

HOBBS OCD
JUN 16 2014

RECEIVED

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 Cuervo Federal #20H. Cimarex Energy proposes to install two 4 inch buried HP polylines down existing lease road to the Cuervo Federal #20H battery.

Cimarex Energy plans to construct on lease 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.

Length: 4610.64'

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

Allocation will be based on well test. Route is on lease, please see Exhibit G-1. Any changes to on lease route will be submitted via sundry notice. If route is off lease, a right of way will be submitted to the BLM for approval.

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. 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.

9. Ancillary Facilities:

No camps or airstrips to be constructed.

10. Well Site Layout:

- Exhibit D: Rig Layout
- Exhibit D-2: Well Site layout plat
- 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. Exhibit D-1: Interim Reclamation Diagram.

JUN 17 2014

Surface Use Plan
Cuervo Federal 23H
Cimarex Energy Co.
UL: D, Sec. 14, 23S, 32E
Lea Co., NM

11. 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.

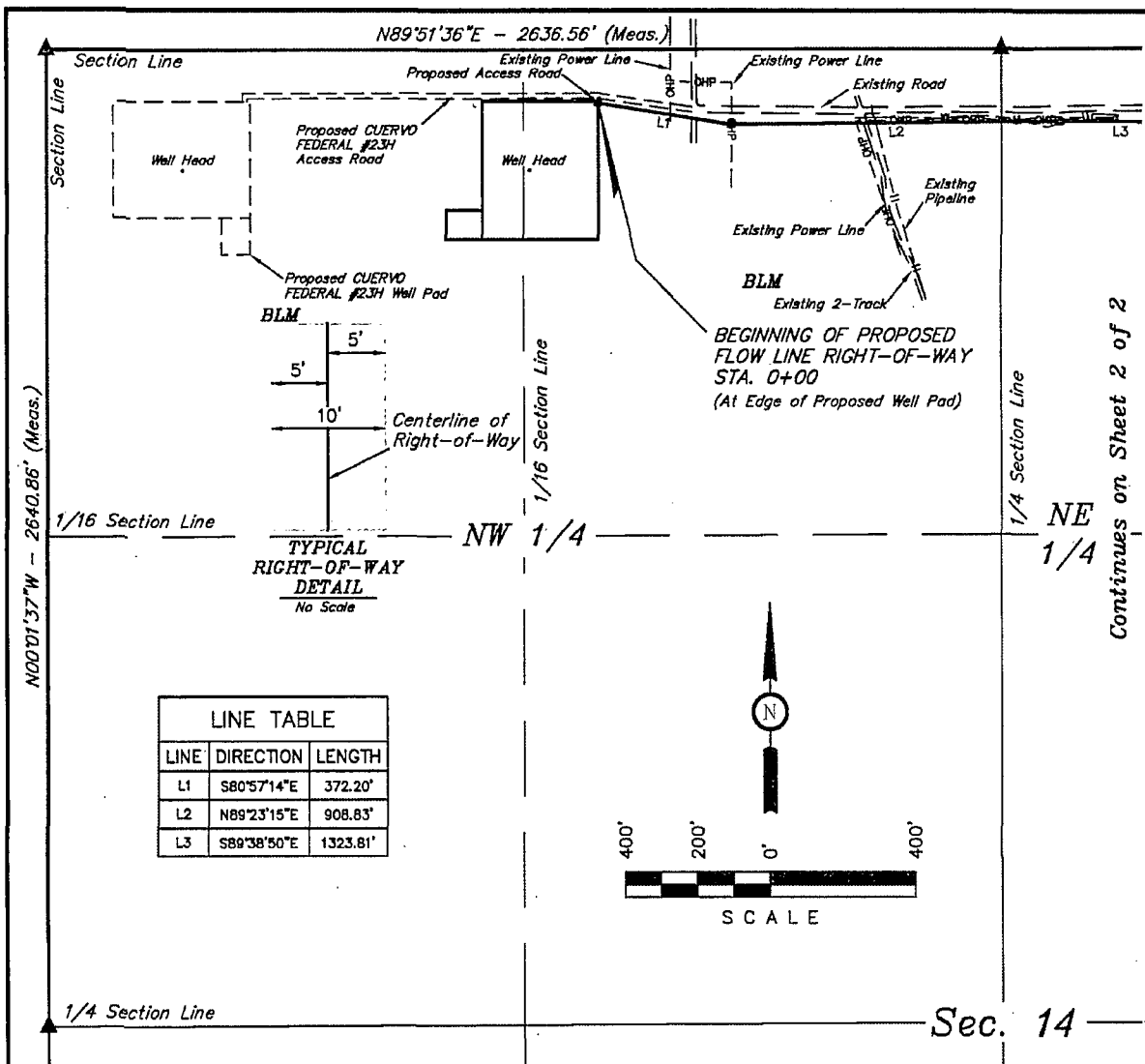
Should the well be a producer, those areas of the location not essential to production facilities and operations will be reclaimed and seeded per BLM requirements. Exhibit D-1 illustrates the proposed Interim Reclamation.

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 Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
- 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.
- There are no known dwellings within 1½ miles of this location.

13. On Site Notes and Information:

On-site performed on 10/29/13 with BLM (Jesse Rice) & Barry Hunt. OK where staked. V-Door West. Frac pad Southeast corner (South). Top soil west. Access road & pipeline, east. Pipeline to follow proposed & existing road to Cuervo #20 battery. Interim reclamation: All sides.



FLOW LINE RIGHT-OF-WAY DESCRIPTION

A 10' WIDE RIGHT-OF-WAY 5' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE NE 1/4 NW 1/4 OF SECTION 14, T23S, R32E, N.M.P.M., WHICH BEARS S82°24'36\"/>

BEGINNING OF FLOW LINE STA. 0+00 BEARS
S82°24'36\"/>

RIGHT-OF-WAY LENGTHS			
DESCRIPTION	FEET	ACRES	RODS
NW 1/4 SEC. 14	1116.30	0.256	67.65
NE 1/4 SEC. 14	2855.61	0.656	173.07
TOTAL	3971.91	0.912	240.72

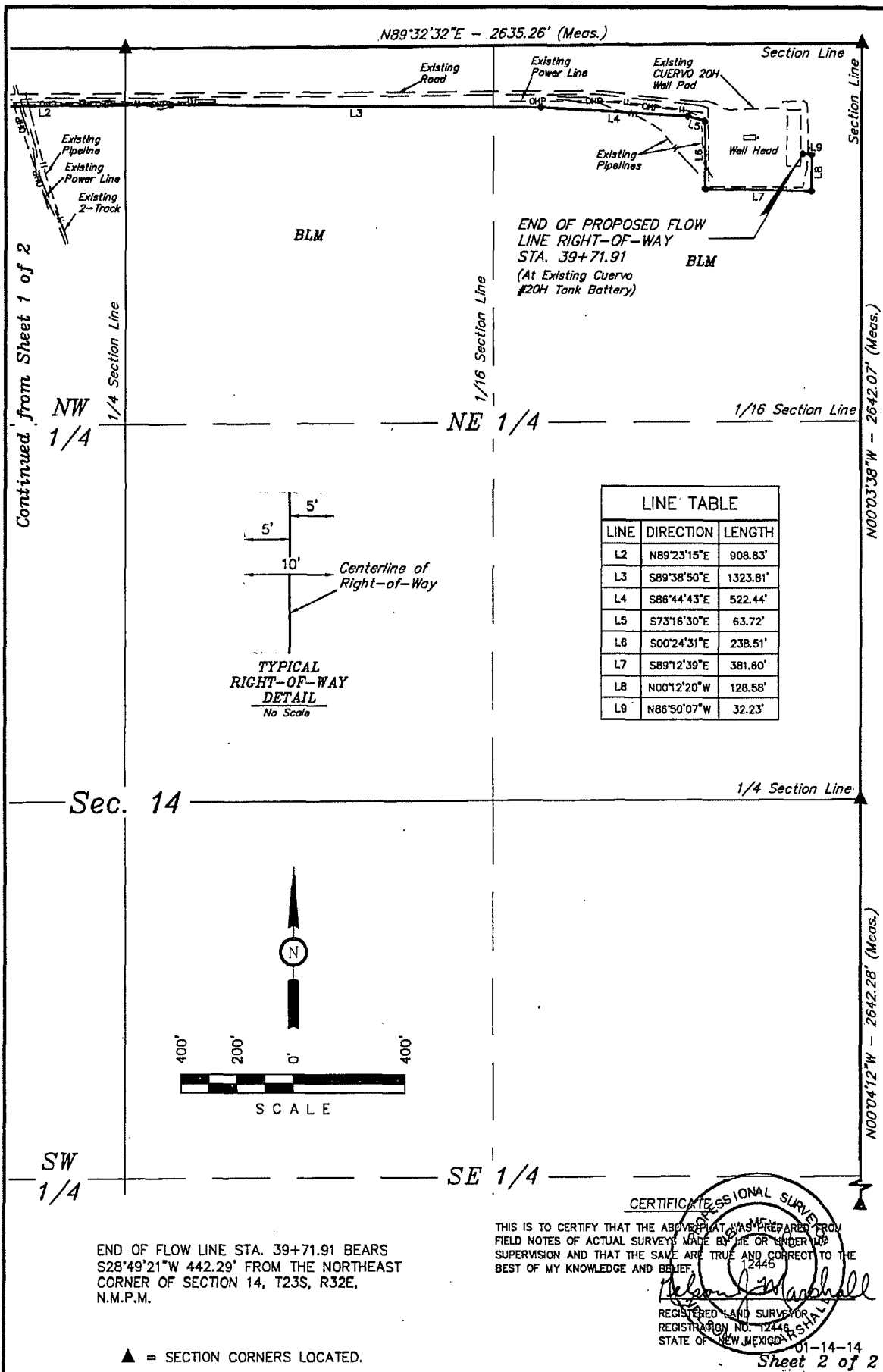
▲ = SECTION CORNERS LOCATED.

NOTES:

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

CERTIFICATE OF PROFESSIONAL SURVEYOR
12446
Nelson J. Marshall
REGISTERED LAND SURVEYOR
REGISTRATION NO. 12446
STATE OF NEW MEXICO

01-14-14
Sheet 1 of 2



NOTES:



CIMAREX ENERGY CO.

CUERVO FEDERAL #24H
SECTION 14, T23S, R32E, N.M.P.M.
330' FNL 1335' FWL

DRAWN BY: B.D.H.

SCALE: 1" = 400'

DATE: 12-30-13

REVISED:

FLOW LINE R-O-W

EXHIBIT C-1

Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017