

SECRETARY'S POTASH

JUL 1 1 2016

FORM APPROVED
OMB No. 1004-0137
Expires January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

HIGH CAVEKARST

APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | | |
|--|---|---|-----------------|
| 1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 7. If Unit or CA Agreement, Name and No. | |
| 1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Lease Name and Well No. Hackberry 26 Federal Com #2H | |
| 1c. Type of Completion <input checked="" type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 9. API Well No. 3001543957 | |
| 2. Name of Operator Cimarex Energy Co. | | 10. Field and Pool, or Exploratory Hackberry Wildcat; Bone Spring, NW | |
| 3a. Address 202 S. Cheyenne Ave., Ste 1000, Tulsa, OK 74103 | | 3b. Phone No. (include area code) 918-585-1100 | |
| 4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface 2022 FNL & 730 FEL At proposed prod. Zone 1950 FNL & 330 FWL Bone Spring | | 11. Sec., T. R. M. or Blk. and Survey or Area 26, 19S, 30E | |
| 14. Distance in miles and direction from nearest town or post office* Carlsbad, NM is +/- 22.5 mile southwesterly | | 12. County or Parish Eddy | 13. State NM |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line if any) 730 | 16. No of acres in lease NMNM130859=120.00 acres NMNM0003436A=360.00 acres NMNM055657=280.00 acres | 17. Spacing Unit dedicated to this well 320.00 | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1158' to the Hackberry 26 Federal Com #1H | 19. Proposed Depth Pilot Hole TD: N/A 17,849 MD 8,550 TVD | 20. BLM/BIA Bond No. in file NMB001187; NMB001188 | |
| 21. Elevations (Show whether DF, KDB, RT, GI., etc.) 3264 GR | 22. Approximate date work will start* 2/22/16 | 23. Estimated duration 30 days | |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator Certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

| | | |
|---|--|--|
| 25. Signature <i>Aricka Easterling</i> | Name (Printed/Typed) Aricka Easterling | Date 11/9/15 |
| Title Regulatory Compliance | Approved By (Signature) <i>/s/ George MacDonell</i> | Name (Printed/Typed) George MacDonell |
| Title FIELD MANAGER | Office CARLSBAD FIELD OFFICE | Date JUN 29 2016 |

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.
Conditions of approval, if any, are attached. APPROVAL FOR TWO YEARS

Title 18 U.S.C. 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.

Capitan Controlled Water Basin

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Handwritten initials and date: 7/12/16

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|--|
| ¹ API Number 30-015 43857 | ² Pool Code 97020 | ³ Pool Name Hackberry Wildcat; Bone Spring, NW |
| ⁴ Property Code 316496 | ⁵ Property Name HACKBERRY 26 FEDERAL COM | |
| ⁷ OGRID No. 215099 | ⁸ Operator Name CIMAREX ENERGY CO. | ⁶ Well Number #2H |
| | | ⁹ Elevation 3264.3' |

¹⁰Surface Location

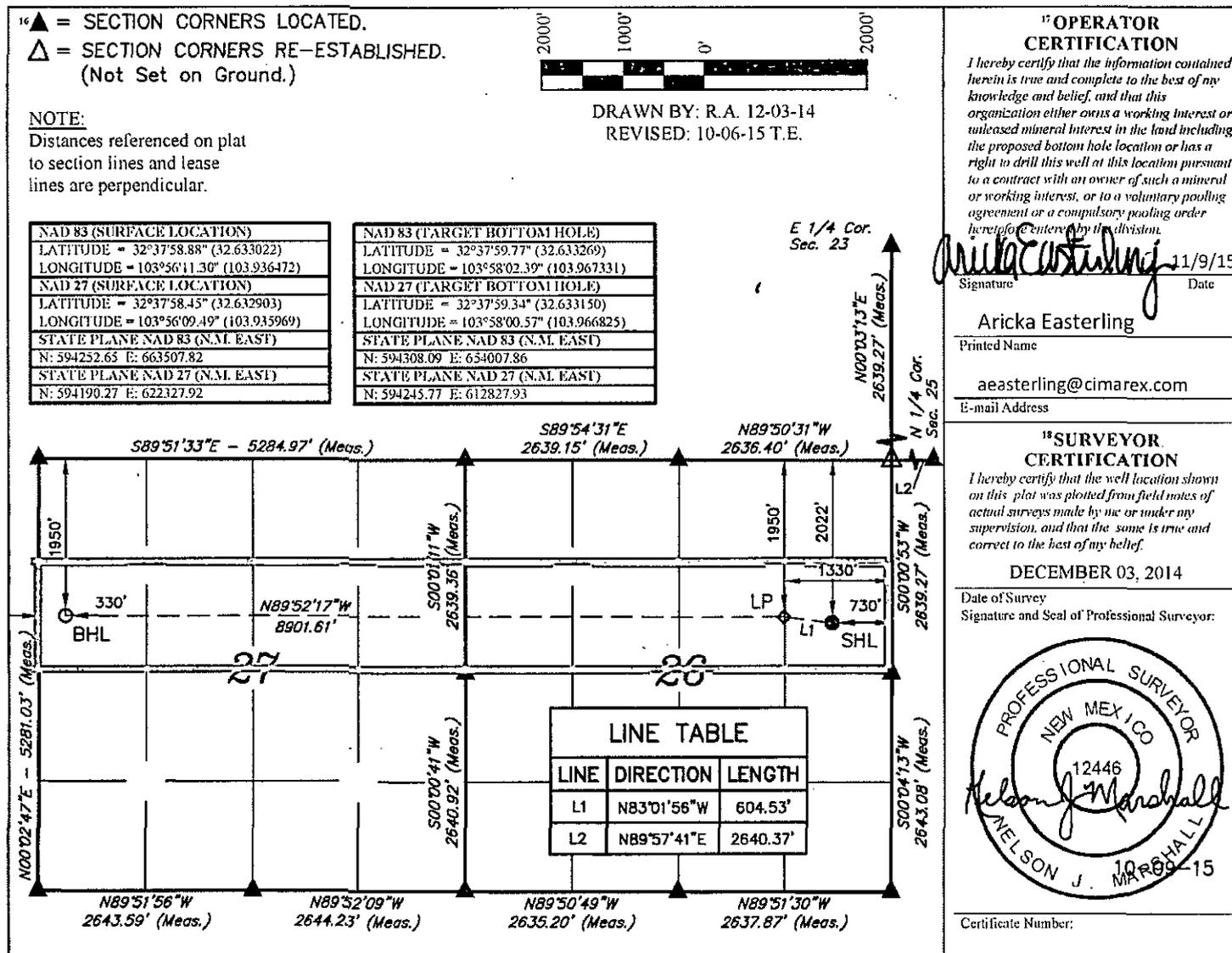
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H | 26 | 19S | 30E | | 2022 | NORTH | 730 | EAST | EDDY |

¹¹Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 27 | 19S | 30E | | 1950 | NORTH | 330 | WEST | EDDY |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

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
Hackberry 26 Federal Com #2H
Cimarex Energy Co.
UL: H, Sec. 26, 19S, 30E
Eddy Co., NM

Operator's Representative
Cimarex Energy Co. of Colorado
600 N. Marienfeld St., Ste. 600
Midland, TX 79701
Office Phone: (432) 571-7800

CERTIFICATION: I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

I am responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43, 25 or 36 CFR for lease activities is being provided by Cimarex Energy Co. under their (Lease, Statewide, Nationwide, Unit or Permit) Bond, BLM/BIA/FS Bond No. NMB001187; NMB001188.

Executed this 9 day of November, 2015

NAME: Aricka Easterling
Aricka Easterling

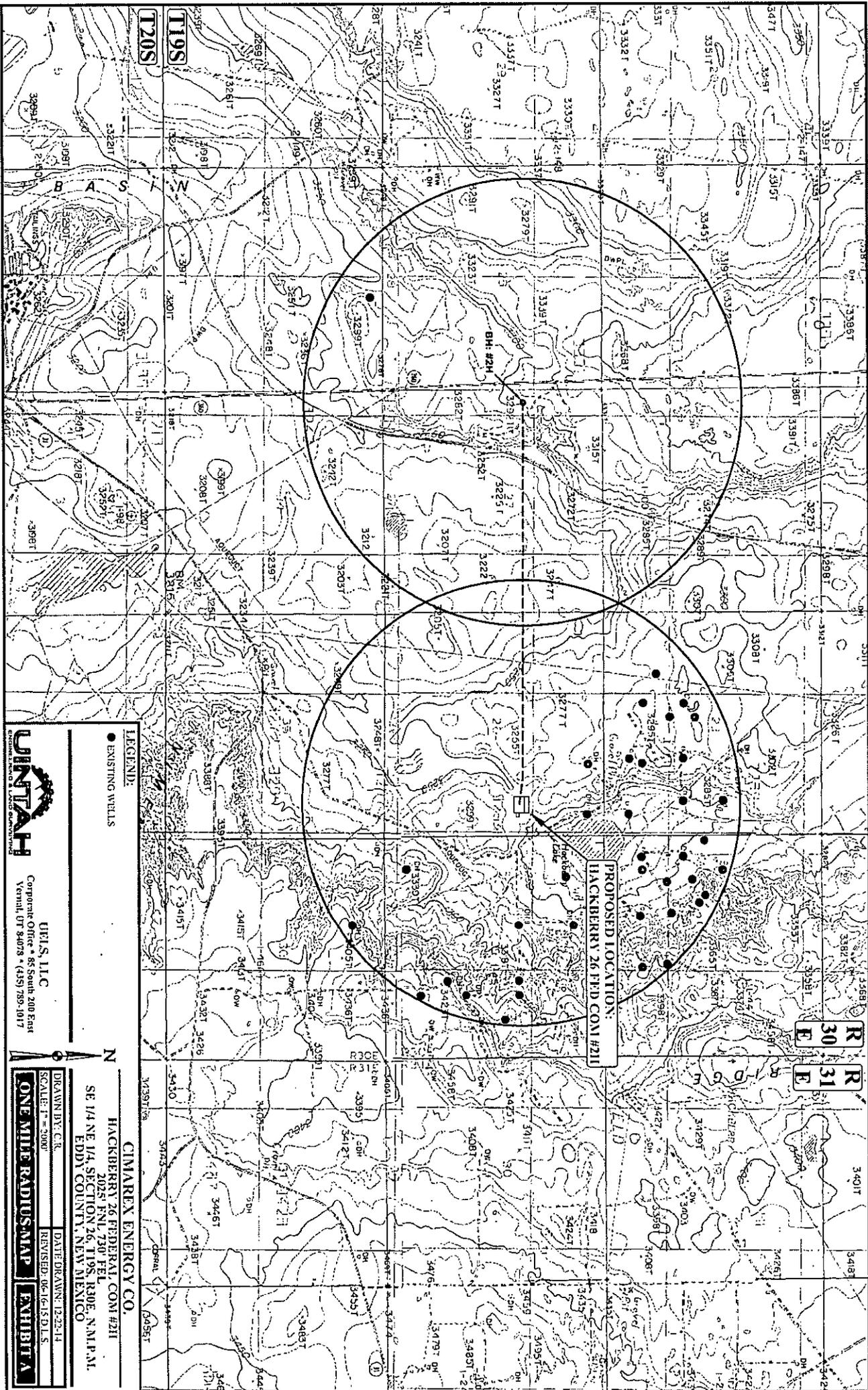
TITLE: Regulatory Compliance

ADDRESS: 202 S. Cheyenne Ave., Ste 1000, Tulsa, OK 74103

TELEPHONE: 918-585-1100

EMAIL: AEasterling@cimarex.com

Field Representative: Same as above



R 30 E
R 31 E

**PROPOSED LOCATION:
HACKBERRY 26 FED COM #211**

T198

T208

LEGEND:

- EXISTING WELLS

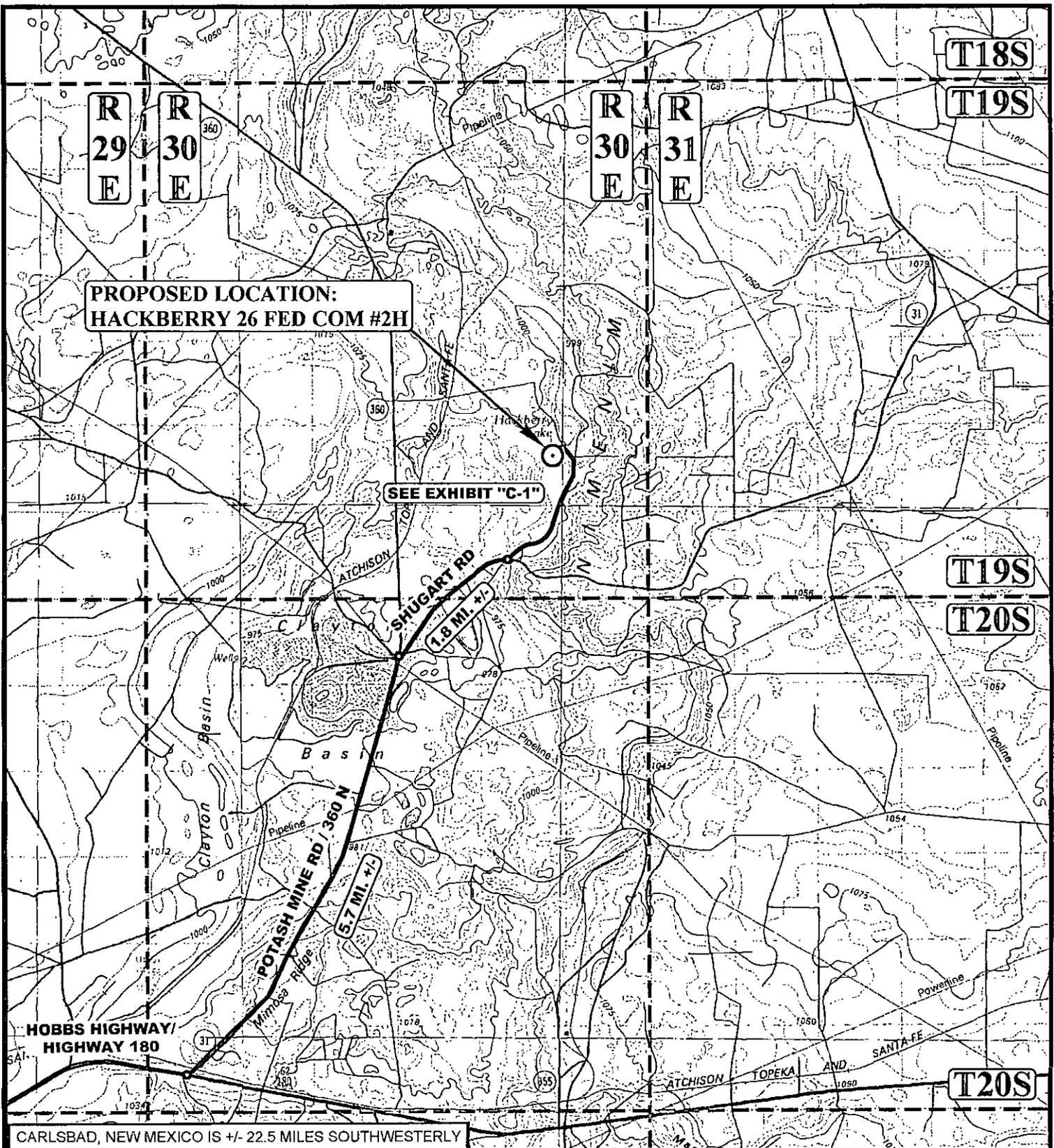
CINAREX ENERGY CO.
HACKBERRY 26 FEDERAL COM #211
2025' ENL 730' FEL
SE 1/4 NE 1/4 SECTION 26, T198, R30E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

UNTAH
CORPORATE OFFICE • 85 SOUTH 200 EAST
VERMILION, UT 84075 • (435) 759-1017

URIS, LLC
CORPORATE OFFICE • 85 SOUTH 200 EAST
VERMILION, UT 84075 • (435) 759-1017

ONE MILE RADIUS MAP EXHIBIT A

DRAWN BY: C.R. DATE DRAWN: 12-22-14
SCALE: 1" = 2000' REVISION: 05-16-15 D.L.S.



**PROPOSED LOCATION:
HACKBERRY 26 FED COM #2H**

SEE EXHIBIT "C-1"

**HOBBS HIGHWAY/
HIGHWAY 180**

POTASH MINE RD / 360 N

SHUGART RD

5.7 MI. +/-

1.8 MI. +/-

CARLSBAD, NEW MEXICO IS +/- 22.5 MILES SOUTHWESTERLY

NOTE: PARCEL DATA SHOWN HAS BEEN OBTAINED FROM VARIOUS SOURCES AND SHOULD BE USED FOR MAPPING, GRAPHIC AND PLANNING PURPOSES ONLY. NO WARRANTY IS MADE BY UINTAH ENGINEERING AND LAND SURVEYING (UELS) FOR ACCURACY OF THE PARCEL DATA.

LEGEND:

○ PROPOSED LOCATION

CIMAREX ENERGY CO.

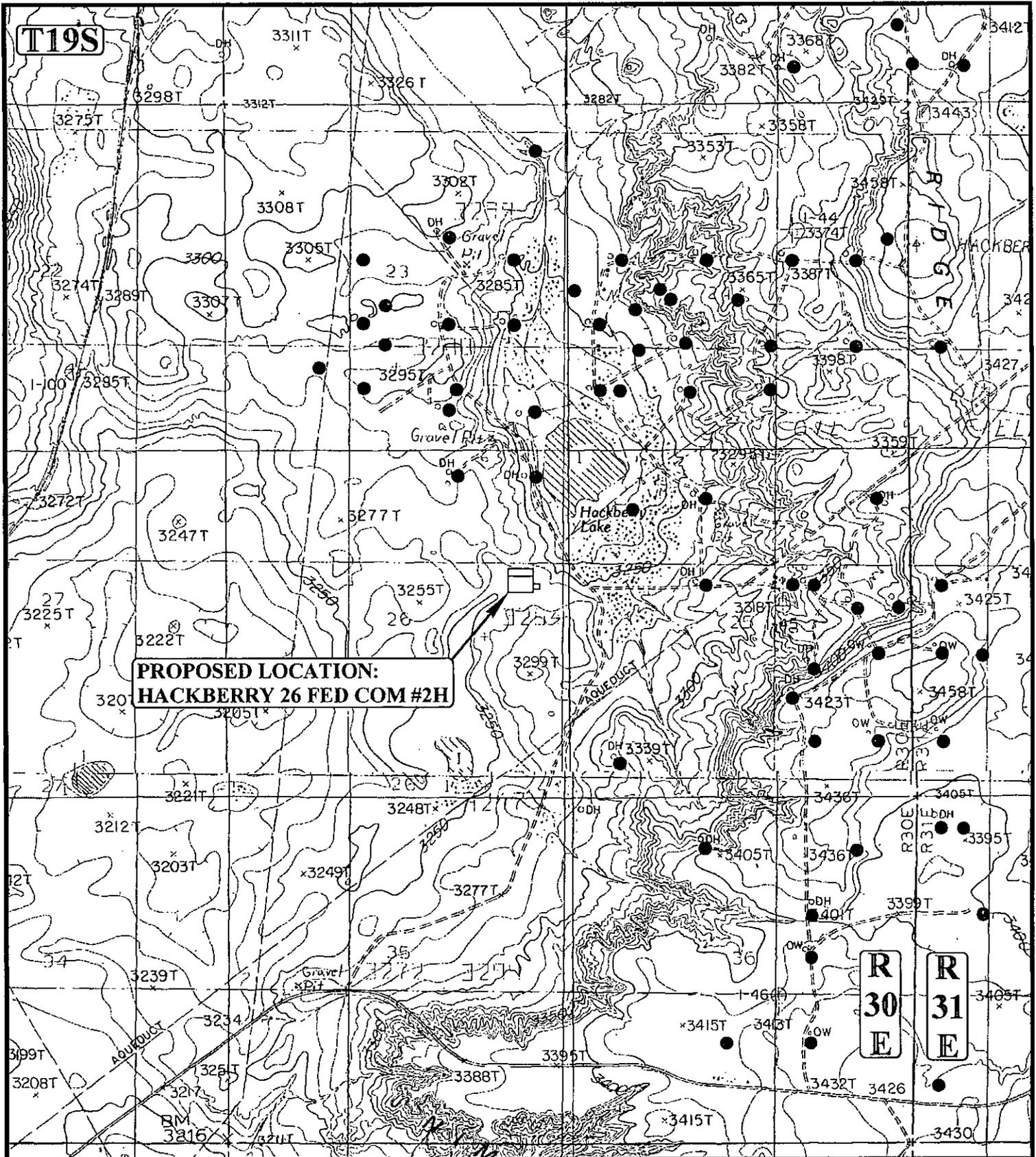
**HACKBERRY 26 FEDERAL COM #2H
2025' FNL 730' FEL
SE 1/4 NE 1/4, SECTION 26, T19S, R30E, N.M.P.M.
EDDY COUNTY, NEW MEXICO**



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

| | |
|-------------------------|---------------------------------|
| DRAWN BY: C.R. | DATE DRAWN: 12-22-14 |
| SCALE: 1:100,000 | REVISED: 06-16-15 D.L.S. |

PUBLIC ACCESS ROAD MAP EXHIBIT B



**PROPOSED LOCATION:
HACKBERRY 26 FED COM #2H**

LEGEND:

- EXISTING WELLS



CIMAREX ENERGY CO.

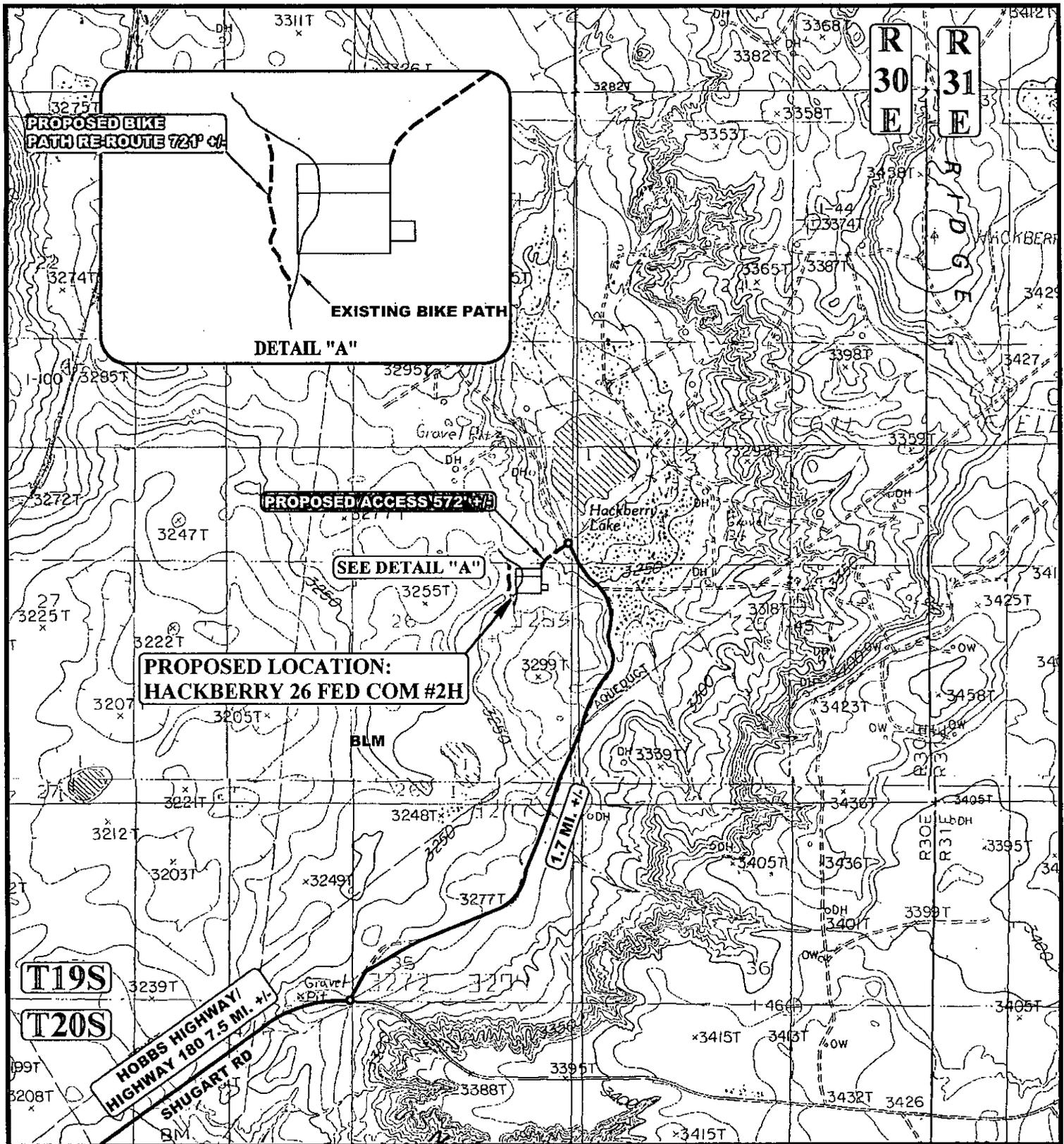
**HACKBERRY 26 FEDERAL COM #2H
2025' FNL 730' FEL
SE 1/4 NE 1/4, SECTION 26, T19S, R30E, N.M.P.M.
EDDY COUNTY, NEW MEXICO**

| | |
|-------------------|--------------------------|
| DRAWN BY: C.R. | DATE DRAWN: 12-22-14 |
| SCALE: 1" = 2000' | REVISED: 06-16-15 D.L.S. |

USGS TOPOGRAPHIC MAP EXHIBIT C



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



NOTE: PARCEL DATA SHOWN HAS BEEN OBTAINED FROM VARIOUS SOURCES AND SHOULD BE USED FOR MAPPING, GRAPHIC AND PLANNING PURPOSES ONLY. NO WARRANTY IS MADE BY UINAH ENGINEERING AND LAND SURVEYING (UELS) FOR ACCURACY OF THE PARCEL DATA.

LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ROAD
- - - - - PROPOSED BIKE PATH RE-ROUTE
- EXISTING BIKE PATH

CIMAREX ENERGY CO.

HACKBERRY 26 FEDERAL COM #2H
 2025' FNL 730' FEL
 SE 1/4 NE 1/4, SECTION 26, T19S, R30E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO

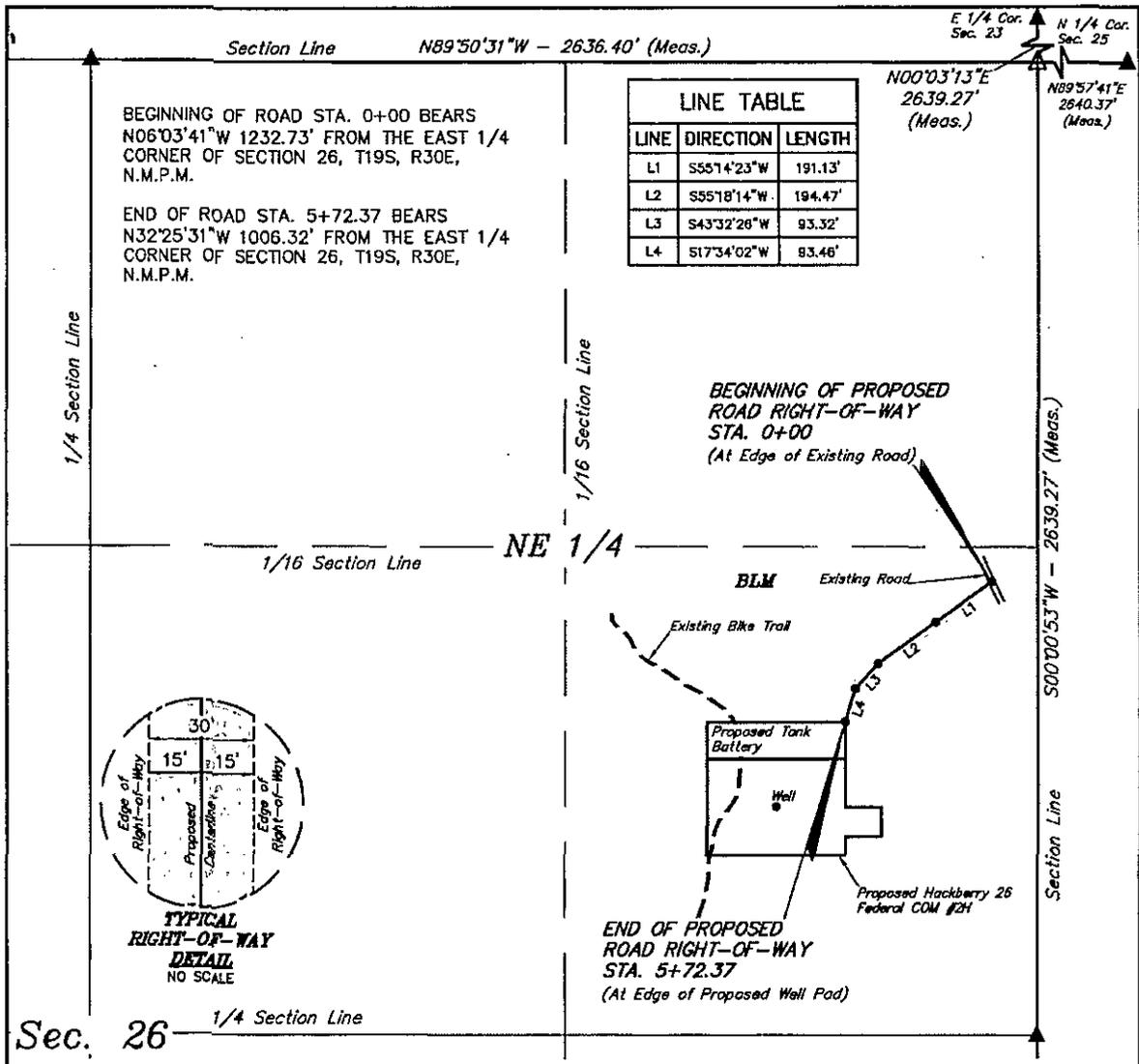


| | |
|-------------------|--------------------------|
| DRAWN BY: C.R. | DATE DRAWN: 12-22-14 |
| SCALE: 1" = 2000' | REVISED: 06-16-15 D.L.S. |

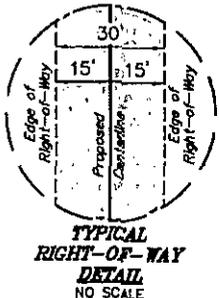
ACCESS ROAD MAP **EXHIBIT C-1**



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



| LINE TABLE | | |
|------------|-------------|---------|
| LINE | DIRECTION | LENGTH |
| L1 | S55°14'23"W | 191.13' |
| L2 | S55°18'14"W | 194.47' |
| L3 | S43°32'26"W | 93.32' |
| L4 | S17°34'02"W | 93.46' |



ROAD RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SE 1/4 NE 1/4 OF SECTION 26, T19S, R30E, N.M.P.M., WHICH BEARS N06°03'41"W 1232.73' FROM THE EAST 1/4 CORNER OF SAID SECTION 26, THENCE S55°14'23"W 191.13'; THENCE S55°18'14"W 194.47'; THENCE S43°32'26"W 93.32'; THENCE S17°34'02"W 93.46' TO A POINT IN THE SE 1/4 NE 1/4 OF SAID SECTION 26, WHICH BEARS N32°25'31"W 1006.32' FROM THE EAST 1/4 CORNER OF SAID SECTION 26. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.394 ACRES MORE OR LESS.



| RIGHT-OF-WAY LENGTHS | | | |
|----------------------|--------|-------|-------|
| PROPERTY OWNER | FEET | ACRES | RODS |
| BLM | 572.37 | 0.394 | 34.69 |

▲ = SECTION CORNERS LOCATED.
 △ = SECTION CORNERS RE-ESTABLISHED.
 (Not Set on Ground.)

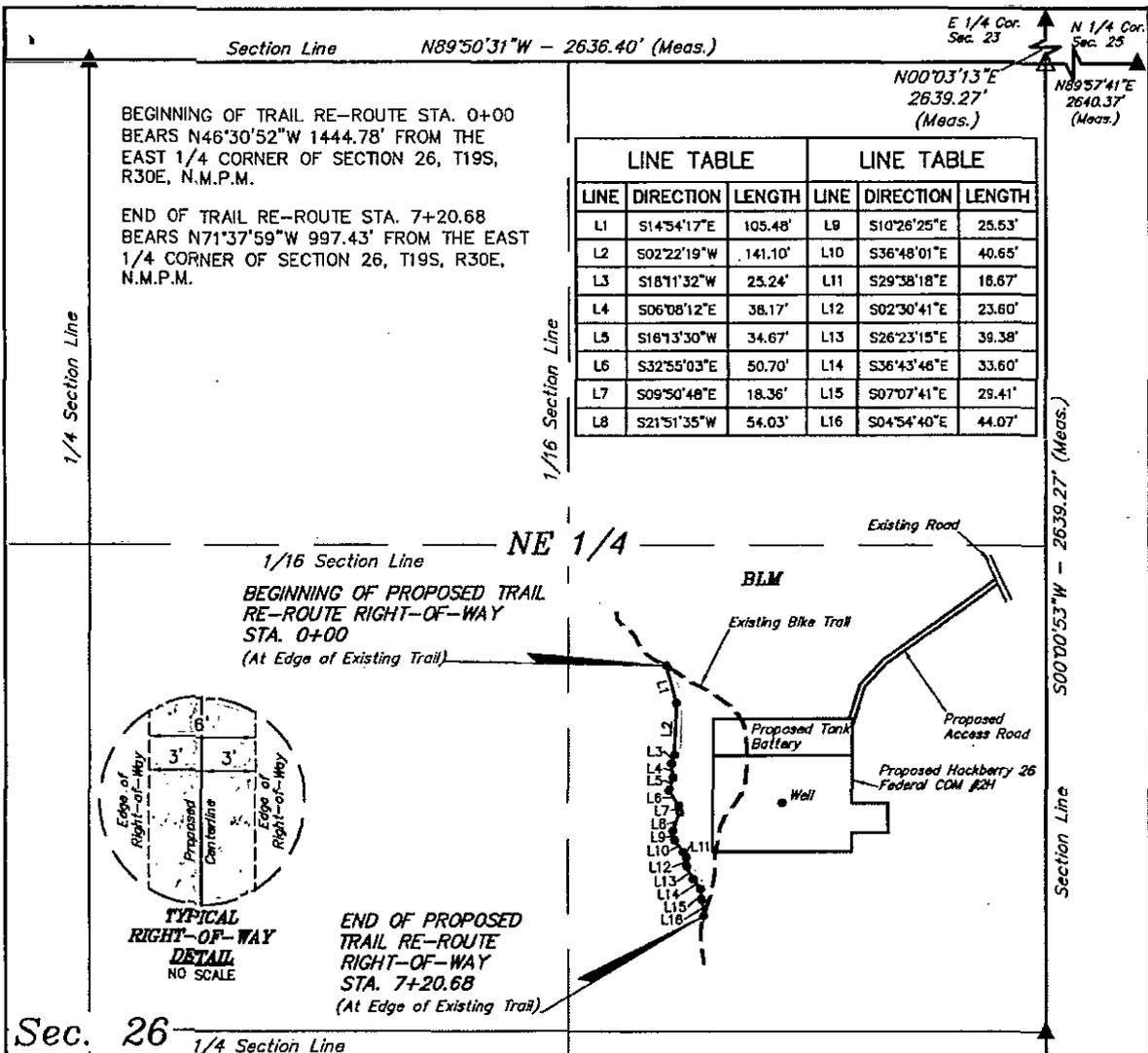
NOTES:
 • The maximum grade of existing ground for the proposed access road is ±7%.

CERTIFICATE OF PROFESSIONAL SURVEYOR
 THIS IS TO CERTIFY THAT THE ABOVE PLAN 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.
 Nelson Marshall
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 12446
 STATE OF NEW MEXICO MARSHAL
 10-09-15

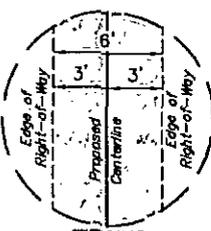
CIMAREX ENERGY CO.
 HACKBERRY 26 FEDERAL COM #2H
 SECTION 26, T19S, R30E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO

| | |
|------------------|------------------------|
| DRAWN BY: C.D. | DATE DRAWN: 12-11-14 |
| SCALE: 1" = 400' | REVISED: 10-06-15 T.E. |

ACCESS ROAD R-O-W EXHIBIT C-2



| LINE TABLE | | | LINE TABLE | | |
|------------|--------------|---------|------------|--------------|--------|
| LINE | DIRECTION | LENGTH | LINE | DIRECTION | LENGTH |
| L1 | S14°54'17\"E | 105.48' | L9 | S10°26'25\"E | 25.53' |
| L2 | S02°22'19\"W | 141.10' | L10 | S36°48'01\"E | 40.65' |
| L3 | S18°11'32\"W | 25.24' | L11 | S29°38'18\"E | 16.67' |
| L4 | S06°08'12\"E | 38.17' | L12 | S02°30'41\"E | 23.60' |
| L5 | S16°13'30\"W | 34.67' | L13 | S26°23'15\"E | 39.38' |
| L6 | S32°55'03\"E | 50.70' | L14 | S36°43'46\"E | 33.60' |
| L7 | S09°50'48\"E | 18.36' | L15 | S07°07'41\"E | 29.41' |
| L8 | S21°51'35\"W | 54.03' | L16 | S04°54'40\"E | 44.07' |



Sec. 26

TRAIL RE-ROUTE RIGHT-OF-WAY DESCRIPTION

A 30' WDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SE 1/4 NE 1/4 OF SECTION 26, T19S, R30E, N.M.P.M., WHICH BEARS N46°30'52\"W 1444.78' FROM THE EAST 1/4 CORNER OF SAID SECTION 26, THENCE S14°54'17\"E 105.48'; THENCE S02°22'19\"W 141.10'; THENCE S18°11'32\"W 25.24'; THENCE S06°08'12\"E 38.17'; THENCE S16°13'30\"W 34.67'; THENCE S32°55'03\"E 50.70'; THENCE S09°50'48\"E 18.36'; THENCE S21°51'35\"W 54.03'; THENCE S10°26'25\"E 25.53'; THENCE S36°48'01\"E 40.65'; THENCE S29°38'18\"E 16.67'; THENCE S02°30'41\"E 23.60'; THENCE S26°23'15\"E 39.38'; THENCE S36°43'46\"E 33.60'; THENCE S07°07'41\"E 29.41'; THENCE S04°54'40\"E 44.07' TO A POINT IN THE SE 1/4 NE 1/4 OF SAID SECTION 26, WHICH BEARS N71°37'59\"W 997.43' FROM THE EAST 1/4 CORNER OF SAID SECTION 26. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.099 ACRES MORE OR LESS.



| RIGHT-OF-WAY LENGTHS | | | |
|----------------------|--------|-------|-------|
| PROPERTY OWNER | FEET | ACRES | RODS |
| BLM | 720.68 | 0.099 | 43.68 |

▲ = SECTION CORNERS LOCATED.
 # = SECTION CORNERS RE-ESTABLISHED.
 (Not Set on Ground.)

NOTES:
 * The maximum grade of existing ground for the proposed access road is ±6%.

CERTIFICATE OF PROFESSIONAL SURVEYOR

THIS IS TO CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE 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.

Deborah J. Marshall
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 12446
 STATE OF NEW MEXICO
 10-09-15

CIMAREX ENERGY CO.

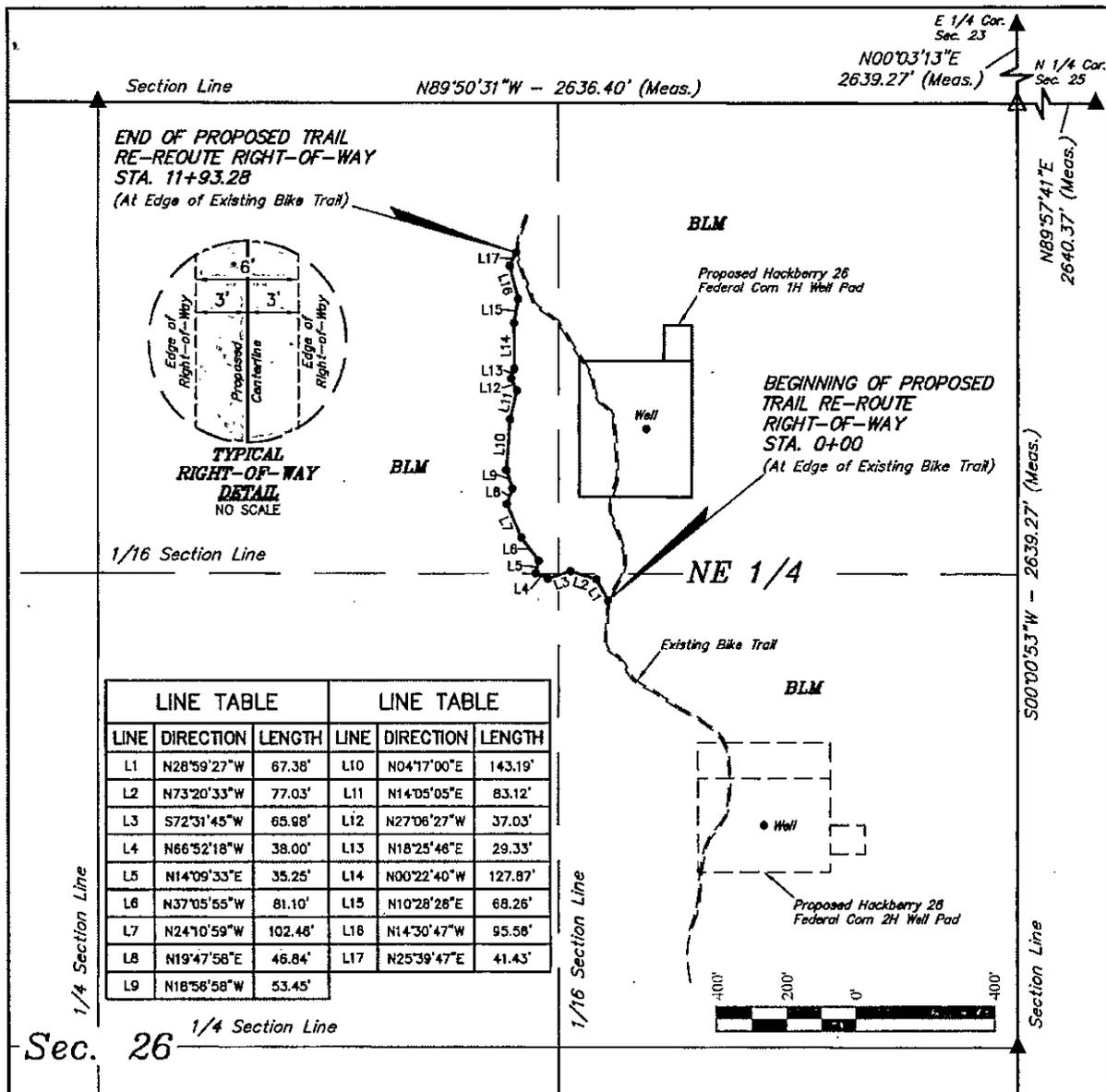
HACKBERRY 26 FEDERAL COM #2H
 SECTION 26, T19S, R30E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO

| | |
|------------------|------------------------|
| DRAWN BY: C.D. | DATE DRAWN: 12-11-14 |
| SCALE: 1" = 400' | REVISED: 10-09-15 T.E. |

TRAIL RE-ROUTE R-O-W EXHIBIT C-2



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



| LINE TABLE | | | LINE TABLE | | |
|------------|-------------|---------|------------|-------------|---------|
| LINE | DIRECTION | LENGTH | LINE | DIRECTION | LENGTH |
| L1 | N28°59'27"W | 67.38' | L10 | N04°17'00"E | 143.19' |
| L2 | N73°20'33"W | 77.03' | L11 | N14°05'05"E | 83.12' |
| L3 | S72°31'45"W | 65.98' | L12 | N27°06'27"W | 37.03' |
| L4 | N66°52'18"W | 38.00' | L13 | N18°25'46"E | 29.33' |
| L5 | N14°09'33"E | 35.25' | L14 | N00°22'40"W | 127.87' |
| L6 | N37°05'55"W | 81.10' | L15 | N10°28'28"E | 68.26' |
| L7 | N24°10'59"W | 102.46' | L16 | N14°30'47"W | 95.56' |
| L8 | N19°47'58"E | 46.84' | L17 | N25°39'47"E | 41.43' |
| L9 | N18°58'58"W | 53.45' | | | |

TRAIL RE-ROUTE RIGHT-OF-WAY DESCRIPTION

A 6' WIDE RIGHT-OF-WAY 3' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SE 1/4 NE 1/4 OF SECTION 26, T19S, R30E, N.M.P.M., WHICH BEARS N43°20'35"W 1716.74' FROM THE EAST 1/4 CORNER OF SAID SECTION 26, THENCE N28°59'27"W 67.38'; THENCE N73°20'33"W 77.03'; THENCE S72°31'45"W 65.98'; THENCE N66°52'18"W 38.00'; THENCE N14°09'33"E 35.25'; THENCE N37°05'55"W 81.10'; THENCE N24°10'59"W 102.46'; THENCE N19°47'58"E 46.84'; THENCE N18°58'58"W 53.45'; THENCE N04°17'00"E 143.19'; THENCE N14°05'05"E 83.12'; THENCE N27°06'27"W 37.03'; THENCE N18°25'46"E 29.33'; THENCE N00°22'40"W 127.87'; THENCE N10°28'28"E 68.26'; THENCE N14°30'47"W 95.56'; THENCE N25°39'47"E 41.43' TO A POINT IN THE NW 1/4 NE 1/4 OF SAID SECTION 26, WHICH BEARS S70°25'58"E 1271.64' FROM THE NORTH 1/4 CORNER OF SAID SECTION 18. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 0.164 ACRES MORE OR LESS.

BEGINNING OF TRAIL RE-ROUTE STA. 0+00 N43°20'35"W 1716.74' FROM THE EAST 1/4 CORNER OF SECTION 26, T19S, R30E, N.M.P.M.

END OF TRAIL RE-ROUTE STA. 11+93.28 BEARS S70°25'58"E 1271.64' FROM THE NORTH 1/4 CORNER OF SECTION 26, T19S, R30E, N.M.P.M.

| ACREAGE / LENGTH TABLE | | | | |
|------------------------|-----------|---------|-------|-------|
| | OWNERSHIP | FEET | RODS | ACRES |
| TRAIL RE-ROUTE | BLM | 1193.28 | 72.32 | 0.164 |

- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Ground.)

NOTES:
 * The maximum grade of existing ground for the proposed access road is **.
 * Basis of bearing is a G.P.S. observation (Vertical Control Datum: NAVD88)

CERTIFICATE OF PROFESSIONAL SURVEYOR
 THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM THE 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.
 12446
 Nelson J. Marshall
 REGISTERED PROFESSIONAL SURVEYOR
 REGISTRATION NO. 12116
 STATE OF NEW MEXICO
 09-30-15



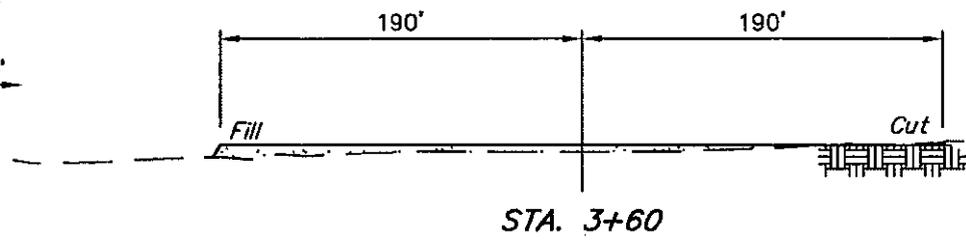
UELS, LLC
 Corporate Office * 85 South 200 East
 Vernal, UT 84078 * (435) 789-1017



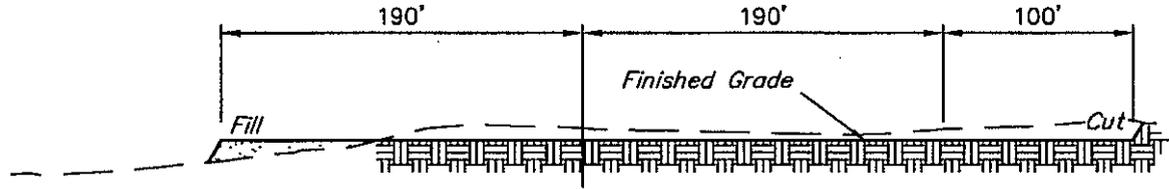
CIMAREX ENERGY CO.
 HACKBERRY 26 FEDERAL COM 1H
 SECTION 19, T19S, R30E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO

| | |
|-----------------------------|----------------------|
| DRAWN BY: T.E. | DATE DRAWN: 09-23-15 |
| SCALE: 1" = 400' | REVISED: 00-00-00 |
| TRAIL RE-ROUTE R-O-W | EXHIBIT C-2 |

1" = 40'
 X-Section Scale
 1" = 100'

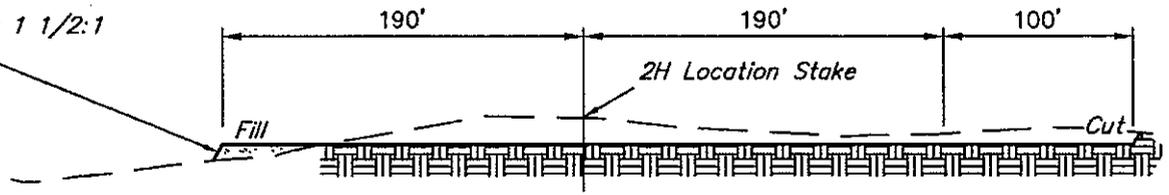


STA. 3+60



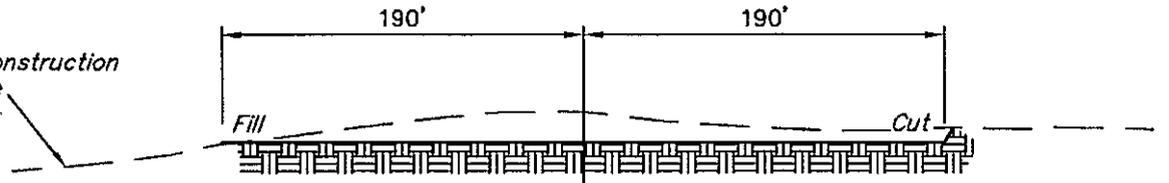
STA. 1+30

Slope = 1 1/2:1
 (Typ.)



STA. 0+80

Preconstruction
 Grade



STA. 0+00

| APPROXIMATE EARTHWORK QUANTITIES | |
|---|-----------------------|
| (4") TOPSOIL STRIPPING | 1,880 Cu. Yds. |
| REMAINING LOCATION | 6,980 Cu. Yds. |
| TOTAL CUT | 8,860 Cu. Yds. |
| FILL | 6,980 Cu. Yds. |
| EXCESS MATERIAL | 1,880 Cu. Yds. |
| TOPSOIL | 1,880 Cu. Yds. |
| EXCESS UNBALANCE (After Interim Rehabilitation) | 0 Cu. Yds. |

| APPROXIMATE SURFACE DISTURBANCE AREAS | | |
|--|----------|---------------|
| | DISTANCE | ACRES |
| WELL SITE DISTURBANCE | NA | ±3.495 |
| 30' WIDE ACCESS ROAD R-O-W DISTURBANCE | ±572.37' | ±0.394 |
| TOTAL SURFACE USE AREA | | ±3.889 |

NOTES:

- Fill quantity includes 5% for compaction.
- Calculations based on 4" of topsoil stripping.

CIMAREX ENERGY CO.

HACKBERRY 26 FEDERAL COM #2H

2022' FNL 730' FEL

SE 1/4 NE 1/4, SECTION 26, T19S, R30E, N.M.P.M.

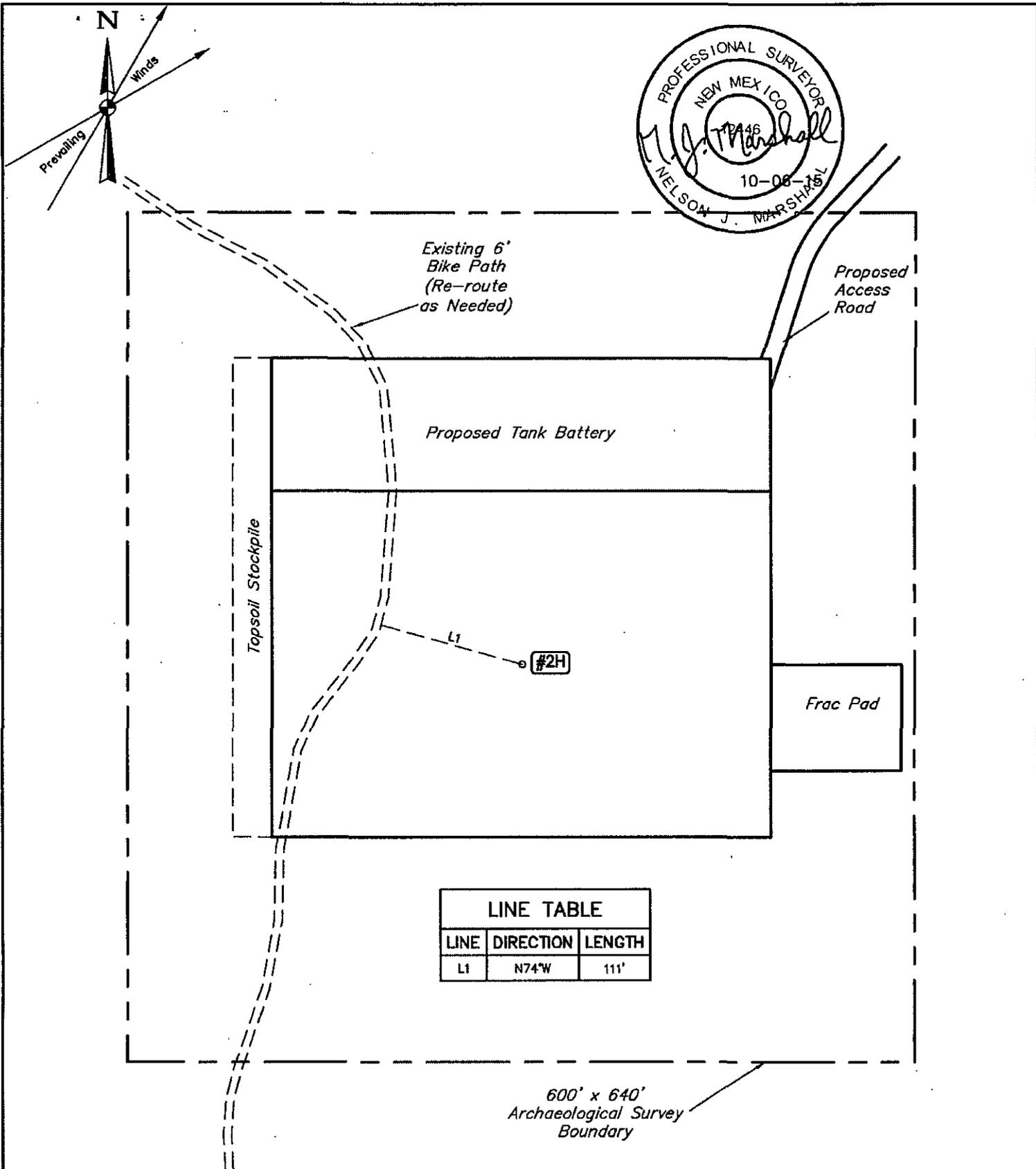
EDDY COUNTY, NEW MEXICO



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

| | |
|-----------------|------------------------|
| DRAWN BY: B.A. | DATE DRAWN: 12-03-14 |
| SCALE: AS SHOWN | REVISED: 10-06-15 T.E. |

TYPICAL CROSS SECTIONS EXHIBIT D

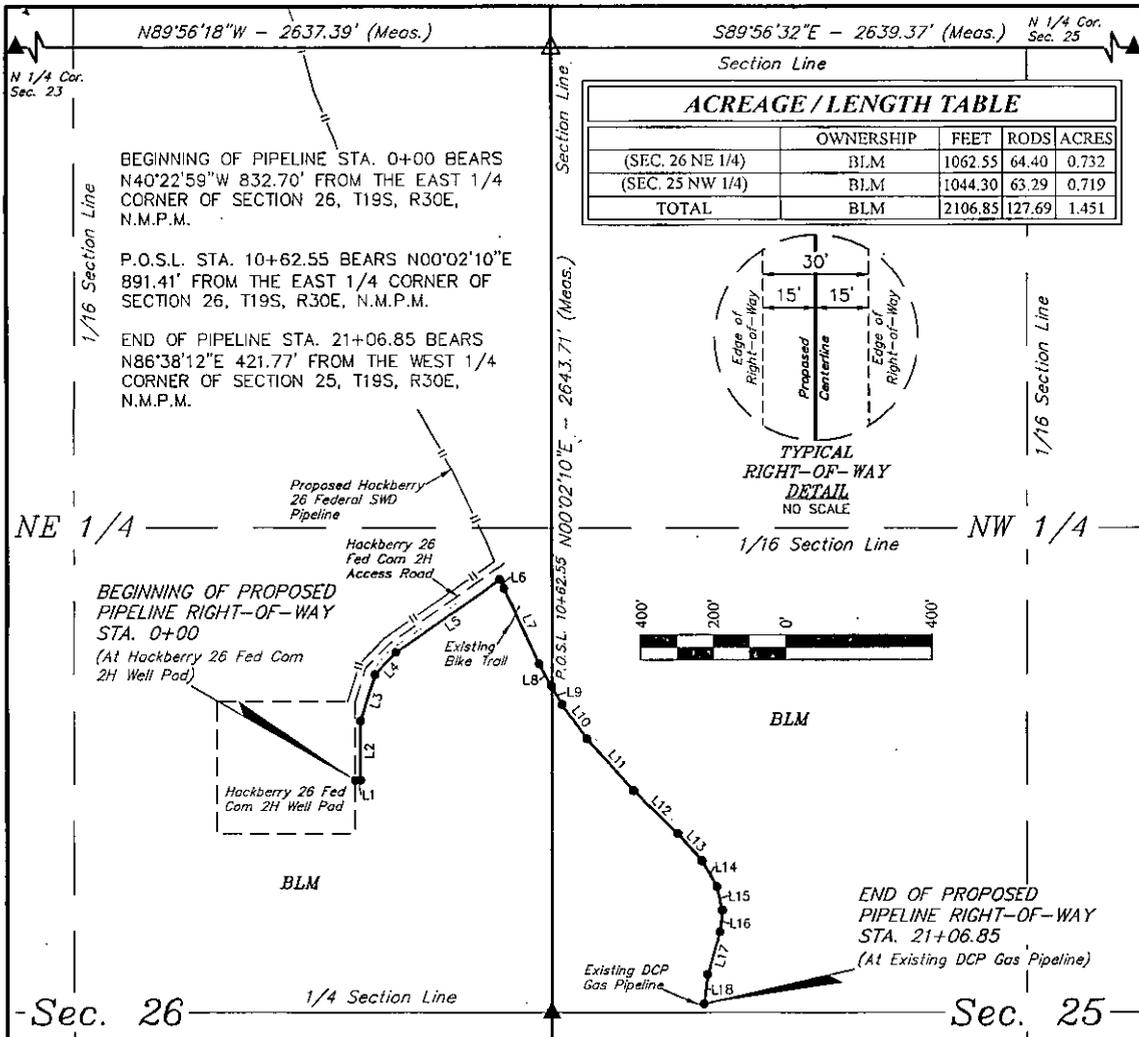


| LINE TABLE | | |
|------------|-----------|--------|
| LINE | DIRECTION | LENGTH |
| L1 | N74°W | 111' |

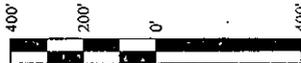
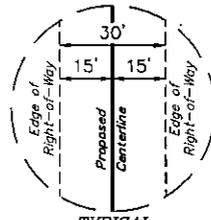
NOTES:

CIMAREX ENERGY CO.
HACKBERRY 26 FEDERAL COM #2H
2025' FNL 730' FEL
SE 1/4 NE 1/4, SECTION 26, T19S, R30E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

| | | | |
|--|---|------------------------------------|--|
|  | UELS, LLC Corporate Office * 85 South 200 East Vernal, UT 84078 * (435) 789-1017 | DRAWN BY: B.A. SCALE: 1" = 100' | DATE DRAWN: 12-03-14 REVISED: 10-06-15 T.E. |
| | ARCHAEOLOGICAL SURVEY BOUNDARY | | EXHIBIT D |



| ACREAGE / LENGTH TABLE | | | | |
|------------------------|------------|----------------|---------------|--------------|
| | OWNERSHIP | FEET | RODS | ACRES |
| (SEC. 26 NE 1/4) | BLM | 1062.55 | 64.40 | 0.732 |
| (SEC. 25 NW 1/4) | BLM | 1044.30 | 63.29 | 0.719 |
| TOTAL | BLM | 2106.85 | 127.69 | 1.451 |



PIPELINE RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

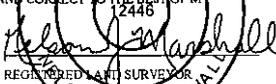
BEGINNING AT A POINT IN THE SE 1/4 NE 1/4 OF SECTION 26, T19S, R30E, N.M.P.M., WHICH BEARS N40°22'59"W 832.70' FROM THE EAST 1/4 CORNER OF SAID SECTION 26, THENCE N89°36'20"E 15.10'; THENCE N00°01'17"W 162.58'; THENCE N17°29'18"E 131.87'; THENCE N43°34'56"E 83.45'; THENCE N55°16'08"E 346.70'; THENCE S26°20'46"E 25.87'; THENCE S25°15'32"E 228.35'; THENCE S29°42'29"E 68.64' TO A POINT ON THE EAST LINE OF THE SE 1/4 NE 1/4 OF SAID SECTION 26, WHICH BEARS N00°02'10"E 891.41' FROM THE EAST 1/4 CORNER OF SAID SECTION 26, THENCE S29°42'29"E 58.17'; THENCE S36°06'01"E 115.95'; THENCE S42°18'28"E 191.57'; THENCE S46°29'21"E 168.92'; THENCE S42°09'14"E 100.58'; THENCE S30°39'47"E 81.67'; THENCE S12°28'47"E 65.83'; THENCE S06°22'42"W 59.70'; THENCE S16°59'21"W 121.41'; THENCE S06°41'59"W 80.50' TO A POINT IN THE SW 1/4 NW 1/4 OF SECTION 25, T19S, R30E, N.M.P.M., WHICH BEARS N86°38'12"E 421.77' FROM THE WEST 1/4 CORNER OF SAID SECTION 25. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 1.451 ACRES MORE OR LESS.

| LINE TABLE | | | LINE TABLE | | |
|------------|-------------|---------|------------|-------------|---------|
| LINE | DIRECTION | LENGTH | LINE | DIRECTION | LENGTH |
| L1 | N89°36'20"E | 15.10' | L10 | S36°06'01"E | 115.95' |
| L2 | N00°01'17"W | 162.58' | L11 | S42°18'28"E | 191.57' |
| L3 | N17°29'18"E | 131.87' | L12 | S46°29'21"E | 168.92' |
| L4 | N43°34'56"E | 83.45' | L13 | S42°09'14"E | 100.58' |
| L5 | N55°16'08"E | 346.70' | L14 | S30°39'47"E | 81.67' |
| L6 | S26°20'46"E | 25.87' | L15 | S12°28'47"E | 65.83' |
| L7 | S25°15'32"E | 228.35' | L16 | S06°22'42"W | 59.70' |
| L8 | S29°42'29"E | 68.64' | L17 | S16°59'21"W | 121.41' |
| L9 | S29°42'29"E | 58.17' | L18 | S06°41'59"W | 80.50' |

- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Ground.)

CERTIFICATE OF PROFESSIONAL SURVEYOR

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.


 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 12446
 STATE OF NEW MEXICO MARSHALL
 09-25-15

NOTES:
 • Basis of bearing is a G.P.S. observation (Vertical Control Datum: NAVD83)

CIMAREX ENERGY CO.

**HACKBERRY 26 FEDERAL SALES PIPELINE
 SECTIONS 25 & 26, T19S, R30E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO**

| | |
|------------------|----------------------|
| DRAWN BY: S.O. | DATE DRAWN: 09-25-15 |
| SCALE: 1" = 400' | REVISED: 00-00-00 |

PIPELINE R-O-W



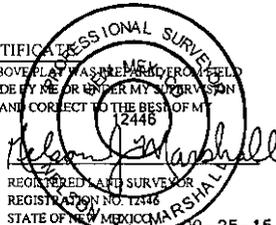
UELS, LLC
 Corporate Office * 85 South 200 East
 Vernal, UT 84078 * (435) 789-1017

SWD FLOWLINE RIGHT-OF-WAY DESCRIPTION

A 30' WIDE RIGHT-OF-WAY 15' ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE.

BEGINNING AT A POINT IN THE SE 1/4 NE 1/4 OF SECTION 26, T19S, R30E, N.M.P.M., WHICH BEARS N33°25'15"W 1017.50' FROM THE EAST 1/4 CORNER OF SAID SECTION 26, THENCE N17°31'12"E 104.40'; THENCE N43°31'59"E 100.09'; THENCE N55°16'24"E 369.74'; THENCE N24°32'26"W 53.05'; THENCE N25°17'01"W 217.32'; THENCE N29°21'19"W 297.80'; THENCE N25°42'14"W 341.74'; THENCE N10°32'39"W 104.34'; THENCE N05°21'17"E 154.78'; THENCE N14°41'18"W 83.56'; THENCE N22°27'55"W 154.90'; THENCE N15°38'07"W 124.13' TO A POINT ON THE NORTH LINE OF THE NE 1/4 NE 1/4 OF SAID SECTION 26, WHICH BEARS S89°56'18"E 1952.01' FROM THE NORTH 1/4 CORNER OF SAID SECTION 26, THENCE N15°38'07"W 49.34'; THENCE N20°44'06"W 106.86'; THENCE N35°26'25"W 75.17'; THENCE N48°09'03"W 220.11'; THENCE N54°41'52"W 125.20'; THENCE N50°00'07"W 534.65'; THENCE N47°00'35"W 373.92'; THENCE N38°25'16"W 82.21'; THENCE N20°10'42"W 188.48'; THENCE N03°07'44"W 133.26'; THENCE N10°53'40"W 367.59'; THENCE N14°02'03"W 153.25'; THENCE N09°10'13"W 83.10'; THENCE N03°16'56"E 84.04'; THENCE N06°37'08"E 600.31'; THENCE N12°42'59"E 62.42'; THENCE N31°25'31"E 67.25'; THENCE N42°23'40"E 216.95'; THENCE N40°52'03"W 211.58'; THENCE N44°18'44"E 312.95' TO A POINT IN THE SW 1/4 NE 1/4 OF SECTION 23, T19S, R30E, N.M.P.M., WHICH BEARS N66°39'35"W 1769.61' FROM THE EAST 1/4 CORNER OF SAID SECTION 23. THE SIDE LINES OF SAID DESCRIBED RIGHT-OF-WAY BEING SHORTENED OR ELONGATED TO MEET THE GRANTOR'S PROPERTY LINES. BASIS OF BEARINGS IS A G.P.S. OBSERVATION. CONTAINS 4.239 ACRES MORE OR LESS.

| ACREAGE / LENGTH TABLE | | | | |
|------------------------|-----------|---------|--------|-------|
| | OWNERSHIP | FEET | RODS | ACRES |
| (SEC. 26 NE 1/4) | BLM | 2105.86 | 127.63 | 1.450 |
| (SEC. 23 SE 1/4) | BLM | 3143.36 | 190.51 | 2.165 |
| (SEC. 23 NE 1/4) | BLM | 905.26 | 54.86 | 0.623 |
| TOTAL | BLM | 6154.48 | 373.00 | 4.239 |



 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.

Nelson J. Marshall
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 12446
 STATE OF NEW MEXICO
 09-25-15
 Sheet 1 of 3

NOTES:
 • Basis of bearing is a G.P.S. observation (Vertical Control Datum: NAVD88)

CIMAREX ENERGY CO.

HACKBERRY 26 FEDERAL SWD PIPELINE
SECTIONS 23 & 26, T19S, R30E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

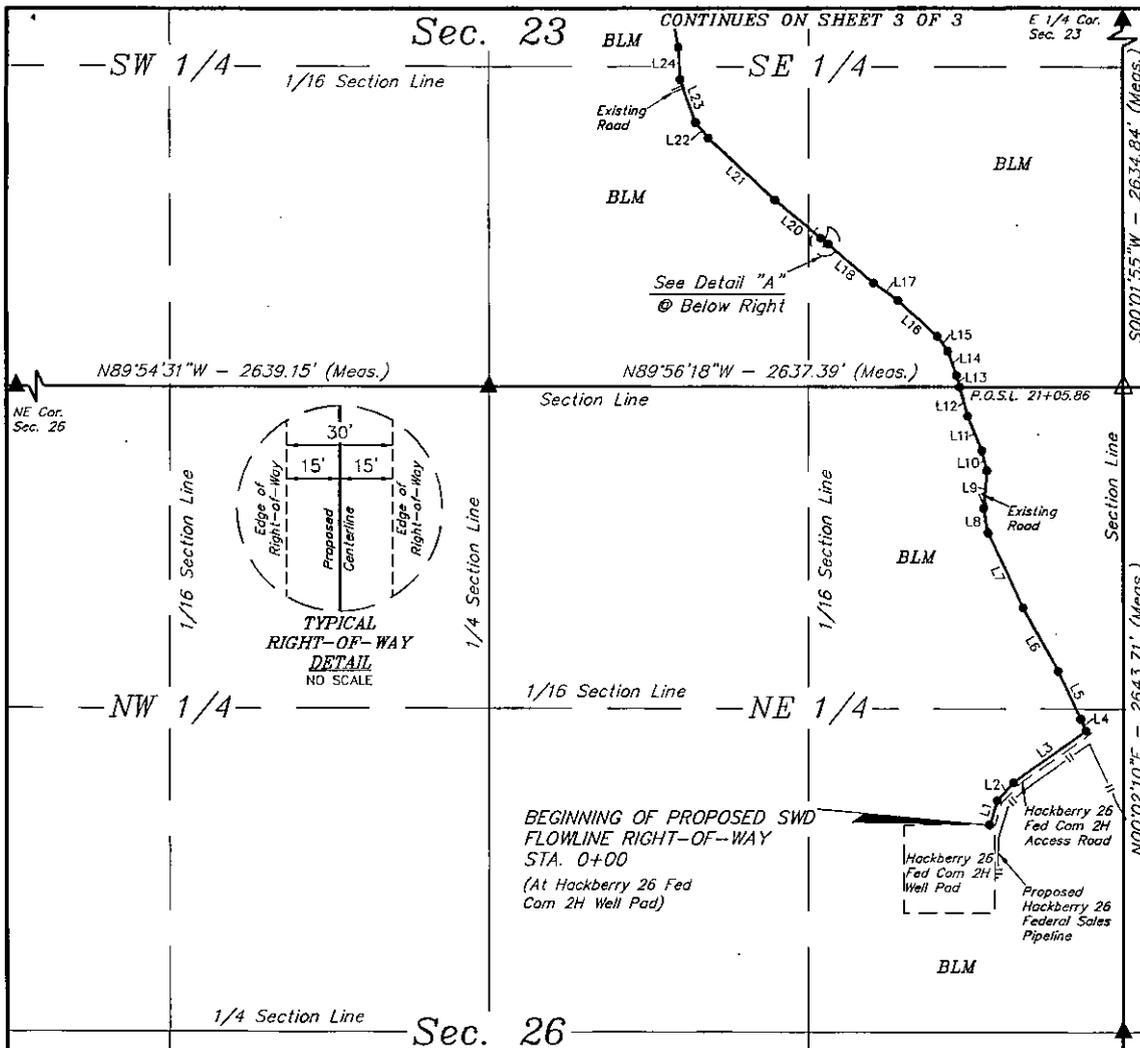
| | |
|----------------|----------------------|
| DRAWN BY: S.O. | DATE DRAWN: 09-25-15 |
| SCALE: N/A | REVISED: 00-00-00 |

SWD FLOWLINE R-O-W

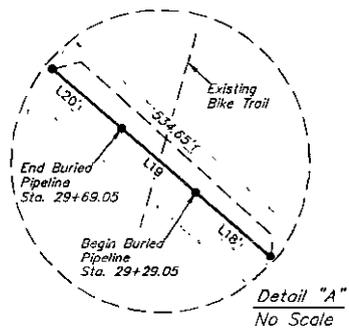


UELS, LLC
 Corporate Office * 85 South 200 East
 Vernal, UT 84078 * (435) 789-1017





| LINE TABLE | | | LINE TABLE | | | LINE TABLE | | |
|------------|-------------|---------|------------|-------------|---------|------------|-------------|---------|
| LINE | DIRECTION | LENGTH | LINE | DIRECTION | LENGTH | LINE | DIRECTION | LENGTH |
| L1 | N17°31'12"E | 104.40' | L11 | N22°27'55"W | 154.90' | L21 | N47°00'35"W | 373.92' |
| L2 | N43°31'59"E | 100.09' | L12 | N15°38'07"W | 124.13' | L22 | N38°25'16"W | 82.21' |
| L3 | N55°16'24"E | 369.74' | L13 | N15°38'07"W | 49.34' | L23 | N20°10'42"W | 188.48' |
| L4 | N24°32'26"W | 53.05' | L14 | N20°44'06"W | 106.86' | L24 | N03°07'44"W | 133.26' |
| L5 | N25°17'01"W | 217.32' | L15 | N35°26'25"W | 75.17' | | | |
| L6 | N29°21'19"W | 297.80' | L16 | N48°09'03"W | 220.11' | | | |
| L7 | N25°42'14"W | 341.74' | L17 | N54°41'52"W | 125.20' | | | |
| L8 | N10°32'39"W | 104.34' | L18 | N50°00'07"W | 246.52' | | | |
| L9 | N05°21'17"E | 154.78' | L19 | N50°00'07"W | 39.99' | | | |
| L10 | N14°41'18"W | 83.56' | L20 | N50°00'07"W | 248.14' | | | |



BEGINNING OF SWD FLOWLINE STA. 0+00 BEARS N33°25'15"W 1017.50' FROM THE EAST 1/4 CORNER OF SECTION 26, T19S, R30E, N.M.P.M.

P.O.S.L. STA. 21+05.86 BEARS S89°56'18"E 1952.01' FROM THE NORTH 1/4 CORNER OF SECTION 26, T19S, R30E, N.M.P.M.

- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Ground.)

CERTIFICATE OF PROFESSIONAL SURVEYOR

THIS IS TO CERTIFY THAT THE ABOVE 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.

12446

Nelson Marshall

REGISTERED LAND SURVEYOR
REGISTRATION NO 12446
STATE OF NEW MEXICO

09-25-15
Sheet 2 of 3

NOTES:
Basis of bearing is a G.P.S. observation (Vertical Control Datum: NAVD88)



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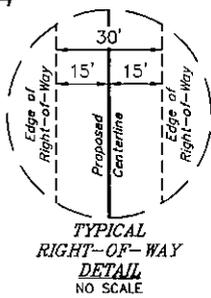
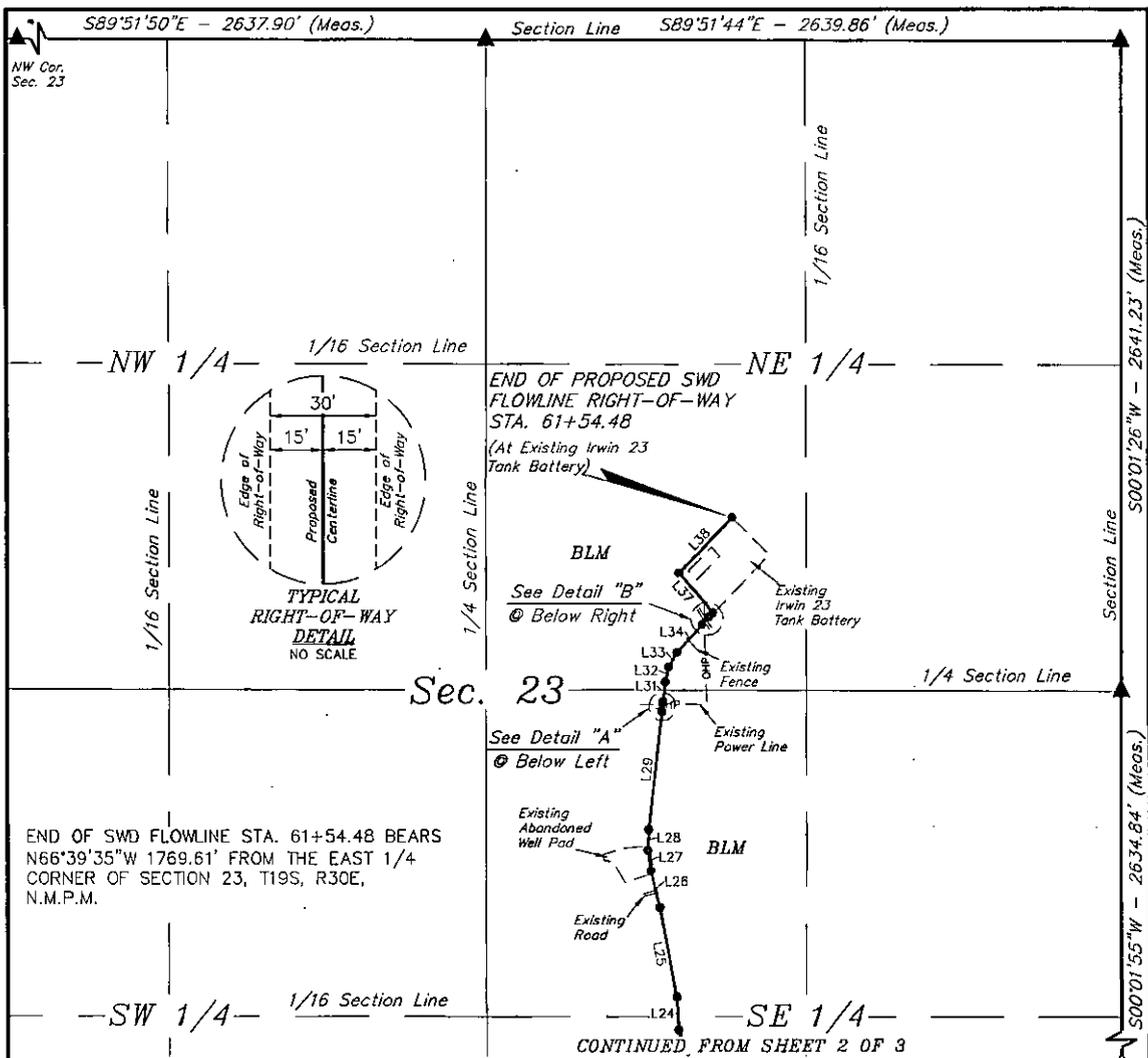


CIMAREX ENERGY CO.

HACKBERRY 26 FEDERAL SWD PIPELINE
SECTIONS 23 & 26, T19S, R30E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

| | |
|------------------|----------------------|
| DRAWN BY: S.O. | DATE DRAWN: 09-25-15 |
| SCALE: 1" = 600' | REVISED: 00-00-00 |

SWD FLOWLINE R-O-W

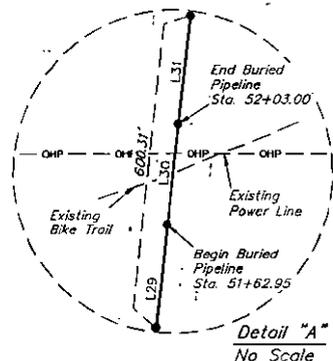


END OF SWD FLOWLINE STA. 61+54.48 BEARS N66°39'35\"/>

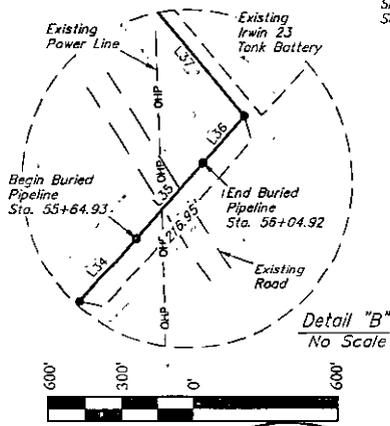
END OF PROPOSED SWD FLOWLINE RIGHT-OF-WAY STA. 61+54.48 (At Existing Irwin 23 Tank Battery)

See Detail "B" Below Right
See Detail "A" Below Left

CONTINUED FROM SHEET 2 OF 3



| LINE TABLE | | |
|------------|---------------|--------|
| LINE | DIRECTION | LENGTH |
| L24 | N03°07'44\"/> | |



CERTIFICATE OF PROFESSIONAL SURVEYOR
 THIS IS TO CERTIFY THAT THE ABOVE PLAN 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.
 Nelson Marshall
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 12446
 STATE OF NEW MEXICO
 09-25-15
 Sheet 3 of 3

▲ = SECTION CORNERS LOCATED.
 △ = SECTION CORNERS RE-ESTABLISHED.
 (Not Set on Ground.)

NOTES:
 * Basis of bearing is a G.P.S. observation (Vertical Control Datum: NAVD88)

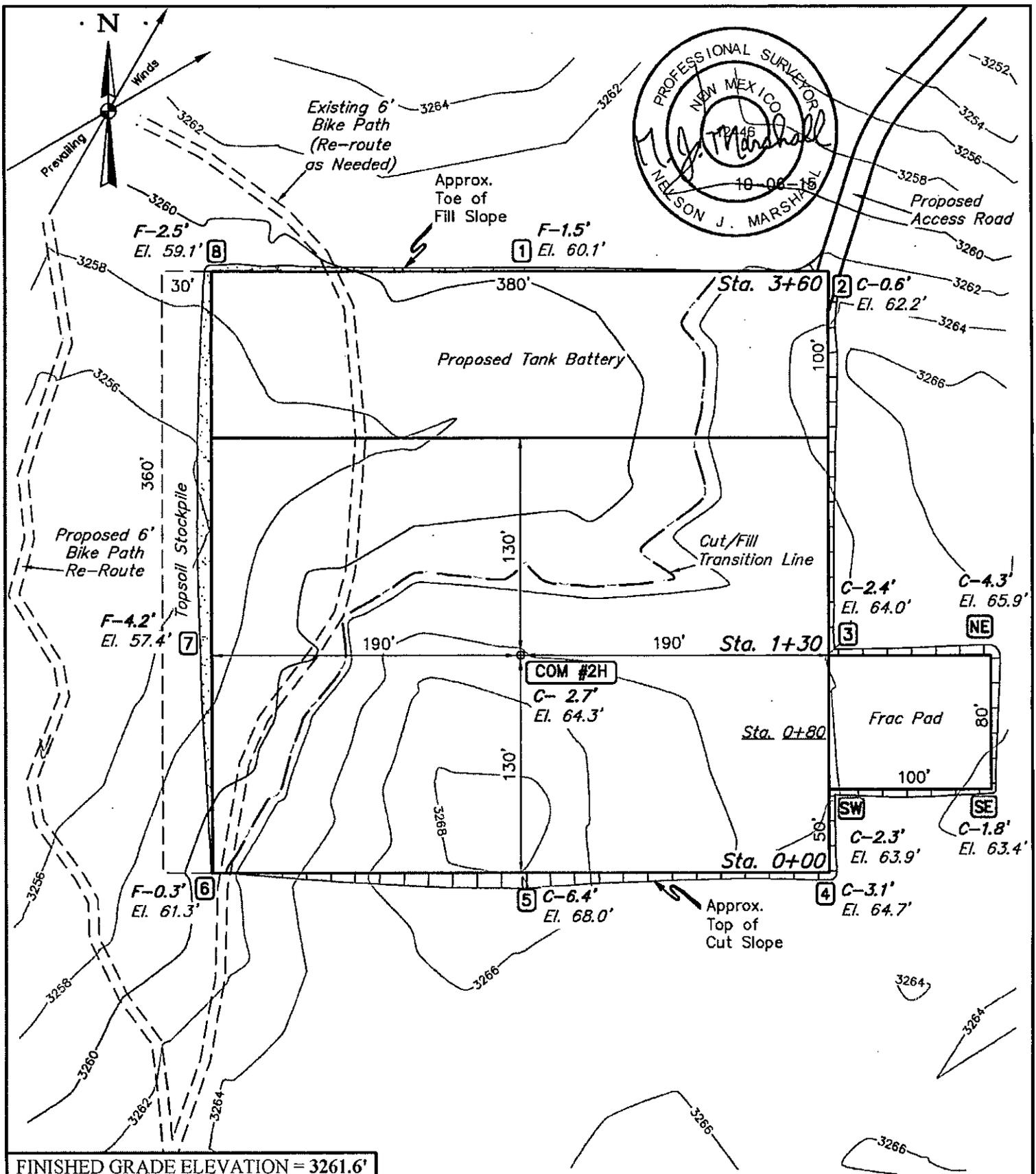
CIMAREX ENERGY CO.
 HACKBERRY 26 FEDERAL SWD PIPELINE
 SECTIONS 23 & 26, T19S, R30E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO

| | |
|---------------------------|----------------------|
| DRAWN BY: S.O. | DATE DRAWN: 09-25-15 |
| SCALE: 1" = 600' | REVISED: 00-00-00 |
| SWD FLOWLINE R-O-W | |



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 Vernal, UT 84078 * (435) 789-1017





FINISHED GRADE ELEVATION = 3261.6'

NOTES:

- Flare pit is to be located a min. of 100' from the wellhead.
- Contours shown at 2' intervals.

CIMAREX ENERGY CO.

HACKBERRY 26 FEDERAL COM #2H

2022' FNL 730' FEL

SE 1/4 NE 1/4, SECTION 26, T19S, R30E, N.M.P.M.

EDDY COUNTY, NEW MEXICO



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

| | |
|------------------------|------------------------|
| DRAWN BY: B.A. | DATE DRAWN: 12-03-14 |
| SCALE: 1" = 80' | REVISED: 10-06-15 T.E. |
| LOCATION LAYOUT | EXHIBIT D |

1. Geological Formations

TVD of target 8,550
MD at TD 17,849

Pilot Hole TD N/A
Deepest expected fresh water

| Formation | Depth (TVD) from KB | Water/Mineral Bearing/Target Zone | Hazards |
|-----------------|---------------------|-----------------------------------|---------|
| OSE Groundwater | 100 | N/A | |
| Rustler | 270 | N/A | |
| Top of Salt | 580 | N/A | |
| Base of Salt | 1650 | N/A | |
| Yates | 1700 | N/A | |
| Seven Rivers | 1910 | N/A | |
| Delaware Sands | 3500 | N/A | |
| Cherry Canyon | 3870 | N/A | |
| Brushy Canyon | 4795 | N/A | |
| Bone Spring | 6240 | Hydrocarbons | |
| 1st BSS | 7600 | Hydrocarbons | |
| 2nd BSS | 8400 | Hydrocarbons | |
| 3rd Carb | 8800 | Hydrocarbons | |
| Wolfcamp | 9850 | Hydrocarbons | |

2. Casing Program - additional cement required in surface & production casing - See COA

| Hole Size | Casing Depth From | Casing Depth To | Casing Size | Weight (lb/ft) | Grade | Conn. | SF Collapse | SF Burst | SF Tension |
|---------------------------|-------------------|--------------------|-------------|----------------|-------|-------|-------------|----------|--------------------|
| 26 | 0 | 350 200 | 20" | 94.00 | J-55 | BT&C | 3.79 | 15.37 | 49.72 |
| 17 1/2 | 0 | 1930 | 13-3/8" | 54.50 | J-55 | ST&C | 1.84 | 2.68 | 4.89 |
| 12 1/4 | 0 | 3475 | 9-5/8" | 36.00 | J-55 | LT&C | 1.27 | 2.21 | 3.62 |
| 8 3/4 | 0 | 8023 | 5-1/2" | 17.00 | L-80 | LT&C | 1.64 | 2.02 | 2.33 |
| 8 3/4 | 8023 | 17849 | 5-1/2" | 17.00 | L-80 | BT&C | 1.54 | 1.89 | 44.31 |
| BLM Minimum Safety Factor | | | | | | | 1.125 | 1 | 1.6 Dry 1.8 Wet |

See COA

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

| | Y or N |
|--|------------|
| Is casing new? If used, attach certification as required in Onshore Order #1 | Y |
| Does casing meet API specifications? If no, attach casing specification sheet. | Y |
| Is premium or uncommon casing planned? If yes attach casing specification sheet. | N |
| Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria). | Y |
| <u>Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?</u> | <u>X Y</u> |
| Is well located within Capitan Reef? | Y |
| If yes, does production casing cement tie back a minimum of 50' above the Reef? | Y |
| Is well within the designated 4 string boundary. | Y |
| Is well located in SOPA but not in R-111-P? | Y |
| If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing? | Y |
| Is well located in R-111-P and SOPA? | N |
| If yes, are the first three strings cemented to surface? | N |
| Is 2nd string set 100' to 600' below the base of salt? | N |
| Is well located in high Cave/Karst? | N |
| If yes, are there two strings cemented to surface? | N |
| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs? | N |
| Is well located in critical Cave/Karst? | N |
| If yes, are there three strings cemented to surface? | N |

→ intermediate casing needs to be kept fluid filled - See COA

3. Cementing Program - *additional cement required - See COF*

| Casing | # Sks | Wt. lb/gal | Ytd ft ³ /sack | H ₂ O gal/sk | 500# Comp. Strength (hours) | Slurry Description |
|----------------------------------|-------------------|------------|---------------------------|-------------------------|-----------------------------|---|
| <u>Surface</u> | 416 | 14.80 | 1.36 | 6.57 | 9.5 | Tail: Class C + Retarder |
| Intermediate | 853 | 12.90 | 1.88 | 9.65 | 12 | Lead: 35:65 (Poz:C) + Salt + Bentonite |
| | 251 | 14.80 | 1.34 | 6.32 | 9.5 | Tail: Class C + LCM |
| <u>Intermediate 2 - Stage #2</u> | 442 | 12.90 | 1.88 | 9.65 | 12 | Lead: 35:65 (Poz:C) + Salt + Bentonite |
| | DV/ECP Tool 2080' | | | | | |
| Intermediate 2 - Stage #1 | 175 | 12.90 | 1.88 | 9.65 | 12 | Lead: 35:65 (Poz:C) + Salt + Bentonite |
| | 204 | 14.80 | 1.34 | 6.32 | 9.5 | Tail: Class C + LCM |
| <u>Production</u> | 775 | 11.90 | 2.40 | 13.80 | 30 | Lead: 35:65 (poz/H) + Salt + Sodium Metasilicate + Bentonite + Fluid Loss + Dispersant + LCM + Retarder |
| | 2039 | 14.80 | 1.34 | 6.32 | 9.5 | Tail: Class C + LCM |

DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

| Casing String | TOC | % Excess |
|---------------------------|------|----------|
| Surface | 0 | 25 |
| Intermediate | 0 | 44 |
| Intermediate 2 - Stage #1 | 2080 | 37 |
| Production | 1900 | 13 |

4. Pressure Control Equipment — See COA

| A variance is requested for the use of a diverter on the surface casing. See attached for schematic. | | | | | |
|--|--------|-----------------|------------|---|-------------------------|
| BOP installed and tested before drilling which hole? | Size | Min Required WP | Type | | Tested To |
| 17 1/2 | 21 | 2M | Annular | X | 50% of working pressure |
| | | | Blind Ram | | 2M |
| | | | Pipe Ram | | |
| | | | Double Ram | | |
| | | | Other | | |
| 12 1/4 | 13 5/8 | 2M | Annular | X | 50% of working pressure |
| | | | Blind Ram | | 2M |
| | | | Pipe Ram | | |
| | | | Double Ram | X | |
| | | | Other | | |
| 8 3/4 | 13 5/8 | 3M | Annular | X | 50% of working pressure |
| | | | Blind Ram | | 3M |
| | | | Pipe Ram | | |
| | | | Double Ram | X | |
| | | | Other | | |

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

| | |
|---|---|
| Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i. | |
| X | A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart. |
| N | Are anchors required by manufacturer? |

See COA

5. Mud Program

See
com
350

| Depth | Type | Weight (ppg) | Viscosity | Water Loss |
|---------------------------|--------------|--------------|-----------|------------|
| 0' to 300' 350 | FW Spud Mud | 8.30 - 8.80 | 28 | N/C |
| 300' to 1930' | Brine Water | 9.70 - 10.20 | 30-32 | N/C |
| 1930' to 3475' | Fresh Water | 8.30 - 8.80 | 28 | N/C |
| 3475' to 17849' | FW/Cut Brine | 8.70 - 9.20 | 30-32 | N/C |

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

| | |
|---|-----------------------------|
| What will be used to monitor the loss or gain of fluid? | PVT/Pason/Visual Monitoring |
|---|-----------------------------|

6. Logging and Testing Procedures

| Logging, Coring and Testing | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Will run GR/CNL from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM. |
| <input type="checkbox"/> | No logs are planned based on well control or offset log information. |
| <input type="checkbox"/> | Drill stem test? |
| <input type="checkbox"/> | Coring? |

| Additional Logs Planned | Interval |
|-------------------------|----------|
| | |

7. Drilling Conditions

| Condition | |
|----------------------------|----------|
| BH Pressure at deepest TVD | 4090 psi |
| Abnormal Temperature | No |

| Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM. | |
|--|----------------------|
| <input checked="" type="checkbox"/> | H2S is present |
| <input checked="" type="checkbox"/> | H2S plan is attached |

8. Other Facets of Operation

Exhibit F-1
 Hackberry 26 Federal Com 2H
 Cimarex Energy Company
 26 & 27-19S-30E
 Eddy County, NM



Midwest Hose & Specialty, Inc.

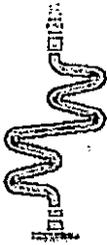
| INTERNAL HYDROSTATIC TEST REPORT | | |
|---|--|--------------------------|
| Customer: Oderco Inc | | P.O. Number: odyd-271 |
| HOSE SPECIFICATIONS | | |
| Type: | Stainless Steel Armor Choke & Kill Hose | Hose Length: 45'ft. |
| I.D. | 4 INCHES | O.D. 9 INCHES |
| WORKING PRESSURE | TEST PRESSURE | BURST PRESSURE |
| 10,000 PSI | 15,000 PSI | 0 PSI |
| COUPLINGS | | |
| Stem Part No. | Ferrule No. | |
| OKC OKC | OKC OKC | |
| Type of Coupling: | | |
| Swage-It | | |
| PROCEDURE | | |
| <i>Hose assembly pressure tested with water at ambient temperature.</i> | | |
| TIME HELD AT TEST PRESSURE | ACTUAL BURST PRESSURE: | |
| 15 MIN. | 0 PSI | |
| Hose Assembly Serial Number: | Hose Serial Number: | |
| 79793 | OKC | |
| Comments: | | |
| Date: | Tested: | Approved: |
| 3/8/2011 | <i>A. James Smith</i> | <i>[Signature]</i> |

March 3, 2011

Internal Hydrostatic Test Graph

Customer: Houston

Pick Ticket #: 94260



Midwest Hose & Specialty, Inc.

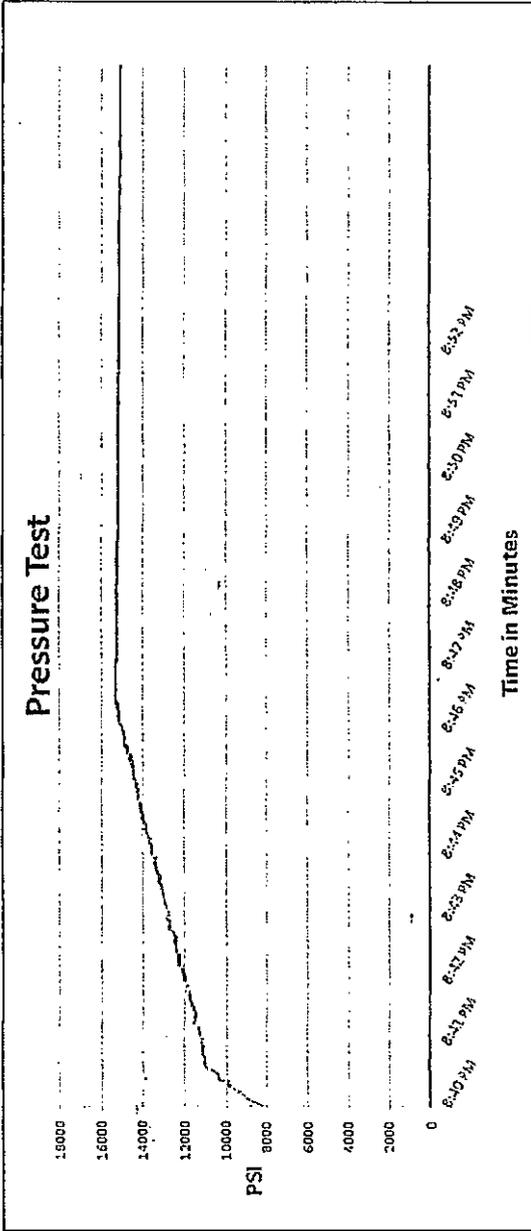
Hose Specifications

Hose Type: C & K
 Length: 45'
 I.D.: 4"
 O.D.: 6.09"
 Working Pressure: 10000 PSI
 Burst Pressure: Standard Safety Multiplier Applies

Verification

Type of Fittings: 41/16 10K
 Coupling Method: Swage
 Dia Size: 6.38"
 Final O.D.: 6.25"
 Hose Serial #: 5544
 Hose Assembly Serial #: 79783

Pressure Test



Test Pressure: 15000 PSI

Time Held at Test Pressure: 11 Minutes

Annual Burst Pressure

Peak Pressure: 15483 PSI

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

Tested By: *Zac McConnell*

Approved By: *Kim Thomas*

Exhibit F-2 – Co-Flex Hose
Hackberry 26 Federal Com 2H
Cimarex Energy Company
26 & 27-19S-30E
Eddy County, NM



Midwest Hose & Specialty, Inc.

Certificate of Conformity

| | |
|-------------------------|-----------------------|
| Customer: DEM | PO ODYD-271 |
|-------------------------|-----------------------|

SPECIFICATIONS

| | |
|-----------------------------|---------------------------|
| Sales Order 79793 | Dated: 3/8/2011 |
|-----------------------------|---------------------------|

We hereby certify that the material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards

Supplier:
Midwest Hose & Specialty, Inc.
10640 Tanner Road
Houston, Texas 77041

Comments:

| | |
|---|--------------------------|
| Approved: <i>David Garcia</i> | Date: 3/8/2011 |
|---|--------------------------|



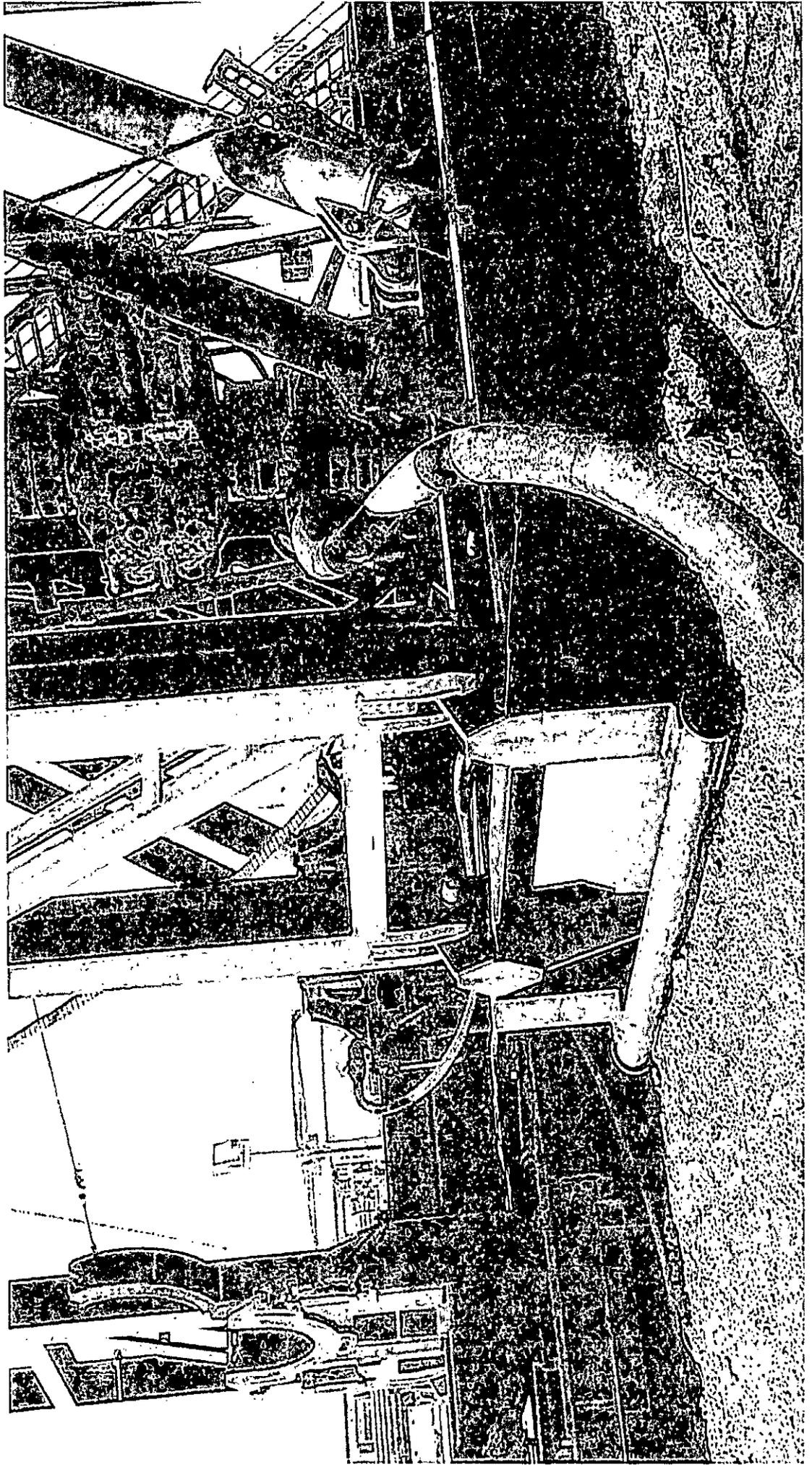
Exhibit F -3- Co-Flex Hose
Hackberry 26 Federal Com 2H
Cimarex Energy Company
26 & 27-19S-30E
Eddy County, NM

Specification Sheet Choke & Kill Hose

The Midwest Hose & Specialty Choke & Kill hose is manufactured with only premium components. 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 vermiculite 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) |

Exhibit F – Co-Flex Hose
Hackberry 26 Federal Com 2H
Cimarex Energy Company
26 & 27-19S-30E
Eddy County, NIM



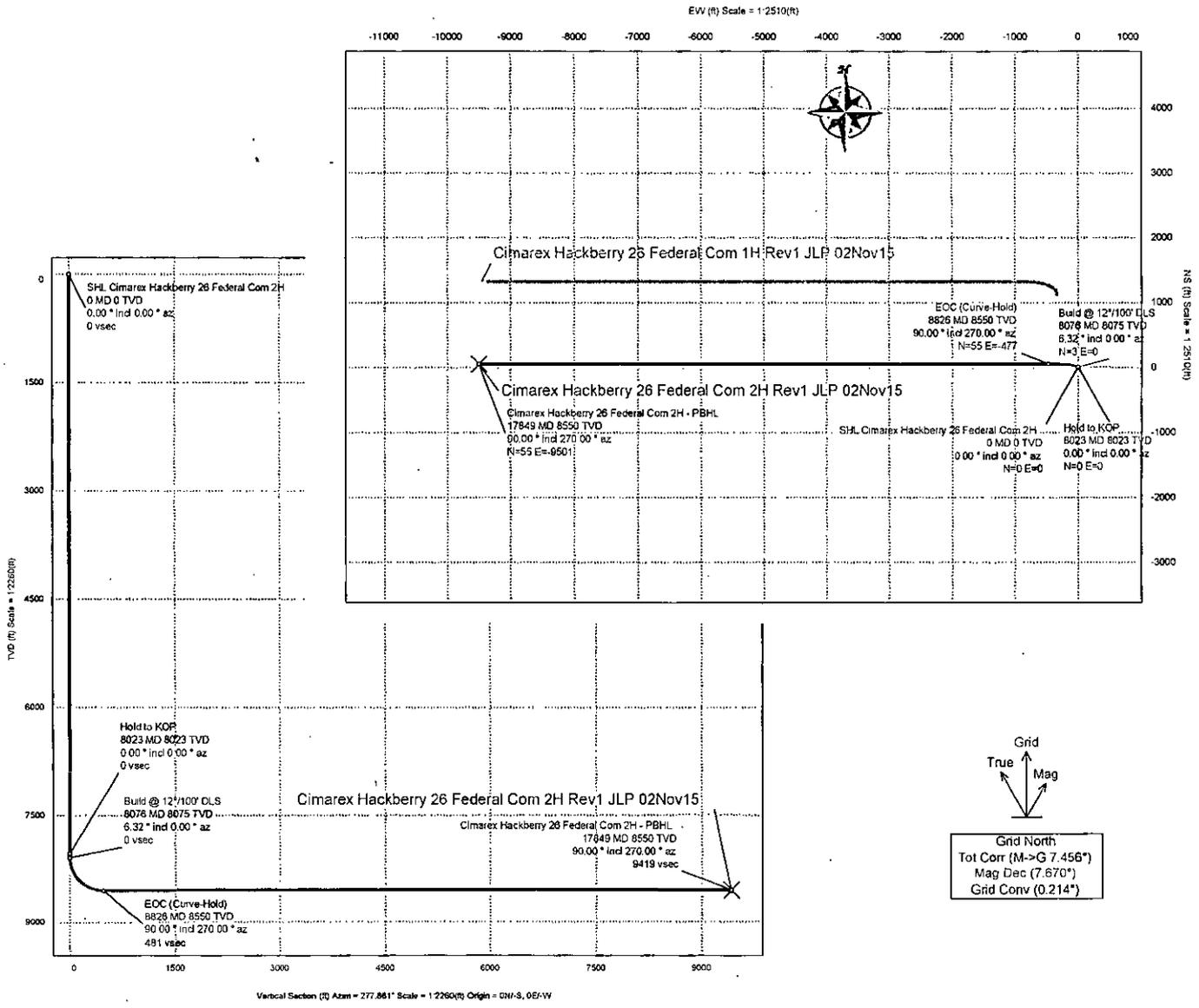


Cimarex



| | | | |
|---------------------------------------|---|--|--------------------------|
| Borehole: Original Borehole | Well: Hackberry 26 Federal Com 2H | Field: NM Eddy County (NAD 83) | Structure: TBD |
|---------------------------------------|---|--|--------------------------|

| | | |
|---|---|---|
| Gravity & Magnetic Parameters Model: 2015 Dip: 60.562° Date: 29-May-2015 Mag Dec: 7.67° FS: 48534.062m Gravity FS: 998.518mgn (9.80665 Based) | Surface Location NAD83 New Mexico State Plane, Eastern Zone, US Feet Lat: N 32 37 58.88 Northing: 594252.65ftU Grid Conv: 0.214° Lon: W 103 56 11.30 Easting: 563507.82ftU Scale Fact: 0.99992618 | Miscellaneous Slot: 2H TVD Ref: GL(3264.3ft above MSL) Plan: Rev1 JLP 02Nov15 |
|---|---|---|



| Critical Point | MD | INCL | AZIM | TVD | VSEC | N(+)/S(-) | E(+)/W(-) | DLS |
|--|----------|-------|--------|---------|---------|-----------|-----------|-------|
| SHL Cimarex Hackberry 26 Federal Com 2H | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Hold to KOP | 8022.88 | 0.00 | 0.00 | 8022.88 | 0.00 | 0.00 | 0.00 | 0.00 |
| Build @ 12°/100' DLS | 8075.55 | 6.32 | 0.00 | 8075.44 | 0.02 | 2.90 | 0.00 | 12.00 |
| EOC (Curve-Hold) | 8826.55 | 90.00 | 270.00 | 8550.00 | 477.78 | 55.46 | -477.47 | 12.00 |
| Cimarex Hackberry 26 Federal Com 2H - PBHL | 17848.76 | 30.00 | 270.00 | 8550.00 | 9500.84 | 55.44 | -9500.68 | 0.00 |

CONTROLLED

Plan ref: Cimarex Hackberry 26 Federal Com 2H Rev1 JLP 02Nov15

Drawing ref: _____

Copy number: _____ of 3

Date: 02-Nov-2015

| | | |
|---|--------|--|
| 1 | Client | |
| 2 | Client | |
| 3 | Office | |
| 4 | Office | |

Copy number _____ for _____

Cimarex Hackberry 26 Federal Com 2H Rev1 JLP 02Nov15 Proposal

Geodetic Report

(Non-Def Plan)



Report Date: November 02, 2015 - 11:02 AM.
Client: Cimarex
Field: NIM Eddy County (NAD 83)
Structure / Slot: Cimarex Hackberry 26 Federal Com 2H / Cimarex Hackberry 26 Federal Com 2H
Well: Hackberry 26 Federal Com 2H
Borehole: Original Borehole
UWI / API#: Unknown / Unknown
Survey Name: Cimarex Hackberry 26 Federal Com 2H Rev1 JLP 02Nov15
Survey Date: November 02, 2015
Tort / AHD / DDI / ERD Ratio: 96.320 ° / 9512.563 ft / 6.262 / 1.113
Coordinate Reference System: NAD83 New Mexico State Plane, Eastern Zone, US Feet
Location Lat / Long: N 32° 37' 58.88136", W 103° 56' 11.29513"
Location Grid N/E Y/X: N 594252.650 ftUS, E 663507.820 ftUS
CRS Grid Convergence Angle: 0.2140 °
Grid Scale Factor: 0.99992618
Version / Patch: 2.8.572.0

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 270.334 ° (Grid North)
Vertical Section Origin: 0.000 ft, 0.000 ft
TVD Reference Datum: GL
TVD Reference Elevation: 3264.300 ft above MSL
Seabed / Ground Elevation: 3264.300 ft above MSL
Magnetic Declination: 7.670 °
Total Gravity Field Strength: 998.5184mgn (9.80665 Based)
Gravity Model: GARM
Total Magnetic Field Strength: 48534.082 nT
Magnetic Dip Angle: 60.562 °
Declination Date: May 29, 2015
Magnetic Declination Model: HDGM 2015
North Reference: Grid North
Grid Convergence Used: 0.2140 °
Total Corr: Mag North->Grid North: 7.4562 °
Local Coord Referenced To: Structure Reference Point

| Comments | MD (ft) | Incl (°) | Azim Grid (°) | TVD (ft) | VSEC (ft) | NS (ft) | EW (ft) | DLS (*/100ft) | Northing (ftUS) | Easting (ftUS) | Latitude (N/S °.'). | Longitude (E/W °.'). |
|---|------------|-------------|------------------|-------------|--------------|------------|------------|------------------|--------------------|-------------------|------------------------|-------------------------|
| SHL Cimarex Hackberry 26 Federal Com 2H | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | N/A | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 200.00 | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 600.00 | 0.00 | 0.00 | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 700.00 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 800.00 | 0.00 | 0.00 | 800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 900.00 | 0.00 | 0.00 | 900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1000.00 | 0.00 | 0.00 | 1000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1100.00 | 0.00 | 0.00 | 1100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1200.00 | 0.00 | 0.00 | 1200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1300.00 | 0.00 | 0.00 | 1300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1400.00 | 0.00 | 0.00 | 1400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1500.00 | 0.00 | 0.00 | 1500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1600.00 | 0.00 | 0.00 | 1600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1700.00 | 0.00 | 0.00 | 1700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1800.00 | 0.00 | 0.00 | 1800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |
| | 1900.00 | 0.00 | 0.00 | 1900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 | W 103 56 11.30 |

| Comments | MD (ft) | Incl (°) | Azim Grid (°) | TVD (ft) | VSEC (ft) | NS (ft) | EW (ft) | DLS (°/100ft) | Northing (ftUS) | Easting (ftUS) | Latitude (N/S °.′.″) | Longitude (E/W °.′.″) |
|----------------------|------------|-------------|------------------|-------------|--------------|------------|------------|------------------|--------------------|-------------------|-------------------------|--------------------------|
| | 6900.00 | 0.00 | 0.00 | 6900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7000.00 | 0.00 | 0.00 | 7000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7100.00 | 0.00 | 0.00 | 7100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7200.00 | 0.00 | 0.00 | 7200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7300.00 | 0.00 | 0.00 | 7300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7400.00 | 0.00 | 0.00 | 7400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7500.00 | 0.00 | 0.00 | 7500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7600.00 | 0.00 | 0.00 | 7600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7700.00 | 0.00 | 0.00 | 7700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7800.00 | 0.00 | 0.00 | 7800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 7900.00 | 0.00 | 0.00 | 7900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 8000.00 | 0.00 | 0.00 | 8000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| | 8022.88 | 0.00 | 0.00 | 8022.88 | 0.00 | 0.00 | 0.00 | 0.00 | 594252.65 | 663507.82 | N 32 37 58.88 W | 103 56 11.30 |
| Hold to KOP | | | | | | | | | | | | |
| Build @ | | | | | | | | | | | | |
| 12°/100' DLS | | | | | | | | | | | | |
| | 8075.55 | 6.32 | 0.00 | 8075.44 | 0.02 | 2.90 | 0.00 | 12.00 | 594255.55 | 663507.82 | N 32 37 58.91 W | 103 56 11.30 |
| | 8100.00 | 6.97 | 335.03 | 8098.73 | 0.66 | 5.59 | -0.63 | 12.00 | 594258.24 | 663507.19 | N 32 37 58.94 W | 103 56 11.30 |
| | 8200.00 | 16.19 | 292.43 | 8197.74 | 16.22 | 16.45 | -16.13 | 12.00 | 594269.10 | 663491.69 | N 32 37 59.04 W | 103 56 11.48 |
| | 8300.00 | 27.61 | 282.22 | 8290.40 | 51.95 | 26.71 | -51.79 | 12.00 | 594279.36 | 663456.03 | N 32 37 59.15 W | 103 56 11.90 |
| | 8400.00 | 39.36 | 277.76 | 8373.67 | 106.27 | 35.93 | -106.06 | 12.00 | 594288.58 | 663401.77 | N 32 37 59.24 W | 103 56 12.53 |
| | 8500.00 | 51.22 | 275.11 | 8443.90 | 176.81 | 43.71 | -176.56 | 12.00 | 594296.36 | 663331.27 | N 32 37 59.32 W | 103 56 13.36 |
| | 8600.00 | 63.11 | 273.22 | 8498.03 | 260.50 | 49.71 | -260.21 | 12.00 | 594302.35 | 663247.63 | N 32 37 59.38 W | 103 56 14.34 |
| | 8700.00 | 75.03 | 271.70 | 8533.69 | 353.67 | 53.65 | -353.36 | 12.00 | 594306.30 | 663154.49 | N 32 37 59.43 W | 103 56 15.42 |
| | 8800.00 | 86.95 | 270.34 | 8549.32 | 452.25 | 55.39 | -451.93 | 12.00 | 594308.03 | 663055.92 | N 32 37 59.45 W | 103 56 16.58 |
| EOC (Curve- Hold) | | | | | | | | | | | | |
| | 8825.55 | 90.00 | 270.00 | 8650.00 | 477.78 | 55.46 | -477.47 | 12.00 | 594308.11 | 663030.39 | N 32 37 59.45 W | 103 56 16.88 |
| | 8900.00 | 90.00 | 270.00 | 8650.00 | 552.23 | 55.46 | -551.92 | 0.00 | 594308.11 | 662955.94 | N 32 37 59.45 W | 103 56 17.75 |
| | 9000.00 | 90.00 | 270.00 | 8650.00 | 652.23 | 55.46 | -651.92 | 0.00 | 594308.11 | 662855.95 | N 32 37 59.45 W | 103 56 18.92 |
| | 9100.00 | 90.00 | 270.00 | 8650.00 | 752.23 | 55.46 | -751.92 | 0.00 | 594308.11 | 662755.96 | N 32 37 59.46 W | 103 56 20.09 |
| | 9200.00 | 90.00 | 270.00 | 8650.00 | 852.23 | 55.46 | -851.92 | 0.00 | 594308.11 | 662655.97 | N 32 37 59.46 W | 103 56 21.25 |
| | 9300.00 | 90.00 | 270.00 | 8650.00 | 952.23 | 55.46 | -951.92 | 0.00 | 594308.11 | 662555.97 | N 32 37 59.47 W | 103 56 22.42 |
| | 9400.00 | 90.00 | 270.00 | 8650.00 | 1052.22 | 55.46 | -1051.92 | 0.00 | 594308.11 | 662455.98 | N 32 37 59.47 W | 103 56 23.59 |
| | 9500.00 | 90.00 | 270.00 | 8650.00 | 1152.22 | 55.46 | -1151.92 | 0.00 | 594308.11 | 662355.99 | N 32 37 59.47 W | 103 56 24.76 |
| | 9600.00 | 90.00 | 270.00 | 8650.00 | 1252.22 | 55.46 | -1251.92 | 0.00 | 594308.11 | 662256.00 | N 32 37 59.48 W | 103 56 25.93 |
| | 9700.00 | 90.00 | 270.00 | 8650.00 | 1352.22 | 55.46 | -1351.92 | 0.00 | 594308.11 | 662156.00 | N 32 37 59.48 W | 103 56 27.10 |
| | 9800.00 | 90.00 | 270.00 | 8650.00 | 1452.22 | 55.46 | -1451.92 | 0.00 | 594308.10 | 662056.01 | N 32 37 59.48 W | 103 56 28.27 |
| | 9900.00 | 90.00 | 270.00 | 8650.00 | 1552.22 | 55.46 | -1551.92 | 0.00 | 594308.10 | 661956.02 | N 32 37 59.49 W | 103 56 29.44 |
| | 10000.00 | 90.00 | 270.00 | 8650.00 | 1652.21 | 55.46 | -1651.92 | 0.00 | 594308.10 | 661856.03 | N 32 37 59.49 W | 103 56 30.61 |
| | 10100.00 | 90.00 | 270.00 | 8650.00 | 1752.21 | 55.46 | -1751.92 | 0.00 | 594308.10 | 661756.03 | N 32 37 59.49 W | 103 56 31.78 |
| | 10200.00 | 90.00 | 270.00 | 8650.00 | 1852.21 | 55.46 | -1851.92 | 0.00 | 594308.10 | 661656.04 | N 32 37 59.50 W | 103 56 32.95 |
| | 10300.00 | 90.00 | 270.00 | 8650.00 | 1952.21 | 55.46 | -1951.92 | 0.00 | 594308.10 | 661556.05 | N 32 37 59.50 W | 103 56 34.12 |
| | 10400.00 | 90.00 | 270.00 | 8650.00 | 2052.21 | 55.46 | -2051.92 | 0.00 | 594308.10 | 661456.06 | N 32 37 59.51 W | 103 56 35.29 |
| | 10500.00 | 90.00 | 270.00 | 8650.00 | 2152.21 | 55.46 | -2151.92 | 0.00 | 594308.10 | 661356.06 | N 32 37 59.51 W | 103 56 36.46 |
| | 10600.00 | 90.00 | 270.00 | 8650.00 | 2252.20 | 55.46 | -2251.92 | 0.00 | 594308.10 | 661256.07 | N 32 37 59.51 W | 103 56 37.62 |
| | 10700.00 | 90.00 | 270.00 | 8650.00 | 2352.20 | 55.46 | -2351.92 | 0.00 | 594308.10 | 661156.08 | N 32 37 59.52 W | 103 56 38.79 |
| | 10800.00 | 90.00 | 270.00 | 8650.00 | 2452.20 | 55.46 | -2451.92 | 0.00 | 594308.10 | 661056.09 | N 32 37 59.52 W | 103 56 39.96 |
| | 10900.00 | 90.00 | 270.00 | 8650.00 | 2552.20 | 55.46 | -2551.92 | 0.00 | 594308.10 | 660956.10 | N 32 37 59.52 W | 103 56 41.13 |
| | 11000.00 | 90.00 | 270.00 | 8650.00 | 2652.20 | 55.46 | -2651.92 | 0.00 | 594308.10 | 660856.10 | N 32 37 59.53 W | 103 56 42.30 |
| | 11100.00 | 90.00 | 270.00 | 8650.00 | 2752.19 | 55.46 | -2751.92 | 0.00 | 594308.10 | 660756.11 | N 32 37 59.53 W | 103 56 43.47 |

| Comments | MD (ft) | Incl (°) | Azim Grid (°) | TVD (ft) | VSEC (ft) | NS (ft) | EW (ft) | DLS (ft/100ft) | Northing (ftUS) | Easting (ftUS) | Latitude (N/S ° ' ") | Longitude (E/W ° ' ") |
|----------|------------|-------------|------------------|-------------|--------------|------------|------------|-------------------|--------------------|-------------------|-------------------------|--------------------------|
| | 11200.00 | 90.00 | 270.00 | 8550.00 | 2852.19 | 55.46 | -2851.92 | 0.00 | 594308.10 | 660656.12 | N 32 37 59.53 W | 103 56 44.64 |
| | 11300.00 | 90.00 | 270.00 | 8550.00 | 2952.19 | 55.46 | -2951.92 | 0.00 | 594308.10 | 660656.13 | N 32 37 59.54 W | 103 56 45.81 |
| | 11400.00 | 90.00 | 270.00 | 8550.00 | 3052.19 | 55.46 | -3051.92 | 0.00 | 594308.10 | 660656.14 | N 32 37 59.54 W | 103 56 46.98 |
| | 11500.00 | 90.00 | 270.00 | 8550.00 | 3152.19 | 55.46 | -3151.92 | 0.00 | 594308.10 | 660656.14 | N 32 37 59.55 W | 103 56 48.15 |
| | 11600.00 | 90.00 | 270.00 | 8550.00 | 3252.19 | 55.46 | -3251.92 | 0.00 | 594308.10 | 660656.15 | N 32 37 59.55 W | 103 56 49.32 |
| | 11700.00 | 90.00 | 270.00 | 8550.00 | 3352.18 | 55.46 | -3351.92 | 0.00 | 594308.10 | 660656.16 | N 32 37 59.55 W | 103 56 50.49 |
| | 11800.00 | 90.00 | 270.00 | 8550.00 | 3452.18 | 55.46 | -3451.92 | 0.00 | 594308.10 | 660656.16 | N 32 37 59.56 W | 103 56 51.66 |
| | 11900.00 | 90.00 | 270.00 | 8550.00 | 3552.18 | 55.46 | -3551.92 | 0.00 | 594308.10 | 659856.17 | N 32 37 59.56 W | 103 56 52.83 |
| | 12000.00 | 90.00 | 270.00 | 8550.00 | 3652.18 | 55.45 | -3651.92 | 0.00 | 594308.10 | 659856.18 | N 32 37 59.56 W | 103 56 54.00 |
| | 12100.00 | 90.00 | 270.00 | 8550.00 | 3752.18 | 55.45 | -3751.92 | 0.00 | 594308.10 | 659756.19 | N 32 37 59.57 W | 103 56 55.16 |
| | 12200.00 | 90.00 | 270.00 | 8550.00 | 3852.18 | 55.45 | -3851.92 | 0.00 | 594308.10 | 659656.19 | N 32 37 59.57 W | 103 56 56.33 |
| | 12300.00 | 90.00 | 270.00 | 8550.00 | 3952.17 | 55.45 | -3951.92 | 0.00 | 594308.10 | 659556.20 | N 32 37 59.57 W | 103 56 57.50 |
| | 12400.00 | 90.00 | 270.00 | 8550.00 | 4052.17 | 55.45 | -4051.92 | 0.00 | 594308.10 | 659456.21 | N 32 37 59.58 W | 103 56 58.67 |
| | 12500.00 | 90.00 | 270.00 | 8550.00 | 4152.17 | 55.45 | -4151.92 | 0.00 | 594308.10 | 659356.22 | N 32 37 59.58 W | 103 56 59.84 |
| | 12600.00 | 90.00 | 270.00 | 8550.00 | 4252.17 | 55.45 | -4251.92 | 0.00 | 594308.10 | 659256.22 | N 32 37 59.58 W | 103 57 1.01 |
| | 12700.00 | 90.00 | 270.00 | 8550.00 | 4352.17 | 55.45 | -4351.92 | 0.00 | 594308.10 | 659156.23 | N 32 37 59.59 W | 103 57 2.18 |
| | 12800.00 | 90.00 | 270.00 | 8550.00 | 4452.17 | 55.45 | -4451.92 | 0.00 | 594308.10 | 659056.24 | N 32 37 59.59 W | 103 57 3.35 |
| | 12900.00 | 90.00 | 270.00 | 8550.00 | 4552.16 | 55.45 | -4551.92 | 0.00 | 594308.10 | 658956.25 | N 32 37 59.60 W | 103 57 4.52 |
| | 13000.00 | 90.00 | 270.00 | 8550.00 | 4652.16 | 55.45 | -4651.92 | 0.00 | 594308.10 | 658856.25 | N 32 37 59.60 W | 103 57 5.69 |
| | 13100.00 | 90.00 | 270.00 | 8550.00 | 4752.16 | 55.45 | -4751.92 | 0.00 | 594308.10 | 658756.26 | N 32 37 59.60 W | 103 57 6.86 |
| | 13200.00 | 90.00 | 270.00 | 8550.00 | 4852.16 | 55.45 | -4851.92 | 0.00 | 594308.10 | 658656.27 | N 32 37 59.61 W | 103 57 8.03 |
| | 13300.00 | 90.00 | 270.00 | 8550.00 | 4952.16 | 55.45 | -4951.92 | 0.00 | 594308.10 | 658556.28 | N 32 37 59.61 W | 103 57 9.20 |
| | 13400.00 | 90.00 | 270.00 | 8550.00 | 5052.16 | 55.45 | -5051.92 | 0.00 | 594308.10 | 658456.28 | N 32 37 59.61 W | 103 57 10.37 |
| | 13500.00 | 90.00 | 270.00 | 8550.00 | 5152.15 | 55.45 | -5151.92 | 0.00 | 594308.10 | 658356.29 | N 32 37 59.62 W | 103 57 11.54 |
| | 13600.00 | 90.00 | 270.00 | 8550.00 | 5252.15 | 55.45 | -5251.92 | 0.00 | 594308.10 | 658256.30 | N 32 37 59.62 W | 103 57 12.70 |
| | 13700.00 | 90.00 | 270.00 | 8550.00 | 5352.15 | 55.45 | -5351.92 | 0.00 | 594308.10 | 658156.31 | N 32 37 59.62 W | 103 57 13.87 |
| | 13800.00 | 90.00 | 270.00 | 8550.00 | 5452.15 | 55.45 | -5451.92 | 0.00 | 594308.10 | 658056.32 | N 32 37 59.63 W | 103 57 15.04 |
| | 13900.00 | 90.00 | 270.00 | 8550.00 | 5552.15 | 55.45 | -5551.92 | 0.00 | 594308.10 | 657956.32 | N 32 37 59.63 W | 103 57 16.21 |
| | 14000.00 | 90.00 | 270.00 | 8550.00 | 5652.15 | 55.45 | -5651.92 | 0.00 | 594308.10 | 657856.33 | N 32 37 59.63 W | 103 57 17.38 |
| | 14100.00 | 90.00 | 270.00 | 8550.00 | 5752.14 | 55.45 | -5751.92 | 0.00 | 594308.10 | 657756.34 | N 32 37 59.64 W | 103 57 18.55 |
| | 14200.00 | 90.00 | 270.00 | 8550.00 | 5852.14 | 55.45 | -5851.92 | 0.00 | 594308.10 | 657656.35 | N 32 37 59.64 W | 103 57 19.72 |
| | 14300.00 | 90.00 | 270.00 | 8550.00 | 5952.14 | 55.45 | -5951.92 | 0.00 | 594308.10 | 657556.35 | N 32 37 59.64 W | 103 57 20.89 |
| | 14400.00 | 90.00 | 270.00 | 8550.00 | 6052.14 | 55.45 | -6051.92 | 0.00 | 594308.10 | 657456.36 | N 32 37 59.65 W | 103 57 22.06 |
| | 14500.00 | 90.00 | 270.00 | 8550.00 | 6152.14 | 55.45 | -6151.92 | 0.00 | 594308.10 | 657356.37 | N 32 37 59.65 W | 103 57 23.23 |
| | 14600.00 | 90.00 | 270.00 | 8550.00 | 6252.14 | 55.45 | -6251.92 | 0.00 | 594308.10 | 657256.38 | N 32 37 59.66 W | 103 57 24.40 |
| | 14700.00 | 90.00 | 270.00 | 8550.00 | 6352.13 | 55.45 | -6351.92 | 0.00 | 594308.10 | 657156.38 | N 32 37 59.66 W | 103 57 25.57 |
| | 14800.00 | 90.00 | 270.00 | 8550.00 | 6452.13 | 55.45 | -6451.92 | 0.00 | 594308.10 | 657056.39 | N 32 37 59.66 W | 103 57 26.74 |
| | 14900.00 | 90.00 | 270.00 | 8550.00 | 6552.13 | 55.45 | -6551.92 | 0.00 | 594308.10 | 656956.40 | N 32 37 59.67 W | 103 57 27.91 |
| | 15000.00 | 90.00 | 270.00 | 8550.00 | 6652.13 | 55.45 | -6651.92 | 0.00 | 594308.10 | 656856.41 | N 32 37 59.67 W | 103 57 29.08 |
| | 15100.00 | 90.00 | 270.00 | 8550.00 | 6752.13 | 55.45 | -6751.92 | 0.00 | 594308.10 | 656756.41 | N 32 37 59.67 W | 103 57 30.24 |
| | 15200.00 | 90.00 | 270.00 | 8550.00 | 6852.13 | 55.45 | -6851.92 | 0.00 | 594308.09 | 656656.42 | N 32 37 59.68 W | 103 57 31.41 |
| | 15300.00 | 90.00 | 270.00 | 8550.00 | 6952.12 | 55.45 | -6951.92 | 0.00 | 594308.09 | 656556.43 | N 32 37 59.68 W | 103 57 32.58 |
| | 15400.00 | 90.00 | 270.00 | 8550.00 | 7052.12 | 55.45 | -7051.92 | 0.00 | 594308.09 | 656456.44 | N 32 37 59.68 W | 103 57 33.75 |
| | 15500.00 | 90.00 | 270.00 | 8550.00 | 7152.12 | 55.45 | -7151.92 | 0.00 | 594308.09 | 656356.44 | N 32 37 59.69 W | 103 57 34.92 |
| | 15600.00 | 90.00 | 270.00 | 8550.00 | 7252.12 | 55.45 | -7251.92 | 0.00 | 594308.09 | 656256.45 | N 32 37 59.69 W | 103 57 36.09 |
| | 15700.00 | 90.00 | 270.00 | 8550.00 | 7352.12 | 55.45 | -7351.92 | 0.00 | 594308.09 | 656156.46 | N 32 37 59.69 W | 103 57 37.26 |
| | 15800.00 | 90.00 | 270.00 | 8550.00 | 7452.11 | 55.45 | -7451.92 | 0.00 | 594308.09 | 656056.47 | N 32 37 59.70 W | 103 57 38.43 |
| | 15900.00 | 90.00 | 270.00 | 8550.00 | 7552.11 | 55.45 | -7551.92 | 0.00 | 594308.09 | 655956.47 | N 32 37 59.70 W | 103 57 39.60 |
| | 16000.00 | 90.00 | 270.00 | 8550.00 | 7652.11 | 55.45 | -7651.92 | 0.00 | 594308.09 | 655856.48 | N 32 37 59.70 W | 103 57 40.77 |

| Comments | MD (ft) | Incl (°) | Azim Grid (°) | TVD (ft) | VSEC (ft) | NS (ft) | EW (ft) | DLS (°/100ft) | Northing (ftUS) | Easting (ftUS) | Latitude (N/S ° ' ") | Longitude (E/W ° ' ") |
|----------|------------|-------------|------------------|-------------|--------------|------------|------------|------------------|--------------------|-------------------|-------------------------|--------------------------|
| | 16100.00 | 90.00 | 270.00 | 8550.00 | 7752.11 | 55.45 | -7751.92 | 0.00 | 594308.09 | 655756.49 | N 32 37 59.71 W | 103 57 41.94 |
| | 16200.00 | 90.00 | 270.00 | 8550.00 | 7852.11 | 55.45 | -7851.92 | 0.00 | 594308.09 | 655656.50 | N 32 37 59.71 W | 103 57 43.11 |
| | 16300.00 | 90.00 | 270.00 | 8550.00 | 7952.11 | 55.45 | -7951.92 | 0.00 | 594308.09 | 655556.50 | N 32 37 59.71 W | 103 57 44.28 |
| | 16400.00 | 90.00 | 270.00 | 8550.00 | 8052.10 | 55.45 | -8051.92 | 0.00 | 594308.09 | 655456.51 | N 32 37 59.72 W | 103 57 45.45 |
| | 16500.00 | 90.00 | 270.00 | 8550.00 | 8152.10 | 55.45 | -8151.92 | 0.00 | 594308.09 | 655356.52 | N 32 37 59.72 W | 103 57 46.62 |
| | 16600.00 | 90.00 | 270.00 | 8550.00 | 8252.10 | 55.45 | -8251.92 | 0.00 | 594308.09 | 655256.53 | N 32 37 59.72 W | 103 57 47.78 |
| | 16700.00 | 90.00 | 270.00 | 8550.00 | 8352.10 | 55.45 | -8351.92 | 0.00 | 594308.09 | 655156.54 | N 32 37 59.73 W | 103 57 48.95 |
| | 16800.00 | 90.00 | 270.00 | 8550.00 | 8452.10 | 55.45 | -8451.92 | 0.00 | 594308.09 | 655056.54 | N 32 37 59.73 W | 103 57 50.12 |
| | 16900.00 | 90.00 | 270.00 | 8550.00 | 8552.10 | 55.45 | -8551.92 | 0.00 | 594308.09 | 654956.55 | N 32 37 59.73 W | 103 57 51.29 |
| | 17000.00 | 90.00 | 270.00 | 8550.00 | 8652.09 | 55.45 | -8651.92 | 0.00 | 594308.09 | 654856.56 | N 32 37 59.74 W | 103 57 52.46 |
| | 17100.00 | 90.00 | 270.00 | 8550.00 | 8752.09 | 55.45 | -8751.92 | 0.00 | 594308.09 | 654756.57 | N 32 37 59.74 W | 103 57 53.63 |
| | 17200.00 | 90.00 | 270.00 | 8550.00 | 8852.09 | 55.45 | -8851.92 | 0.00 | 594308.09 | 654656.57 | N 32 37 59.75 W | 103 57 54.80 |
| | 17300.00 | 90.00 | 270.00 | 8550.00 | 8952.09 | 55.45 | -8951.92 | 0.00 | 594308.09 | 654556.58 | N 32 37 59.75 W | 103 57 55.97 |
| | 17400.00 | 90.00 | 270.00 | 8550.00 | 9052.09 | 55.45 | -9051.92 | 0.00 | 594308.09 | 654456.59 | N 32 37 59.75 W | 103 57 57.14 |
| | 17500.00 | 90.00 | 270.00 | 8550.00 | 9152.09 | 55.44 | -9151.92 | 0.00 | 594308.09 | 654356.60 | N 32 37 59.76 W | 103 57 58.31 |
| | 17600.00 | 90.00 | 270.00 | 8550.00 | 9252.08 | 55.44 | -9251.92 | 0.00 | 594308.09 | 654256.60 | N 32 37 59.76 W | 103 57 59.48 |
| | 17700.00 | 90.00 | 270.00 | 8550.00 | 9352.08 | 55.44 | -9351.92 | 0.00 | 594308.09 | 654156.61 | N 32 37 59.76 W | 103 58 0.65 |
| | 17800.00 | 90.00 | 270.00 | 8550.00 | 9452.08 | 55.44 | -9451.92 | 0.00 | 594308.09 | 654056.62 | N 32 37 59.77 W | 103 58 1.82 |
| | 17848.76 | 90.00 | 270.00 | 8550.00 | 9500.84 | 55.44 | -9500.68 | 0.00 | 594308.09 | 654007.86 | N 32 37 59.77 W | 103 58 2.39 |

Cimarex
Hackberry 26
Federal Com 2H
- PBHL

Survey Type: Non-Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95.000% Confidence 2.7955 sigma
Survey Program:

| Description | Part | MD From (ft) | MD To (ft) | EOU Freq (ft) | Hole Size (in) | Casing Diameter (in) | Survey Tool Type | Borehole / Survey |
|-------------|------|-----------------|---------------|------------------|-------------------|----------------------------|------------------|--|
| | 1 | 0.000 | 17848.762 | 1/100.000 | 30.000 | 30.000 | SLB_MWD-STD | Original Borehole / Cimarex Hackberry 26 Federal Com 2H |

Drilling 17-1/2" hole
below 20" Casing

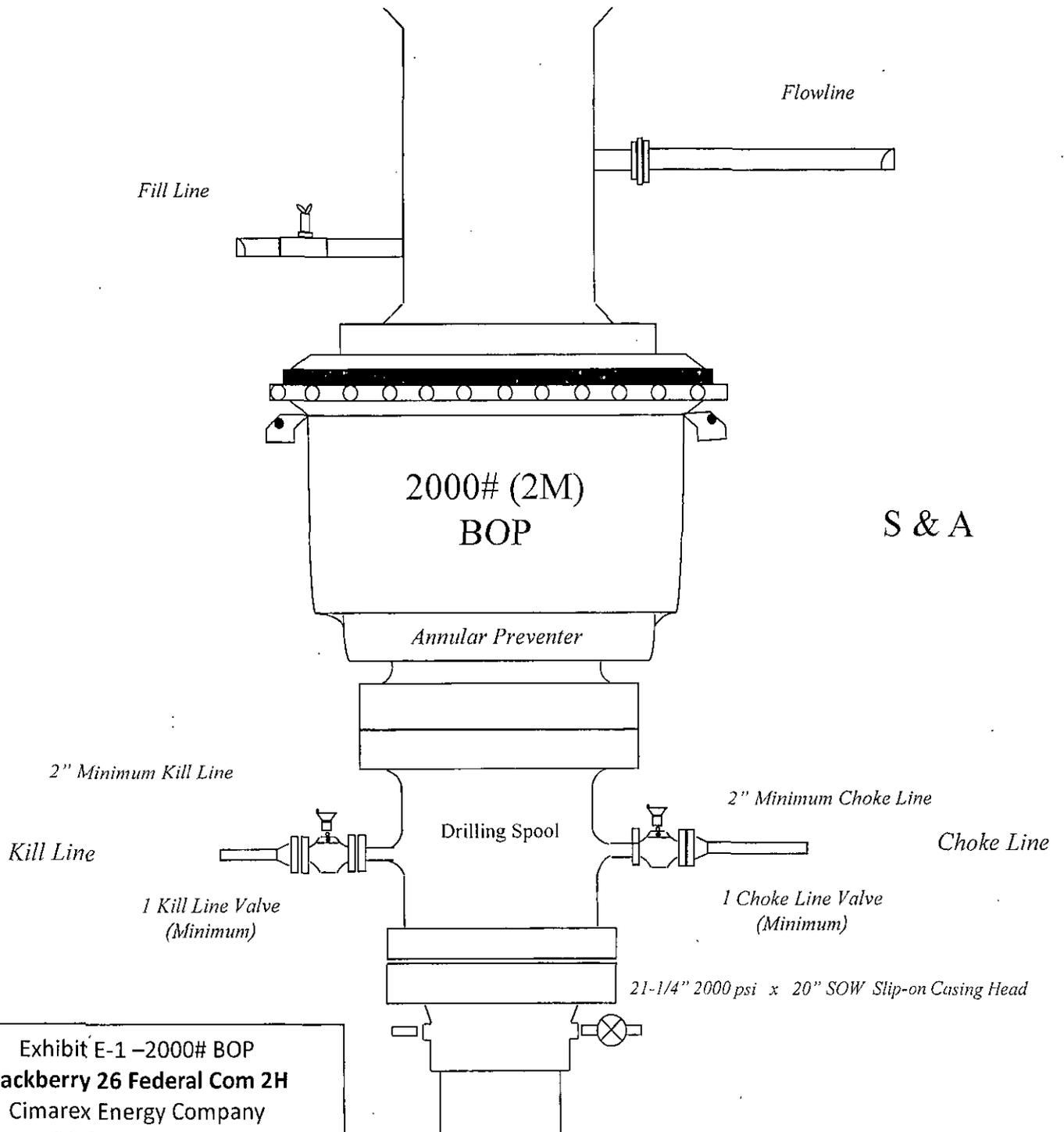


Exhibit E-1 - 2000# BOP
Hackberry 26 Federal Com 2H
Cimarex Energy Company
26 & 27-19S-30E
Eddy County, NM

Drilling 12-1/4" hole
below 13 3/8" Casing

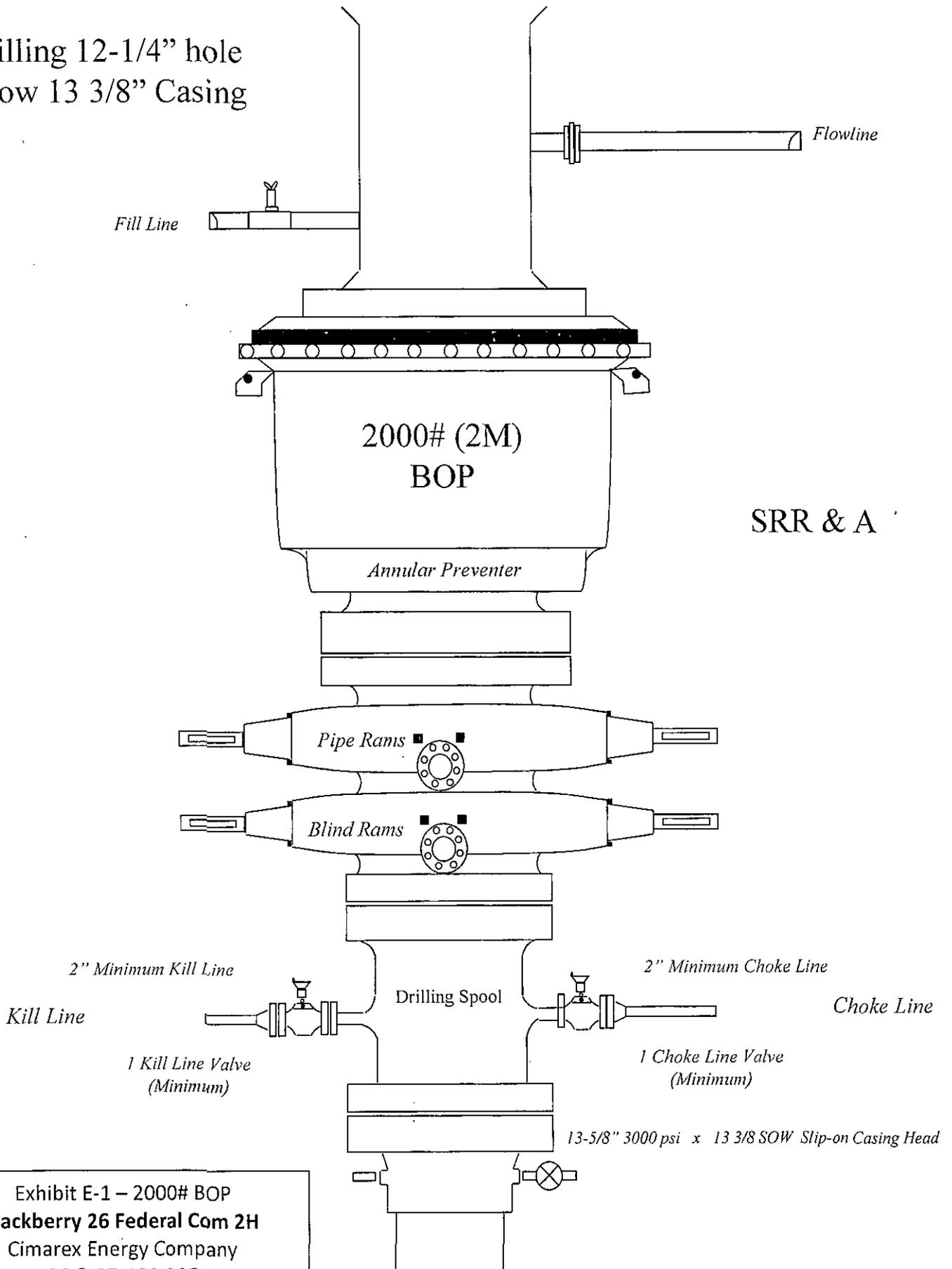
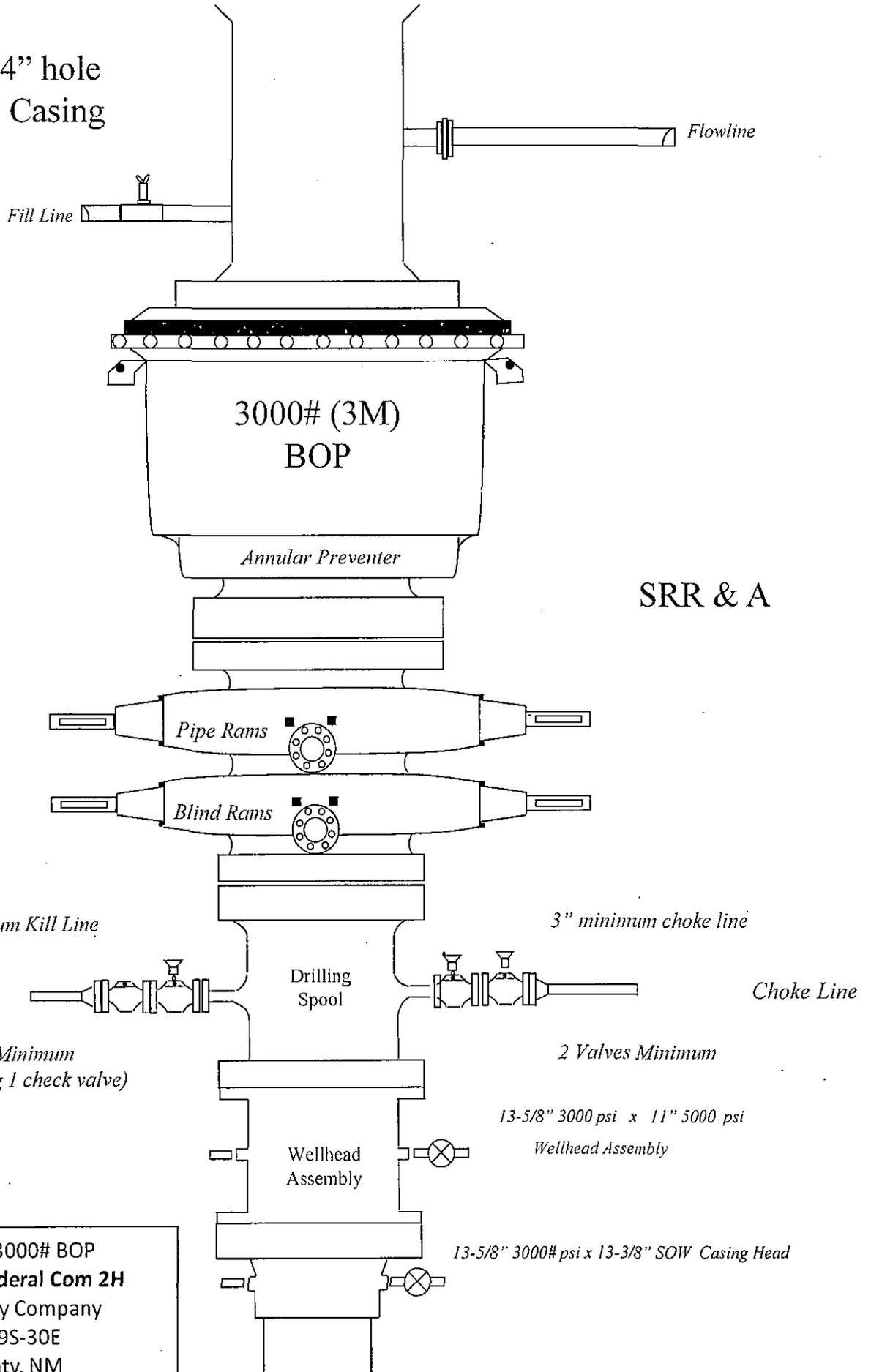


Exhibit E-1 – 2000# BOP
Hackberry 26 Federal Com 2H
Cimarex Energy Company
26 & 27-19S-30E
Eddy County, NM

Drilling 8-3/4" hole
below 9 5/8" Casing



SRR & A

Exhibit E-1 – 3000# BOP
Hackberry 26 Federal Com 2H
Cimarex Energy Company
26 & 27-19S-30E
Eddy County, NM

Drilling below 7" Casing

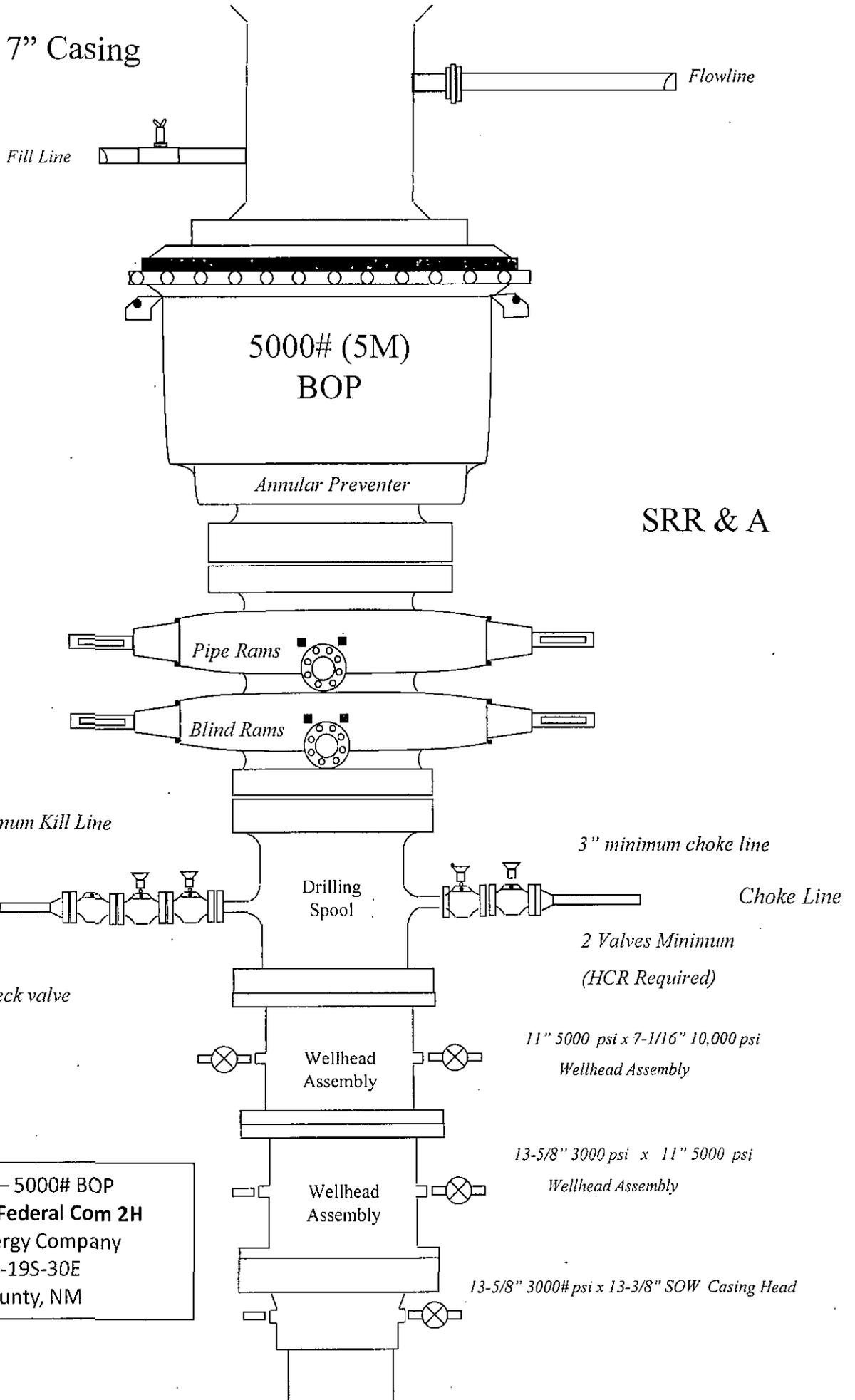
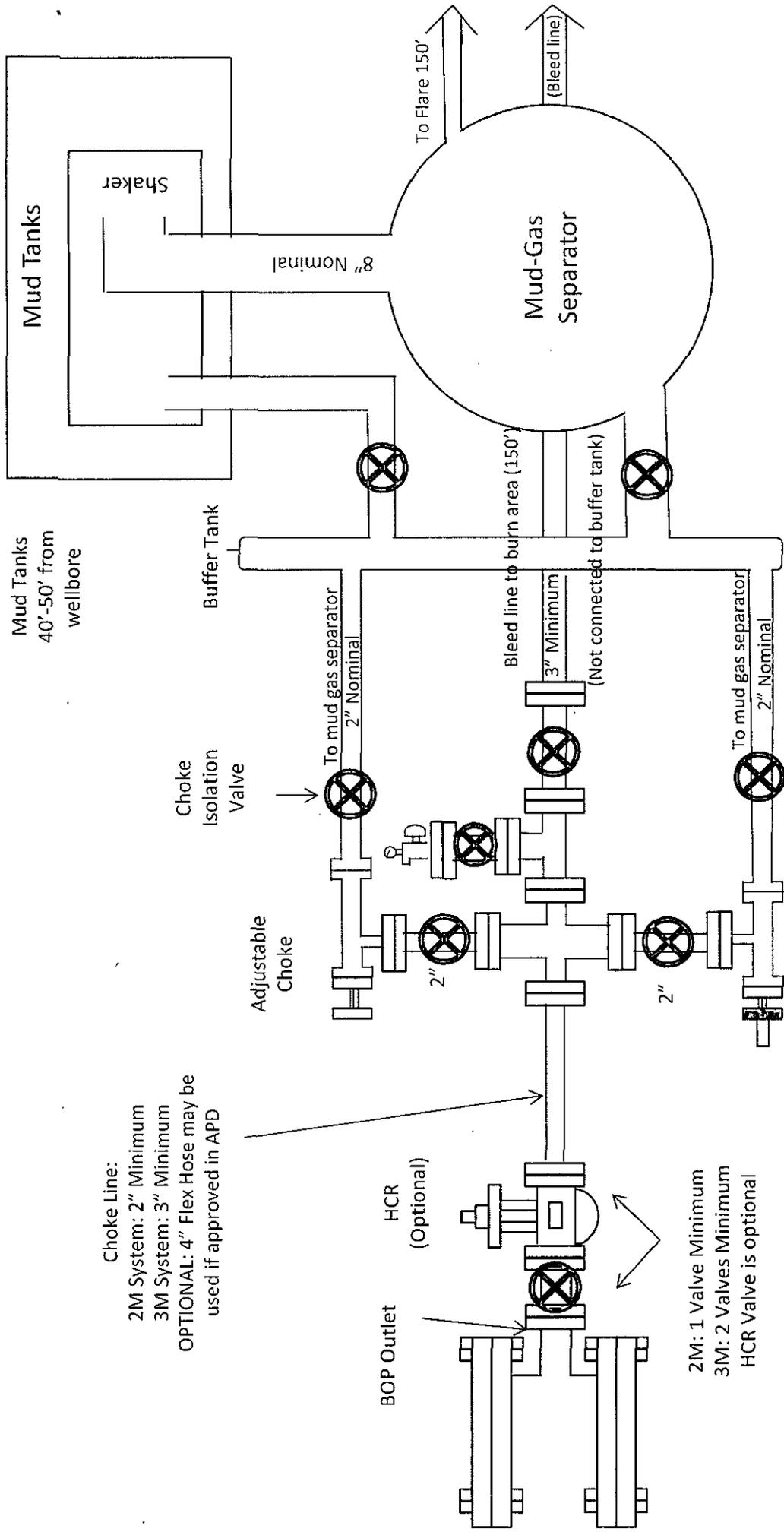


Exhibit E-1 – 5000# BOP
Hackberry 26 Federal Com 2H
Cimarex Energy Company
26 & 27-19S-30E
Eddy County, NM



Choke Line:
 2M System: 2" Minimum
 3M System: 3" Minimum
 OPTIONAL: 4" Flex Hose may be used if approved in APD

2M: 1 Valve Minimum
 3M: 2 Valves Minimum
 HCR Valve is optional

REMOTELY OPERATED Adjustable Choke

**Drilling Operations
 Choke Manifold
 2M/3M Service**

Exhibit E-1 – Choke Manifold Diagram
Hackberry 26 Federal Com 2H
 Cimarex Energy Company
 26 & 27-19S-30E
 Eddy County, NM

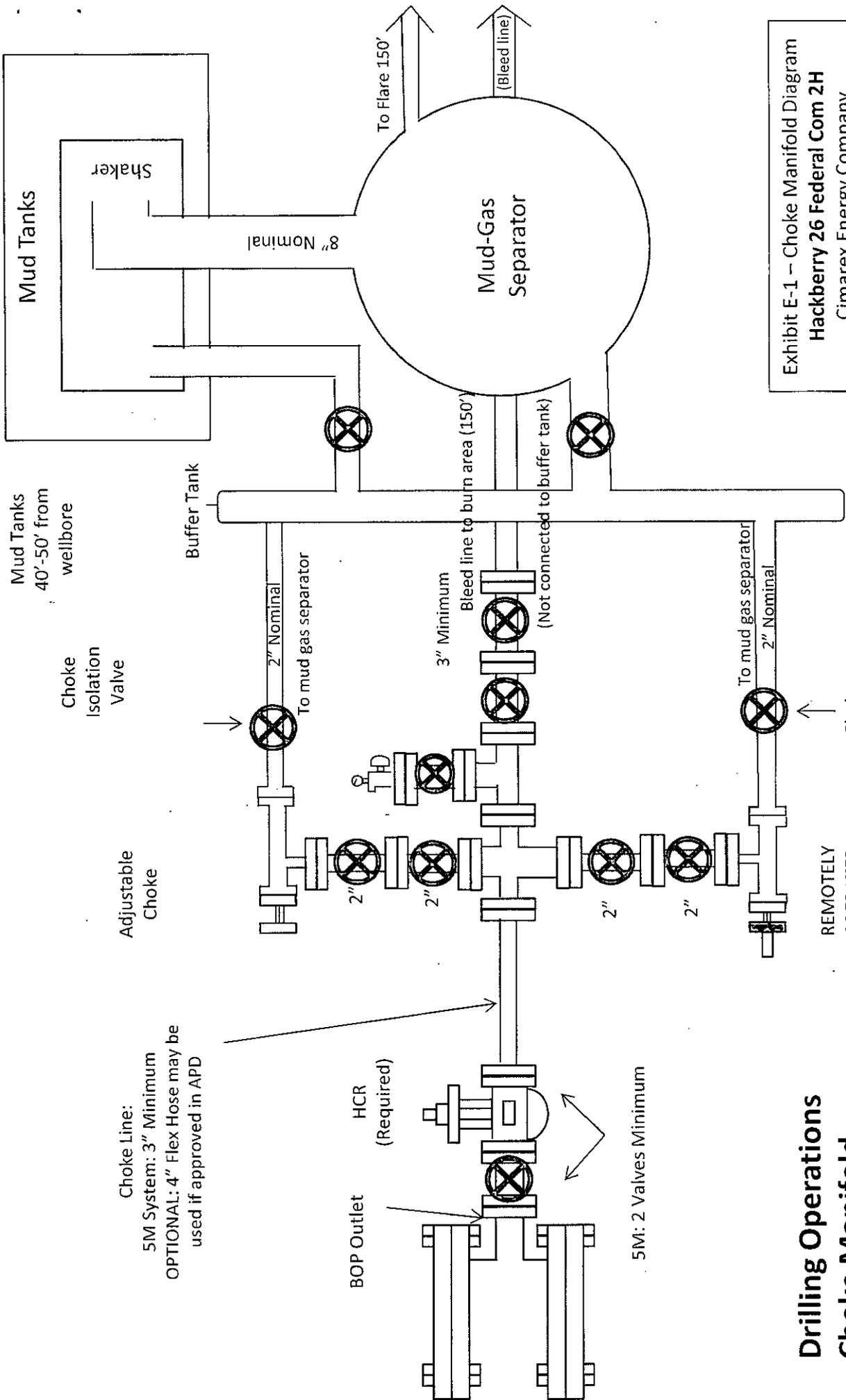
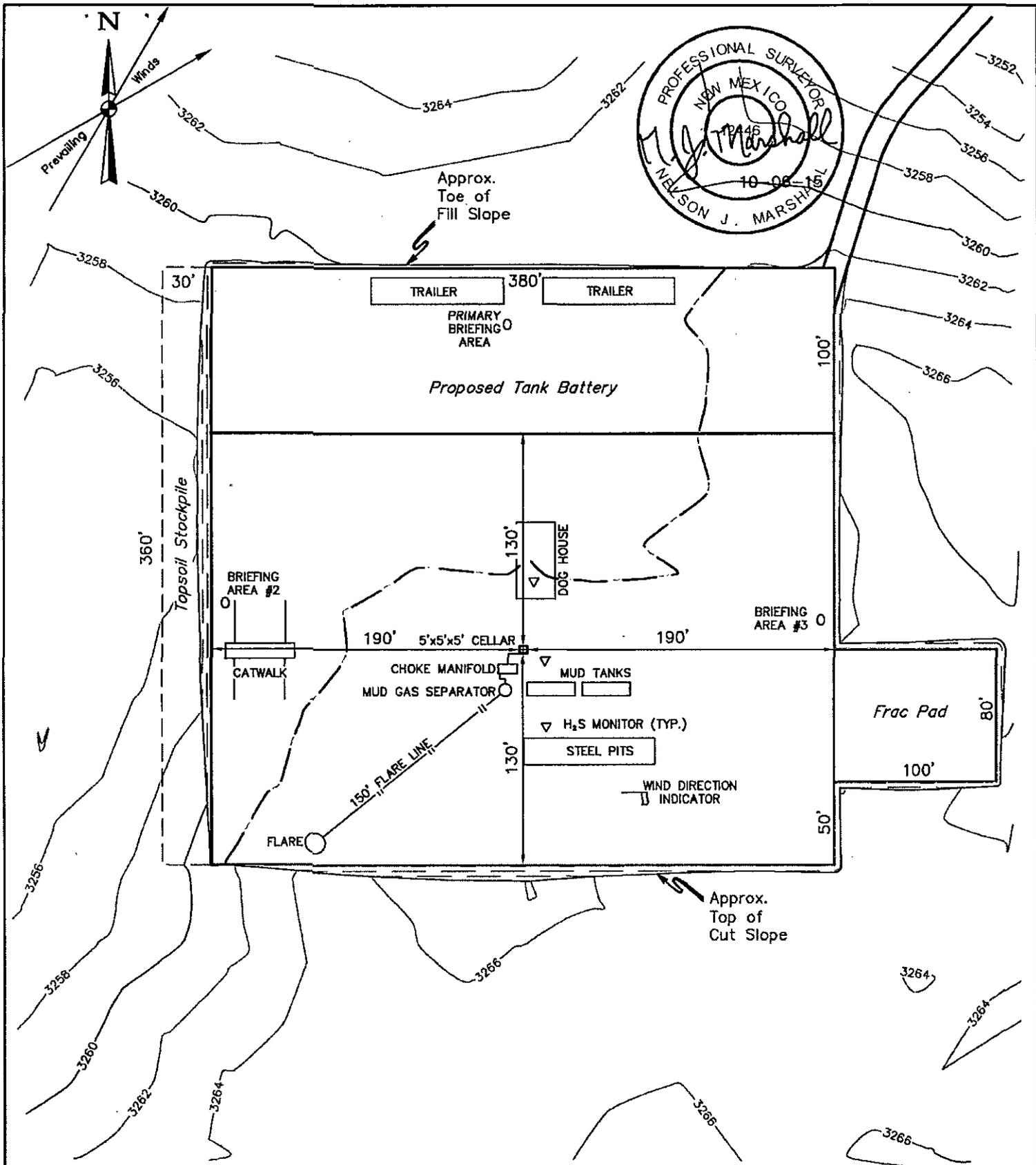


Exhibit E-1 – Choke Manifold Diagram
Hackberry 26 Federal Com 2H
 Cimarex Energy Company
 26 & 27-19S-30E
 Eddy County, NM

**Drilling Operations
 Choke Manifold
 5M Service**



NOTES:
 • Contours shown at 2' intervals.

CIMAREX ENERGY CO.
HACKBERRY 26 FEDERAL COM #2H
2022' FNL 730' FEL
SE 1/4 NE 1/4, SECTION 26, T19S, R30E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



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

| | |
|---------------------------|------------------------|
| DRAWN BY: B.A. | DATE DRAWN: 12-03-14 |
| SCALE: 1" = 80' | REVISED: 10-06-15 T.E. |
| TYPICAL RIG LAYOUT | EXHIBIT D |

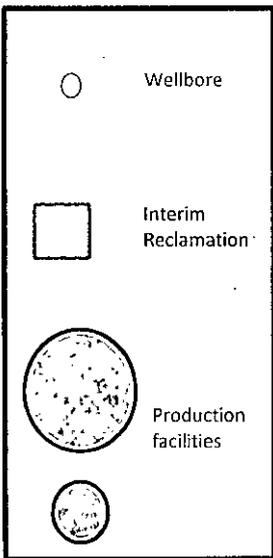
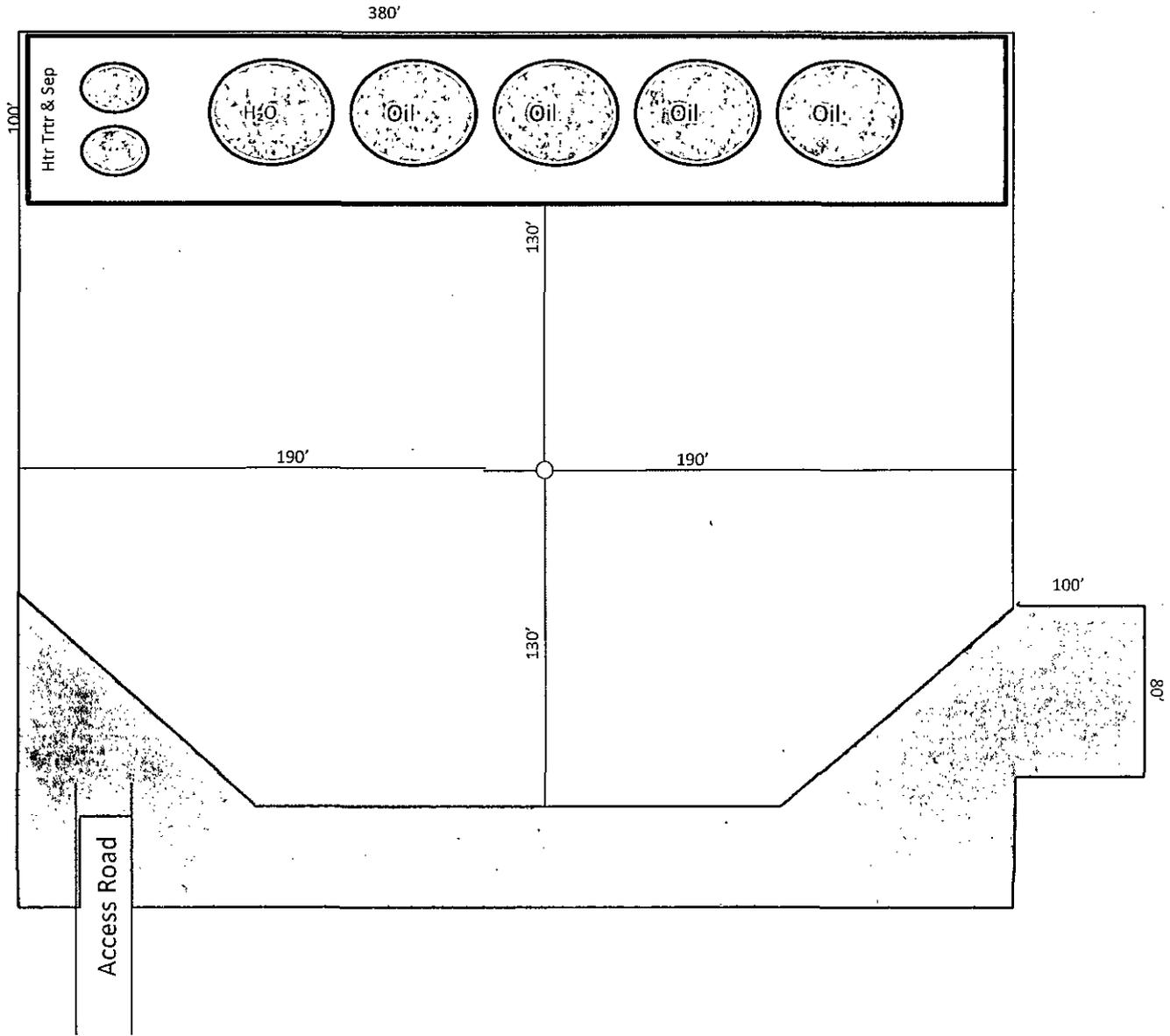


Exhibit D-1
 Interim Reclamation Diagram
 Hackberry 26 Federal Com 2H
 Cimarex Energy Company
 26 & 27-19S-30E
 Eddy County, NM

Hackberry 26 Federal Com #2H

Cimarex Energy Co.
UL: H, Sec. 26, 19S, 30E
Eddy Co., NM

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

1. Existing Roads:

- Please see Exhibit B and C-1 for existing access road planned to be used to access the proposed project.
- Cimarex Energy will improve or maintain existing roads in a condition the same as or better than before the operations began. Cimarex Energy will repair pot holes, etc. All existing structures on the entire access route such as cattle guards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.
- Cimarex Energy will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or other events.
- Cimarex Energy will obtain written BLM approval prior to the application of surfactants, binding agents, or other dust suppression chemicals on the roadways.
- The maximum width of the driving surface will be 14'. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.
- Existing access road route to the proposed project is depicted on the public access point map if applicable. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done, unless otherwise noted in the New or Reconstructed Access Roads section of the surface use plan.

BEGINNING AT THE INTERSECTION OF HOBBS HIGHWAY/HIGHWAY 180 AND POTASH MINE ROAD/NM-360 TO THE NORTHEAST (LOCATED IN THE SW ¼ OF SECTION 31, T20S, R30E, N.M.P.M.), PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 5.7 MILES TO THE JUNCTION OF THIS ROAD AND SHUGART ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.8 MILES TOT THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 572' TO THE PROPOSED LOCATION.

2. New of Reconstructed Access Roads:

- A new road will be constructed for this project.
- Cimarex Energy plans to construct 572' of new on-lease access road to service the well. The planned access road does not cross lease boundaries, a right of way grant will not be acquired from the BLM.
- The maximum width of the driving surface will be 14'. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.
- Proposed and existing access road route to the proposed wellsite is depicted on Exhibit C-2. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done without prior approval from the BLM.
- The operator will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or other events.

3. Well Radius Map

Please see Exhibit A for wells within one mile of the proposed well SHL and BHL.

4. Proposed or Existing Production Facilities:

- If on completion this well is a producer, a tank battery will be used and the necessary production equipment will be installed at the wellsite. Exhibit D-1 illustrates the proposed facility/battery. Any changes to the facility will be submitted via sundry notice.

5. Gas Pipeline

- Cimarex plans to construct an off lease gas pipeline to service this battery location.
- Please see Exhibit G-2 for pipeline route.
- Specification of pipeline: 1 4' buried HP Polyline for oil, gas and water production
- Line will be buried and will require a construction width of 30'.
- Length: 2107'
- MAOP: 1500 psi.
- Anticipated working pressure: 300 psi.

6. Flowlines

- Battery located on pad.

Hackberry 26 Federal Com #2H

Cimarex Energy Co.
UL: H, Sec. 26, 19S, 30E
Eddy Co., NM

7. Salt Water Disposal

- Cimarex plans to construct an off lease SWD pipeline to service this battery location.
- SWD well name: Mesquite Big Eddy, Well Number:
- Operator of SWD: Mesquite SWD, Inc.
- API of SWD well: 30-015-05819
- SWD Permit #: SWD-1186-0
- Please see Exhibit G-3 for pipeline route.
- Specification of pipeline: 4" polypipe
- Line will not be buried and will require a construction width of 30'.
- Length: 6155'
- MAOP: 125 psi.
- Anticipated working pressure: 80 psi.
- Pipeline will be constructed 20-30' from and parallel to an existing route.

8. Electric Lines

- No new electric lines are planned.

9. Water

Cimarex Energy plans to purchase fresh water from a 3rd party company. A local commercial source will truck water utilizing the access road. Please see Exhibit C-1 for access road route.

10. 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 BLM-approved caliche pit.

11. Methods of Handling Waste

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

12. Ancillary Facilities:

No camps or airstrips to be constructed.

13. 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.

Hackberry 26 Federal Com #2H

Cimarex Energy Co.

UL: H, Sec. 26, 19S, 30E

Eddy Co., NM

14. Bike Trial Reroute:

- BLM bike trail will be impacted by proposed location and access road.
- Trail will be rerouted from the #2H to Northwest of the #1H. Please see Exhibit: C-2

15. Interim and Final Reclamation

- 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 recontoured 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.

16. Surface Ownership:

- The wellsite is on surface owned by Bureau of Land Management, 620 E Greene Street, Carlsbad, NM 88220, 575-234-5972.
- A copy of Surface Use Agreement has been given to the surface owner.
- The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.

17. Other Information:

- Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- Archeological survey will be conducted for the well pad/location and proposed road and the arch report will be filed with the BLM.
- There are no known dwellings within 1½ miles of this location.

18. On Site Notes and Information:

Onsite results: On 10/16/14 BLM, Randall Kirkes & Barry Hunt & on 8/20/15 Onsite with BLM (Chad Young, Steve Daly, Deanna Younger and Jeff Robertson & Cimarex (Barry Hunt). The #2H was moved 300 ft. west due to drop in steep contour to the lake. V-Door West. Frac pad southeast corner (East) Frac pad off set from the actual southeast corner so as to avoid Bike trail. Top soil west. Interim reclamation: South, southeast and southwest corners. Battery north. Access road from northeast corner, east, to existing road. We also staked a surface poly SWD line from the 2H battery, following the proposed 2H road, then on west side of the existing lease road, to the Irwin 23 battery (surface line crosses two BLM bike trails that will have to be buried under (20") as well as two roads.

- 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.
 - B. 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 r 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 separator will be brought into service along with H₂S scavengers if necessary.

H₂S Contingency Plan
Hackberry 26 Fed Com 2H
Cimarex Energy Co.
UL: H, Sec.26, 19S, 30E
Eddy Co., 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

Please see attached International Chemical Safety Cards.

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

Hackberry 26 Fed Com 2H

Cimarex Energy Co.

UL: H, Sec.26, 19S, 30E

Eddy Co., NM

| Company Office | | | |
|---|-----------------------------|---------------------|-----------------|
| Cimarex Energy Co. of Colorado | | 800-969-4789 | |
| Co. Office and After-Hours Menu | | | |
| Key Personnel | | | |
| Name | Title | Office | Mobile |
| Larry Seigrist | Drilling Manager | 432-620-1934 | 580-243-8485 |
| Doug McQuitty | Drilling Superintendent | 432-620-1933 | 806-640-2605 |
| Scott Lucas | Drilling Superintendent | 432-620-1989 | 432-894-5572 |
| Roy Shirley | Construction Superintendent | | 432-634-2136 |
| Artesia | | | |
| 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 Conservation Division | | 575-748-1283 | |
| Carlsbad | | | |
| Ambulance | | 911 | |
| State Police | | 575-885-3137 | |
| City Police | | 575-885-2111 | |
| Sheriff's Office | | 575-887-7551 | |
| Fire Department | | 575-887-3798 | |
| Local Emergency Planning Committee | | 575-887-6544 | |
| US Bureau of Land Management | | 575-887-6544 | |
| Santa Fe | | | |
| New Mexico Emergency Response Commission (Santa Fe) | | 505-476-9600 | |
| New Mexico Emergency Response Commission (Santa Fe) 24 Hrs | | 505-827-9126 | |
| New Mexico State Emergency Operations Center | | 505-476-9635 | |
| National | | | |
| National Emergency Response Center (Washington, D.C.) | | 800-424-8802 | |
| Medical | | | |
| Flight for Life - 4000 24th St.; Lubbock, TX | | 806-743-9911 | |
| Aerocare - R3, Box 49F; Lubbock, 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 281-931-8884 |
| Cudd Pressure Control | | 432-699-0139 | or 432-563-3356 |
| Halliburton | | 575-746-2757 | |
| B.J. Services | | 575-746-3569 | |

BEGINNING AT THE INTERSECTION OF HOBBS HIGHWAY/HIGHWAY 180 AND POTASH MINE ROAD/NM-360 TO THE NORTHEAST (LOCATED IN THE SW 1/4 OF SECTION 31, T20S, R30E, N.M.P.M.), PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 5.7 MILES TO THE JUNCTION OF THIS ROAD AND SHUGART ROAD TO THE NORTHEAST; TURN RIGHT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN LEFT AND PROCEED IN A NORTHERLY, THEN NORTHEASTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 572' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM THE INTERSECTION OF HOBBS HIGHWAY/HIGHWAY 180 AND POTASH MINE ROAD/NM-360 TO THE NORTHEAST (LOCATED IN THE SW 1/4 OF SECTION 31, T20S, R30E, N.M.P.M.), TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 9.3 MILES.

CIMAREX ENERGY CO.

**HACKBERRY 26 FEDERAL COM #2H
2025' FNL 730' FEL**

**SE 1/4 NE 1/4, SECTION 26, T19S, R30E, N.M.P.M.
EDDY COUNTY, NEW MEXICO**



UELS, LLC

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

| | |
|-------------------------|--------------------------|
| DRAWN BY: C.R. | DATE DRAWN: 12-22-14 |
| | REVISED: 06-16-15 D.L.S. |
| ROAD DESCRIPTION | EXHIBIT J |

PECOS DISTRICT CONDITIONS OF APPROVAL

| | |
|-----------------------|------------------------------------|
| OPERATOR'S NAME: | Cimarex Energy Co |
| LEASE NO.: | NM130859 |
| WELL NAME & NO.: | 2H-Hackberry Federal Com |
| SURFACE HOLE FOOTAGE: | 2022'/N & 730'/E |
| BOTTOM HOLE FOOTAGE: | 1950'/N & 330'/W |
| LOCATION: | Section 26, T.19 S., R.30 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
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
 - Cave/Karst
 - Hackberry Lake Special Recreation Management Area (ATV)
 - ATV trail re-route required
 - VRM
- Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- Road Section Diagram**
- Drilling**
 - Cement Requirements
 - Secretary's Potash
 - Capitan Reef
 - 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

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

Hackberry Lake Special Recreation Management Area (ATV)

Cimarex would need to re-route the BLM ATV trail. The trail re-route would begin in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 26, Township 19S, Range 30E and travel southeast for about 105.48 feet. The trail would turn south and travel for about 141.10 feet. The trail would turn southwest and travel for about 25.24 feet. The trail would turn southeast and travel for about 38.17 feet. The trail would turn southwest and travel for about 34.67 feet. The trail would turn southeast and travel for about 50.70 feet. The trail would turn southeast and travel for about 18.36 feet. The trail would turn southwest and travel for about 54.03 feet. The trail would turn southeast and travel for about 25.53 feet. The trail would turn southeast and travel for about 40.65 feet. The trail would turn southeast and travel for about 16.67 feet. The trail would turn southeast and travel for about 23.60 feet. The trail would turn southeast and travel for about 39.38 feet. The trail would turn southeast and travel for about 33.60 feet. The trail would turn southeast and travel for about 29.41 feet. The trail would turn southeast and travel for about 44.07 feet until it would intercept with the existing BLM ATV trail. Re-route will be completed prior to well pad construction to avoid interruption in recreation activities.

Pipelines shall be buried a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. Power poles and associated ground structures (poles, guy-wires) will not be placed within 20 feet of recreation trails. Guy-wires must be equipped with a sleeve, tape or other industry approved apparatus that is highly visible during the day and reflective at night. **Appropriate safety signage will be in place during all phases of the project.** Upon completion of construction, the road shall be returned to pre-construction condition with no bumps or dips. All vehicle and equipment operators will observe speed limits and practice responsible defensive driving habits.

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:

The entire perimeter of the well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad.

- The compacted berm shall be constructed at a minimum of 12 inches high with impermeable mineral material (e.g. caliche).
- No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- The topsoil stockpile shall be located outside the bermed well pad.
- Topsoil, either from the well pad or surrounding area, shall not be used to construct the berm.

- No storm drains, tubing or openings shall be placed in the berm.
- If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any access road entering the well pad shall be constructed so that the integrity of the berm height surrounding the well pad is not compromised. (Any access road crossing the berm cannot be lower than the berm height.)

Tank Battery Liners and Berms:

Tank battery locations and all facilities will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, situating valves and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:

Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:

Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

Powerlines:

Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features. The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction and no further construction will be done until clearance has been issued by the Authorized Officer. Special restoration stipulations or realignment may be required.

Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all power line structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. The holder without liability or expense shall make such modifications and/or additions to the United States.

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 strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area 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

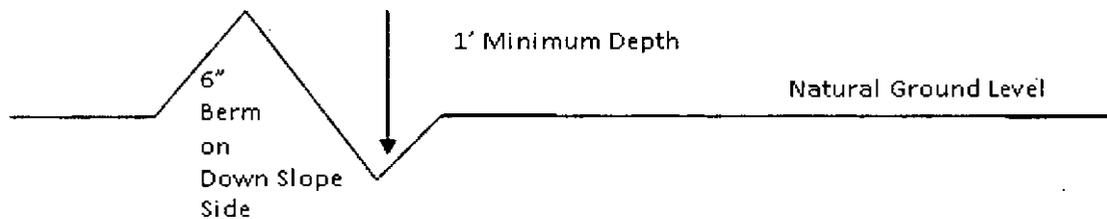
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill out-sloping and in-sloping, 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:

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

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route 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 cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted 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 fences.

Public Access

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

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

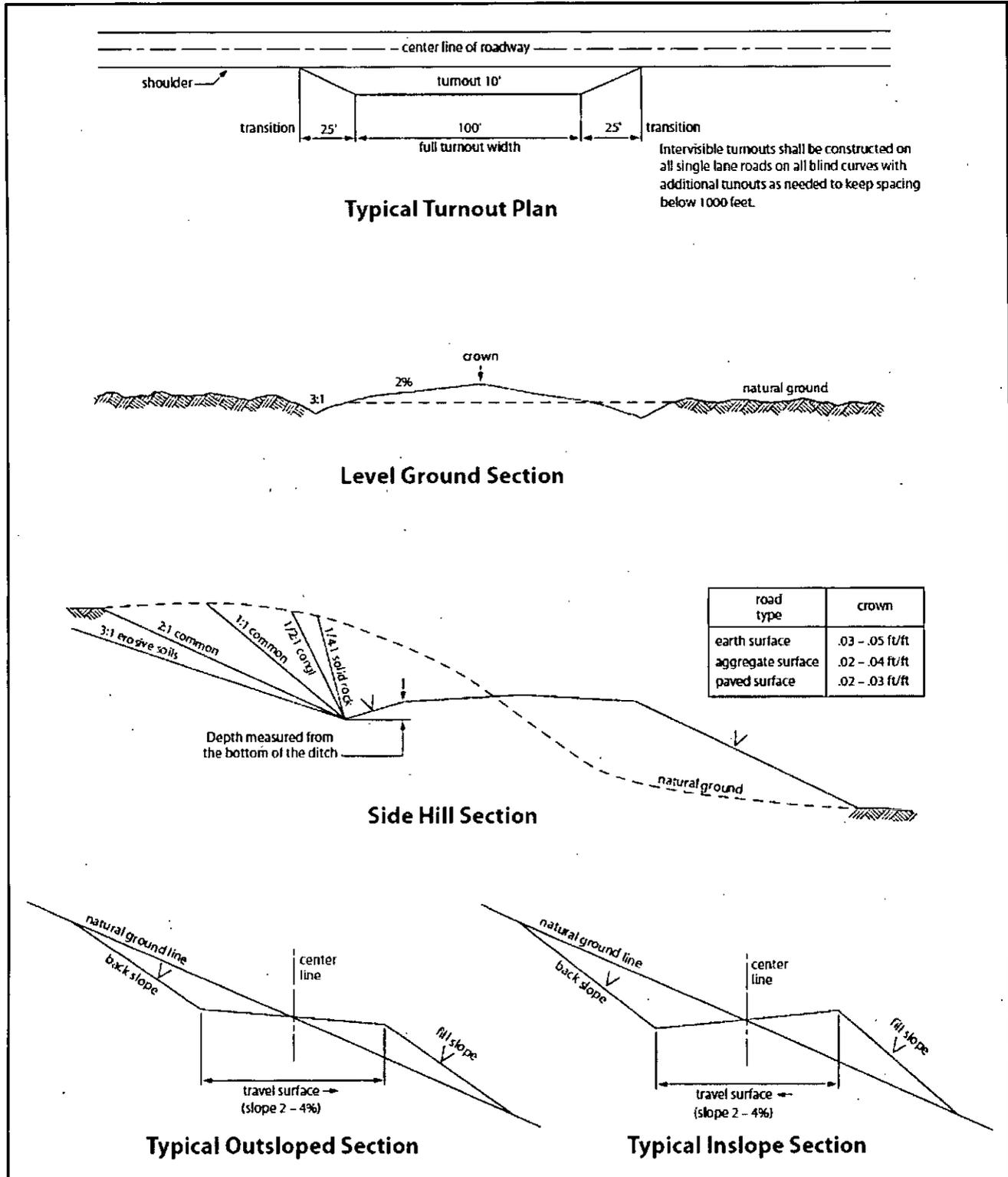


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

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. **Hydrogen Sulfide (H₂S) monitors shall be installed prior to drilling out the surface shoe. If H₂S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values 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. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. 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.). The initial wellhead installed on the well will remain on the well with spools used as needed.

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

Wait on cement (WOC) for Potash Areas:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.

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

HIGH CAVE/KARST – A MINIMUM OF TWO CASING STRINGS CEMENTED TO SURFACE IS REQUIRED IN HIGH CAVE/KARST AREAS. THE CEMENT MUST BE IN A SOLID SHEATH. THEREFORE, ONE INCH OPERATIONS ARE NOT SUFFICIENT TO PROTECT CAVE KARST RESOURCES. A CASING DESIGN THAT HAS A ONE INCH JOB PERFORMED DOES NOT COUNT AS A SOLID SHEATH.

ON A THREE STRING DESIGN; IF THE PRIMARY CEMENT JOB ON THE SURFACE CASING DOES NOT CIRCULATE, THEN THE NEXT TWO CASING STRINGS MUST BE CEMENTED TO SURFACE

Secretary's Potash

Capitan Reef

Possibility of water flows in the Salado, and Artesia Group

Possibility of lost circulation in the Rustler, Capitan Reef, Delaware, and Artesia Group

1. The 20 inch surface casing shall be set at approximately 350 feet and cemented to the surface. If salt is encountered, set casing at least 25 feet above the salt. Excess calculates to negative 14%. Additional cement will be required.

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.

Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

- 2. The minimum required fill of cement behind the 13-3/8 inch 1st intermediate casing is:

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash and cave/karst.**

- 3. The minimum required fill of cement behind the 9-5/8 inch 2nd intermediate casing is:

Operator has proposed DV tool at depth of 2080', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

- a. First stage to DV tool:

- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

- b. Second stage above DV tool:

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead**

cement slurry due to cave karst and potash. Excess calculates to 11% - Additional cement may be required

4. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least **50 feet above the Capitan Reef** (Top of Capitan Reef estimated at 2070'). Operator shall provide method of verification. **Excess calculates to 13% - Additional cement may be required.**
5. 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 **2000 (2M) psi.**
4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **13-3/8 1st** intermediate casing shoe shall be **2000 (2M) psi.**
5. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8 2nd** intermediate casing shoe shall be **3000 (3M) psi.**

6. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
 - 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. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two 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.

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 1 ½ 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 1 ½ 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

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. 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

activity of 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. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:

- a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, 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, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the 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 the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be

confined to existing roads or right-of-ways.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. 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.

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. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. 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. Signs will be maintained in a legible condition for the life of the pipeline.

14. 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. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (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 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.

16. 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, powerline 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.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. 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.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> 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.

17. 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 associated roads, 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.

18. Escape Ramps - 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).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

(Insert Seed Mixture Here)

NMOCD CONDITION OF APPROVAL

The *New!* Gas Capture Plan (GCP) notice is posted on the NMOCD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period.