

30-025-41477  
2010-30-2013

The following surface use plan of operations will be followed and carried out once the APD is approved. No other disturbance will be created other than what is submitted in this surface use plan without approval. If any other disturbance is needed after the APD is approved, a BLM approved sundry notice or right of way application will be submitted for approval prior to any new surface disturbance.

### 1. Existing Roads:

Area maps: Exhibit "B" - reproduction of Eddy Co. General Highway Map. Exhibit "C" - reproduction of a USGS Topographic Map. Exhibit "C-1" - well site layout map. Exhibits "C," "C-1" - existing roads map.

The maximum width of the driving surface will be 14'. 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.

Existing access road route to the proposed project is depicted on the public access point map if applicable. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done, unless otherwise noted in the New or Reconstructed Access Roads section of the surface use plan.

From mile marker 27 of Hwy 128, go NW 2.3 miles turning west 0.3 miles turning south 1.2 miles to proposed lease road.

If existing roads are used, the operator will improve or maintain existing roads in a condition the same as or better than before the operations began. The operator will repair pot holes, etc. All existing structures on the entire access route such as cattle guards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.

The operator will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or other events.

### 2. New or Reconstructed Access Roads:

A new road will be constructed for this project.

Cimarex Energy plans to construct an off-lease access road to service the well. The proposed access road does cross lease boundaries, a right of way grant will be submitted to and obtained from the BLM.

The maximum width of the driving surface will be 14'. 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.

New access road route to the proposed project is depicted on the public access point map and Exhibit C-1. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done without prior approval from the BLM.

The operator will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or other events.

### 3. Planned Electric Line:

Cimarex Energy plans to construct a new on lease electric line to service the well on a private/state surface.

### 4. Location of Existing Well in a One-Mile Radius -Exhibit A:

- Water Wells - None known
- Disposal Wells - None known
- Drilling Wells - None known
- Producing Wells - As shown on Exhibit A
- Abandoned Wells - As shown on Exhibit A

NOV 04 2013

Surface Use Plan  
**Dos Equis 13 Federal Com #3**  
Cimarex Energy Co.  
UL: C, Sec. 13, 24s, 32e  
Lea Co., NM

**5. Location of Existing or 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 and production will be sent to the Dos Equis 13 Federal Com #1. Cimarex Energy proposes to install two 4 inch buried HP polylines down existing lease road to the Dos Equis 13 Federal Com #1 battery.

Cimarex Energy plans to construct an off-lease flowline to service the well. The proposed flowline does cross lease boundaries, a right of way grant will be submitted to and obtained from the BLM.

Cimarex Energy plans to construct flowlines to service the well.

Specifications of Polyline: 1 HP polyline for oil, gas, and water production. 1 HP polyline for gas lift.

Both lines will be buried 25'-35' South of the access road.

MAOP: 1500 psi. Anticipated working pressure: 200-300 psi.

Allocation will be based on well test. Route is within lease boundaries, please see Exhibit H. Any changes to flowline route will be submitted via sundry notice.

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

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

**7. Source of Construction Material:**

If possible, native caliche will be obtained from the excavation of drill site. The primary way of obtaining caliche will be by "turning over" the location. This means caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cu yds is the max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

- The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
- An approximate 120' x 120' area is used within the proposed well site to remove caliche.
- Subsoil is removed and piled alongside the 120' by 120' area within the pad site.
- When caliche is found, material will be stockpiled within the pad site to build the location and road.
- Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- Once well is drilled, the stockpiled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in Exhibit D – Rig Layout Diagram.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM-approved caliche pit.

**8. Ancillary Facilities:**

No camps or airstrips to be constructed.

**9. Well Site Layout:**

- Exhibit "D" shows location and rig layout.
- Mud pits in the closed circulation system will be steel pits and the cuttings will be stored in steel containment pits.
- Cuttings will be stored in steel pits until they are hauled to a state-approved disposal facility.
- 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.

In areas planned for interim and final reclamation, surfacing materials will be removed and returned to a mineral pit or recycled to repair or build roads and well pads.

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

**11. Methods of Handling Waste**

- Drilling fluids, produced oil, and water from the well during drilling and completion operations will be stored safely and disposed of properly in a NMOCD approved disposal facility.
- Garbage and trash produced during drilling and completion operations will be collected in a trash container and disposed of properly at a state approved disposal facility. All trash on and around well site will be collected for disposal.
- Human waste and grey water will be properly contained and disposed of properly at a state approved disposal site.
- After drilling and completion operations, trash, chemicals, salts, frac sand and other waste will be removed and disposed of properly at a state approved disposal site.
- The well will be drilled utilizing a closed loop system. Drill cuttings will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

**12. Other Information:**

- Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- 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.
- 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.
- There are no known dwellings within 1½ miles of this location.

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

ON Site results: Barry Hunt, Amanda Lynch - BLM, and Basin surveys on location. OK where staked. V-Door East. Top soil East. Interim reclamation: North, East, West. Frac pad NW corner (North). Access road from southeast corner, east, to the #2 well.

Operator Certification Statement

**Dos Equis 13 Federal Com #3**

Cimarex Energy Co.

UL: C, Sec. 13, 24s, 32e

Lea Co., 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 14 day of August, 2013

**NAME:** Hope Knauls  
Hope Knauls

**TITLE:** Regulatory Compliance

**ADDRESS:** 600 N. Marienfeld St. Ste. 600 Midland Tx 79071

**TELEPHONE:** 432-571-7800

**EMAIL:** hknauls@cimarex.com

**Field Representative:** Same as above

Cimarex Energy Co:

600 N. Mariefeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



September 6, 2013

Bureau of Land Management  
Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220

**VIA CERTIFIED MAIL RETURN RECEIPT NO. 91 7108 2133 3939 1608 7641**

Re: Dos Equis 13 Federal Com 3H  
Township 24 South, Range 32 East, N.M.P.M.  
Section 13: SE/4, NW/4  
Lea County, New Mexico  
Federal Oil and Gas Lease No. NM 553642

Gentlemen:

Please be advised that Cimarex Energy Co. ("Cimarex") acquired leasehold rights in Federal Oil and Gas Lease NM 553642 from ConocoPhillips Company ("Conoco") covering the SE/4 and NW/4 of Section 13, Township 24 South, Range 32 East, Lea County, NM, by that certain Term Assignment dated June 1, 2013. Per the Bureau of Land Management's ("BLM") letter dated, August 30, 2013, regarding Cimarex's Application for Permit to Drill ("APD") for the above captioned well, the BLM cited the following deficiency regarding the APD:

- "5-Serial register pages do not show Cimarex as having operating rights on either lease."

Pursuant to the Term Assignment dated June 1, 2013 by and between Cimarex and Conoco, Cimarex owns an undivided 100% interest in and to Federal Oil and Gas Lease NM 553642. Additionally, a request for Transfer of Operating Rights from Conoco to Cimarex was submitted to the BLM on June 21, 2013 and is pending approval.

Please let this letter serve as notice for curing the deficiency cited above in Cimarex's APD for the Dos Equis 13 Federal Com 3H.

If you should have any questions, please contact the undersigned directly at (432) 571-7874 or by email at [mhood@cimarex.com](mailto:mhood@cimarex.com).

Dos Equis 13 Federal Com 3H

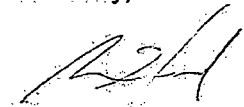
Township 24 South, Range 32 East, N.M.P.M.

Section 13: SE/4, NW/4

Lea County, New Mexico

Federal Oil and Gas Lease No. NM 553642

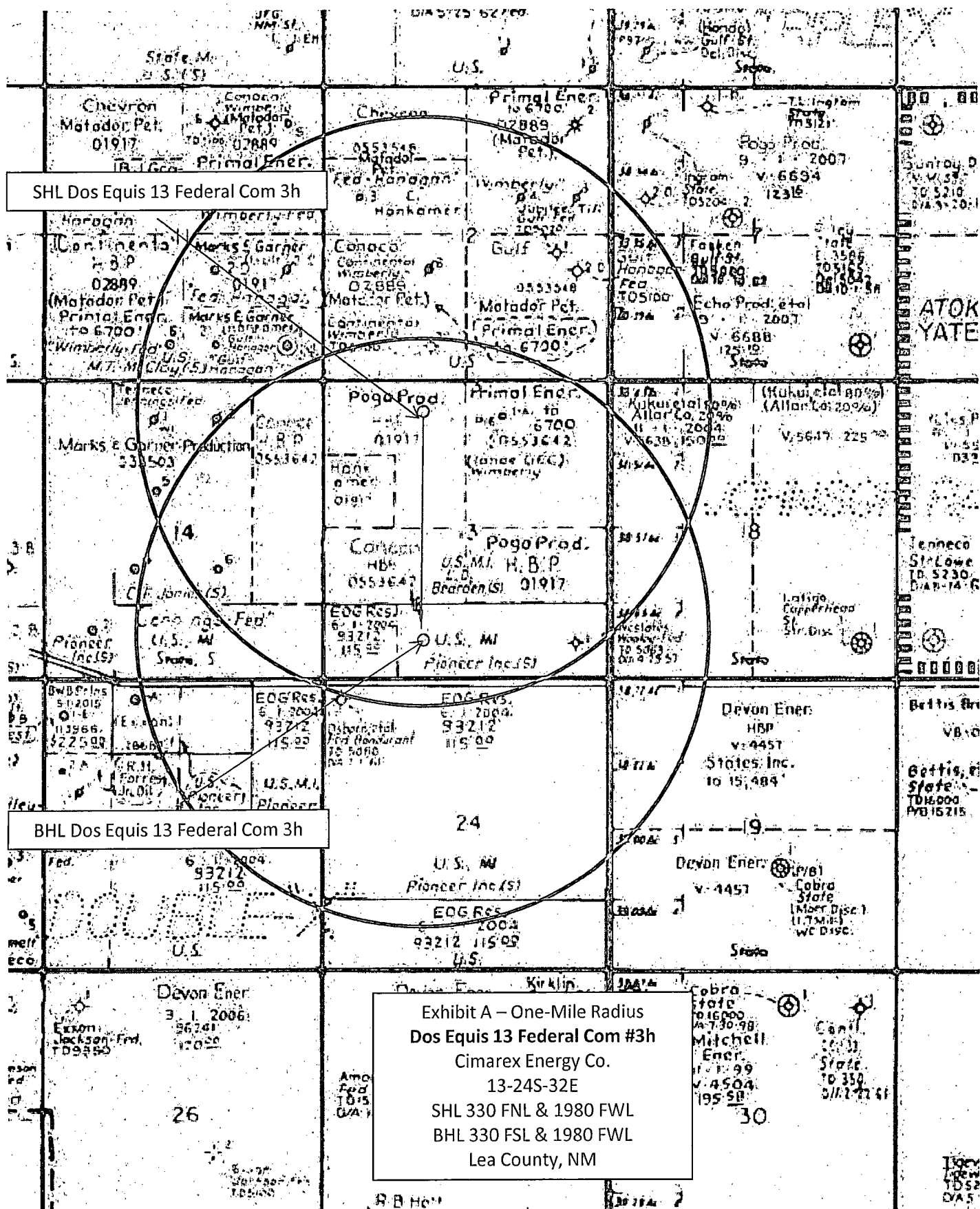
Sincerely,

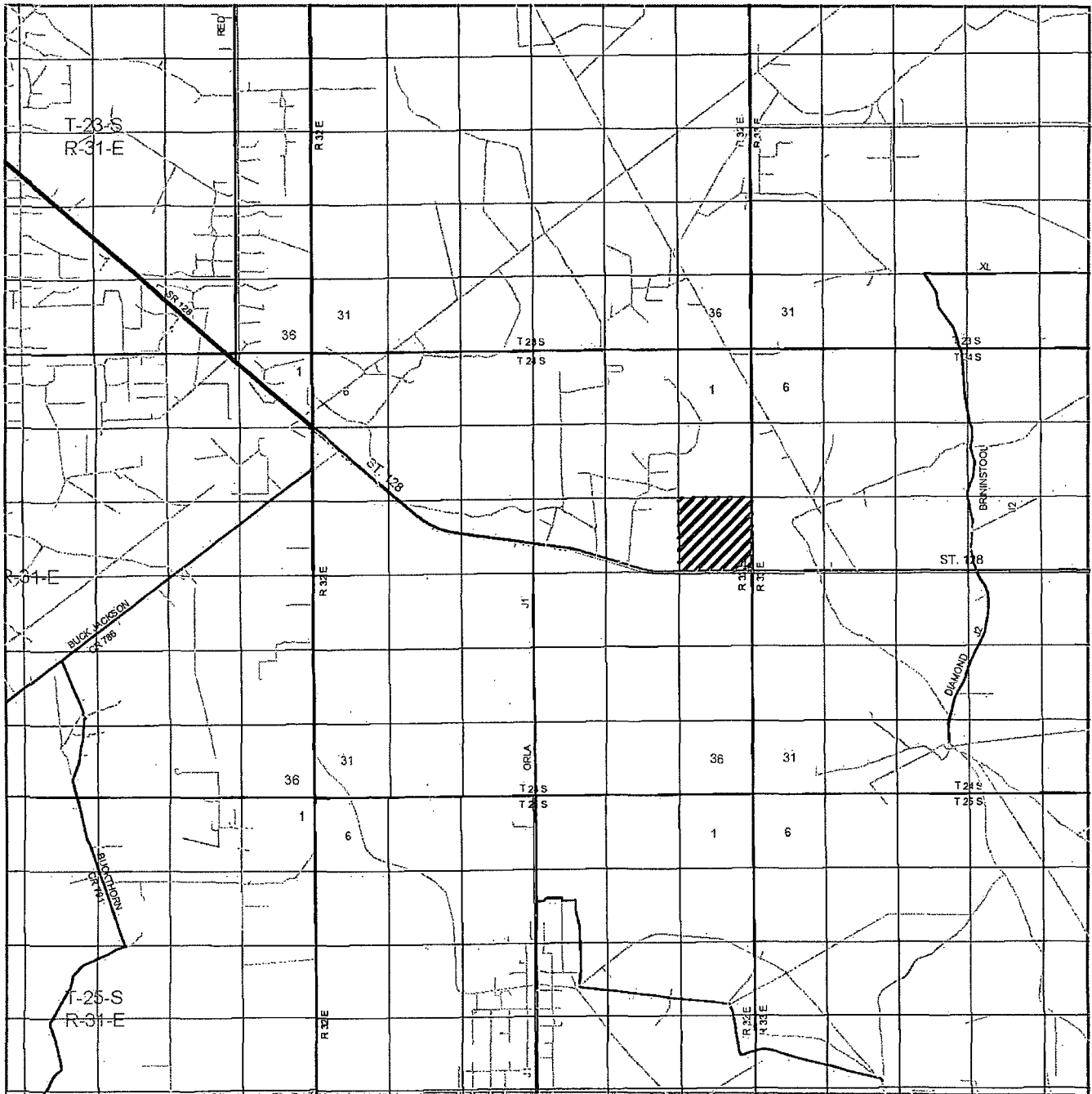
A handwritten signature in black ink, appearing to read 'MH' or similar initials, written over a horizontal line.

Cimarex Energy Co.

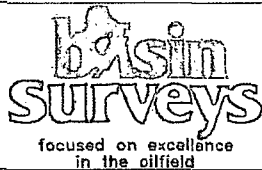
Matt Hood

Landman





**DOS EQUIS 13 FEDERAL COM 3**  
 Located 330' FNL and 1980' FWL  
 Section 13, Township 24 South, Range 32 East,  
 N.M.P.M., Lea County, New Mexico.



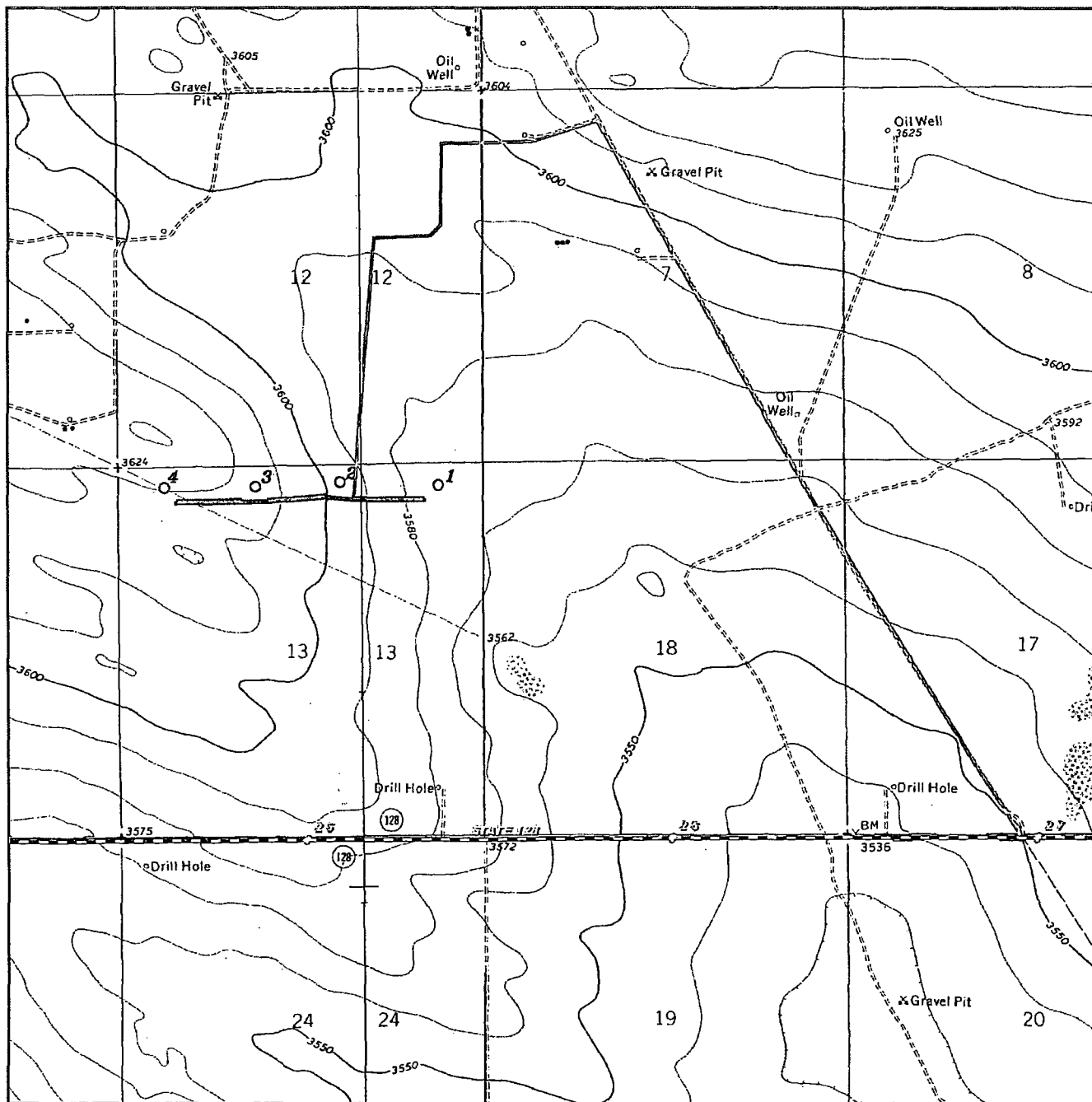
P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (575) 393-7316 - Office  
 (575) 392-2206 - Fax  
 basinsurveys.com

W.O. Number: JMS 28905  
 Survey Date: 07-03-2013  
 Scale: 1" = 2 Miles  
 Date: 07-10-2013

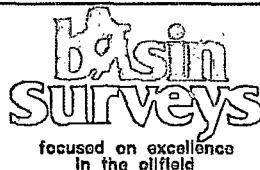
**CIMAREX  
 ENERGY CO.**

Exhibit B





**DOS EQUIS 13 FEDERAL COM 3**  
 Located 330' FNL and 1980' FWL  
 Section 13, Township 24 South, Range 32 East,  
 N.M.P.M., Lea County, New Mexico.



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 28905

Survey Date: 07-03-2013

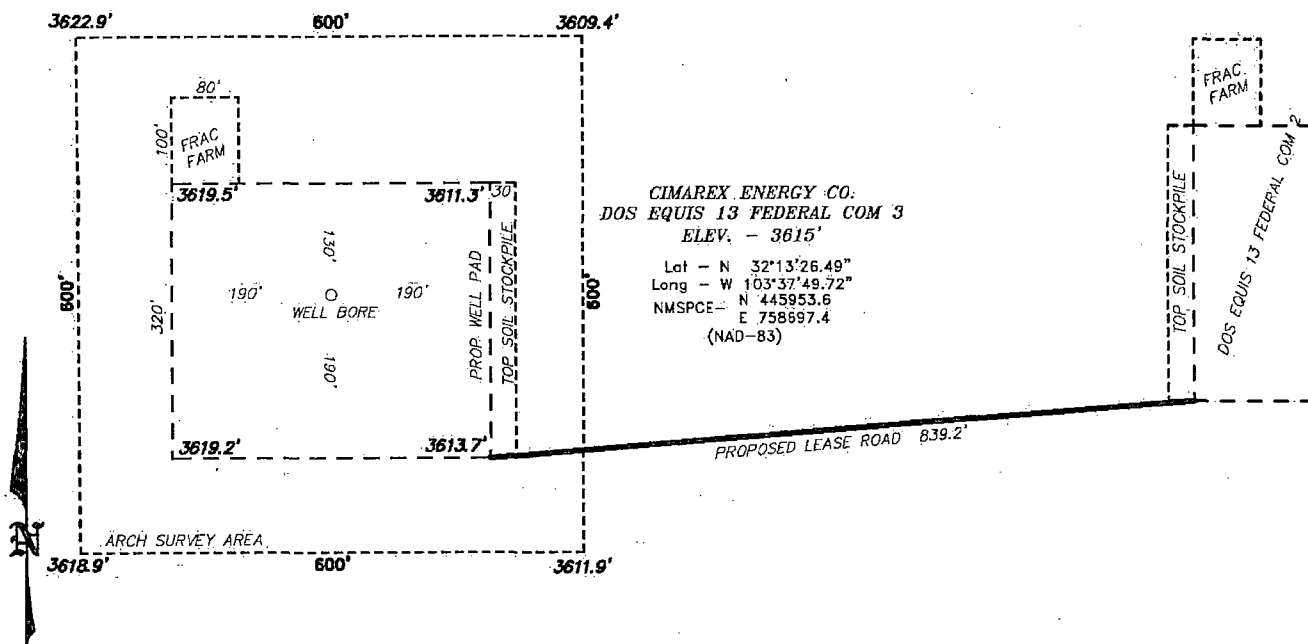
Scale: 1" = 2000'

Date: 07-10-2013

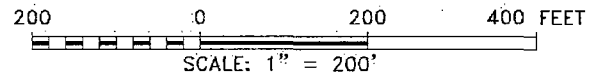
**CIMAREX  
 ENERGY CO.**

Exhibit C

**SECTION 13, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.**



JAL, NM IS ±26 MILES TO THE SOUTHEAST OF LOCATION.



Directions to Location:

FROM MILE MARKER 27 OF HWY 128, GO  
NORTHWEST 2.3 MILES TURNING WEST 0.3 MILES  
TURNING AGAIN SOUTH 1.2 MILES TO PROPOSED  
LEASE ROAD.

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

W.O. Number: 28905

Drawn By: **J. SMALL**

Date: 07-10-2013

Disk: JMS 28905

Survey Date: 07-03-2013

Sheet 1 of 1 Sheets

**CIMAREX ENERGY CO.**

REF: DOS EQUIS 13 FEDERAL COM 3 / WELL PAD TOPO

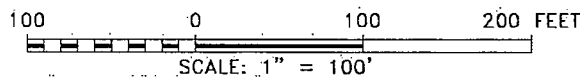
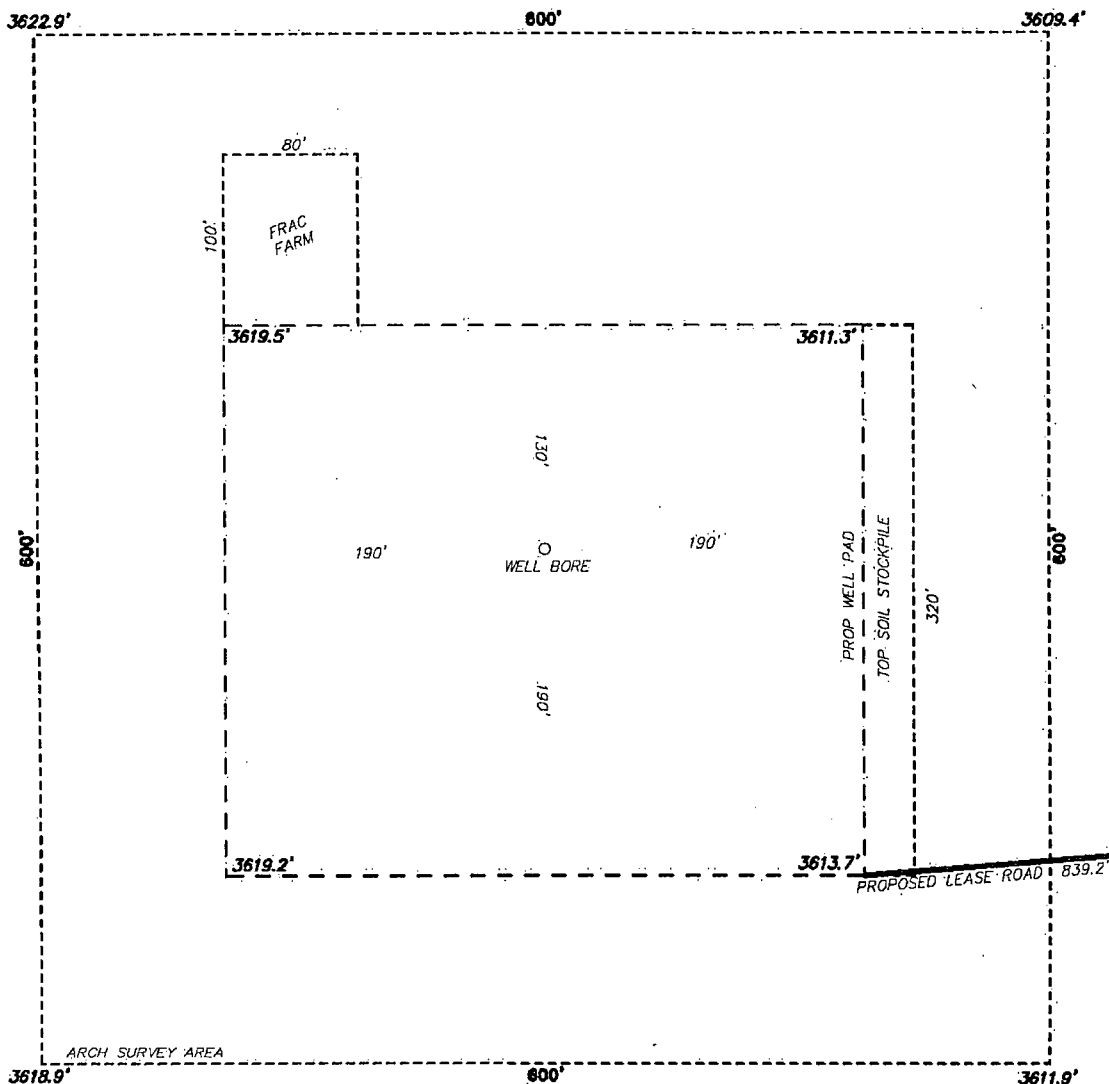
THE DOS EQUIS 13 FEDERAL COM 3 LOCATED 330' FROM

THE NORTH LINE AND 1980' FROM THE WEST LINE OF

SECTION 35, TOWNSHIP 20 SOUTH, RANGE 34 EAST,

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

SECTION 13, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



**CIMAREX ENERGY CO.**

REF: DOS EQUIS 13 FEDERAL COM. 3 / WELL PAD TOPO

THE DOS EQUIS 13 FEDERAL COM 3 LOCATED 330' FROM  
THE NORTH LINE AND 1980' FROM THE WEST LINE OF  
SECTION 13, TOWNSHIP 24 SOUTH, RANGE 32 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

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

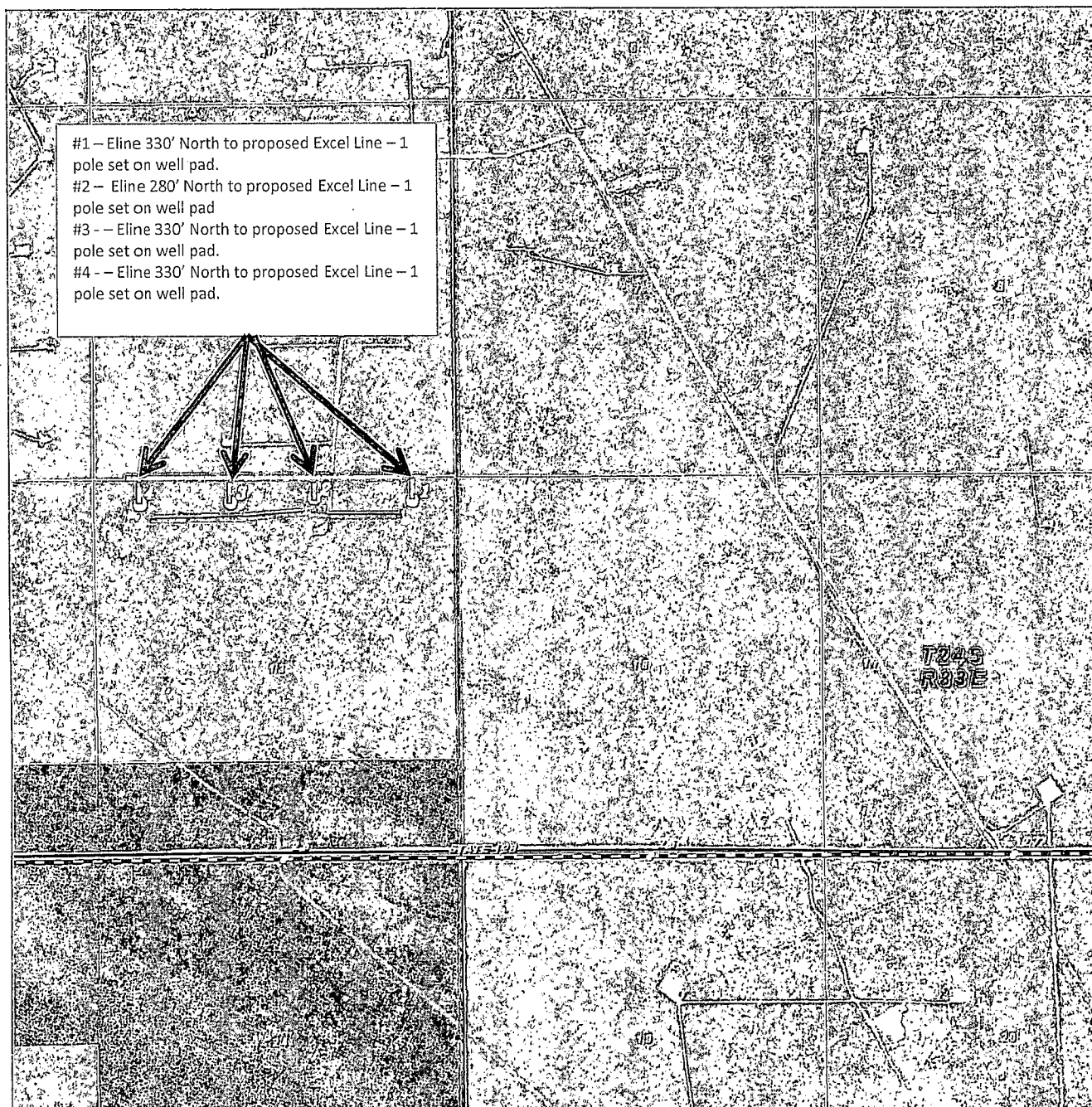
W.O. Number: 28905

Drawn By: **J. SMALL**

Date: 07-10-2013 Disk: JMS 28905

Survey Date: 07-03-2013

Sheet 1 of 1 Sheets



**DOS EQUIS 13 FEDERAL COM 1**  
 Located 330' FNL and 660' FEL  
 Section 13, Township 24 South, Range 32 East,  
 N.M.P.M., Lea County, New Mexico.

— Proposed Rd  
 — Proposed Eline Excel  
 — Proposed Eline Cimarex

**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  
 basin-surveys.com

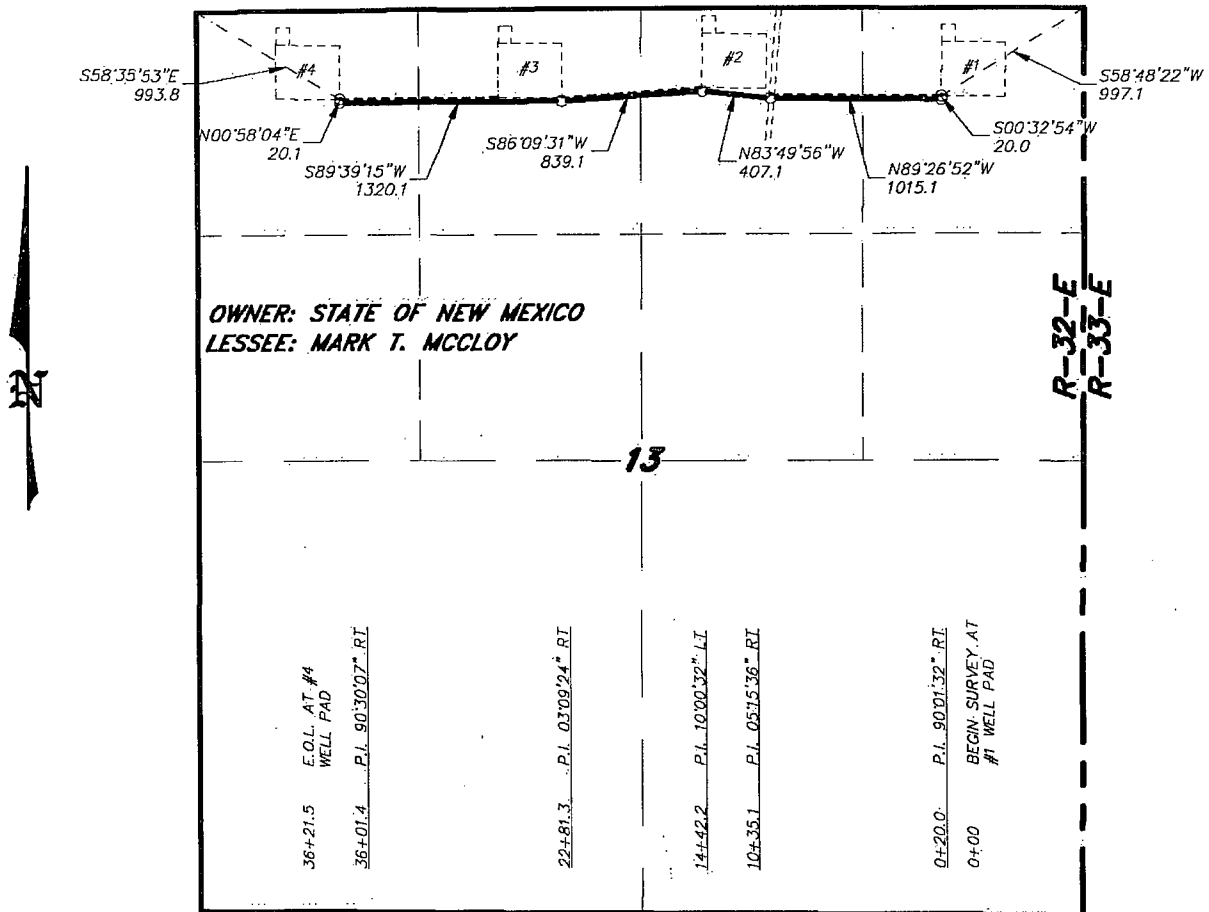
W.O. Number: JMS 28903

Scale: 1" = 2000'

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

**CIMAREX**  
**ENERGY CO.**

**SECTION 13, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.**



**LEGAL DESCRIPTION**

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 13, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:  
 BEGINNING AT A POINT WHICH LIES S.58°48'22"W., 997.1 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 13; THENCE S.00°32'54"W., 20.0 FEET; THENCE N.89°26'52"W., 1015.1 FEET; THENCE N.83°49'56"W., 407.1 FEET; THENCE S.86°09'31"W., 839.1 FEET; THENCE S.89°39'15"W., 1320.1 FEET; THENCE N.00°58'04"E., 20.1 FEET TO THE END OF THIS LINE WHICH LIES S.58°35'53"E., 993.8 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 13. SAID STRIP OF LAND BEING 3621.5 FEET OR 219.48 RODS IN LENGTH AND CONTAINING 2.49 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NE/4 NE/4 = 31.97 RODS = 0.36 ACRES  
 NE/4 NW/4 = 80.08 RODS = 0.91 ACRES

NW/4 NE/4 = 80.04 RODS = 0.91 ACRES  
 NW/4 NW/4 = 27.39 RODS = 0.31 ACRES

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES No. 7977  
 No. 5074

1000 0 1000 2000 FEET

**CIMAREX ENERGY CO.**

REF: PROPOSED PIPELINE ROW FOR THE DOS EQUIS 13 FED WELLS

A PIPELINE CROSSING STATE LAND IN  
 SECTION 13, TOWNSHIP 24 SOUTH, RANGE 32 EAST,  
 N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 28906 Drawn By: **J. M. SMALL**

Date: 07-10-2013 Disk: JMS 28906

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

Application to Drill  
**Dos Equis 13 Federal Com #3H**  
 Cimarex Energy Co.  
 UL: C, Sec. 13, 24s, 32e  
 Lea Co., NM

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 FNL & 1980 FWL  
BHL 330 FSL & 1980 FWL
- 2. Elevation Above Sea Level:** 3,615' 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:** 15,486 MD 11,085 TVD Pilot Hole TD: N/A
- 6. Estimated Tops of Geological Markers:**

Formation	Est Top	Bearing
Rustler	1185	N/A
Salt	1320	N/A
Castille	3430	N/A
Base Last Salt	4710	N/A
Lamar	4950	N/A
Bell Canyon	5000	N/A
Cherry Canyon	6120	N/A
Brushy Canyon	7340	N/A
Basal Brushy Canyon	8660	N/A
Bone Spring	8900	Hydrocarbons
Avalon Shale	9050	Hydrocarbons
1st BSS	10050	Hydrocarbons
2nd BSS	10690	Hydrocarbons
3rd BS Carbonate	11175	Hydrocarbons

**7. Possible Mineral Bearing Formation:** Shown above

**7A. OSE Ground Water Estimated Depth:** 200'

**8. Casing Program:**

*See COA*

Name	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 at Full Evacuation(1.125)	Collapse SF at 1/3 Evacuation(1.125)	Burst SF (1.125)	Cumulative Air Weight	Cumulative Bouyed Weight (lbs)	Bouyant Tension SF (1.8)
Surface	0	1235	1235	17 1/2	13-3/8"	48.00	H-40	ST&C	New	555	8.3	1.39		3.11	59,280	51,768	6.22
Intermediate	0	4980	4980	12 1/4	9-5/8"	40.00	N-80	BT&C	New	2241	10.0		1.61	2.57	199,200	168,788	5.43
Production	0	10608	10608	8 3/4	5-1/2"	17.00	P-110	LT&C	New	2549	9.0	1.51		4.17	188,445	162,552	2.74
Production	10608	15486	11085	8 3/4	5-1/2"	17.00	P-110	BT&C	New	4988	9.0	1.44		2.13	8,109	6,995	78.06

**8A. Casing Design and Casing Loading Assumptions:**

Surface	Tension	A 1.8 design factor with effects of buoyancy: 8.30 ppg.
	Collapse	A 1.125 design factor with full internal evacuation and a collapse force equal to a 8.30 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: 10.00 ppg.
	Collapse	A 1.125 design factor evacuated 1/3 TVD of next casing string with a collapse force equal to a 10.00 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: 9.00 ppg.
	Collapse	A 1.125 design factor with full internal evacuation of next casing string with a collapse force equal to a 9.00 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.