin

JAN 20 2016

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

- 1 Location: SHL 330' FSL 1980' FEL
BHL 330' FNL 2080' FEL
- 2 Elevation above sea level: 3743' GR
- 3 Geologic name of surface formation: Quaternary Alluvium Deposits
- 4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
- 5 Proposed drilling depth: 15,649' MD 11,350' TVD
- 6 Estimated tops of geological markers:

Formation	Est. Top	Bearing
Rustler	1650	NA
Top of Salt	1800	NA
Tansill	3400	NA
Yates	3645	NA
Capitan	3970	NA
Delaware	5700	Hydrocarbons
Bone Spring	8400	NA
Avalon Shale	8900	Hydrocarbons
1st Bone Spring Ss	9600	Hydrocarbons
2nd Bone Spring Ss	10150	Hydrocarbons
3rd Carbonate	10630	NA
3rd Bone Spring Ss	10925	NA
3rd Bone Spring C Ss	11015	Hydrocarbons



- 7 Possible mineral bearing formation:
Shown above

7A OSE Ground Water estimated depth: 100'

- 8 Casing Program:

Casing Depth From (ft)	Casing Setting Depth (ft) MD	Casing Setting Depth (ft) TVD	Open Hole Size (inches)	Casing Size (inches)	Casing Weight (lb/ft)	Casing Grade	Thread	Condition	BHP (psig)	Anticipated Mud Weight (ppg)	Collapse SF (1.125)	Burst SF (1.125)	Cumulative Air Weight (lbs)	Cumulative Bouyed Weight (lbs)	Bouyant Tension SF (1.8)
Surface															
0'	1280'	1780'	17 1/2	13 3/8	54.5	J-55	ST&C	New	801	8.4	1.45	3.42	97,010	84,569	6.08
Intermediate															
0'	5700'	5700'	12 1/4	9 5/8	40	HCK-55	LT&C	New	2,565	10.2	1.40	1.54	228,000	192,495	3.61
Production															
0'	10753'	10753'	8 3/4	5 1/2	17	P-110	LT&C	New	2,611	9.2	1.45	4.08	192,950	165,849	2.68
10753'	15649'	11350'	8 3/4	5 1/2	17	P-110	BT&C	New	5,108	9.2	1.38	2.08	10,149	8,723	62.59

Casing Design Criteria and Casing Loading Assumptions:

Surface

- Tension A 1.8 design factor with effects of buoyancy. 8.4 ppg
- Collapse A 1.125 design factor with full internal evacuation and a collapse force equal to a 8.4 ppg mud gradient
- Burst A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.

Intermediate

- Tension A 1.8 design factor with effects of buoyancy. 10.2 ppg
- Collapse A 1.125 design factor evacuated 1/3 TVD of next casing string with a collapse force equal to a 10.2 ppg mud gradient
- Burst A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.

Production

- Tension A 1.8 design factor with effects of buoyancy. 9.2 ppg
- Collapse A 1.125 design factor with full internal evacuation and a collapse force equal to a 9.2 ppg mud gradient
- Burst A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.

Drilling Plan
Lea South 25 Federal Com #7H
Nearburg Producing Co. Agent: Cimarex Energy Co.
UL: O, Sec. 25-20S-34E
Lea Co., NM

9 Cementing Program:

Surface	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	1130	1.75	13.5	1979	Class C + Bentonite + Calcium Chloride + LCM, 8.829 gps water
Tail	240	1.34	14.8	309	Class C + LCM, 6.32 gps water
TOC: 0' 85% Excess Centralizers per Onshore Order 2.III.B.1f					

Intermediate	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	1270	1.88	12.9	2387	35:65 (poz/C) + Salt + Bentonite + LCM + retarder, 9.65 gps water
Tail	300	1.34	14.8	392	Class C + retarder + LCM, 6.32 gps water
TOC: 0' 81% Excess					

Production	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	645	2.4	11.9	1547	35:65 (poz/H) + salt + Sodium Metasilicate + Bentonite + Fluid Loss + Dispersant + LCM + Retarder, 13.8 gps water
Tail	1388	1.24	14.5	1721	50:50 (poz/H) + Bentonite + Salt + Fluid Loss + Dispersant + LCM + Retarder, 5.55 gps water

Cement volumes will be adjusted depending on hole size.

TOC: 5200' 25% Excess No centralizers planned in the lateral section. 1 every jt from EOC to KOP. 1 every 4th joint from KOP to 500' inside previous casing.

10 Pressure Control Equipment:

Exhibit "E-1". A BOP consisting of two rams with blind rams and pipe rams, and one annular preventer. Below the surface casing, a 2M system will be used. Below the intermediate casing, a 3M system will be used. See attachments for BOP and choke manifold diagrams. 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 cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

BOP and associated equipment will be installed, used, maintained, and tested in a manner necessary to assure well control and shall be in place and operational prior to drilling the surface casing shoe. The Annular Preventer shall be functioned at least weekly. The pipe and blind rams will be operated each trip. No abnormal pressure or temperature is expected while drilling.

BOPS will be tested by an independent service company. The ram preventers, choke manifold, and safety valves will be tested as follows: On the surface casing, pressure tests will be made to 250 psi low and 2000 psi high. On the intermediate casing, pressure tests will be made to 250 psi low and 3000 psi high.

The Annular Preventer will be tested to 250 psi low and 1000 psi high on the surface casing, and 250 low and 1500 high on the intermediate casing.

Cimarex Energy Co. of Colorado requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached (please see Exhibit F, F-1, F-2, F-3). 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.

11 Proposed Mud Circulating System:

Depth	Mud Wt	Visc	Fluid Loss	Type Mud
0' to 1780'	8.4	28	NC	FW Spud Mud
1780' to 5700'	10.2	30-32	NC	Brine water
5700' to 15649'	9.2	30-32	NC	FW/Cut Brine

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.

The Mud Monitoring System is an electronic Pason System satisfying requirements of Onshore Order 1.

12 Proposed Drilling Plan

Pilot Hole TD: No Pilot Hole KOP: 10,753' EOC: 11489'
Set Surface and Intermediate casing strings. Drill production hole to KOP. Continue drilling lateral through the curve to TD. Run prod casing & cement.

13 Testing, Logging and Coring Program:

- A. Mud logging program: 2 man unit from 5700' to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / GR -- Inter. Csg to TD
CNL / GR -- Surf to Inter. Csg
- C. No DSTs or cores are planned at this time.
- D. CBL w/ CCL from as far as gravity will let it fall to TOC

14 Potential Hazards:

No abnormal pressures or temperatures are expected. In accordance with Onshore Order 6, Cimarex does not anticipate that there will be enough H₂S from the surface to the Bone Spring formations to meet the BLM's minimum requirements for the submission of an "H₂S Drilling Operation Plan" or "Public Protection Plan" for the drilling and completion of this well. Since we have an H₂S Safety package on all wells, attached is an "H₂S Drilling Operations Plan." Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

Estimated BHP **5108 psi** Estimated BHT **180°**

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

Drilling expected to take : **35 days**

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

16 Other Facets of Operations:

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

Bone Spring pay will be perforated and stimulated.

The proposed well will be tested and potential as **Oil**

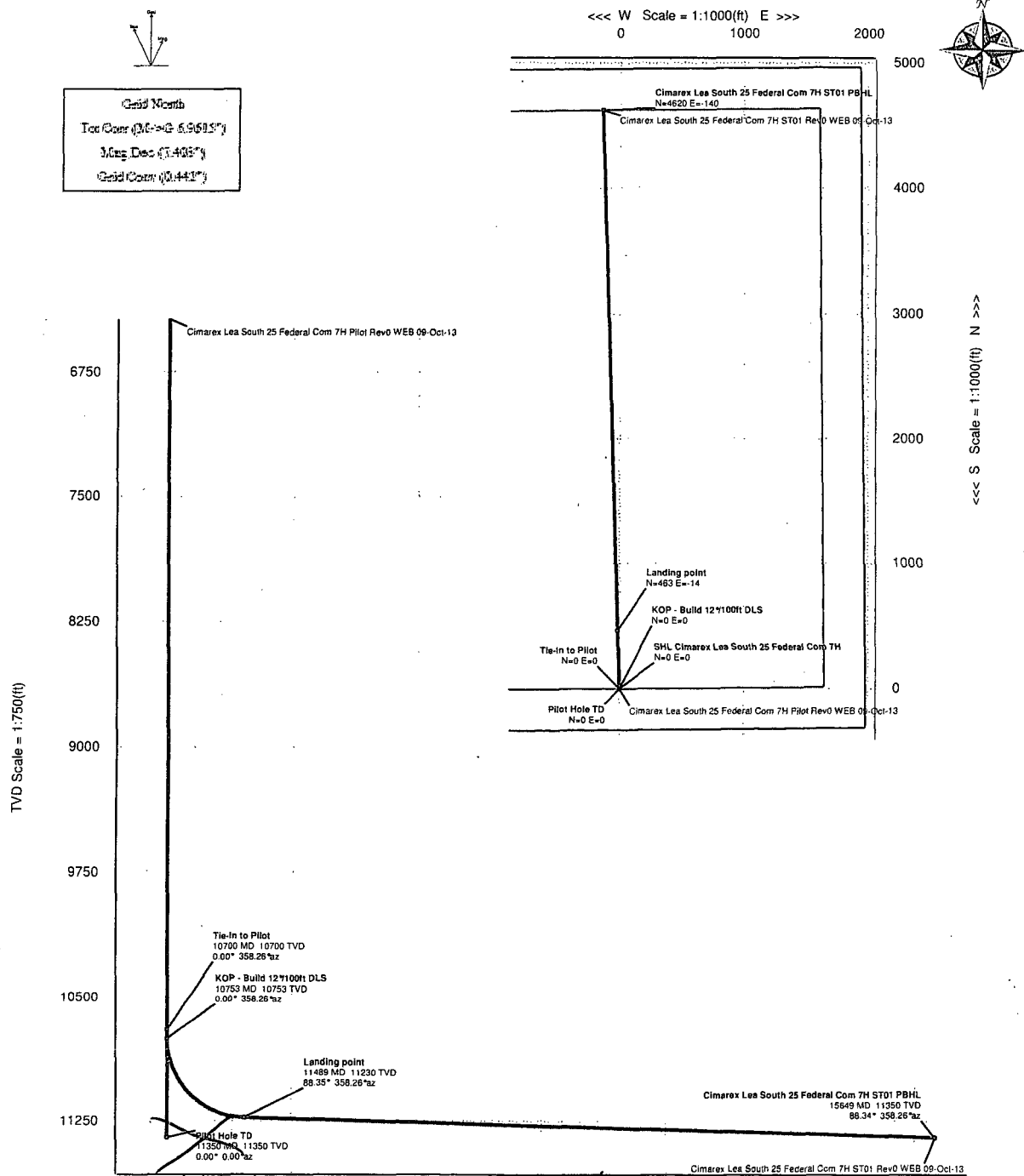


Cimarex

PATHFINDER
A Schlumberger Company

WELL	Lea South 25 Federal Com 7H	FIELD	NM Lea County	STRUCTURE	TBD
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Magnetic Parameters	Drift	Depth	Date	Surface Location	NAD83 New Mexico State Plane, Eastern Zone, US Feet	Miscellaneous
Model: BGGM 2013	Drift: 60.420°	Depth: 7.403"	Date: October 09, 2013	Lat: N 32 32 15.924	Northing: 590343.30 ILLS	Grid Conv: 0.442"
			FS: 48568.617	Lon: W 103 33 41.733	Easting: 794573.10 ILLS	Scale Fact: 0.9998253
						Site: Cimarex Lea South 25 Federal Com 7H
						Plan: ST01 Rev0 WEB 09-Oct-13



No Pilot hole per Operator 10/1/14 CRW

Critical Points

Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+) / S(-)	E(+) / W(-)	DLS
Tie-In to Pilot	10700.00	0.00	358.26	10700.00	0.00	0.00	0.00	
KOP - Build 12°/100ft DLS	10752.90	0.00	358.26	10752.90	0.00	0.00	0.00	0.00
Landing point	11488.89	88.35	358.26	11230.00	463.55	463.34	-14.08	12.00
Cimarex Lea South 25 Federal Com 7H ST01 PBHL	15648.89	88.34	358.26	11350.00	4621.82	4619.69	-140.40	0.00



Cimarex Lea South 25 Federal Com 7H ST01 Rev0 WEB 09-Oct-13 Proposal
Report 100' Interpolated
(Non-Def Plan)

Report Date: October 09, 2013 - 11:59 AM
Client: Cimarex
Field: NM Lea County (NAD 83)
Structure / Slot: TBD / Cimarex Lea South 25 Federal Com 7H
Well: Cimarex Lea South 25 Federal Com 7H
Borehole: ST01 Borehole
UWI / API#: Unknown / Unknown
Survey Name: Cimarex Lea South 25 Federal Com 7H ST01 Rev0 WEB 09-Oct-13
Survey Date: October 09, 2013
Tort / AHD / DDI / ERD Ratio: 88.358 * / 4621.823 ft / 5.751 / 0.407
Coordinate Reference System: NAD83 New Mexico State Plane, Eastern Zone, US Feet
Location Lat / Long: N 32° 32' 15.92373" W 103° 30' 41.73302"
Location Grid N/E Y/X: N 560343.300 ftUS; E 794573.100 ftUS
CRS Grid Convergence Angle: 0.4420 °
Grid Scale Factor: 0.99998253

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 358.259 ° (Grid North)
Vertical Section Origin: 0.000 ft, 0.000 ft
TVD Reference Datum: Ground level
TVD Reference Elevation: 3743.000 ft above MSL
Seabed / Ground Elevation: 3743.000 ft above MSL
Magnetic Declination: 7.403 °
Total Gravity Field Strength: 998.480mgal (9.80665 Based)
Total Magnetic Field Strength: 48566.787 nT
Magnetic Dip Angle: 60.420 °
Declination Date: October 09, 2013
Magnetic Declination Model: BGGM 2013
North Reference: Grid North
Grid Convergence Used: 0.4420 °
Total Corr Mag North->Grid North: 6.9615 °
Local Coord Referenced To: Structure Reference Point

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' '')	Longitude (E/W ° ' '')	Closure (ft)	Closure Azimuth (°)	DLS (°/100ft)
SHL Cimarex Lea South 25 Federal Com 7H	0.00	0.00	0.00	0.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	N/A
	100.00	0.00	358.26	100.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	200.00	0.00	358.26	200.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	300.00	0.00	358.26	300.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	400.00	0.00	358.26	400.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	500.00	0.00	358.26	500.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	600.00	0.00	358.26	600.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	700.00	0.00	358.26	700.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	800.00	0.00	358.26	800.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	900.00	0.00	358.26	900.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1000.00	0.00	358.26	1000.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1100.00	0.00	358.26	1100.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1200.00	0.00	358.26	1200.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1300.00	0.00	358.26	1300.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1400.00	0.00	358.26	1400.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1500.00	0.00	358.26	1500.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1600.00	0.00	358.26	1600.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1700.00	0.00	358.26	1700.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1800.00	0.00	358.26	1800.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	1900.00	0.00	358.26	1900.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	2000.00	0.00	358.26	2000.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	2100.00	0.00	358.26	2100.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	2200.00	0.00	358.26	2200.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	2300.00	0.00	358.26	2300.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	2400.00	0.00	358.26	2400.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	2500.00	0.00	358.26	2500.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	2600.00	0.00	358.26	2600.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00

Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	Northing (ftUS)	Easting (NUS ° ' '')	Latitude (NUS ° ' '')	Longitude (E/W ° ' '')	Closure (ft)	Closure Azimuth (°)	DLS (*100ft)
	8200.00	0.00	358.26	8200.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	8300.00	0.00	358.26	8300.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	8400.00	0.00	358.26	8400.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	8500.00	0.00	358.26	8500.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	8600.00	0.00	358.26	8600.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	8700.00	0.00	358.26	8700.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	8800.00	0.00	358.26	8800.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	8900.00	0.00	358.26	8900.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9000.00	0.00	358.26	9000.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9100.00	0.00	358.26	9100.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9200.00	0.00	358.26	9200.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9300.00	0.00	358.26	9300.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9400.00	0.00	358.26	9400.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9500.00	0.00	358.26	9500.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9600.00	0.00	358.26	9600.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9700.00	0.00	358.26	9700.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9800.00	0.00	358.26	9800.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	9900.00	0.00	358.26	9900.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10000.00	0.00	358.26	10000.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10100.00	0.00	358.26	10100.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10200.00	0.00	358.26	10200.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10300.00	0.00	358.26	10300.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10400.00	0.00	358.26	10400.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10500.00	0.00	358.26	10500.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
Tie-In to Plot KOP - Build 12"/100ft DLS	10600.00	0.00	358.26	10600.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10700.00	0.00	358.26	10700.00	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10752.90	0.00	358.26	10752.90	0.00	0.00	0.00	560343.30	794573.10	N 32 32 15.92	W 103 30 41.73	0.00	0.00	0.00
	10800.00	5.65	358.26	10799.92	2.32	2.32	-0.07	560345.62	794573.03	N 32 32 15.95	W 103 30 41.73	2.32	358.26	12.00
Landing point	10900.00	17.66	358.26	10897.68	22.49	22.48	-0.68	560365.78	794572.42	N 32 32 16.15	W 103 30 41.74	22.49	358.26	12.00
	11000.00	29.66	358.26	10989.11	62.55	62.52	-1.90	560405.82	794571.20	N 32 32 16.54	W 103 30 41.75	62.55	358.26	12.00
	11100.00	41.67	358.26	11070.21	120.74	120.69	-3.67	560463.98	794569.43	N 32 32 17.12	W 103 30 41.76	120.74	358.26	12.00
	11200.00	53.67	358.26	11137.42	194.54	194.45	-5.91	560537.74	794567.19	N 32 32 17.85	W 103 30 41.78	194.54	358.26	12.00
	11300.00	65.67	358.26	11187.82	280.69	280.56	-8.52	560623.86	794564.58	N 32 32 18.70	W 103 30 41.81	280.69	358.26	12.00
	11400.00	77.68	358.26	11219.20	375.45	375.28	-11.40	560718.57	794561.70	N 32 32 19.64	W 103 30 41.83	375.45	358.26	12.00
	11488.89	88.35	358.26	11230.00	463.55	463.34	-14.08	560806.63	794559.02	N 32 32 20.51	W 103 30 41.86	463.55	358.26	12.00
	11500.00	88.35	358.26	11230.32	474.66	474.44	-14.41	560817.73	794558.69	N 32 32 20.62	W 103 30 41.86	474.66	358.26	0.00
	11600.00	88.35	358.26	11233.20	574.62	574.35	-17.45	560917.64	794555.65	N 32 32 21.61	W 103 30 41.89	574.62	358.26	0.00
	11700.00	88.35	358.26	11236.08	674.57	674.26	-20.48	561017.55	794552.62	N 32 32 22.60	W 103 30 41.91	674.57	358.26	0.00
	11800.00	88.35	358.26	11238.96	774.53	774.18	-23.52	561117.46	794549.58	N 32 32 23.59	W 103 30 41.94	774.53	358.26	0.00
	11900.00	88.35	358.26	11241.84	874.49	874.09	-26.55	561217.37	794546.55	N 32 32 24.57	W 103 30 41.96	874.49	358.26	0.00
	12000.00	88.35	358.26	11244.72	974.45	974.00	-29.59	561317.28	794543.51	N 32 32 25.56	W 103 30 41.99	974.45	358.26	0.00
	12100.00	88.35	358.26	11247.60	1074.41	1073.91	-32.62	561417.19	794540.48	N 32 32 26.55	W 103 30 42.02	1074.41	358.26	0.00
	12200.00	88.35	358.26	11250.48	1174.37	1173.83	-35.66	561517.10	794537.44	N 32 32 27.54	W 103 30 42.04	1174.37	358.26	0.00
	12300.00	88.35	358.26	11253.36	1274.33	1273.74	-38.70	561617.01	794534.40	N 32 32 28.53	W 103 30 42.07	1274.33	358.26	0.00
	12400.00	88.35	358.26	11256.24	1374.28	1373.65	-41.73	561716.92	794531.37	N 32 32 29.52	W 103 30 42.10	1374.28	358.26	0.00
	12500.00	88.35	358.26	11259.13	1474.24	1473.56	-44.77	561816.83	794528.33	N 32 32 30.51	W 103 30 42.12	1474.24	358.26	0.00
	12600.00	88.35	358.26	11262.01	1574.20	1573.47	-47.80	561916.74	794525.30	N 32 32 31.50	W 103 30 42.15	1574.20	358.26	0.00
	12700.00	88.35	358.26	11264.89	1674.16	1673.39	-50.84	562016.65	794522.26	N 32 32 32.48	W 103 30 42.18	1674.16	358.26	0.00
	12800.00	88.35	358.26	11267.77	1774.12	1773.30	-53.88	562116.57	794519.23	N 32 32 33.47	W 103 30 42.20	1774.12	358.26	0.00
	12900.00	88.35	358.26	11270.66	1874.08	1873.21	-56.91	562216.48	794516.19	N 32 32 34.46	W 103 30 42.23	1874.08	358.26	0.00
	13000.00	88.35	358.26	11273.54	1974.03	1973.12	-59.95	562316.39	794513.15	N 32 32 35.45	W 103 30 42.26	1974.03	358.26	0.00
	13100.00	88.35	358.26	11276.42	2073.99	2073.04	-62.98	562416.30	794510.12	N 32 32 36.44	W 103 30 42.28	2073.99	358.26	0.00
	13200.00	88.35	358.26	11279.31	2173.95	2172.95	-66.02	562516.21	794507.08	N 32 32 37.43	W 103 30 42.31	2173.95	358.26	0.00
	13300.00	88.35	358.26	11282.19	2273.91	2272.86	-69.06	562616.12	794504.04	N 32 32 38.42	W 103 30 42.33	2273.91	358.26	0.00

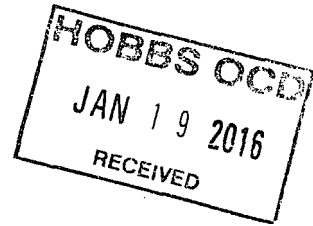
Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	VSEC (ft)	NS (ft)	EW (ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S °'")	Longitude (E/W °'")	Closure (ft)	Closure Azimuth (°)	DLS (°/100ft)
	13400.00	88.35	358.26	11285.07	2373.87	2372.77	-72.09	562716.03	794501.01	N 32 32 39.41	W 103 30 42.36	2373.87	358.26	0.00
	13500.00	88.35	358.26	11287.96	2473.83	2472.69	-75.13	562815.94	794497.97	N 32 32 40.40	W 103 30 42.39	2473.83	358.26	0.00
	13600.00	88.35	358.26	11290.84	2573.79	2572.60	-78.17	562915.85	794494.93	N 32 32 41.38	W 103 30 42.41	2573.79	358.26	0.00
	13700.00	88.35	358.26	11293.73	2673.74	2672.51	-81.20	563015.76	794491.90	N 32 32 42.37	W 103 30 42.44	2673.74	358.26	0.00
	13800.00	88.35	358.26	11296.61	2773.70	2772.42	-84.24	563115.67	794488.86	N 32 32 43.36	W 103 30 42.47	2773.70	358.26	0.00
	13900.00	88.35	358.26	11299.50	2873.66	2872.33	-87.28	563215.58	794485.82	N 32 32 44.35	W 103 30 42.49	2873.66	358.26	0.00
	14000.00	88.35	358.26	11302.38	2973.62	2972.25	-90.31	563315.49	794482.79	N 32 32 45.34	W 103 30 42.52	2973.62	358.26	0.00
	14100.00	88.35	358.26	11305.27	3073.58	3072.16	-93.35	563415.40	794479.75	N 32 32 46.33	W 103 30 42.55	3073.58	358.26	0.00
	14200.00	88.35	358.26	11308.16	3173.54	3172.07	-96.39	563515.31	794476.71	N 32 32 47.32	W 103 30 42.57	3173.54	358.26	0.00
	14300.00	88.35	358.26	11311.04	3273.49	3271.98	-99.43	563615.22	794473.68	N 32 32 48.31	W 103 30 42.60	3273.49	358.26	0.00
	14400.00	88.35	358.26	11313.93	3373.45	3371.90	-102.46	563715.13	794470.64	N 32 32 49.29	W 103 30 42.63	3373.45	358.26	0.00
	14500.00	88.35	358.26	11316.82	3473.41	3471.81	-105.50	563815.04	794467.60	N 32 32 50.28	W 103 30 42.65	3473.41	358.26	0.00
	14600.00	88.35	358.26	11319.70	3573.37	3571.72	-108.54	563914.95	794464.56	N 32 32 51.27	W 103 30 42.68	3573.37	358.26	0.00
	14700.00	88.35	358.26	11322.59	3673.33	3671.63	-111.58	564014.86	794461.53	N 32 32 52.26	W 103 30 42.71	3673.33	358.26	0.00
	14800.00	88.35	358.26	11325.48	3773.29	3771.54	-114.61	564114.77	794458.49	N 32 32 53.25	W 103 30 42.73	3773.29	358.26	0.00
	14900.00	88.35	358.26	11328.37	3873.24	3871.46	-117.65	564214.68	794455.45	N 32 32 54.24	W 103 30 42.76	3873.24	358.26	0.00
	15000.00	88.34	358.26	11331.25	3973.20	3971.37	-120.69	564314.59	794452.41	N 32 32 55.23	W 103 30 42.78	3973.20	358.26	0.00
	15100.00	88.34	358.26	11334.14	4073.16	4071.28	-123.73	564414.50	794449.38	N 32 32 56.22	W 103 30 42.81	4073.16	358.26	0.00
	15200.00	88.34	358.26	11337.03	4173.12	4171.19	-126.76	564514.41	794446.34	N 32 32 57.20	W 103 30 42.84	4173.12	358.26	0.00
	15300.00	88.34	358.26	11339.92	4273.08	4271.10	-129.80	564614.32	794443.30	N 32 32 58.19	W 103 30 42.86	4273.08	358.26	0.00
	15400.00	88.34	358.26	11342.81	4373.03	4371.02	-132.84	564714.23	794440.26	N 32 32 59.18	W 103 30 42.89	4373.03	358.26	0.00
	15500.00	88.34	358.26	11345.70	4472.99	4470.93	-135.88	564814.14	794437.22	N 32 33 0.17	W 103 30 42.92	4472.99	358.26	0.00
	15600.00	88.34	358.26	11348.59	4572.95	4570.84	-138.92	564914.05	794434.19	N 32 33 1.16	W 103 30 42.94	4572.95	358.26	0.00
Cimarex Lea South 25 Federal Com 7H ST01 PBHL	15648.89	88.34	358.26	11350.00	4621.82	4619.69	-140.40	564962.90	794432.70	N 32 33 1.64	W 103 30 42.96	4621.82	358.26	0.00

Survey Type: Non-Def Plan

Survey Error Model: ISWISA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma
Survey Program:

Description	MD From (ft)	MD To (ft)	EOU Freq (ft)	Hole Size Casing Diameter (in)	Survey Tool Type	Borehole / Survey
	0.000	10700.000	1/100.000	30.000	SLB_MWD-POOR	Pilot Borehole / Cimarex Lea South 25 Federal Com 7H Pilot
	10700.000	15648.892	1/100.000	30.000	SLB_MWD-STD	ST01 Borehole / Cimarex Lea South 25 Federal Com 7H ST01

Operator - Landowner Agreement



Company: Nearburg Producing Company

Proposed Well: Lea South 25 Federal Com #7H

Federal Lease Number: SHL: NMLC066126; BHL: NMNM56265

Please be advised that Cimarex Energy Co. has an agreement with both Nearburg Producing Company for operating their lease as well as having an agreement with the property surface owner, Ms. Linda Jurva, Trustee for Ms. Martha Skeen, 6301 Porter Road, Carlsbad, NM 88220 (575) 910-6731, concerning entry and surface restoration after completion of drilling operations at the above described well.

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.

October 14, 2013
Date


Signature
Tim Green, Marketing and
Production Services Manager
Nearburg Producing Company