

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. 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 the junction of Hwy 176 and Marathon, go north on Marathon for 1.1 miles to lease road, on lease road go west 0.9 miles turning north 0.9 miles to lease road. On lease road go east 0.3 miles turning south 0.1 miles to lease road. Go east 0.5 miles to proposed location.

2. **Planned Access Roads:** No new access road needed.

3. **Planned Electric Line:** Cimarex plans to install an overhead electric line from the proposed well to an existing overhead electric line located just west of wellsite at the Hanson 26 Fed #3 battery. The proposed electric line would be approximately 1375' in length, 4 - 40' poles, 480 volt, 4 wire, 3 phase. The electric line would exit off the west side of the well location and travel north for approximately 1375' until it would intercept the existing electric line. Route is within lease boundaries, please see Exhibit C. The route of the E-Line and will be constructed 10' to 20' South of the access road. 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, the tank battery at the Hanson 26 Federal #3H wellsite will be used and the necessary production equipment will be installed. Construct & install two 4" buried, HP poly lines, approximately 1375' each, down existing lease road to carry oil, gas, & water to the Hanson 26 Federal 3H battery. Gas lift will be provided by HP poly line buried in the same trench along access road, approximately 1375', to the Hanson 26 Federal 3H battery. The route of the flowlines will be buried 25' to 35' South of the access road and the trench will be 4' deep. Allocation will be based on well test. MAOP 1500 psi anticipated working pressure 200-300 psi. Any changes to the facility 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 location.

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 January 25, 2013, A BLM onsite meeting was held with Barry Hunt, Cimarex representative, Trish Badbear with the BLM, and Basin Surveys. The permitted location was approved. V-door east. Top soil east. Frac pad northeast Interim reclamation: east and south. No new access road required since this well shares pad with Hanson 26 Fed 4H.

Operator Certification Statement

Hanson 26 Federal Com 5H

Cimarex Energy Co.

UL: A, Sec. 26-20S-34E

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 28th day of February, 2013

NAME: 
Paula Brunson

TITLE: Regulatory Compliance

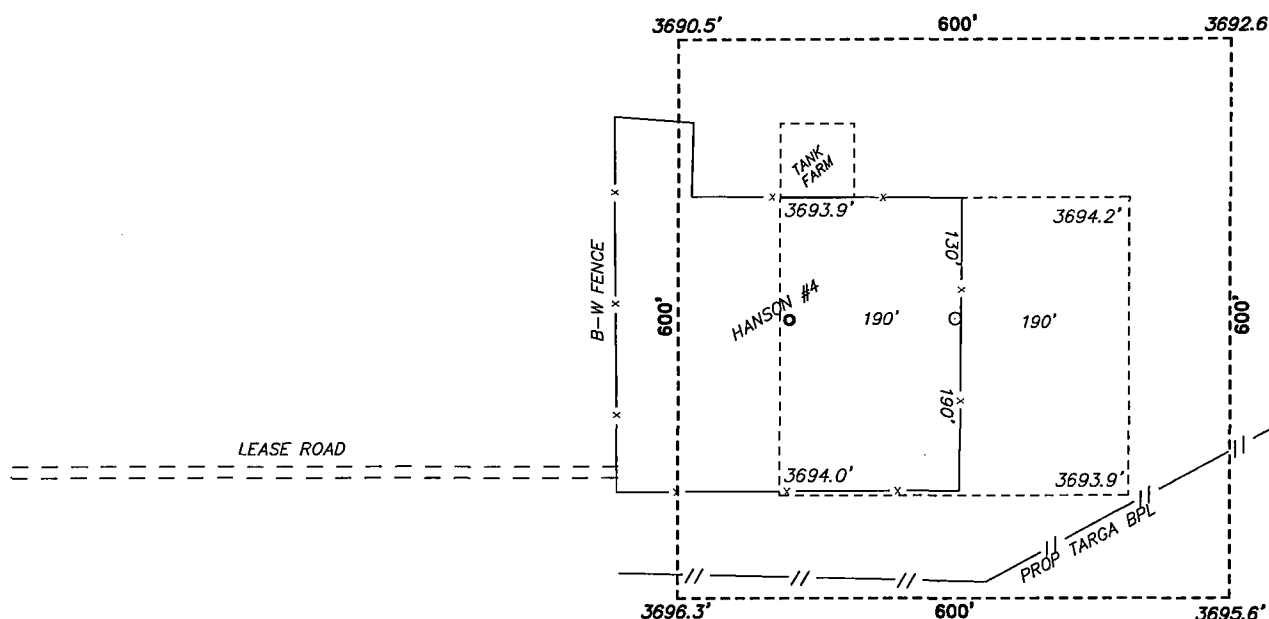
ADDRESS: 600 N. Marienfeld St., Ste. 600
Midland, TX 79701

TELEPHONE: 432-571-7848

EMAIL: pbrunson@cimarex.com

Field Representative: Same as above

SECTION 26, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



CIMAREX ENERGY CO.
HANSON 26 FEDERAL COM 5H
ELEV. - 3694'

Lat - N 32°33'01.61"
Long - W 103°31'25.98"
NMSPCE- N 564931.9
E 790749.9
(NAD-83)

EUNICE, NM IS ±23 MILES TO THE SOUTHEASTERLY OF LOCATION.



Directions to Location:

FROM THE JUNCTION OF HWY 176 AND MARATHON,
GO NORTH ON MARATHON FOR 1.1 MILES TO LEASE
ROAD, ON LEASE ROAD GO WEST 0.9 MILES TURNING
NORTH 0.9 MILES TO LEASE ROAD, ON LEASE ROAD
GO EAST 0.3 MILES TURNING SOUTH 0.1 MILES TO
LEASE ROAD GO EAST 0.5 MILES TO PROPOSED
LOCATION.

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

W.O. Number: 28075 Drawn By: J. SMALL

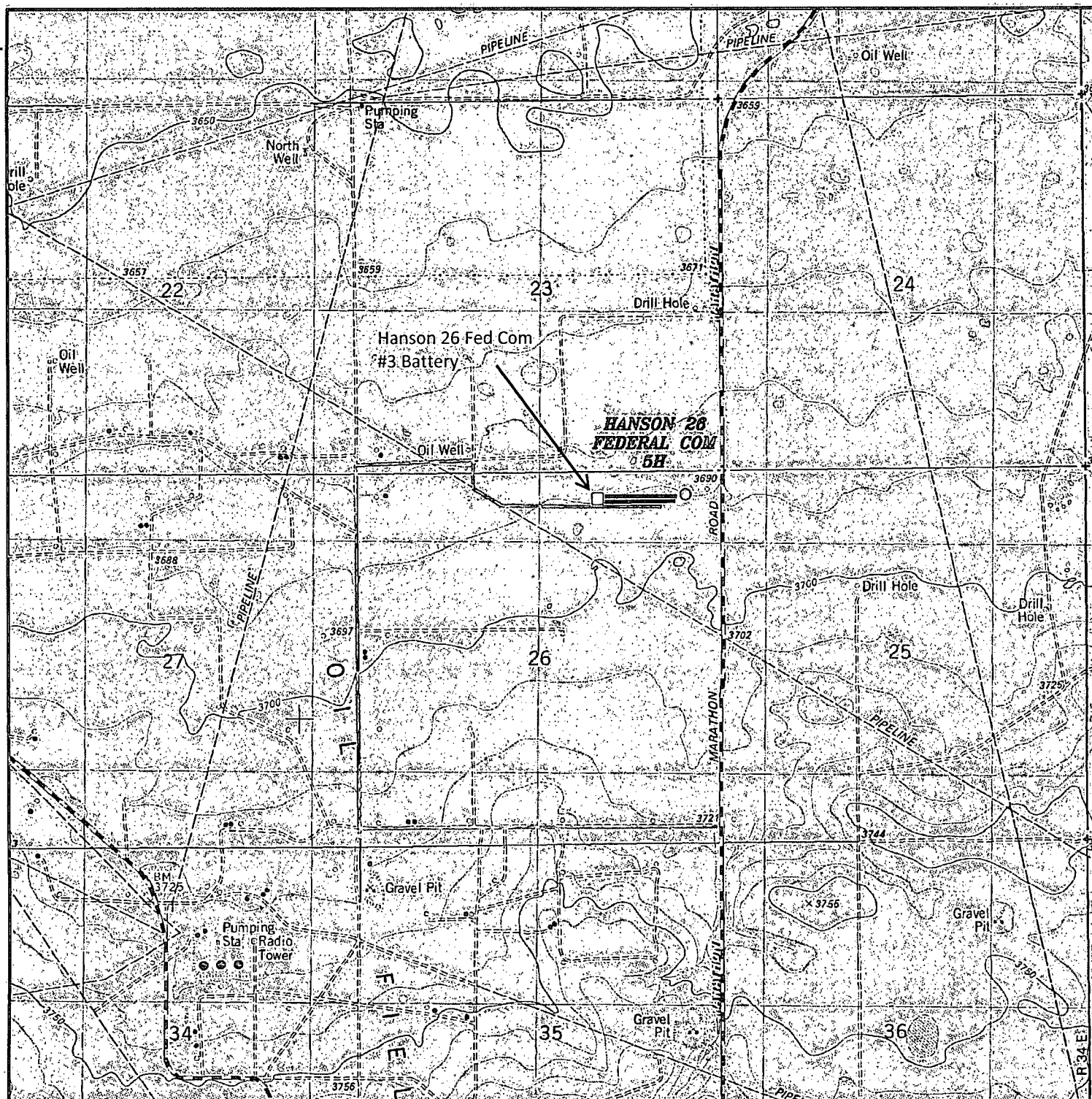
Date: 01-29-2013 Disk: JMS 28075

CIMAREX ENERGY CO.

REF: HANSON 26 FEDERAL COM 5H / WELL PAD TOPO

THE HANSON 26 FEDERAL COM 5H LOCATED 330'
FROM THE NORTH LINE AND 480' FROM THE EAST LINE OF
SECTION 26, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 01-25-2013 Sheet 1 of 1 Sheets



HANSON 26 FEDERAL COM 5H

Located 330' FNL and 480' FEL

Section 26, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

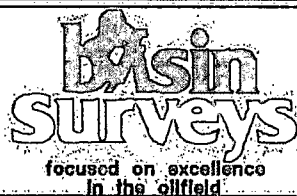
Map Not To Scale

□ Battery

— Flowline

— E-Line

— Existing Road



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

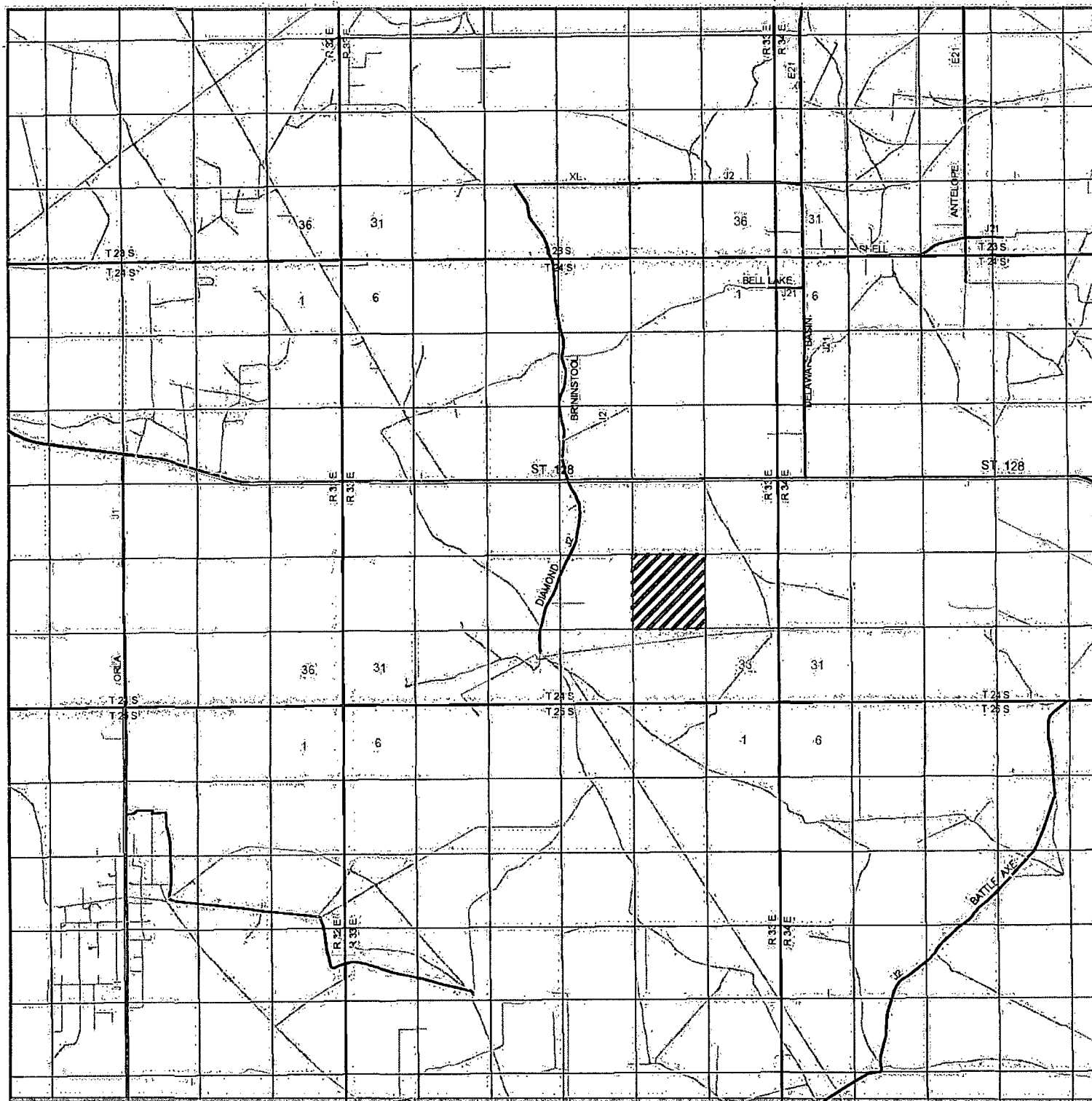
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Survey Date: 01-25-2013

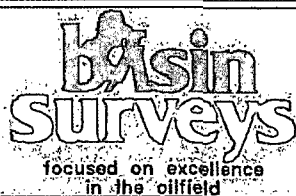
Map Not To Scale

Date: 01-29-2013

**CIMAREX
ENERGY CO.**



HANSON 26 FEDERAL COM 5H
 Located 330' FNL and 480' FEL
 Section 26, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



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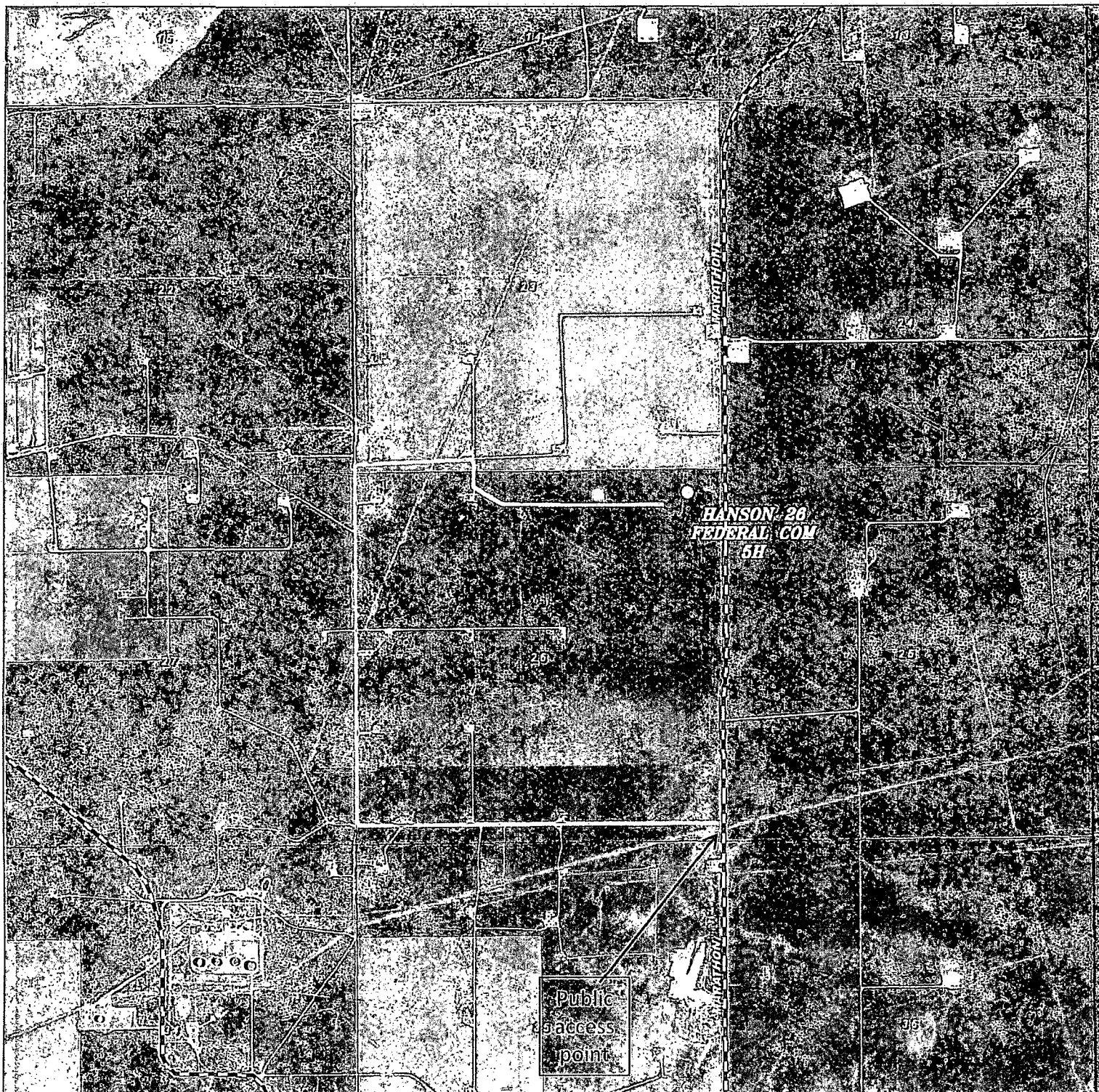
Survey Date: 01-25-2013

Scale: 1" = 2 Miles

Date: 01-29-2013

**CIMAREX
 ENERGY CO.**

Exhibit B



HANSON 26 FEDERAL COM 5H

Located 330' FNL and 480' FEL

Section 26, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

☐ Battery @ Hanson 26
Fed Com 3H

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in the oilfield

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W.O. Number: JMS 28075

Scale: 1" = 2000'

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

CIMAREX
ENERGY CO.

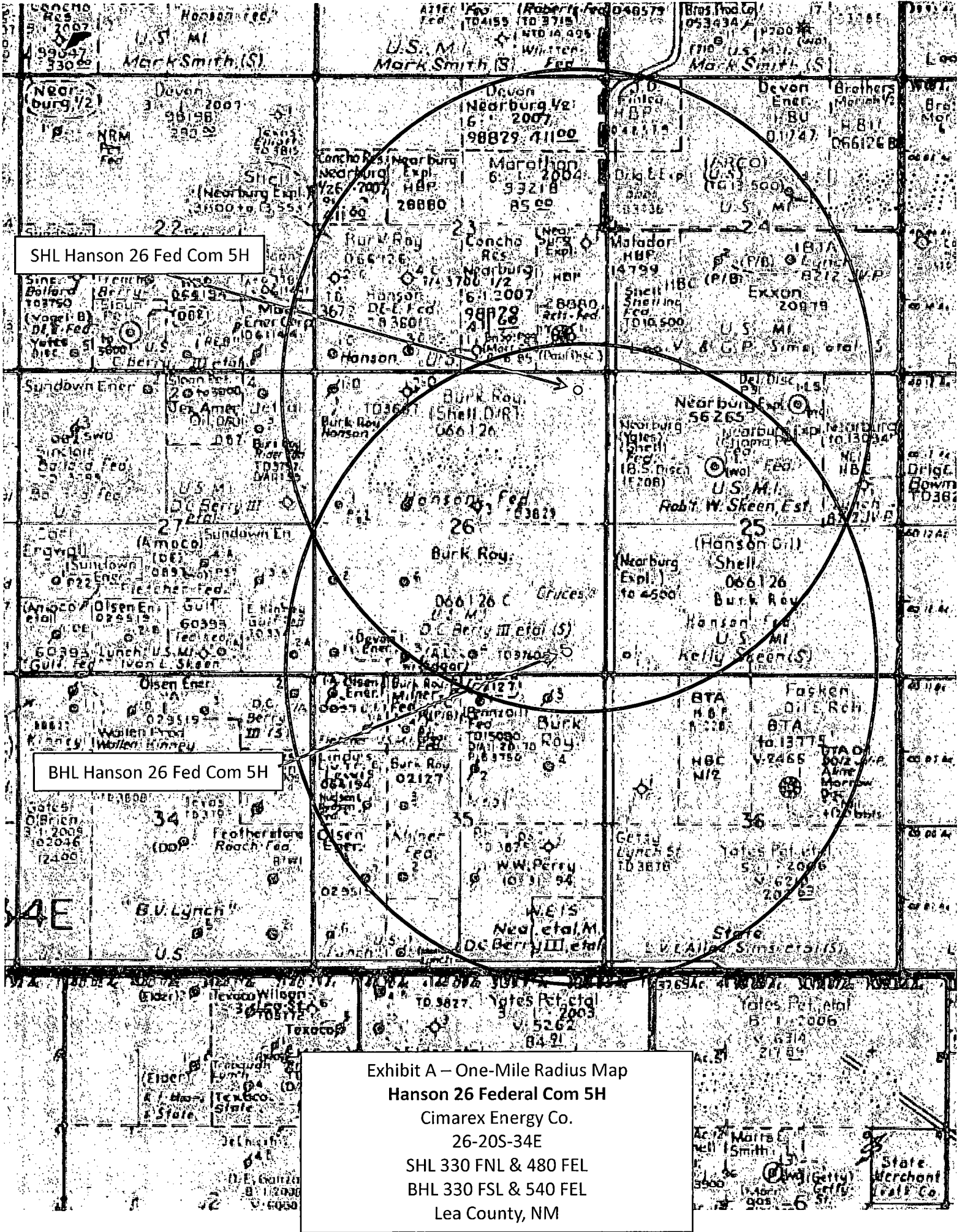


Exhibit A – One-Mile Radius Map
Hanson 26 Federal Com 5H
Cimarex Energy Co.
26-20S-34E
SHL 330 FNL & 480 FEL
BHL 330 FSL & 540 FEL
Lea County, NM