

JUN 27 2013

EG 7-2-2013

30-025-4,250 RECEIVED

1. **Existing Roads:** Area maps: Exhibit "B" is a reproduction of Eddy Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, and Exhibit "C-1" is a well site layout map, showing proposed road to location and existing road. Existing road shown on Exhibits "C," "C-1," will be maintained in a condition equal to or better than current conditions.

- A. The maximum width of the driving surface will be 15'. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.
- B. From mile marker 18 of Hwy 128; Go SE 0.7 miles to lease road, go NE 2.3 miles turning N 0.4 miles then NW 0.3 miles, then N again 0.3 miles, turn E 0.1 miles, turning N 0.5 miles to lease road.

2. **Planned Access Roads:** Cimarex plans to construct 920' of new access road to service the James Federal #19 well.

3. **Planned Electric Line:**

Cimarex plans to install an overhead electric line from the proposed well to an existing overhead electric line located just north of wellsite. The proposed electric line would be approximately 50' in length, 1 - 40' poles, 480 volt, 4 wire, 3 phase. The electric line would exit off the north side of the well location and travel north for approximately 50' until it would intercept the existing electric line. Route is within lease boundaries, please see Exhibit G. Any changes to E-Line route will be submitted via sundry notice.

4. **Location of Existing Wells in a One-Mile Radius - Exhibit A**

- |                      |                          |
|----------------------|--------------------------|
| A. Water wells -     | None known               |
| B. Disposal wells -  | None known               |
| C. Drilling wells -  | None known               |
| D. Producing wells - | As shown on Exhibits "A" |
| E. Abandoned wells - | As shown on Exhibits "A" |

5. **Location of Proposed Production Facilities:**

If on completion this well is a producer, a tank battery will be used and the necessary production equipment will be installed at the James Federal #20 battery. Cimarex proposes to install two (2) 4" buried HP poly lines down existing lease road to carry oil, gas, water to the James Federal #20 tank battery approximately 920' to East. The route of the flowlines will be buried 25' to 35' South of the access road. 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. Allocation will be based on well test. Route is within lease boundaries, please see Exhibit G. Any changes to flowline route will be submitted via sundry notice.

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

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

6. **Source of Construction Material:**

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

JUL 09 2013

**7. Ancillary Facilities:**

- A. No camps or airstrips to be constructed.

**8. Well Site Layout:**

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

**9. 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 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

**10 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.

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

On March 7, 2013, A BLM onsite meeting was held with Barry Hunt, Cimarex representative, Amanda Lynch with the BLM, and Basin Suveys. The permitted location was approved. Location moved 145 ft. north and 330 ft. east due to topographical reasons involving cut and fill. V-Door East. Top soil east. Interim reclamation: All 4 sides. Access road from southeast corner, east, to the #20 well. Power line stake and pipeline (2 4" gas lift & flowline) to follow road to battery at #20.

Operator Certification Statement

James Federal #19H

Cimarex Energy Co.

UL: D, Sec. 29, 23S, 32E

Lea Co., NM

Operator's Representative

Cimarex Energy Co. of Colorado

500 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 2 day of April, 2013

NAME:

Hope Knauls

Hope Knauls

TITLE: Regulatory Compliance

ADDRESS: 600 N. Marienfeld St., Ste. 600

Midland, TX 79701

TELEPHONE: 432-571-7848

EMAIL: hknauls@cimarex.com

Field Representative: Same as above

## APD Deficiencies

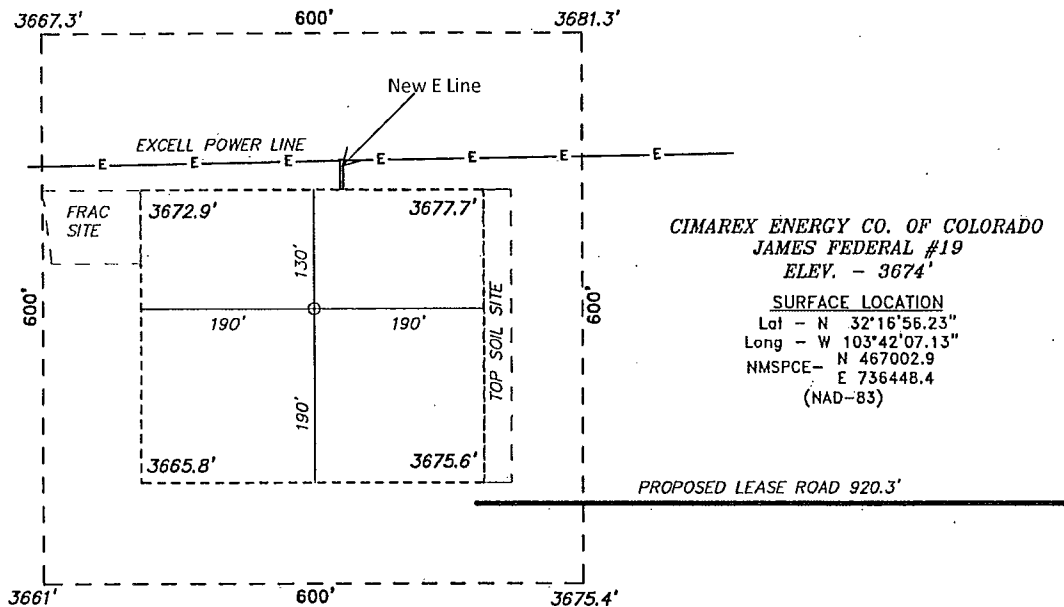
Well name: James Federal #19H

Operator: Cimarex Energy Co.

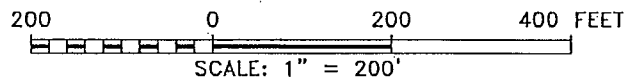
1. The survey plat illustrates the topsoil to the east and the frac tank pad to the northwest side of pad. Diagrams D and D-1 illustrate topsoil to the northwest and the frac tank pad to the southwest. Submit new diagrams D and D-1 that reflect what was surveyed.

Please contact Legion Brumley with any questions at 575-234-5957.

SECTION 29, TOWNSHIP 23 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



LOVING NM IS APPROXIMATELY 23 MILES WEST OF LOCATION.



FROM THE MILE MARKER 18 OF HWY 128; TO SOUTHEAST  
0.7 MILES TO LEASE ROAD, GO NORTHEAST 2.3 MILES  
TURNING NORTH 0.4 MILES THENCE NORTHWEST 0.3 MILES  
THENCE NORTH AGAIN 0.3 MILES TURNING EAST 0.1 MILES  
TURNING NORTH AGAIN 0.5 MILES TO PROPOSED LEASE  
ROAD FOR JAMES FEDERAL WELLS.

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

W.O. Number: 28246 Drawn By: D. JONES

Date: 03-13-2013 Disk: DAJ 28246

**CIMAREX ENERGY CO. OF COLORADO**

REF: JAMES FEDERAL #19H/ WELL PAD TOPO

THE JAMES FEDERAL #19H LOCATED 185'

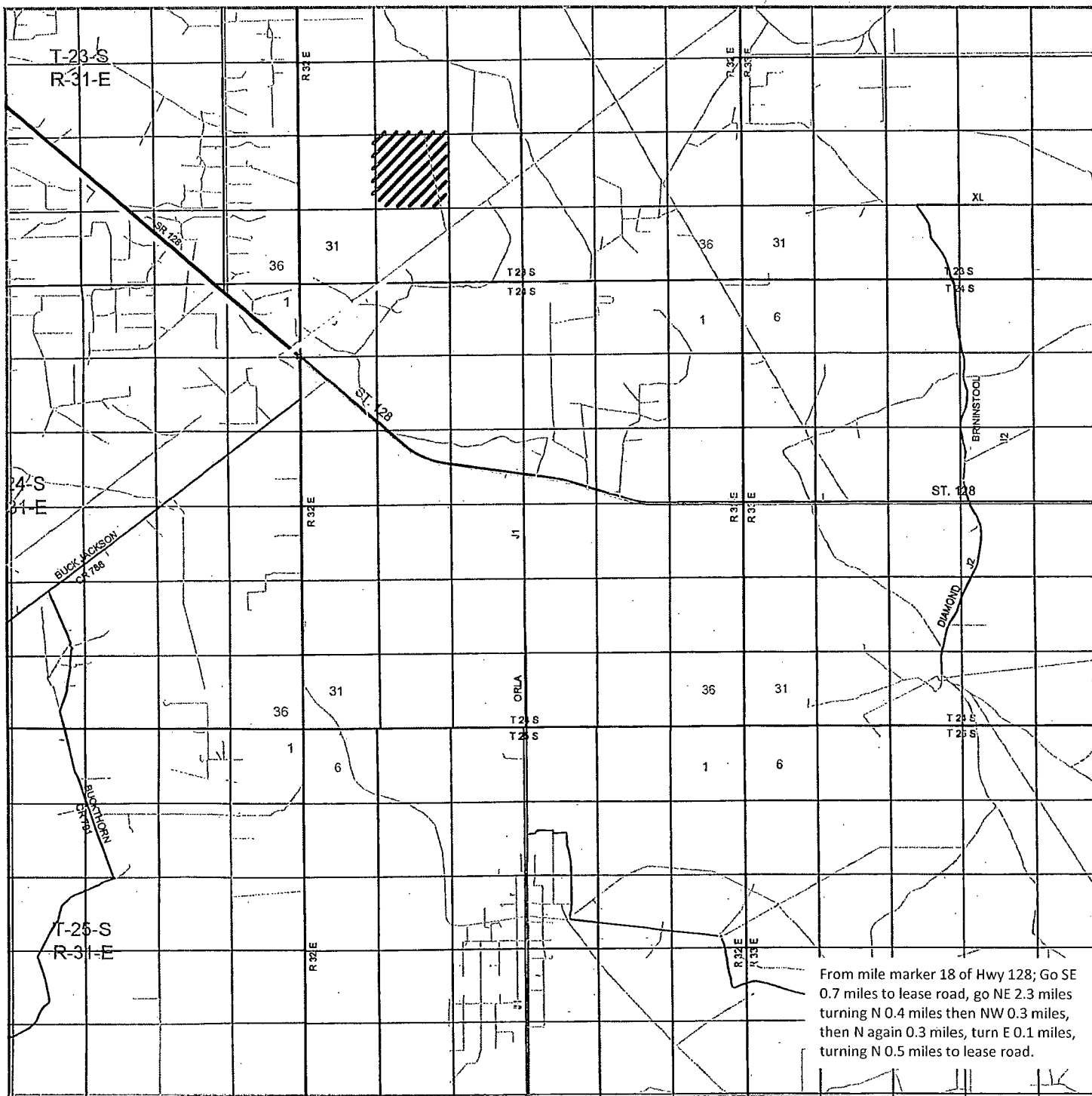
FROM THE NORTH LINE AND 990' FROM THE WEST LINE OF

SECTION 29, TOWNSHIP 23 SOUTH, RANGE 32 EAST,

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

Survey Date: 03-07-2013 Sheet 1 of 1 Sheets

Exhibit C-1

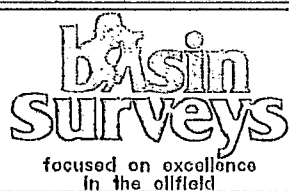


From mile marker 18 of Hwy 128; Go SE 0.7 miles to lease road, go NE 2.3 miles turning N 0.4 miles then NW 0.3 miles, then N again 0.3 miles, turn E 0.1 miles, turning N 0.5 miles to lease road.

# **JAMES FEDERAL 19H**

Located 185' FNL and 990' FWL  
Section 29, Township 23 South, Range 32 East,  
N.M.P.M., LEA County, New Mexico.

Public Rd Access Route



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

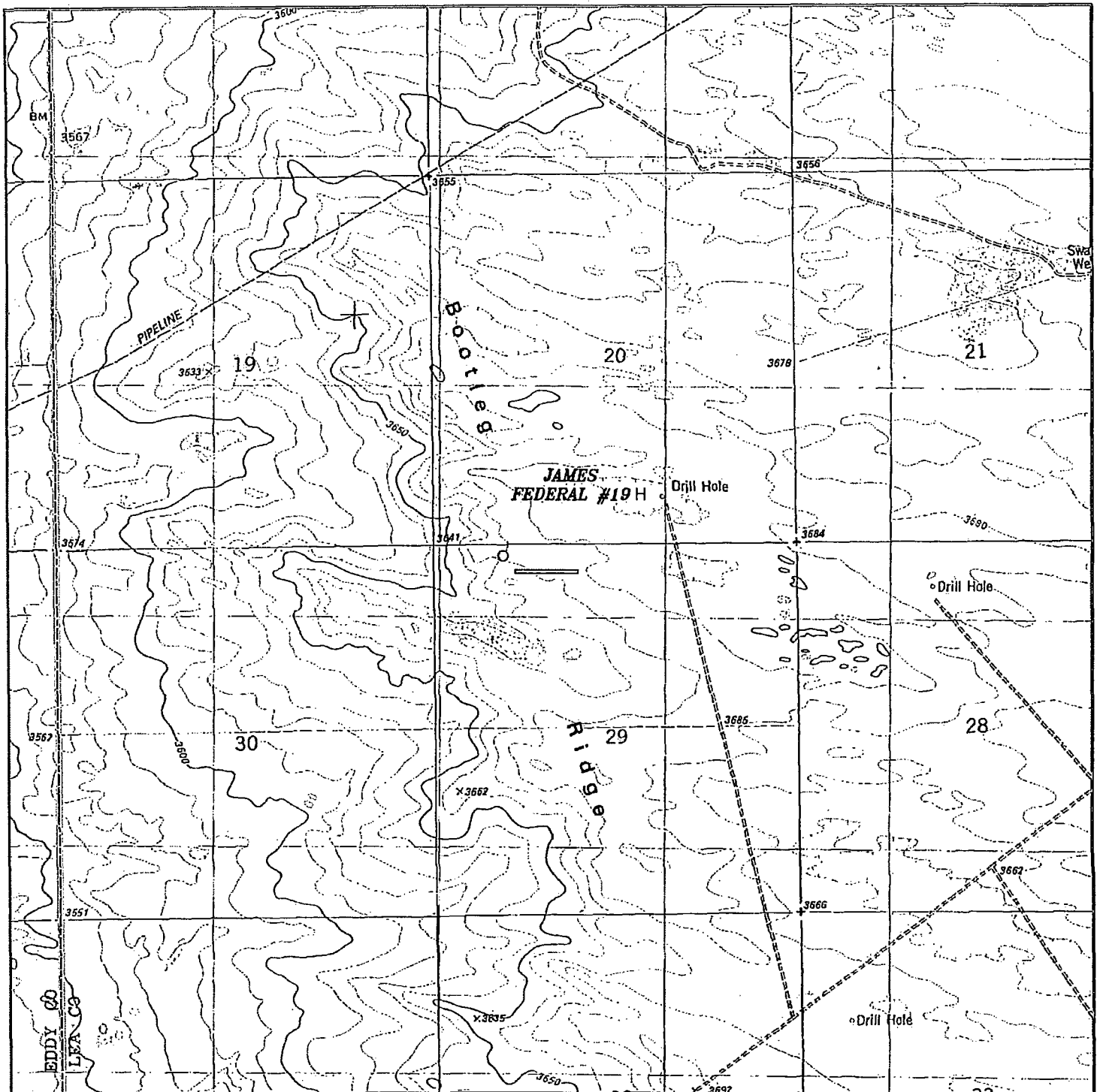
W.O. Number: DAJ 28246

Survey Date: 03-07-2013

Scale: 1" = 2 Miles

Date: 03-13-2013

**CIMAREX  
ENERGY CO.  
OF COLORADO**



**JAMES FEDERAL 19H**  
 Located 185' FNL and 990' FWL  
 Section 29, Township 23 South, Range 32 East,  
 N.M.P.M., LEA County, New Mexico.

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 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  
 basin-surveys.com

W.O. Number: DAJ 28246

Survey Date: 03-07-2013

Scale: 1" = 2000'

Date: 03-13-2013

**CIMAREX**  
**ENERGY CO.**  
**OF COLORADO**

Exhibit C

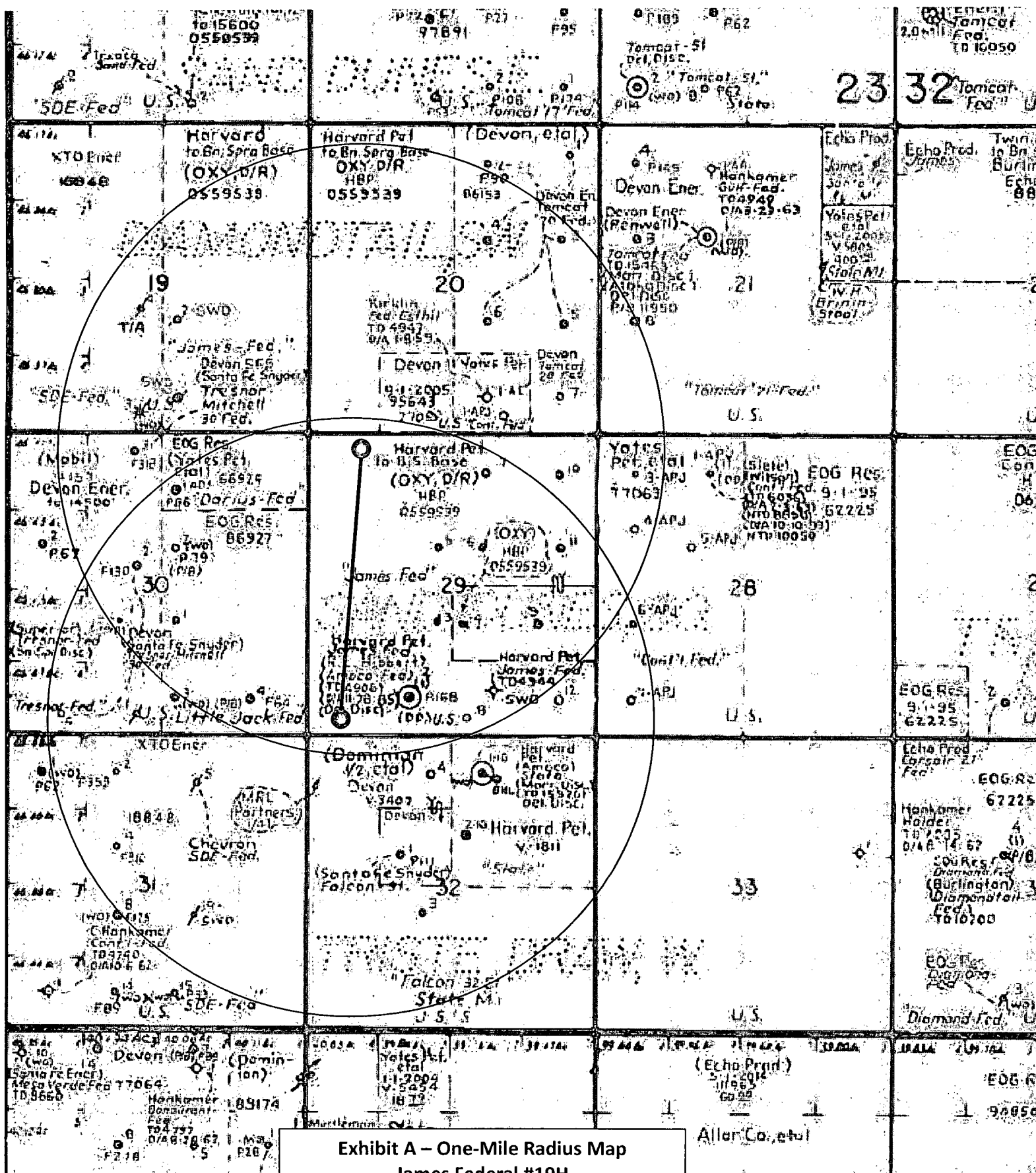
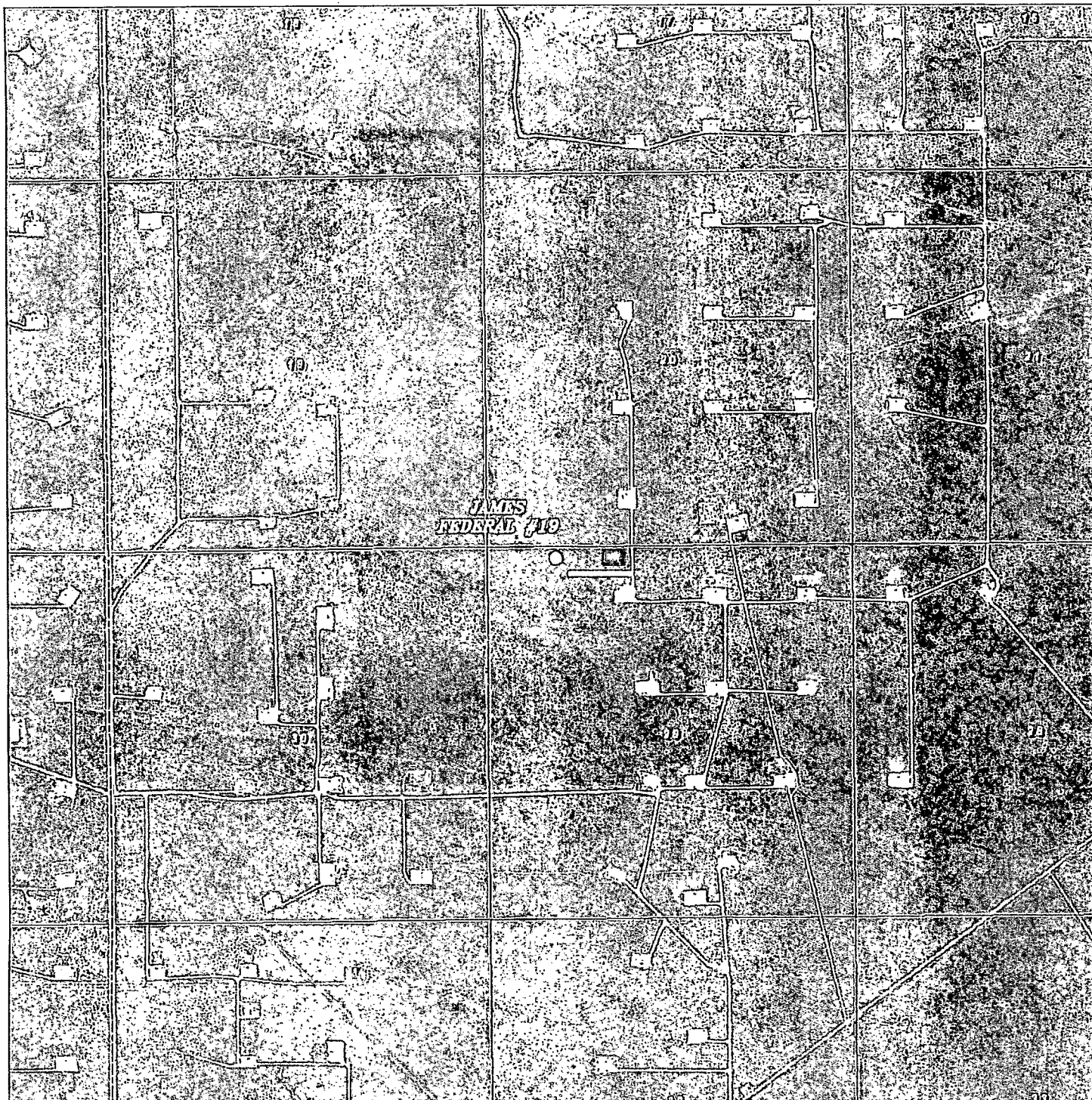


Exhibit A – One-Mile Radius Map  
 James Federal #19H  
 Cimarex Energy Co. of Colorado  
 29-23S-32E  
 SHL 185 FNL & 990 FWL  
 BHL 330 FSL & 660 FWL  
 Lea County, NM





# JAMES FEDERAL 19H

Located 185' FNL and 990' FWL

Section 29, Township 23 South, Range 32 East,  
N.M.P.M., LEA County, New Mexico.

 Battery

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Hobbs, New Mexico 88241  
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basinsurveys.com

W.O. Number: DAJ 28246

Scale: 1" = 2000'

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

**CIMAREX**  
**ENERGY CO.**  
**OF COLORADO**