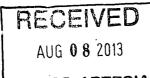
Form 3160-3 (March 2012)



OCD Artesia

OMB No. 1004-0137 Expires October 31, 2014

ATS-13-867

NMOCD

BUREAU OF LAND	MANAGEMENT	•	6. If Indian, Allotee or	Tribe Name
APPLICATION FOR PERMIT	TO DRILL OR REENTER			
1a. Type of Work: DRILL R	EENTER		7. If Unit or CA Agree	ment, Name and No.
			8. Lease Name and We	II No.
1b. Type of Well: Oil Well Gas Well Other	Single Zone Multipl	e Zone	Da Vinci 7 Federal Co	1279/1
2. Name of Operator	6-00	· -	9. API Well No	101
Cimarex Energy Co.		7	30-015-	21
3a. Address	3b. Phone No. (include area code)		10. Field and Pool, or E	Exploratory RC
600 N. Marienfeld St. Ste. 600 Midland Tx 79701	432-571-7800		Bone Spring Wildeat	DRAW; B.S.
4. Location of Well (Report location clearly and in accordance	with any State requirements.*)		11. Sec., T. R. M. or Blk. a	and Survey or Area 69949
At Surface 300' FSL & 330' FWL				. ,,
At proposed prod. Zone 330' FNL & 920' FWL	Horizontal Bone Spring test		7-25S-27E	
14. Distance in miles and direction from nearest town or post of	office*		12. County or Parish	13. State
Approximately 19.2 miles south of Carlsbad, NM			Eddy County	NM
15 Distance from proposed*	16. No of acres in lease	17. Spac	ing Unit dedicated to this we	ll
location to nearest property or lease line, ft.	NM93471 - 158.91		157	uγ
(Also to nearest drig, unit line if	NMNM092167 - 878.57 acres		120	. 70
any) 300'	*NMNM100332 478.44 acres		~160 `	······································
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM	/BIA Bond No. on File	
0	12,487' MD 7,902' TVD		NM2575; NMB0	00835
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	•	23. Estimated duration	
3209' GR	10.01.13		35-40	days
	24. Attachments			
The following, completed in accordance with the requirements of	Onshore Oil and Gas Order No. 1, shall b	e attached t	o this form:	
 Well plat certified by a registered surveyor A Drilling Plan A Surface Use Plan (if the location is on National Forest Syst SUPO shall be filed with the appropriate Forest Service Office 	Item 20 above 5. Operator Certi). ification e specific in	ons unless covered by an exis	
25. Signature	Name (Printed/Typed)			Date
_ lauladrungo.	Paula Brunson			06.05.13

/s/George MacDonell Title

Name (Printed/Typed) /s/George MacDonell

CARLSBAD FIELD OFFICE

Date AUG - 6 2013

FIELD MANAGER

Regulatory Analyst Approved By (Signature)

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. APPROVAL FOR TWO Conditions of approval, if any, are attached

Office

Title 18 U.S.S. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction

(Continued on page 2)

*(Instructions on page 2)

SEE ATTACHED FOR CONDITIONS OF APPROVA

Carlsbad Controlled Water Basin

DISTRICT I 1625 N. French Dr., Hobbs, NM 66240 DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 15, 2009

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

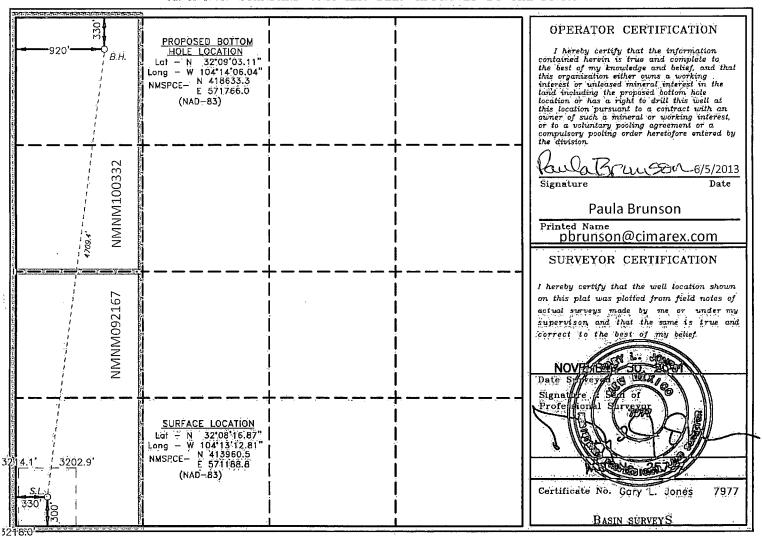
1220 South St. Francis Dr. Santa Fe, New Mexico 87505

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 8750

1220 S. St. Francis D	r., Santa Fe, I		WELL LO	CATION	AND ACREA	GE DEDICATI	ON PLAT	☐ AMENDEE	REPORT
^{дрі} 30-015-	Number, 4/6/2	2/	974	194°	Cor	Honwood DA	Pau Pool Napa S		
	3 7737 DA VINCI "7" FEDERAL COM								
ogrid N 2150			CIM	IAREX E	Operator Nam NERGY CO.	OF COLORADO)	Eleva 320	•
					Surface Loc	ation			
UL or lot No.	Section 7	Township 25 S	Range 27 E	Lot Idn	Feet from the 300	North/South line	Feet from the 330	East/West line WEST	County
	,		Bottom	Hole Lo	cation If Diffe	rent From Sur	face		
UL or lot No.	Section 7	Township 25 S	Range 27 E	Lot Idn	Feet from the	North/South line	Feet from the 920	East/West line WEST	County
Dedicated Acre 1 57. 48 160	s Joint o	or Infill Co	nsolidation	Code Or	der No.				
NO ALLO	WABLE V	VILL BE AS	SSIGNED	TO THIS	COMPLETION U	JNTIL ALL INTER	RESTS HAVE BI	EEN CONSOLIDA	ATED

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



Operator Certification Statement Da Vinci 7 Federal Com 5H Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

Operator's Representative

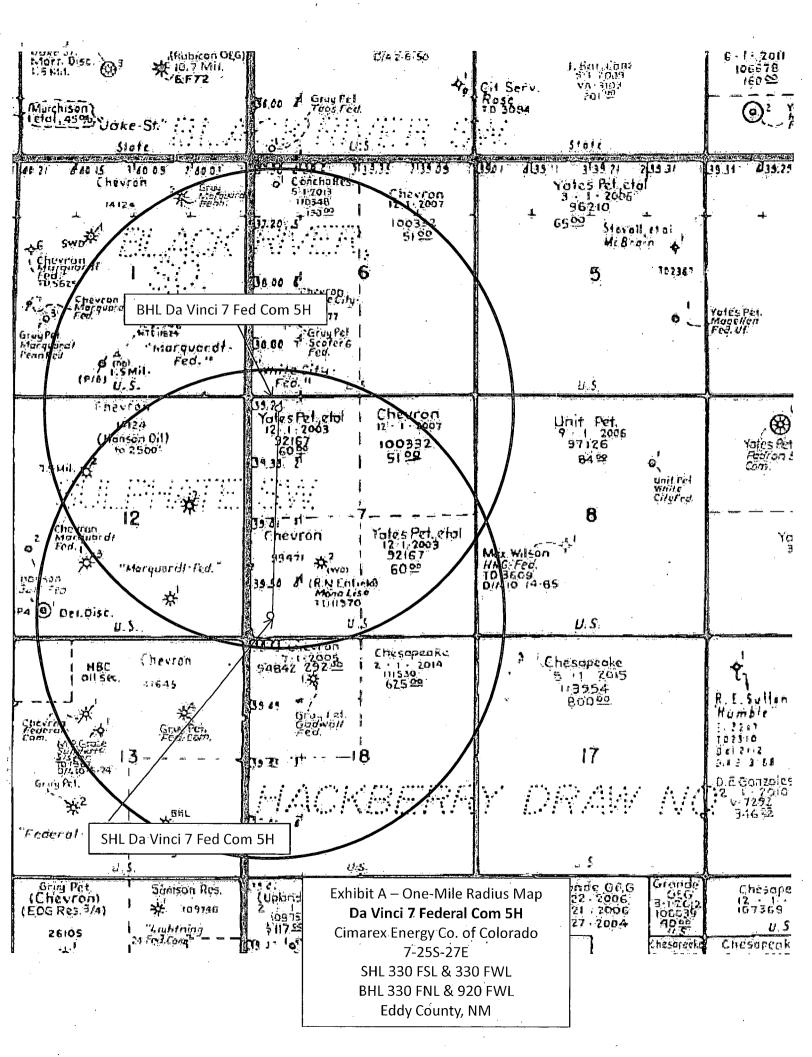
Cimarex Energy Co. of Colorado 600 N. Marienfeld St., Ste. 600

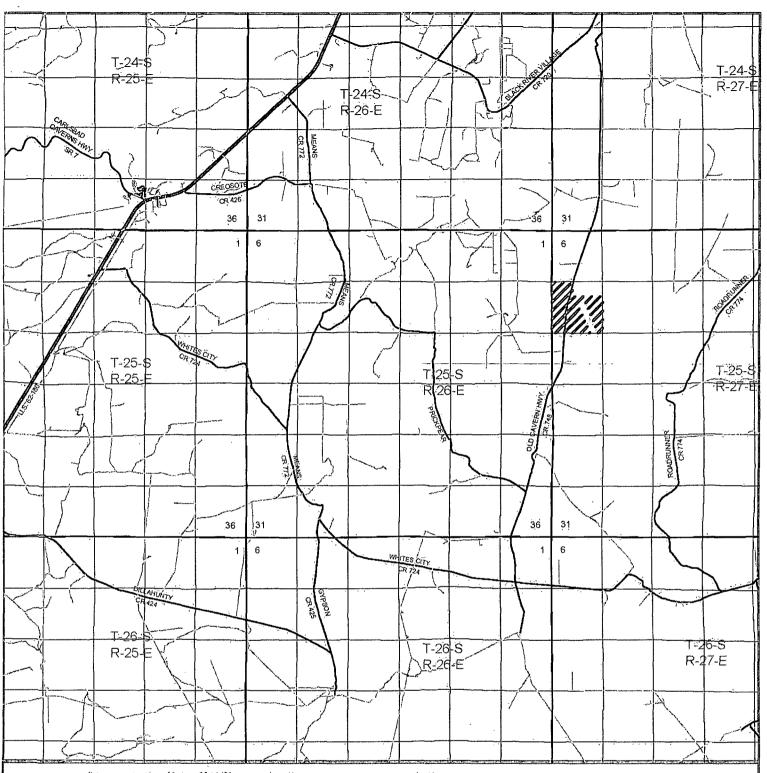
Midland, TX 79701

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	5thday of	June		2013					
NAME: Paul	la Bru	n SOn	/						
	Paula B	runson							
TITLE: Regulate	ory Analyst								
	ADDRESS: 600 N. Marienfeld St., Ste. 600 Midland, TX 79701								
TELEPHONE:	ELEPHONE: 432-571-7848								
EMAIL: <u>pbrunson@cimarex.com</u>									
Field Representa	itive: Same as	above							

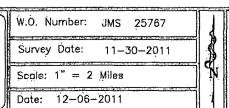




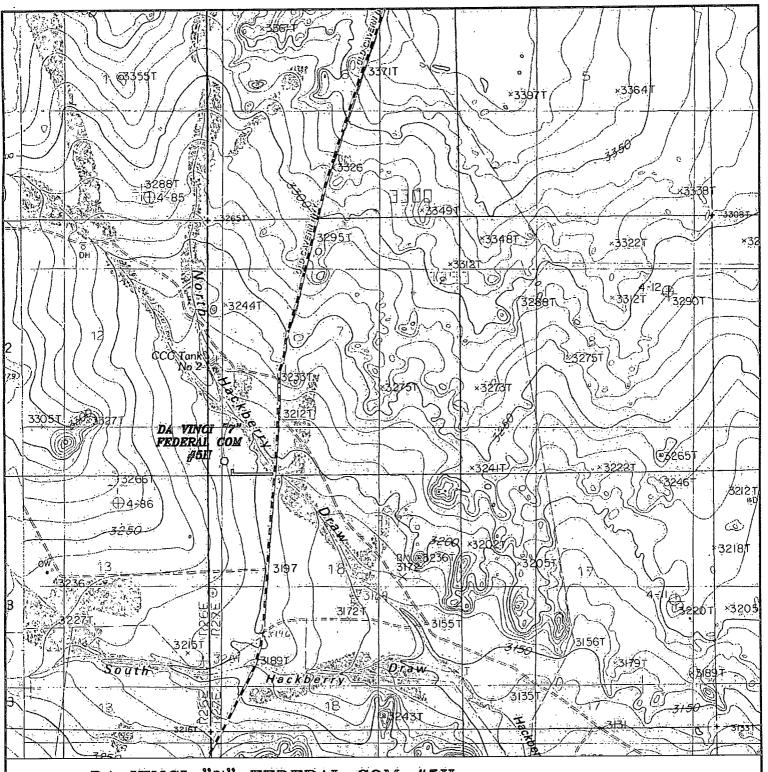
DA VINCI "7" FEDERAL COM #5H Located 300' FSL and 330' FWL Section 7, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.



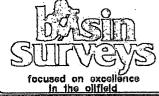
P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393—7316 — Office (575) 392—2206 — Fax basinsurveys.com



CIMAREX ENERGY CO. OF COLORADO



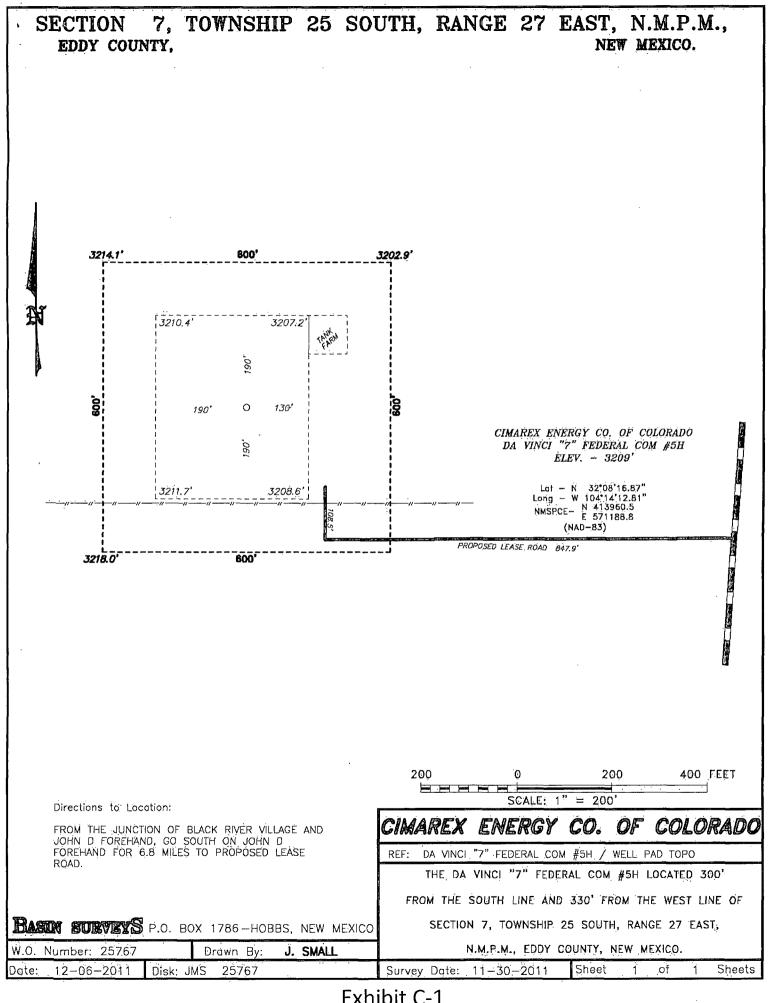
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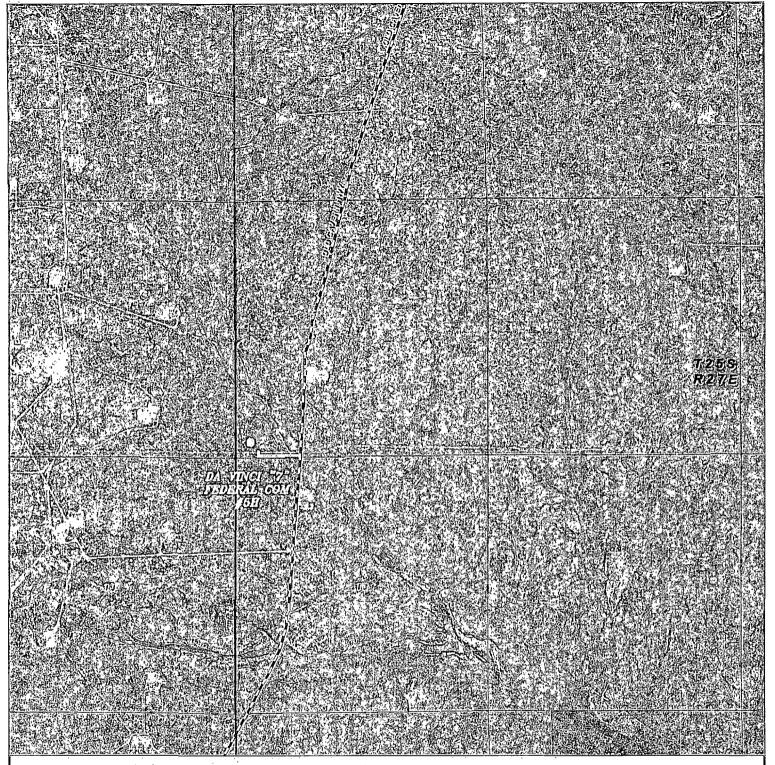


P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Fax basinsurveys.com

W.O. Number: JMS 25767	j
Survey Date: 11-30-2011	3
Scale: 1° = 2000'	H
Date: 12-06-2011	4

CIMAREX ENERGY CO. OF COLORADO





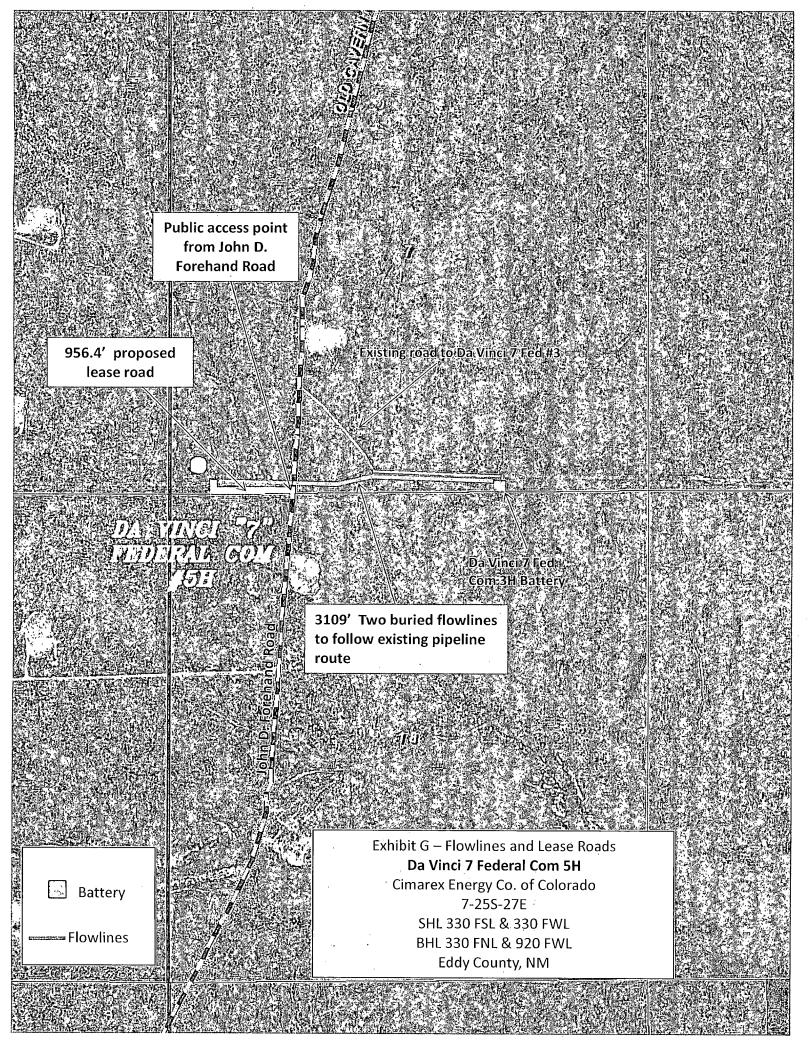
DA VINCI "7" FEDERAL COM #5H Located 300' FSL and 330' FWL Section 7, Township 25 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.



P.O. 80x 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Fax basinsurveys.com

	W.O. Number: JMS 25767	
	Scale: 1" = 2000'	3
A. C. A. Sec N. A. C. C.	YELLOW TINT — USA LAND BLUE TINT — STATE LAND NATURAL COLOR — FEE LAND	4

CIMAREX ENERGY CO. OF COLORADO



Application to Drill Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

Quaternary Alluvium Deposits

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

1 Location:

SHL

300' FSL & 330' FWL

BHL

330' FNL & 920' FWL

2 Elevation above sea level:

3209' GR

3 Geologic name of surface formation:4 Drilling tools and associated equipment:

Conventional rotary drilling rig using fluid as a circulating medium for solids removal.

5 Proposed drilling depth:

12,487' MD

7,902' TVD

6 Estimated tops of geological markers:

Formation	Est. Top	Bearing
Rustler/Salado	Spotty, NA	NA
Castille	415	NA
Top of Salt	1197	NA
Base of Salt	1798	NA
Delaware	1997	Hydrocarbons
Cherry Canyon	2947	NA
Brushy Canyon	3987	NA
Bone Spring	5479	Hydrocarbons
Bone Spring "A" Shale	5604	NA
Bone Spring "C" Shale	5938	NA
1st Bone Spring Ss	6439	NA
2nd Bone Spring Ss	7019	NA
2nd BS Ss Lower	7753	NA
3rd Bone Spring Carb "C"	7969	NA

7 Possible mineral bearing formation:

Shown above

7A OSE Ground Water estimated depth:

20'

8 Casing Program:

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	Conditon	BHP (psig)	Anticipated Mud Weight (ppg)	Collapse SF (1.125)	Burst SF (1.125)	Cumulative Air Weight (lbs)	Cumulative Bouyed Weight (lbs)	Bouyant Tension SF (1.8)
Surface											•				
0'	400'	400'	17 1/2	13 3/8	48	H-40	ST&C	New	180	8.4	4.24	9.61	19,200	16,738	19.24
Intermediate	1960														
0'	1778	1778'	12 1/4	9 5/8	36	J-55	LT&C	New	800	10.2	2.14	4.40	64,008	54,040	10.44
Production							·							-	
0'	7616'	7616'	8 3/4	5 1/2	17	P-110	LT&C	New	1,817	9.2	2.05	5.85	134,334	115,466	3.85
7616'	12487'	7902'	8 3/4	5 1/2	17	P-110	BT&C	New	3,556	9.2	1.98	2.99	4,862	4,179	130.65



<u>Surface</u>

Tension A 1.8 design factor with effects of buoyancy.

8.4 ppg

Collapse A 1.125 design factor with full internal evacuation and a collapse force equal to a

8.4 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.

<u>Intermediate</u>

Tension A 1.8 design factor with effects of buoyancy.

10.2 ppg

Collapse A 1.125 design factor evacuated 1/3 TVD of next casing string with a collapse force equal to a

10.2 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.

9.2 ppg

Collapse A 1.125 design factor with full internal evacuation and a collapse force equal to a

9.2 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.

Urilling Plan

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

9 Cementing Program:

Surface	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	120	1.75	13.5	208	Class C + Bentonite + Calcium Chloride + LCM
Tail	200	1.34	14.8	261	Class C + LCM
•	TOC:	0' 50% Exc	ess	Centralizer	s per Onshore Order 2.III.B.1f

Intermediate	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	430	1.88	12.9	799	35:65 (poz/C) + Salt + Bentonite + LCM + retarder
Tail	140	1.34	14.8	187	Class C + retarder + LCM

TOC: 0' 77% Excess

Production	Sacks	Yield (cuft/sx)	Weight (ppg)	Cubic Feet	Cement Blend
Lead	727	2.4	11.9		35:65 (poz/H) + salt + Sodium Metasilcate + Bentonite + Fluid Loss + Dispersant + LCM + Retarder
					50:50 (poz/H) + Bentonite + Salt + Fluid Loss + Dispersant +
Tail	1372	1.24	14.5	1701	LCM + Retarder

Cement volumes will be adjusted depending on hole size.

TOC: 1477'

25% Excess

No centralizers planned in the lateral section. 1 every jt from EOC to KOP. 1 every 4th joint from KOP to 500' inside previous casing.

10 Pressure Control Equipment:

Exhibit "E-1". A 13%" 5000 PSI working pressure BOP, tested to 3000 psi on the surface casing and 5000 psi on the intermediate, consisting of one set of blind rams and one set of pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head as needed. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

BOP unit will be hydraulically operated. BOP will be installed and operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling.

BOPS will be tested by an independent service company to 250 psi low and 3000 psi high on the surface casing and 250 psi low and 5000 psi high on the intermediate. Hydril will be tested to 250 psi low and 2500 psi high on the surface and intermediate casings.

Cimarex Energy Co. of Colorado requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached (please see Exhibit F, F-1, F-2, F-3). The hose is not required by the manufacturer to be anchored. In the event the specific hose is not available, one of equal or higher rating will be used.

Application to Drill

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

11 Proposed Mud Circulating System:

	Depth		Mud Wt	Visc	Fluid Loss	Type Mud
0'	to	400'	8.4	28	NC	FW Spud Mud
400'	to	_1778' 14	<i>OO</i> 10.2	30-32	NC	Brine water
1778'-	to	12487'	9.2	30-32	NC	FW/Cut Brine

Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. In order to run DSTs, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs.

The Mud Monitoring System is an electronic Pason System satisfying requirements of Onshore Order 1.

12 Proposed Drilling Plan

Pilot Hole TD:

No Pilot Hole

KOP: 7,616' EOC: 8065'

Set Surface and Intermediate casing strings. Drill production hole to KOP. Continue drillling lateral through the curve to TD. Run prod casing & cement.

13 Testing, Logging and Coring Program:

A. Mud logging program: 2 man unit from 1778' to TD

В. Electric logging program: CNL / LDT / CAL / GR, DLL /GR -- Inter. Csg to TD

CNL/GR -- Surf to Inter. Csg

- C. No DSTs or cores are planned at this time.
- CBL w/ CCL from as far as gravity will let it fall to TOC D.

14 Potential Hazards:

No abnormal pressures or temperatures are expected. In accordance with Onshore Order 6, Cimarex does not anticipate that there will be enough H₂S from the surface to the Bone Spring formations to meet the BLM's minimum requirements for the submission of an "H₂S Drilling Operation Plan" or "Public Protection Plan" for the drilling and completion of this well. Since we have an H₂S Safety package on all wells, attached is an "H₂S Drilling Operations Plan." Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

Estimated BHP

3556 psi

Estimated BHT

150°

15 Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved.

Drilling expected to take:

35-40 days

If production casing is run an additional 30 days will be required to complete and construct surface facilities.

16 Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from TD over possible pay intervals.

pay will be perforated and stimulated.

The proposed well will be tested and potentialed as

Oil



Cimarex Energy Co. of Colorado Location: Eddy County, NM Field: (Da Vanci) Sec. 7, T25S, R27E Facility: Da Vanci 7 Fed Com No.5H Wellbore: No.5H PWB

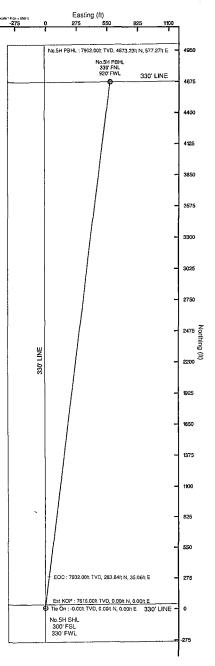


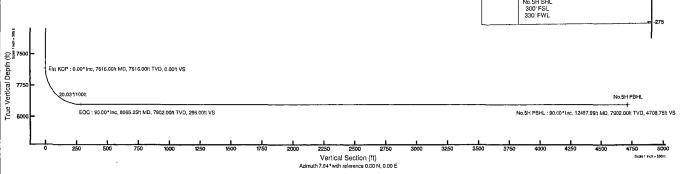
	Well Profile Data										
Design Comment	Design Comment MD (ft) Inc (*) Az (*) TVD (ft) Local N (ft) Local E (ft) DLS (*100(t)) VS (ft)										
Tie On	0.00	0.000	7.042	0.00	0.00	0.00	0.00	0.00			
Est KOP	7616.00	0.000	7.042	7616.00	0.00	0.00_	0.00	0.00			
EOC	8065.25	90.000	7.042	7902.00	283.84	35.06	20.03	286.00			
No.5H PBHL	12487.99	90.000	7.042	7902.00	4673.23	577.27	0.00	4708.75			

Plot reference wellpath is Prelim_1	
True vertical depths are referenced to Rig on No.5H SHL (RT)	Grid System: NAD83 / TM New Mexico SP, Eastern Zone (3001), US feet
Measured depths are referenced to Rig on No.5H SHL (RT)	North Reference: Grid north
Rig on No.5H SHL (RT) to Mean Sea Level: 3209 feet	Scale: True distance
Mean Sea Level to Mud line (At Siot: No.5H SHL): -3209 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: gentbry on 2/13/2012



BGGM (1945.0 to 2013.0) Dip: 59.93° Field: 48423.4 nT
Magnetic North is 7.88 degrees East of True North (at 2/13/2012)
Grid North is 0.05 degrees East of True North
To correct azimuth from True to Grid subtract 0.05 degrees
To correct azimuth from Magnetic to Grid add 7.83 degrees
For example: if the Magnetic North Azimuth ≈ 90 degs, then the Grid North Azimuth ≈ 90 + 7.83 = 97.83







Planned Wellpath Report Prelim_1 Page 1 of 5



रिवंतवस	ENCE WELLPATHIJIDENTHIPICATHON		
Operator	Cimarex Energy Co. of Colorado	Slot	No.5H SHL
Area	Eddy County, NM	Well	No.5H
Field	(Da Vanci) Sec. 7, T25S, R27E	Wellbore	No.5H PWB
Facility	Da Vanci 7 Fed Com No.5H		NOT THE REAL PROPERTY OF THE P

MARONAL STRING	PINFORMATION		
Projection System	NAD83 / TM New Mexico SP, Eastern Zone (3001), US feet	Software System	WellArchitect® 3.0.0
North Reference	Grid	User	Gentbry
Scale	0.99991	Report Generated	2/13/2012 at 3:24:49 PM
Convergence at slot	0.05° East	Database/Source file	WA Midland/No.5H_PWB.xml

WELLPATHILOCATION								
	Local coo	rdinates	Grid co	ordinates	Geographic coordinates			
	North[ft]	East[ft]	Easting[US ft]	Northing[US ft]	Latitude	Longitude		
Slot Location	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W		
Facility Reference Pt			571188.80	413960.50	32°08'16.870"N	104°14'12.805"W		
Field Reference Pt			575554.70	414038.30	32°08'17.598"N	104°13'22.026"W		

WELLEPATELDATIO			
Calculation method	Minimum curvature	Rig on No.5H SHL (RT) to Facility Vertical Datum	0.00ft
Horizontal Reference Pt	Slot	Rig on No.5H SHL (RT) to Mean Sea Level	3209.00ft
Vertical Reference Pt	Rig on No.5H SHL (RT)	Rig on No.5H SHL (RT) to Mud Line at Slot (No.5H SHL)	0.00ft
MD Reference Pt	Rig on No.5H SHL (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	7.04°



Planned Wellpath Report Prelim_1 Page 2 of 5



रियम्	REPRESENCE WELLPASELIDEN HUNCASTION								
Operator	Cimarex Energy Co. of Colorado	Slot	No.5H SHL						
Area	Eddy County, NM	Well	No.5H						
Field	(Da Vanci) Sec. 7, T25S, R27E	Wellbore	No.5H PWB						
Facility	Da Vanci 7 Fed Com No.5H								

WELLP	ATH DA	TA (140	station	s). j = i	interi	olate	d/extrapo	lated stati	on		name of the first	
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00	0.000	7.042	0.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W		Tie On
100.00†	0.000	7.042	100.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
200.00†	0.000	7.042	200.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
300.00†	0.000	7.042	300.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
400.00†	0.000	7.042	400:00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12'805"W	0.00	
500.00†	0.000	7.042	500.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
600.00†	0.000	7.042	600.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
700.00†	0.000	7.042	700.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
800.00†	0.000	7.042	800.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
900.00#	0.000	7:042	900:00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"Nj	: 104°14'12.805"W	0.00	and the same of th
1000.00†	0.000	7.042	1000.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1100.00†	0.000	7.042	1100.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1197.00†	0.000	7.042	1197.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W		Top Salt
1200.00†	0.000			0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1300.00†	0.000	7.042	1300.00	0.00	0,00	0.00	571188.80 ₁	413960.50	32°08'16.870"N]	104°14'12.805''W	, 0.00	
1400.00†	0.000	7.042	1400.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1500.00†	0.000		1500.00	0.00	<u> </u>	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1600.00†	0.000	7.042	1600.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1700.00†	0.000	7.042	1700.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1798.00†	0.000	7.042	1798.00	0.00	0.00		571188.80	413960:50	32°08'16.870"N	104°14'12.805"W	0.00	Base Salt .
1800.00†	0.000	7.042		0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1900.00†	0.000	7.042		0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
1997.00†	0.000	7.042	1997.00	. 0.00	0.00		571188.80	413960.50	32°08'16.870"N	104°14'12.805"W		Delaware
2000.00†	0.000	7.042	2000.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
2100.00†	0.000	attention desired	2100.00	0.00	The same of the same of the	0.00		413960.50	32°08'16.870;'N		0.00	
2200.00†	0.000	7.042		0.00	0.00		571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
2300.00†	0.000	7.042	2300.00	0.00			571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
2400.00†	0.000	7.042	2400.00	0.00	0.00		571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
2500.00†	0.000	7.042		0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
2600.00†	0.000	a description of the second	2600.00		The state of the s	0.00	571188.80			104°14\12.805"W	.0.00	
2700.00†	0.000	7.042	2700.00	0.00	0.00		571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
2800.00†	0.000		2800.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
2900.00†	0.000		2900.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
2947.00†	0.000	ACTION AND PROPERTY AND PROPERTY.	2947.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W		Cherry Canyon
3000.00†			3000.00	transfer to the second	the season are a	0.00	571188.80	The state of the s	a me fine to expense to a region of the property of the state of the s	104°14'12.805"W	0.00	
3100.00†	0.000	<u></u>	3100.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	<u> </u>
3200.00†	0.000		3200.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
3300.00†	0.000		3300.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	·]·	
3400.00†	0.000		3400.00	0.00	0.00		571188.80	413960.50	32°08'16.870"N 32°08'16:870"N	104°14'12.805"W	0.00	
3500.00†		I detail to the second of	3500.00		0.00	-	[571188.80]		A many to the contract of the state of the s	7 AL	Street, South	
3600.00†	0.000	}	3600.00	0.00	·	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	ļ
3700.00†	0.000		3700.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
3800.00†	0.000		3800.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
3900.00†	0.000	Land investors may recover a received	3900.00	0.00		0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	h
: 398 /.00	0.000	· */:U42	3987.00	0.00	0.00	0.00	5/1188.80	.413900:50	-, 32*U8-10:87U*N	· 104°14'12.805''W	1. 0.00	Brushy Canyon



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स्रिक्रमधार	ENCE WELLPATHITIDENHIFICATION		
Operator	Cimarex Energy Co. of Colorado	Slot	No.5H SHL
Area	Eddy County, NM	Well	No.5H
Field	(Da Vanci) Sec. 7, T25S, R27E	Wellbore	No.5H PWB
Facility	Da Vanci 7 Fed Com No.5H		

	Inclination [°] 0.000 0.000 0.000 0.000	Azimuth [°] 7.042	TVD [ft]	Vert Sect			Grid East	polated st	Latitude	Longitude	DLS	C
4100.00† 4200.00† 4300.00† 4400.00† 4500.00†	0.000			} [11]	[ft]	[ft]	[US ft]	[US ft]	Lantude	Longitude	[°/100ft]	Comments
4200.00† 4300.00† 4400.00† 4500.00†	0.000		4000.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
4300.00† 4400.00† 4500.00†		7.042	4100.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
4400.00† 4500.00†	0.000	7.042	4200.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
4500.00†	0.000	7.042	4300.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
	0.000	7.042	4400.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
4600.00†	0.000	7.042	4500.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
	0.000	7.042	4600.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
4700.00†	0.000	7.042	4700.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
4800.00†	0.000	7.042	4800.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
4900.00†	0,000	7:042	4900.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5000.00†	0.000	7.042	5000.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5100.00†	0.000	7.042	5100.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5193.00†	0.000	7.042	5193.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	Brushy Canyon Lower
5200.00†	0.000	7.042	5200.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5300.00†	0.000	7.042	5300.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805;"W.	0.00	
5400.00†	0.000	7.042	5400.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5479.00†	0.000	7.042	5479.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	Bone Spring
5500.00†	0.000	7.042	5500.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5600.00†	0.000	7.042	5600.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5604.00†	0.000	7.042	5604.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	Bone spring "A" Shale
5700.00†	0.000	7.042	5700.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14′12.805″W	0.00	
5800.00†	0.000	7.042	5800.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5900.00†	0.000	7.042	5900.00	0.00	0.00		571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
5938.00†	0.000	7.042	5938.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	Bone Spring "C" Shale
6000.00†	0.000	7.042	6000.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
6100.00†	0.000		6100.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	Logal Assess afficients from the Assessment
6200.00†	0.000		6200.00	0.00	0.00		571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
6300.00†	0.000	7.042	6300.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
6400.00†	0.000	7.042	6400.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
6439:00†	0.000	7.042	6439.00	. 0.00	0.00	0.00	571188.80	413960.50	32°08'16.870''.N	.104°14'12.805"W	+ 0.00	1st Bone Spring Ss
6500.00†	0.000	7.042	6500.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
6600.00†	0.000	7.042	6600.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805''W	0.00	
6700.00†	0.000	7.042	6700.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
6800.00†	0.000	7.042	6800.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
6900.00†	0.000	7.042	6900.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
7000.00†	0.000	7.042	7000.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
7019.00†	0.000	7.042	7019.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	2nd Bone Spring Ss
7100.00†	0.000	7.042	7100.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
7200.00†	0.000	7.042	7200.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
7300.00†	0.000	7.042	7300.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	- 0.00	
7400.00†	0.000	7.042	7400.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
7500.00†	0.000	7.042	7500.00	0.00	0.00	0.00	571188.80	413960.50	32°08'16.870"N	104°14'12.805"W	0.00	
7600.00†	0.000	7.042	7600.00	0.00				413960.50		104°14'12.805"W	0.00	
7616.00	0.000		7616.00	0.00				413960.50		104°14'12.805"W	0.00	Est KOP
properties in accordance bearing in	16.828		7698.80							104°14'12.788''W		



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रिक्षमुद्धस्य	ENCE WELLIPATHE IIDENTHERICATHON		
Operator	Cimarex Energy Co. of Colorado	Slot	No.5H SHL
Area	Eddy County, NM	Well	No.5H
Field	(Da Vanci) Sec. 7, T25S, R27E	Wellbore	No.5H PWB
Facility	Da Vanci 7 Fed Com No.5H		

WELLP	ATH DA	TA (14	40 stati	ons) †	= inter	polate	d/extrap	olated sta	tion		-	
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
7757.73†	28.394	7.042	7752.00	34.41	34.15	4.22	571193.02	413994.64	32°08'17.208"N	104°14'12.756"W	20.03	Lwr 2nd Bone Spring Ss
7800.00†	36.862	7.042	7787.57	57.18	56.74	7.01	571195.81	414017.24	32°08'17.431"N	104°14'12.723"W	20.03	
7900.00†	56.895	7.042	7855.57	129.79	128.82					104°14'12.619"W	20.03	
8000.00†	76.929	7.042	7894.59	221.32	219.65					104°14'12.488"W	20.03	
8065.25	90.000	7.042	7902.00	286.00	283.84					104°14'12.395"W	20.03	EOC
8100.00†	90.000	7.042	7902.00	320.75	318.33	39.32	571228.12	414278.80	32°08'20.020"N	104°14'12.345"W	0.00	
8200.00†	90.000	7.042	7902.00	420.75	417.58	51.58	571240.38	414378.04	32°08'21.001"N	104°14'12.201"W	0.00	
8300.00†	90.000	7.042	7902.00	520.75	516.82	63.84	571252.64	414477.28	32°08'21.983"N	104°14'12.058"W	0.00	
8400.00†	90.000	7.042	7902.00	620.75	616.07					104°14'11.914"W	0.00	
8500:00†	90.000		7902.00	720.75						104°14'11.770"W	0.00	
8600.00†	90.000	7.042	7902.00	820.75						104°14'11.627"W	0.00	
8700.00†	90.000	and the same of th	7902.00				in in a committee of the committee of th			104°14'11.483"W	0.00	
8800.00†	90.000	7.042	7902.00	1020.75	1013.05	125.14	571313.93	414973.46	32°08'26.893"N	104°14'11.339"W	0.00	
8900.00†	90.000		Anna area transport							104°14'11.196"W	0.00	
9000.00†	90.000									104°14'11.052"W	0.00	
9100.00†	90.000		L				·			104°14'10.909"W	0.00	
9200.00†	90.000									104°14'10.765"W	0.00	
9300.00†	90.000									104°14'10.621"W	0.00	
9400.00†	90.000									104°14'10.478"W	0.00	
9500:00†	90.000		The section of the se	The second secon	4.44.44	The same of the same of the same of	The san seem we make the same	A STATE OF THE PARTY OF THE PAR	Att. with any at the water and the second	104°14′10.334"W	0.00	-
9600.00†	90.000	7.042	7902.00	1820.75	1807.02	223.22	571412.00	415767.35	32°08'34.749"N	104°14'10.190"W	0.00	
9700.00†	90.000									104°14'10.047"W	0.00	
9800.00†	90.000									104°14'09.903"W	0.00	
9900.00†	90.000	-		COTT AND AND THE PARTY OF			CAN DAIN THE PROPERTY OF THE PARTY OF THE PA			104°14'09.760"W	0.00	
10000.00†	90.000	7.042	7902.00	2220.75	2204.00	272.25	571461.03	416164.30	32°08'38.677"N	104°14'09.616"W	0.00	4
10100.00†	90.000	7.042	7902.00	2320.75	2303.25	284.51	571473.29	416263.53	32°08'39.659"N	104°14'09.472"W	0.00	
10200.00†	90.000									104°14'09.329"W	0.00	
10300.00†	90.000									104°14'09.185"W	0.00	
10400.00†	90.000									104°14'09.041"W	0.00	
10500.00†	90.000									104°14'08:898"W	0.00	
10600.00†	90.000									104°14'08.754"W	0.00	
10700.00†	90.000									104°14'08.611"W	0.00	
10800.00†										104°14'08.467"W	0.00	ļ
10900.00†	90.000									104°14'08.323"W	0.00	***************************************
11000.00†			7 7 4 7 1 1 2 2 7 1 2 7 2 7 7 7 7 7 7 7 7 7 7		******	112 202 0000 1101	/	722 200,000		104°14'08.180"W	0.00	
11100.00†	90.000									104°14'08.036"W	0.00	
11200.00†	90.000					 		·	·····	104°14'07.892"W	0.00	
11300.00†						I		·		104°14'07.749"W	0.00	
11400.00†										104°14'07.605"W	0.00	ļ
11500.00†										104°14'07.461"W	0.00	
11600.00†										104°14'07.318"W	0.00	
11700.00†										104°14'07.174"W	0.00	
11800.00†										104°14′07.031″W	0.00	
11900.00†				Pict 11 to 12 in 12 in more in a series and a	and the second s			Land a strange of the contract	and the second s	104°14'06.887"W	0.00	gray, in the fift late and agone latery enginely engage encous animal conservative
12000.00†	90.000	7.042	7902.00	4220.75	4188:91	517.44	571706.19	418149.03	32°08'58.316"N	104°14'06.743''W	0.00	



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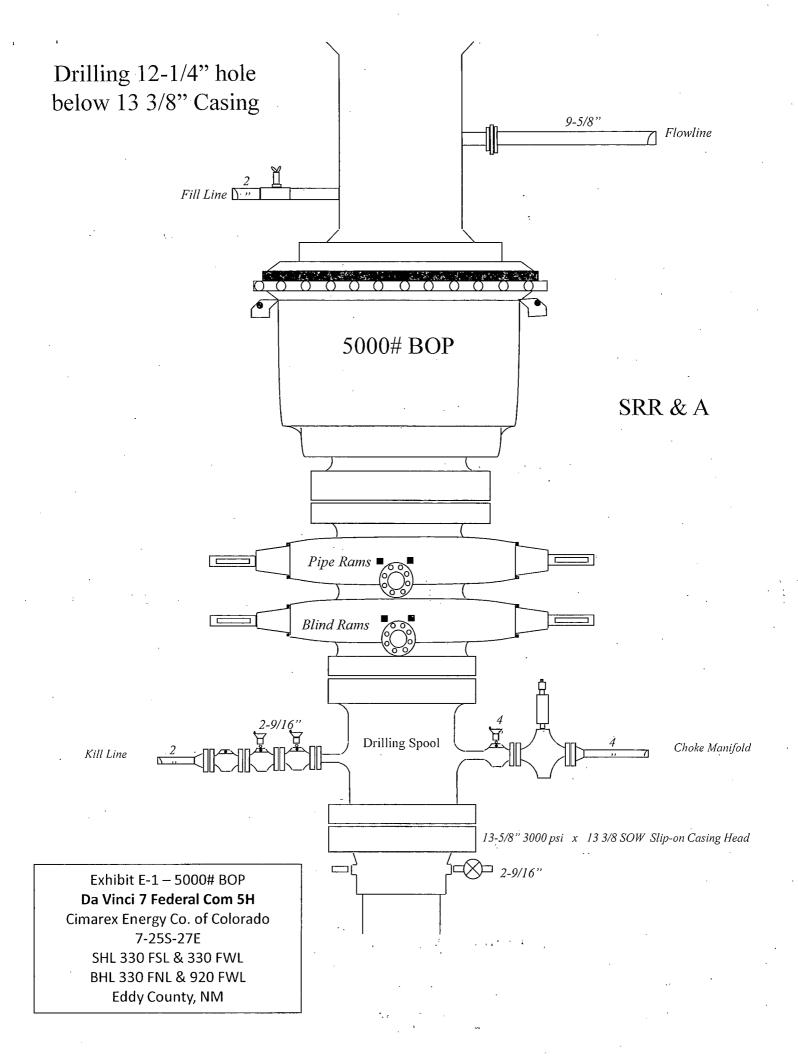
राजनसर	ENCEWELLEATHINDENHINGATION		
Operator	Cimarex Energy Co. of Colorado	Slot	No.5H SHL
Area	Eddy County, NM	Well	No.5H
Field	(Da Vanci) Sec. 7, T25S, R27E	Wellbore	No.5H PWB
Facility	Da Vanci 7 Fed Com No.5H		

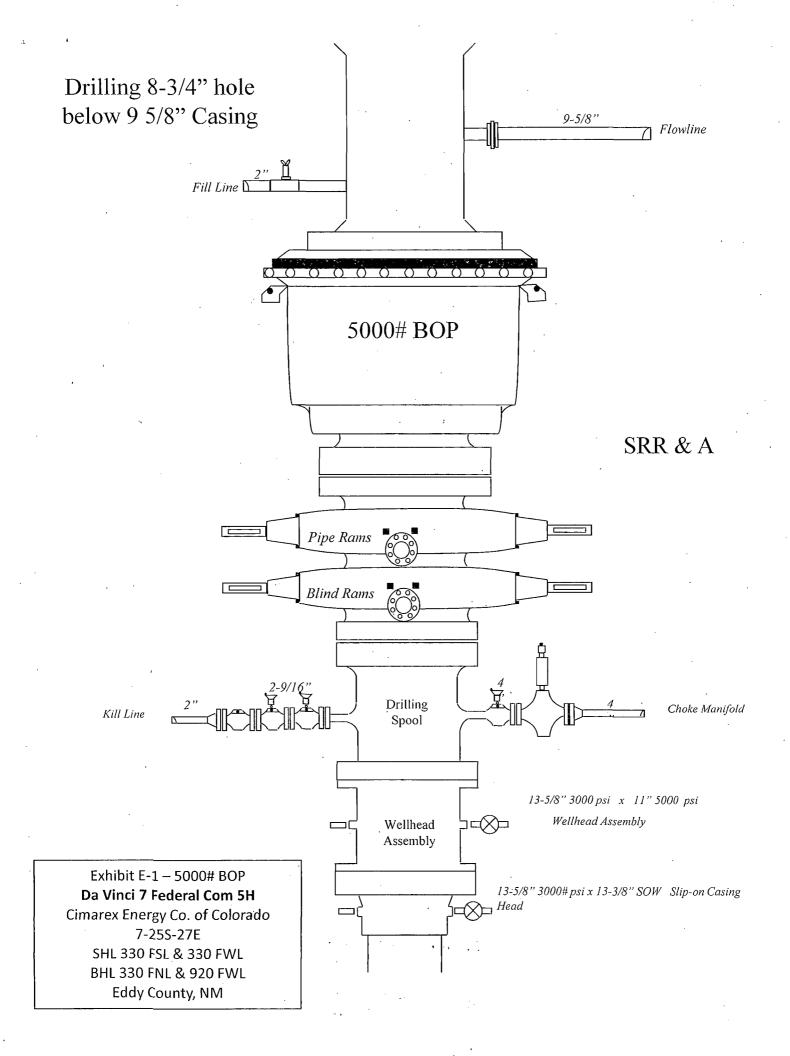
WELLP	ATH DA'	TA (140	station	s) ,	interpol	ated/e	ktrapolate	d station		Sandara de maria de la companya de		en grant getarani et
4	Inclination	Azimuth	TVD	Vert Sect	- 10-10-1	East		Grid North	Latitude	Longitude		Comments
[ft]	[°]	[°]	[ft]	[ft]	[ft]	[ft]	[US ft]	[US ft]			[°/100ft]	
12100.00†	90.000	7.042	7902.00	4320.75	4288.16	529.70	571718.45	418248.27	32°08'59.298"N	104°14'06.600''W	0.00	
12200.00†	90.000	7.042	7902.00	4420.75	4387.41	541.96	571730.71	418347.50	32°09'00.280"N	104°14'06.456"W	0.00	
12300.00†	90.000	7.042	7902.00	4520.75	4486.65	554.22	571742.97	418446.74	32°09'01.262"N	104°14'06.312"W	0.00	
12400.00†	90.000	7.042	7902.00	4620.75	4585.90	566.48	571755.23	418545.98	32°09'02.244"N	104°14'06.169"W		
12487.99	-90.000	7.042	7902.00 ¹	4708.75	4673.23	577,27	571766.01	418633.30	32°09'03.108"N	104°14'06.042"W	0.00	No.5H PBHL

HOLE & CASING SECTIONS - Ref Wellbore: No.5H PWB Ref Wellpath: Prelim_1									
String/Diameter	Start MD [ft]	End MD [ft]	Interval [ft]	Start TVD [ft]	End TVD [ft]	Start N/S [ft]	Start E/W [ft]	End N/S [ft]	End E/W [ft]
12.25in Open Hole	0.00	4900.00	4900.00	0.00	4900.00	0.00	0.00	0.00	0.00
9.625in Casing	0.00	4900.00	4900.00	0.00	4900.00	0.00	0.00	0.00	0.00

TARGETS									
Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	Shape
1) No.5H PBHL	12487.99	7902:00	4673.23	577:25	571766.00	418633.30	*32 ⁸ 09'03.108''N	.:104°14'06:042"W	point

SURVEY PRO	GRAM - Ref	Wellbore: No.5H PWB Ref Wellpath: Prelim_1	and the second	en egypten han en het egypte (e. 19. Sandragen av skriver blev klimer)
Start MD	End MD	Positional Uncertainty Model	Log Name/Comment	Wellbore
[ft]	[ft]	·		
0.00	12487.99	NaviTrak (Standard)		No.5H PWB





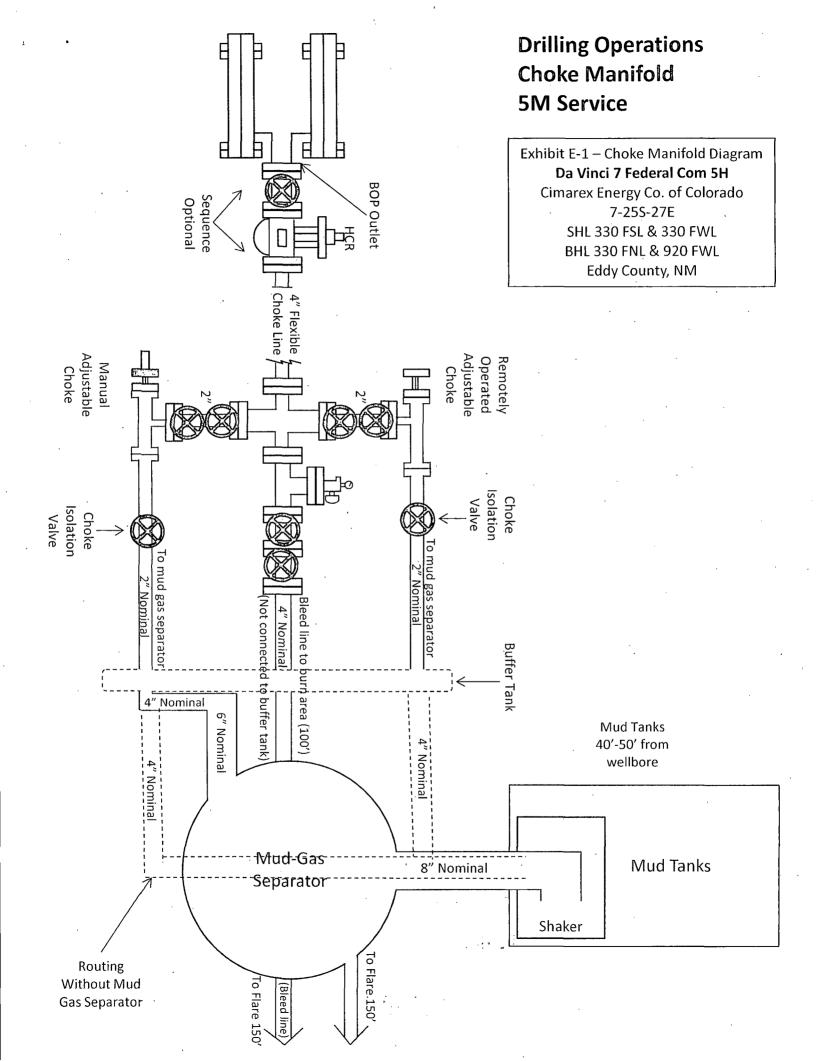


Exhibit F-1 – Co-Flex Hose Hydrostatic Test

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado 7-25S-27E

SHL 330 FSL & 330 FWL BHL 330 FNL & 920 FWL Eddy County, NM



Midwest Hose & Specialty, Inc.

INTERNA	L HYDROS1	TATIC TEST	REPORT	1		
Customer:		P.O. Number:				
1	Oderco Inc		odyd-2	71		
	HOSE SPECI	FICATIONS				
Type: Stainless	Steel Armor		 			
Choke &	Kill Hose		Hose Length:	45'ft.		
I.D.	4 INCHES	O.D.	9	INCHES		
WORKING PRESSURE	TEST PRESSUR	E .	BURST PRESSUR	E .		
10,000 PSI	15,000	PSI	0	PSI		
·	COU	PLINGS	•			
Stem Part No.		Ferrule No.				
ОКС		:	OKC			
OKC		·	окс			
Type of Coupling:						
Swage	-It					
	PRO	CEDURE				
Hose assemb	ly pressure tested w	ith water at ambien	t temperature .			
	T TEST PRESSURE		URST PRESSURE:			
· 1	5 MIN.		0	PSI		
Hose Assembly Ser	rial Number:	Hose Serial Number:				
7979	3.		ОКС			
Comments:						
Date:	Tested:		Approved:			
3/8/2011	0.	Jain Jana.	ferrit	4		

Exhibit F-1 – Co-Flex Hose Hydrostatic Test

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado 7-25S-27E SHL 330 FSL & 330 FWL BHL 330 FNL & 920 FWL Eddy County, NM

<u> PS</u>

12000 14000 ... 16000 15000

Pressure Test

Customer: Houston

Hose Type C&K I.D. 4"

Burst Pressure Standard Safaty Wolflipfier Applies

Working Pressure 10000 PSI

Length 45' 0:D. 6.09"

Pick Ticket #: 94260

Internal Hydrostatic Test Graph

Type of Fitting
4 1/16 10k
Die Size
6.38"
Hose Serial #
5544

Coupling Method
Swage
Etnal D.D.
6.25"
Hose Assembly Serial.#
79793

8000 10000 Water Street Time Held at Test Pressure
11 Ninutes Time in Minutes e.ve.o.v

Tested By: Zac Micconnell

Actual Burst Pressure

Comments: Hose assembly pressure tested with water at ambient temperature.

Test Pressure 15000 PSI

Peak Pressure 15483 PSI

Approved By: Kim Thomas

Exhibit F-2 – Co-Flex Hose

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado

7-25S-27E

SHL 330 FSL & 330 FWL

BHL 330 FNL & 920 FWL

Eddy County, NM



Midwest Hose & Specialty, Inc.

	Certific	cate of Co	nformity
Custome	er: DEM		PO ODYD-271
	S	PECIFICATION	ONS
Sales Or	ales Order		
	79793		3/8/2011
			
	We hereby cerify for the referenced according to the re order and current	l purchase of equirements	rder to be true of the purchase
	Supplier: Midwest Hose & S 10640 Tanner Ro Houston, Texas 7	ad	c .
	,		
Comme	nts:		
Approved:	 	· ·	Date:
	Samuel Bancia	e.	3/8/2011



Exhibit F -3 – Co-Flex Hose Da Vinci 7 Federal 5H Cimarex Energy Co. of Colorado 7-25S-27E SHL 300 FSL & 330 FWL BHL 330 FNL & 920 FWL Eddy County, NM

Specification Sheet Choke & Kill Hose

The Midwest Hose & Specialty Choke & Kill hose is manufactured with only premium componets. The reinforcement cables, inner liner and cover are made of the highest quality material to handle the tough drilling applications of today's industry. The end connections are available with API flanges, API male threads, hubs, hammer unions or other special fittings upon request. Hose assembly is manufactured to API 7K. This assembly is wrapped with fire resistant vermculite coated fiberglass insulation, rated at 2000 degrees with stainless steel armor cover.

Working Pressure:

5,000 or 10,000 psi working pressure

Test Pressure:

10,000 or 15,000 psi test pressure

Reinforcement:

Multiple steel cables

Cover:

Stainless Steel Armor

inner Tube:

Petroleum resistant, Abrasion resistant

End Fitting:

API flanges, API male threads, threaded or butt weld hammer

unions, unibolt and other special connections

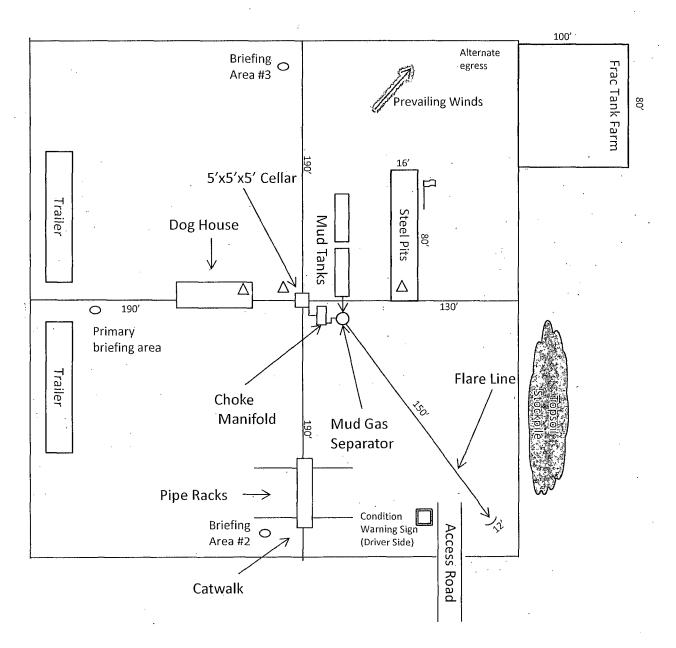
Maximum Length:

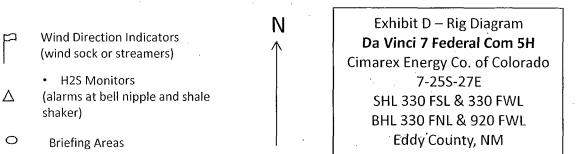
110 Feet

ID:

2-1/2", 3", 3-1/2". 4"

Operating Temperature: -22 deg F to +180 deg F (-30 deg C to +82 deg C)





Hydrogen Sulfide Drilling Operations Plan

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

1 All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following:

- A. Characteristics of H₂S
- B. Physical effects and hazards
- C. Principal and operation of H2S detectors, warning system and briefing areas.
- D. Evacuation procedure, routes and first aid.
- E. Proper use of safety equipment & life support systems
- F. Essential personnel meeting Medical Evaluation criteria will receive additional training on the proper use of 30 minute pressure demand air packs.

2 H₂S Detection and Alarm Systems:

- A. H2S sensors/detectors to be located on the drilling rig floor, in the base of the sub structure/cellar area, on the mud pits in the shale shaker area. Additional H2S detectors may play placed as deemed necessary.
- B. An audio alarm system will be installed on the derrick floor and in the top doghouse.

3 Windsock and/or wind streamers:

- A. Windsock at mudpit area should be high enough to be visible.
- В.

Windsock on the rig floor and / or top doghouse should be high enough to be visible.

4 Condition Flags and Signs

- A. Warning sign on access road to location.
- B. Flags to be displayed on sign at entrance to location. Green flag indicates normal safe condition. Yellow flag indicates potential pressure and danger. Red flag indicates danger (H₂S present in dangerous concentration). Only H2S trained and certified personnel admitted to location.

5 Well control equipment:

A. See exhibit "E-1"

6 Communication:

- A. While working under masks chalkboards will be used for communication.
- B. Hand signals will be used where chalk board is inappropriate.
- C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.

7 Drillstem Testing:

No DSTs or cores are planned at this time.

- 8 Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 9 If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas seperator will be brought into service along with H₂S scavengers if necessary.

H₂S Contingency Plan

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must:

- « Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- « Evacuate any public places encompassed by the 100 ppm ROE.
- « Be equipped with H₂S monitors and air packs in order to control the release.
- "Use the "buddy system" to ensure no injuries occur during the response.
- « Take precautions to avoid personal injury during this operation.
- « Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- « Have received training in the:
 - Detection of H₂S, and
 - · Measures for protection against the gas,
 - · Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

Characteristics of H2S and SO2

Common	Chemical	Specific	Threshold	Hazardous	Lethal
Name	Formula	Gravity	Limit	Limit	Concentration
Hydrogen Sulfide	H₂S	1.189 Air=1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air=1	2 ppm	N/A	1000 ppm

Contacting Authorities

Cimarex Energy Co. of Colorado's personnel must liaise with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Cimarex Energy Co. of Colorado's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H₂S Contingency Plan Emergency Contacts

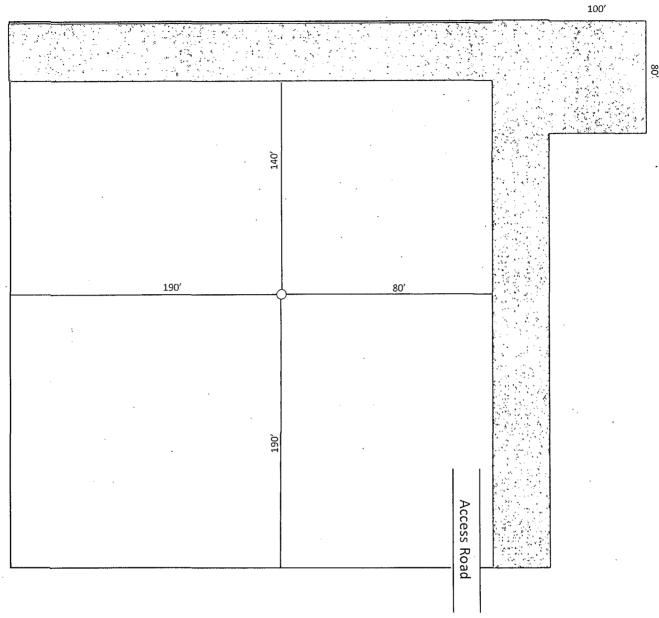
Da Vinci 7 Federal Com 5H

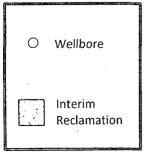
Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

Cimarex Energy Co. of Colora	do	800-969-4789	
Co. Office and After-Hours M	enu		
Key Personnel			
Name	Title	Office	Mobile
Larry Seigrist	Drilling Manager	432-620-1934	580-243-84
Doug McQuitty	Drilling Superintendent	432-620-1933	806-640-26
Scott Lucas	Drilling Superintendent	432-620-1989	432-894-55
Conner Cromeens	Construction Foreman		432-270-03
Roy Shirley	Construction Superintendent		432-634-21
Facelor our Dispuss to excited by Secretary payments and expenses and	THESE ST PROOF IN MODERN TO PERFOR BY RECIPS BY MICHIGAN AND STREET, TO STREET, AND STREET	nazioni di mischio do Krasko, 14 propon, per scazio del Krasko Ci. Grack	28 TO Reports by souther 64 States or souther 65
Artesia	에 마음	تقفظ امد المتعالم به مدمهم چه روانده ما منطقه عد امتعمار امد وارودی	2 13 tagger p. seeks 2 tagger p. seeks p.
Ambulance		911	
State Police		575-746-2703	
City Police		575-746-2703	.,
Sheriff's Office		575-746-9888	
Fire Department		575-746-2701	
Local Emergency Planning (Committee	575-746-2122	
New Mexico Oil Conservati		575-748-1283	
<u>Carlsbad</u> Ambulance		911	
State Police		575-885-3137	
		575-885-2111	
City Police Sheriff's Office		575-887-7551	
Fire Department	· · · · · · · · · · · · · · · · · · ·	575-887-3398	
Local Emergency Planning (Committee	575-887-6544	
US Bureau of Land Manage		575-887-6544	
55 Dar Cua Of Laria Manage		3.3 00, 0344	
Santa Fe			
	esponse Commission (Santa Fe)	505-476-9600	
	esponse Commission (Santa Fe) 24 Hrs	505-827-9126	
New Mexico State Emerger	ncy Operations Center	505-476-9635	
<u>National</u>			
National Emergency Respo	nse Center (Washington, D.C.)	800-424-8802	-
Medical			
Flight for Life - 4000 24th S	t.; Lubbock, TX	806-743-9911	
Aerocare - R3, Box 49F; Lub	obock, TX	806-747-8923	
Med Flight Air Amb - 2301	Yale Blvd S.E., #D3; Albuquerque, NM	505-842-4433	
SB Air Med Service - 2505 (Clark Carr Loop S.E.; Albuquerque, NM	505-842-4949	
Other			
Boots & Coots IWC		800-256-9688	or 281-931-88
Cudd Pressure Control		432-699-0139	or 432-563-33
Halliburton		575-746-2757	
D. I. G		F7F 746 0560	

B.J. Services

575-746-3569





Ν

Exhibit D-1 - Interim Reclamation Diagram Da Vinci 7 Federal Com 5H Cimarex Energy Co. of Colorado 7-25S-27E SHL 330 FSL & 330 FWL BHL 330 FNL & 920 FWL Eddy County, NM

Surface Use Plan

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

- 1. <u>Existing Roads:</u> 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 the Junction of Black River Village and John D. Forehand, go South on John D. Forehand for 6.8 miles to proposed lease road
- 2. Planned Access Roads: Planned access road will be 108.5' from the southeast corner of the pad south, and then 848' east.

3. Planned Electric Line:

No E-lines planned. Sundry notice will be submitted once route is determined.

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 Da Vinci 7 Federal 3H will be used and the necessary production equipment will be installed. Cimarex proposes to install two (2) 4" buried HP poly lines down existing lease road to carry oil, gas, water to the Da Vinci 7 Federal 3H tank battery approximately 3109' to the east. The route of the flowlines will be buried 25' to 35' north of the access road and will follow route of existing pipeline. 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 submited 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.

Surface Use Plan

Da Vinci 7 Federal Com 5H

Cimarex Energy Co. of Colorado UL M - Sec 7-25S-27E Eddy County, NM

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 porduction 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. 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 Carsbad BLM office.
- D. There are no known dwellings within 1½ miles of this location.

11. On Site Notes and Information:

On November 22, 2011, A BLM onsite meeting was held with Barry Hunt, Cimarex representative, John Fast and Lisa Ogden with the BLM, and Basin Suveys. The permitted location was approved. The location was moved 100' north to clear the Agave pipeline and 610' west to obtain 200 meters from the 100 year floodplain to the northeast. Agave pipeline now 200' south. V-door south. Interim reclamation: north & east. Access road to run east following the Agave pipeline (north side) to Forehand Road.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	CIMAREX ENERGY
LEASE NO.:	NM92167
WELL NAME & NO.:	5H-DA VINCI 7 FEDERAL
SURFACE HOLE FOOTAGE:	300' FSL & 330' FWL
BOTTOM HOLE FOOTAGE	330' FNL & 920' FWL
LOCATION:	Section 7, T. 25 S., R 27 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

General Provisions
Permit Expiration
Archaeology, Paleontology, and Historical Sites
☐ Noxious Weeds
Special Requirements
Communitization Agreement
☐ Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
☐ Road Section Diagram
☑ Drilling
Cement Requirements
Medium Cave/Karst
Logging Requirements
Waste Material and Fluids
☐ Production (Post Drilling)
Well Structures & Facilities
Pipelines
☐ Interim Reclamation
Final Abandonment & Reclamation

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Communitization Agreement

A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales. In addition, the well sign shall include the surface and bottom hole lease numbers. If the Communitization Agreement number is known, it shall also be on the sign. If not, it shall be placed on the sign when the sign is replaced.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be used for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

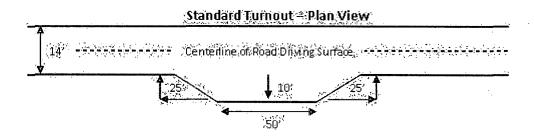
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:

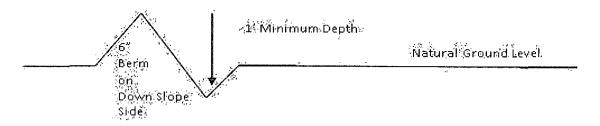


Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope:
$$\frac{400'}{4\%}$$
 + 100' = 200' lead-off ditch interval

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

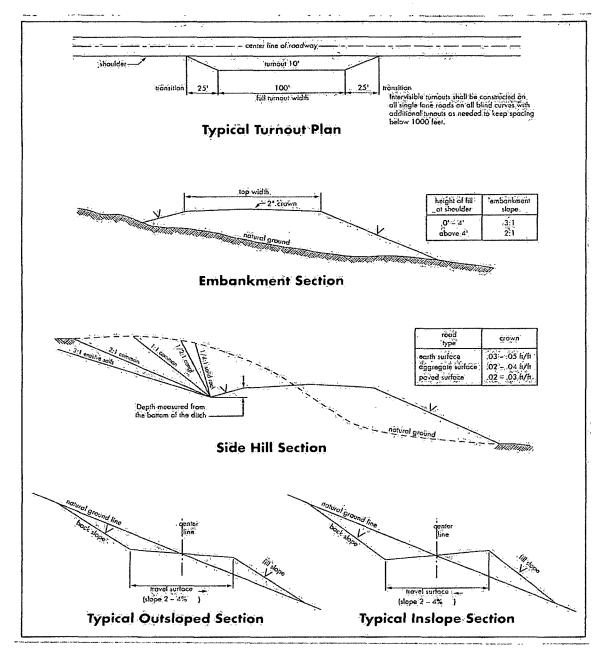
Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Figure 1 – Cross Sections and Plans For Typical Road Sections



VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 1. Although Hydrogen Sulfide has not been reported in the area, it is always a potential hazard. If Hydrogen Sulfide is encountered, report measured amounts and formations to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
- 4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Medium Cave/Karst

Possible lost circulation in the Salado, Delaware and Bone Spring. Possible water flows in the Salado, Castile, Delaware and Bone Spring.

- 1. The 13-3/8 inch surface casing shall be set at approximately 400 feet and cemented to the surface. If salt is encountered, set casing at least 25 feet above the salt.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is: (Ensure casing is set in the Lamar Limestone at approximately 1900')

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the production casing must come to surface.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralization for production casing is approved as written.

- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - □ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification. Excess calculates to 23% Additional cement may be required.
- 4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor. If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000** (**3M**) psi.
 - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.

- 4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be 5000 (5M) psi. 5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. The tests shall be done by an independent service company utilizing a test plug **not** a **cup** or **J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock.
 - d. The results of the test shall be reported to the appropriate BLM office.
 - e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

CRW 080613

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

- 2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way. 6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level. 7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet: Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (Blading is defined as the complete removal of brush and ground vegetation.) Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.) The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (Compressing can be caused by vehicle tires, placement of equipment, etc.) 8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately ___6__ inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding. 9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer. 10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade. 11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.			
	() seed mixture 1 (x) seed mixture 2	() seed mixture 3() seed mixture 4	
	() seed mixture 2/LPC	() Aplomado Falcon Mixture	
13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – Shale Green , Munsell Soil Color No. 5Y 4/2.			
14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.			
15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.			
16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.			
of operations. Which includes of weeds due to	Weed control shall be required on a associated roads, pipeline corrid o this action. The operator shall c	xious weeds become established within the areas the disturbed land where noxious weeds exist, or and adjacent land affected by the establishment onsult with the Authorized Officer for acceptable EPA and BLM requirements and policies	

18. <u>Escape Ramps</u> - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or

other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	l <u>b/acre</u>
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

^{*}Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed