

Hallertau 4 Federal 5H

Cimarex Energy Co. of Colorado

Unit D, Section 4

T26S-R32E, Lea County, NM

MAR 18 2013

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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 County Road No. 1, go south on County Road 9.1 miles to lease road. On lease road go west 0.6 miles, then go south 990.5 feet, then west 229.9 feet to proposed lease road.

2. **Planned Access Roads:** No new lease road planned. Road constructed to the Hallertau 4 Federal 1H will service this location.

Planned Pipelines and Electric Lines: Tie in to electric lines constructed for the Hallertau 4 Federal 1H, which shares pad with #5H.

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, the tank battery will be used at the Hallertau 4 Federal 4 and the necessary production equipment will be installed at the wellsite. Any changes to the facilities or off-site facilities will be accompanied by a Sundry Notice. Two (2) 4" buried HP poly lines, approximately 6200' each, down existing lease road to carry oil, gas, water to the Hallertau 4 Federal 4 tank battery. Allocation will be based on well test. MAOP 1500 psi anticipated working pressure 200-300 psi. Gas lift will be provided by HP poly line buried in the same trench along access road to Hallertau 4 Federal 4 tank battery.

5. **Location and Type of Water Supply:**

Water will be purchased locally from a commercial source and trucked over the access roads.

6. **Source of Construction Material:**

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

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.

Surface Use Plan
Hallertau 4 Federal 5H
Cimarex Energy Co. of Colorado
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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 to production 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. In lieu of an archaeological survey report, Cimarex will be submitting an MOA application for this well pad and access road since they are within the MOA boundary.
- D. There are no known dwellings within 1½ miles of this location.

Operator Certification Statement

Hallertau 4 Federal 5H

Cimarex Energy Co. of Colorado

Unit D, Section 4

T26S-R32E, Lea County, NM

Operator's Representative

Cimarex Energy Co. of Colorado

600 N Marienfeld St Ste 600

Midland Tx 79701

Office Phone: (432) 571-7800

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

Executed this 4th day of October, 2012

NAME: 
Paula Brunson

TITLE: Regulatory Analyst

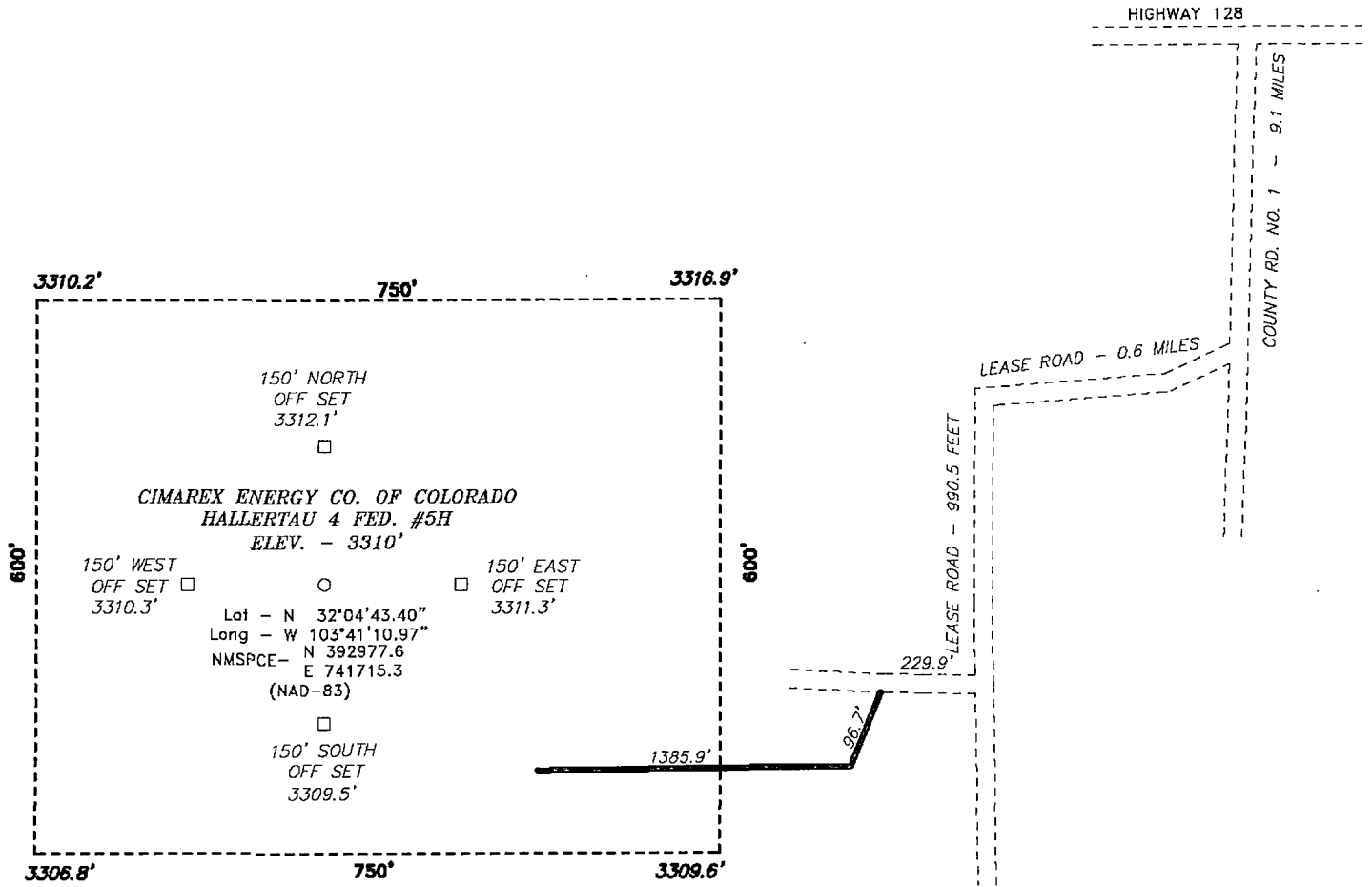
ADDRESS: 600 N Marienfeld St Ste 600
Midland Tx 79701

TELEPHONE: Office Phone: (432) 571-7800

EMAIL: pbrunson@cimarex.com

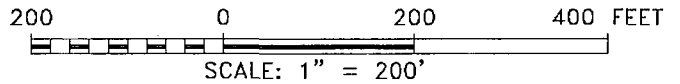
Field Representative: Same as above

SECTION 4, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF COUNTY ROAD NO. 1, GO SOUTH ON COUNTY ROAD 9.1 MILES TO LEASE ROAD ON LEASE ROAD GO WEST 0.6 MILES THEN GO SOUTH 990.5 FEET THEN WEST 229.9 FEET TO PROPOSED LEASE ROAD



CIMAREX ENERGY CO. OF COLORADO

REF: HALLERTAU 4 FEDERAL #5H

THE HALLERTAU 4 FEDERAL #5H LOCATED 330'

FROM THE NORTH LINE AND 710' FROM THE WEST LINE OF
SECTION 4, TOWNSHIP 26 SOUTH, RANGE 32 EAST,

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

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

W.O. Number: 25944

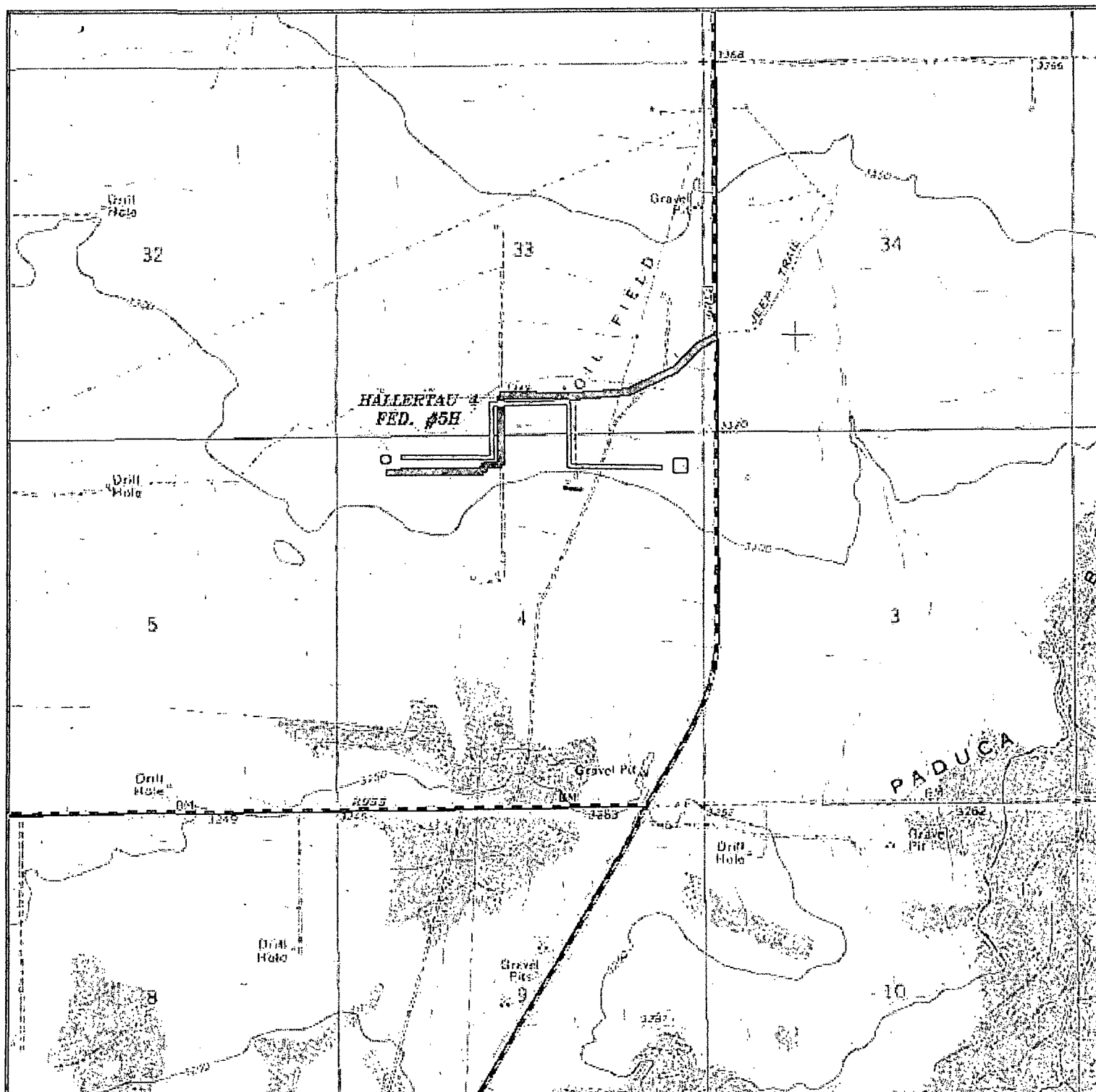
Drawn By: **J. GOAD**

Date: 2-3-2012

Disk: JG - 25944WELL

Survey Date: 2-1-2012



Sheet 1 of 1 Sheets



HALLERTAUI 4 FEDERAL #5H

Located 330' FNL and 710' FWL

Section 4, Township 26 South, Range 32 East,
N.M.P.M., Lea County, New Mexico.

 Battery
 Flowline

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P.O. Box 1786
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 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basin-surveys.com

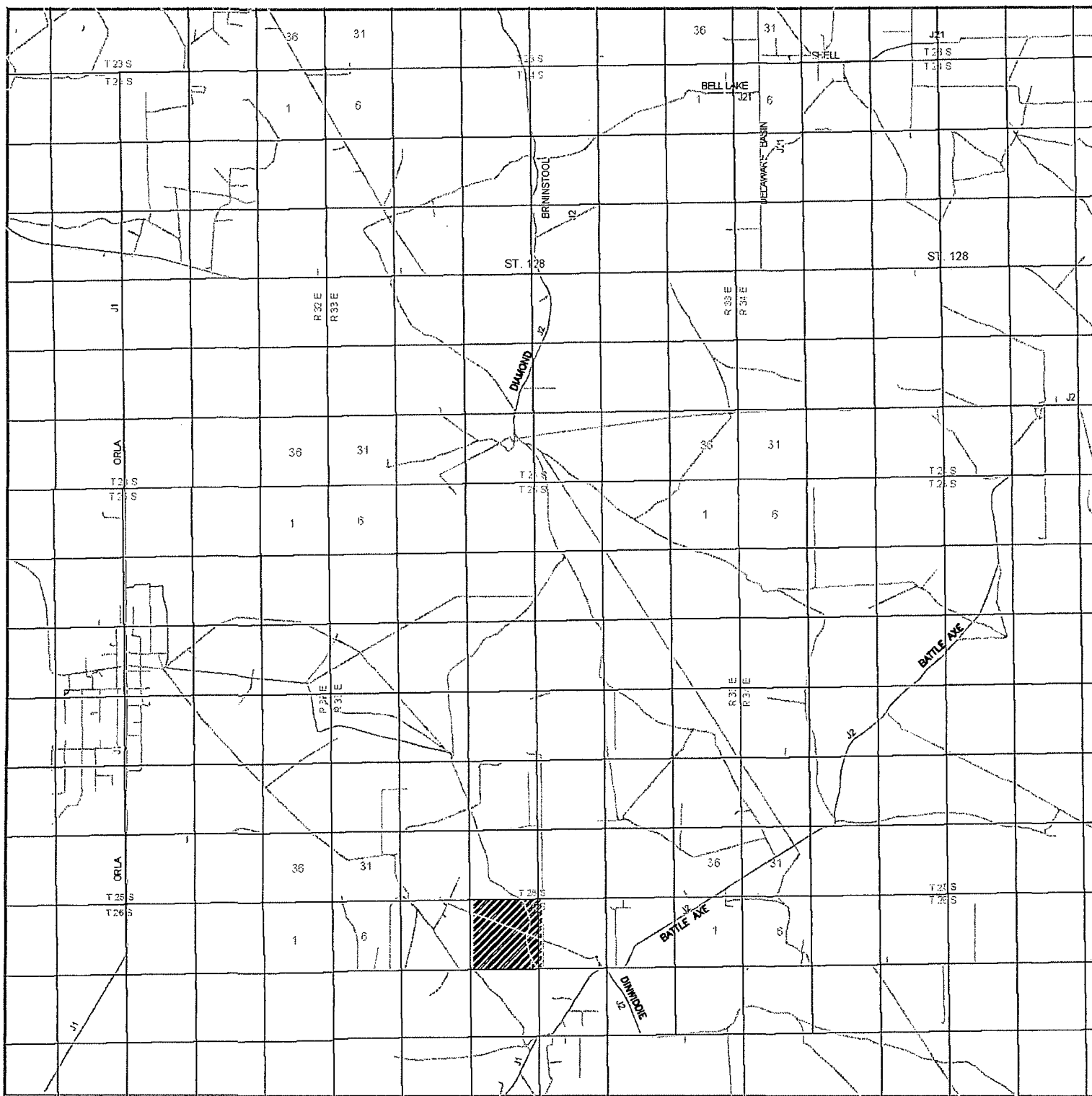
W.O. Number: JG 25944

Survey Date: 2-1-2012

Scale: 1" = 2000'

Date: 2-3-2012

CIMAREX
ENERGY CO.
OF COLORADO



HALLERTAU 4 FEDERAL #5H
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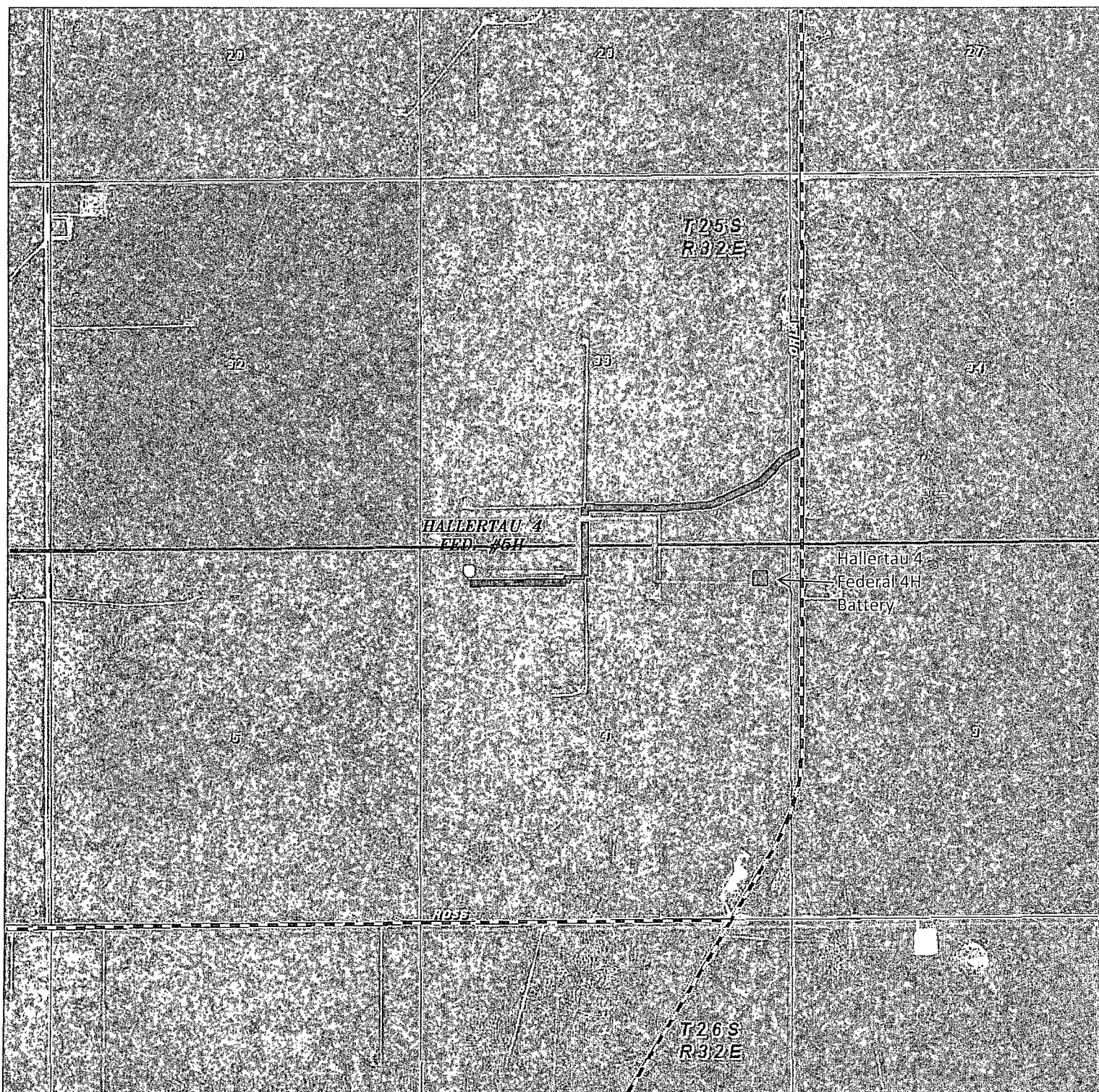
W.O. Number: JG 25944

Survey Date: 2-1-2012

Scale: 1" = 2 Miles

Date: 2-3-2012



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HALLERTAU 4 FEDERAL #5H

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

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