

Received 3-18-11
30-015-38655

Surface Use Plan
Bluetail 8 Federal No. 4
Cimarex Energy Co. of Colorado
Unit E, Section 8
T17S R29E, Eddy County, NM

1. Existing Roads: Area maps, Exhibit "A" shows the proposed well site as staked. Exhibit "B" is a reproduction of Eddy Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, and Exhibit "C-1" is a well site layout map, showing proposed road to location and existing road.

A. The maximum width of the driving surface will be 15.' The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.

B. From the junction of Barnival Draw Rd and Old Loco, go West on Old Loco for 2.2 miles to proposed lease road.

2. Planned Access Roads: 2197.4' of new lease road is proposed, but 1245.7' of it will already be built to access the Bluetail 8 Fed 2 & 3 wells, so all that is needed for this well is 951.7.' A Fee ROW will be obtained for the portion of the road accessing the Bluetail 8 Fed 2 & 3 wells.

3. Planned Pipelines and Electric Lines: Lay surface oil/gas/water 4" SDR-7 poly pipe along lease road to proposed Bluetail 8 Fed #2 battery as shown on Exhibit C. E-line ROW will be provided by nearest service provider and follow existing lease roads where possible.

4. Location of Existing Wells in a One-Mile Radius - Exhibit A

- | | |
|----------------------|--------------------------|
| A. Water wells - | None known |
| B. Disposal wells - | None known |
| C. Drilling wells - | None known |
| D. Producing wells - | As shown on Exhibits "A" |
| E. Abandoned wells - | As shown on Exhibits "A" |

5. Location of Proposed Production Facilities:

If on completion this well is a producer, a 4" surface flowline described above will be laid to the Bluetail 8 Fed #2 tank battery and oil, gas, and water allocated based on periodic wells tests. See production facilities layout diagram. Any changes to the facilities or off-site facilities will be accompanied by a Sundry Notice.

6. Location and Type of Water Supply:

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

7. Source of Construction Material:

If possible, native caliche will be obtained from the excavation of drill site. Topsoil will be pushed back from the drill site and existing caliche will be ripped and compacted. Then topsoil will be stockpiled on location as depicted on Exhibit "D" (rig layout). If additional material is needed, it will be purchased from a BLM-approved pit as near as possible to the well

8. Methods of Handling Waste Material:

- A. Drill cuttings will be separated by a series of solids removal equipment and stored in steel containment pits and then hauled to a state-approved disposal facility.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. Sewage from living quarters will drain into holding tanks and be cleaned out periodically and hauled to a waste disposal facility. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Drilling fluids will be contained in steel pits in a closed circulating system. Fluids will be cleaned and reused. Water produced during testing will be contained in the steel pits and disposed of at a state approved disposal facility. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

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9. Ancillary Facilities:

- A. No camps or airstrips to be constructed.

10. Well Site Layout:

- A. Exhibit "D" shows location and rig layout.
- C. Mud pits in the closed circulating system will be steel pits and the cuttings will be stored in steel containment pits.
- D. Cuttings will be stored in steel pits until they are hauled to a state-approved disposal facility.
- E. If the well is a producer, those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

11. Plans for Restoration of Surface:

Rehabilitation of the location will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recountoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, those areas of the location not essential to production facilities and operations will be reclaimed and seeded per BLM requirements. Please see Production Facilities Layout Diagram, exhibit D-1.

12. Other Information

- A. Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- B. The wellsite is on surface owned by Department of the Interior, Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
- C. In lieu of an archaeological survey report, Cimarex will be submitting an MOA application for this well pad and access road since they are within the MOA boundary.
- D. There are no known dwellings within 1½ miles of this location.

Operator Certification Statement
Bluetail 8 Federal No. 4
Cimarex Energy Co. of Colorado
Unit E, Section 8
T17S R29E, Eddy County, NM

Operator's Representative

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

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

Executed this 9th day of December, 2010

NAME: Zeno Farris
Zeno Farris

TITLE: Manager Operations Administration

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

TELEPHONE: (432) 620-1938

EMAIL: zfarris@cimarex.com

Field Representative: Same as above

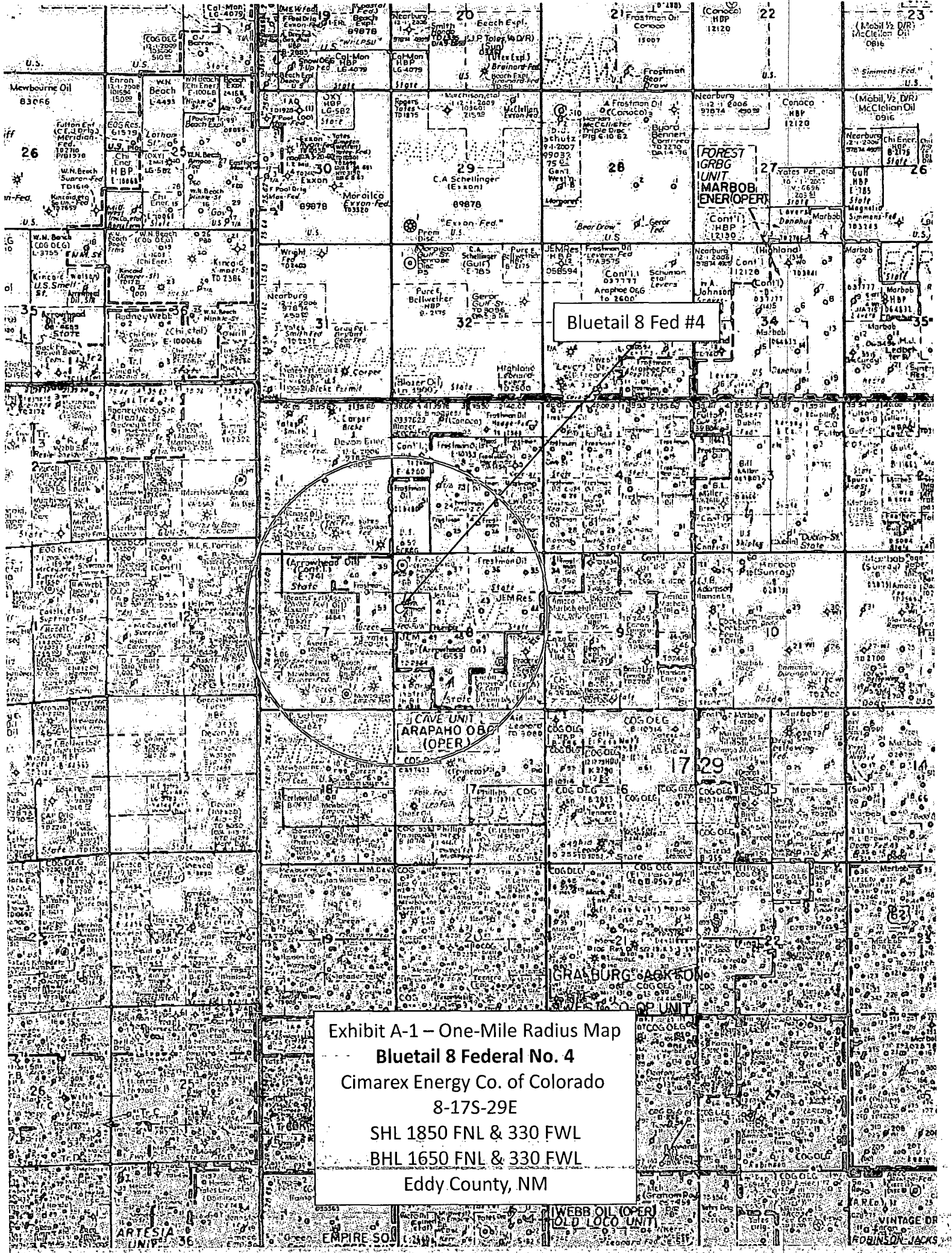
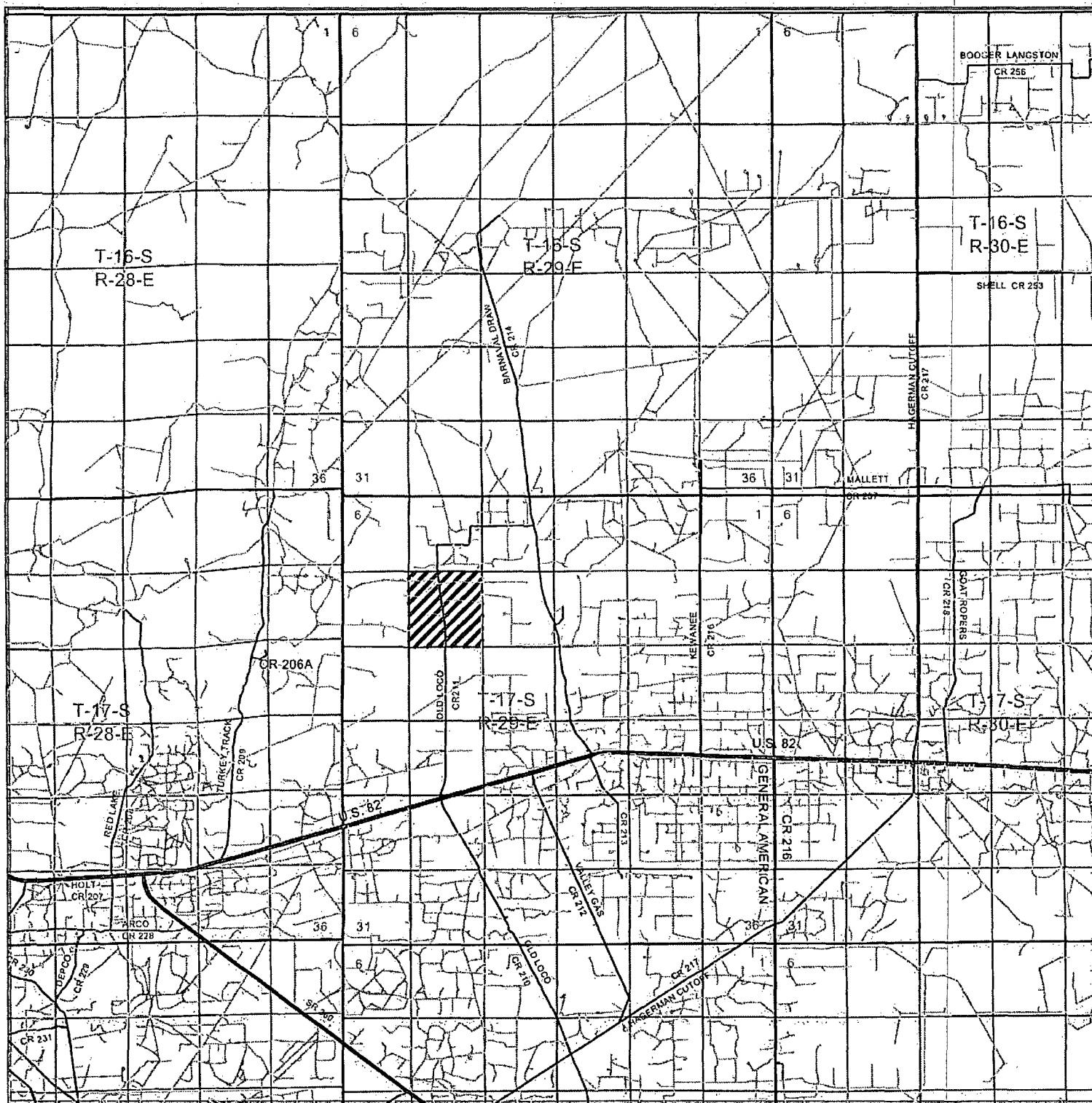


Exhibit A-1 – One-Mile Radius Map
Bluetail 8 Federal No. 4
Cimarex Energy Co. of Colorado
8-17S-29E
SHL 1850 FNL & 330 FWL
BHL 1650 FNL & 330 FWL
Eddy County, NM



BLUETAIL "8" FEDERAL #4
 Located 1850' FNL and 330' FWL
 Section 8, Township 17 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

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

W.O. Number: JMS 23178

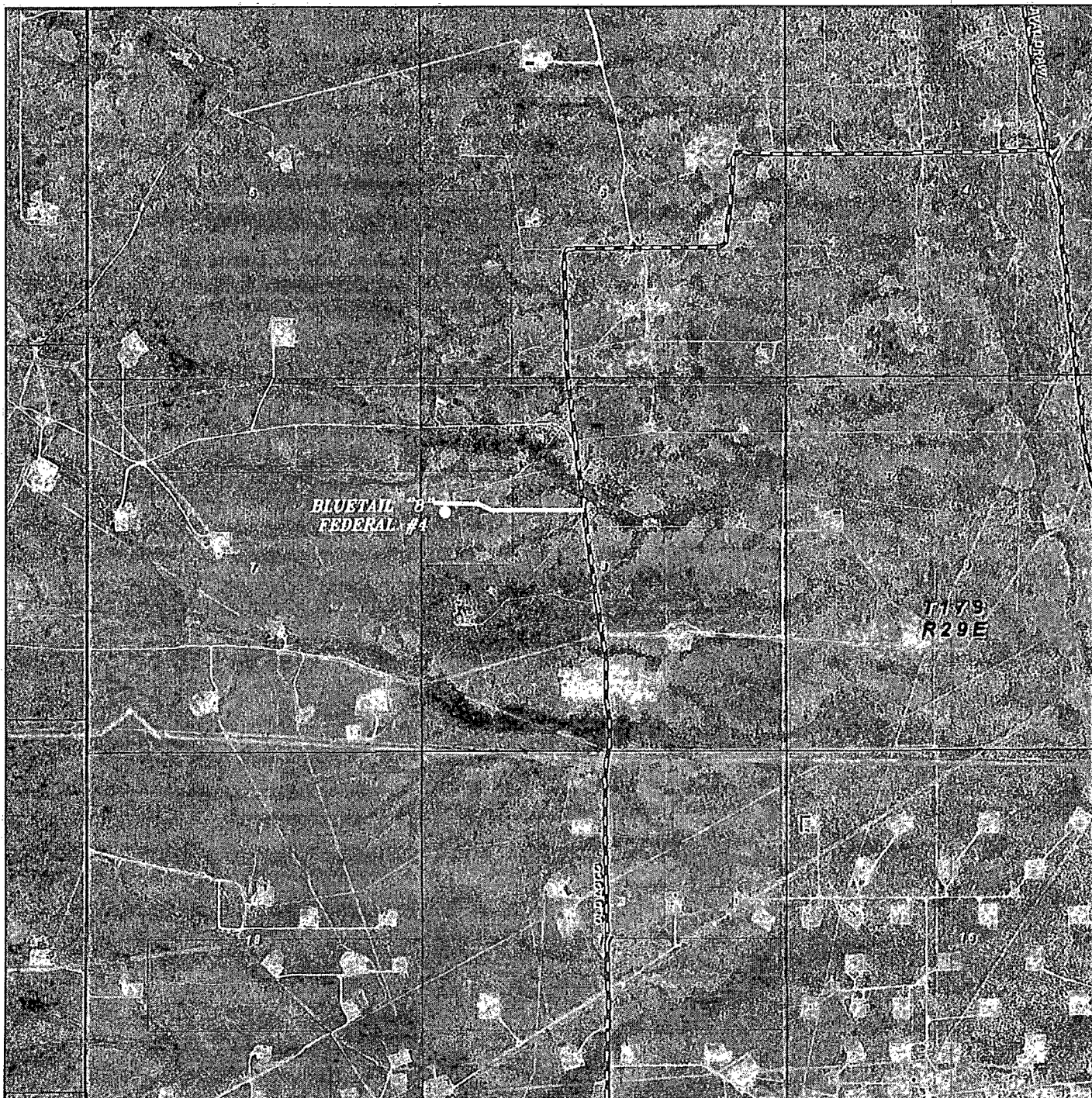
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Scale: 1" = 2 Miles

Date: 08-20-2010

CIMAREX
ENERGY CO.
OF COLORADO

Exhibit B



BLUETAIL "8" FEDERAL #4
 Located 1850' FNL and 330' FWL
 Section 8, Township 17 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

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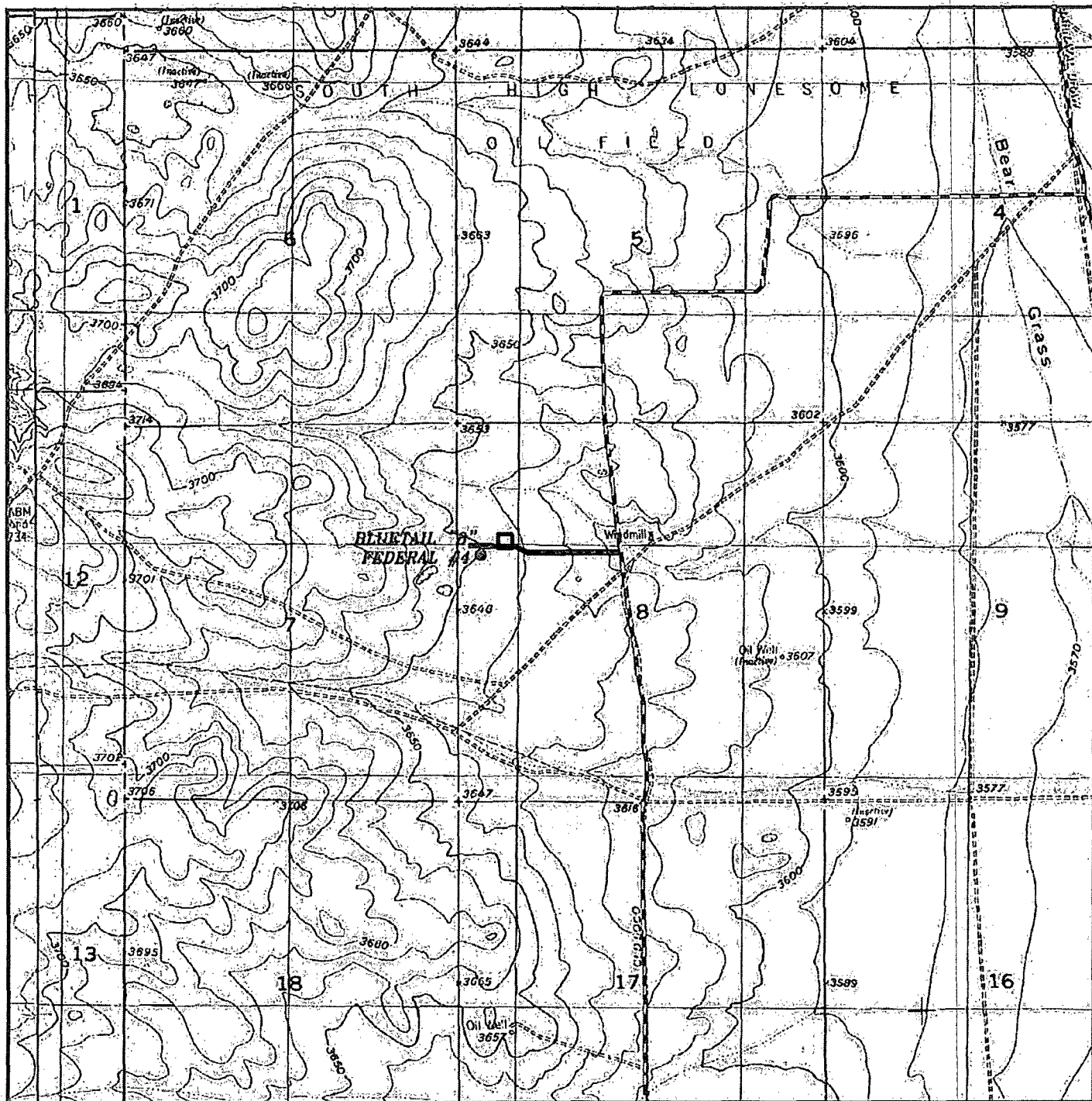
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 Hobbs, New Mexico 88241
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Scale: 1" = 2000'

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

CIMAREX
ENERGY CO.
OF COLORADO



BLUETAIL "8" FEDERAL #4 ☒ Battery
 Located 1850' FNL and 330' FWL
 Section 8, Township 17 South, Range 29 East,
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ENERGY CO.
OF COLORADO

Exhibit C

SECTION 8, TOWNSHIP 17 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

3653.5' 600' 3642.7'

150' NORTH OFF SET 3649.5' WELL

662.8'

194.7'

PROP LSE RD 1339.9'

600' 150' WEST OFF SET 3650.9'

CIMAREX ENERGY CO. OF COLORADO
BLUETAIL "8" FEDERAL #4
ELEV. - 3649'

150' EAST OFF SET 3646.8'

Lat - N 32°51'04.55"
Long - W 104°06'16.34"
NMSPCE - N 673498.9
E 611597.9
(NAD-83)

150' SOUTH OFF SET 3648.6'

600' 3651.2' 600' 3644.0'

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF BARNIVAL DRAW AND OLD LOCO, GO WEST ON OLD LOCO FOR 2.2 MILES TO PROPOSED LEASE ROAD.

CIMAREX ENERGY CO. OF COLORADO

REF: BLUETAIL "8" FEDERAL #4 / WELL PAD TOPO

THE BLUETAIL "8" FEDERAL #4 LOCATED 1850'

FROM THE NORTH LINE AND 330' FROM THE WEST LINE OF
SECTION 8, TOWNSHIP 17 SOUTH, RANGE 29 EAST,

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

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

W.O. Number: 23178 Drawn By: J. SMALL

Date: 08-20-2010 Disk: JMS 23178

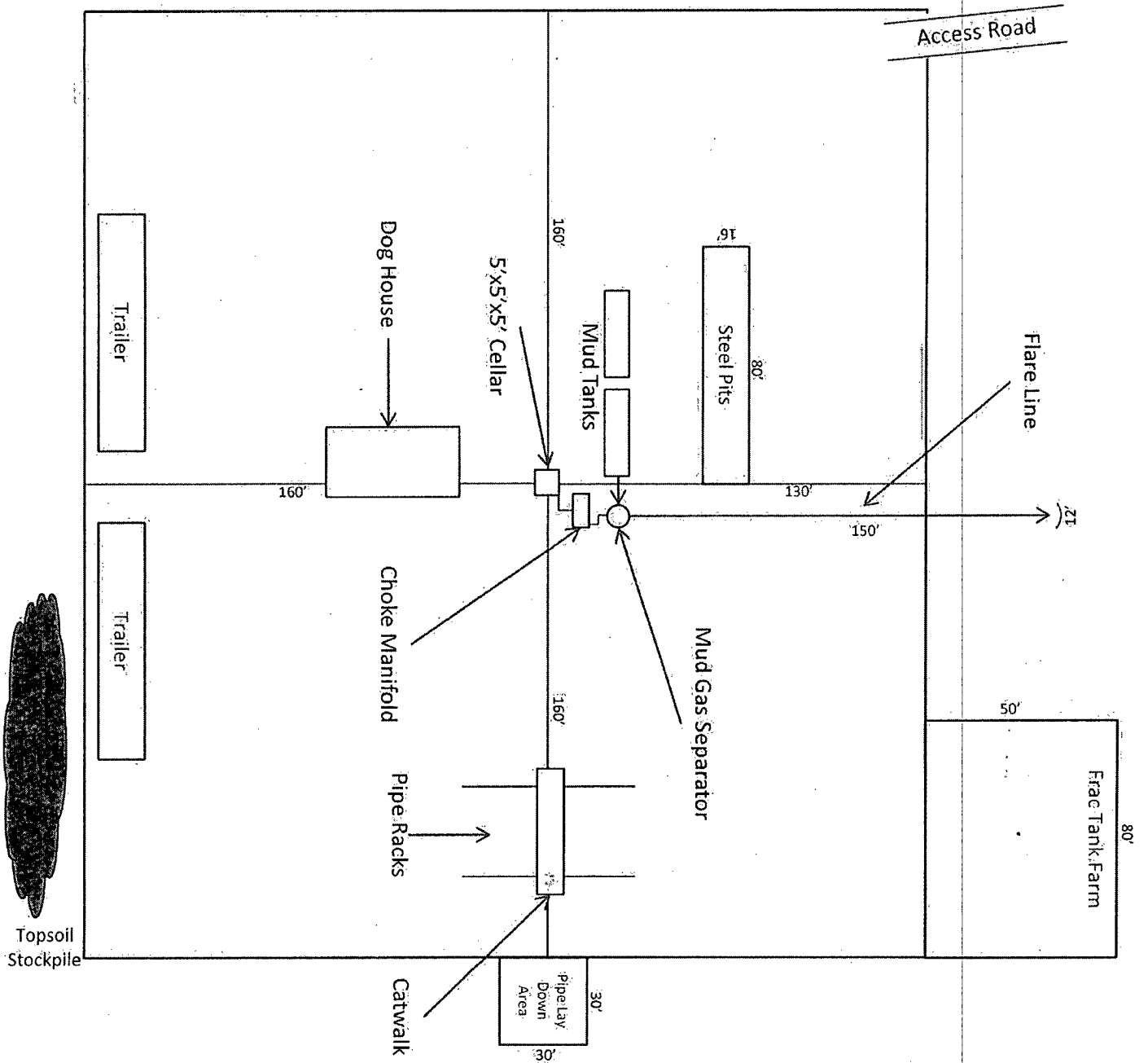
Survey Date: 08-13-2010 Sheet 1 of 1 Sheets

FROM THE JUNCTION OF BARNIVAL DRAW AND OLD
LOCO, GO WEST ON OLD LOCO FOR 2.2 MILES TO
PROPOSED LEASE ROAD.

Date: 08-20-2010	Disk: JMS 23178
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Survey Date: 08-13-2010 Sheet 1 of 1 Sheets

Silver Oak #3



1"=50'



Exhibit D - Rig Diagram
Bluetail 8 Federal No. 4
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 8-17S-29E
 SHL 1850 FNL & 330 FWL
 BHL 1650 FNL & 330 FWL
 Eddy County, NM

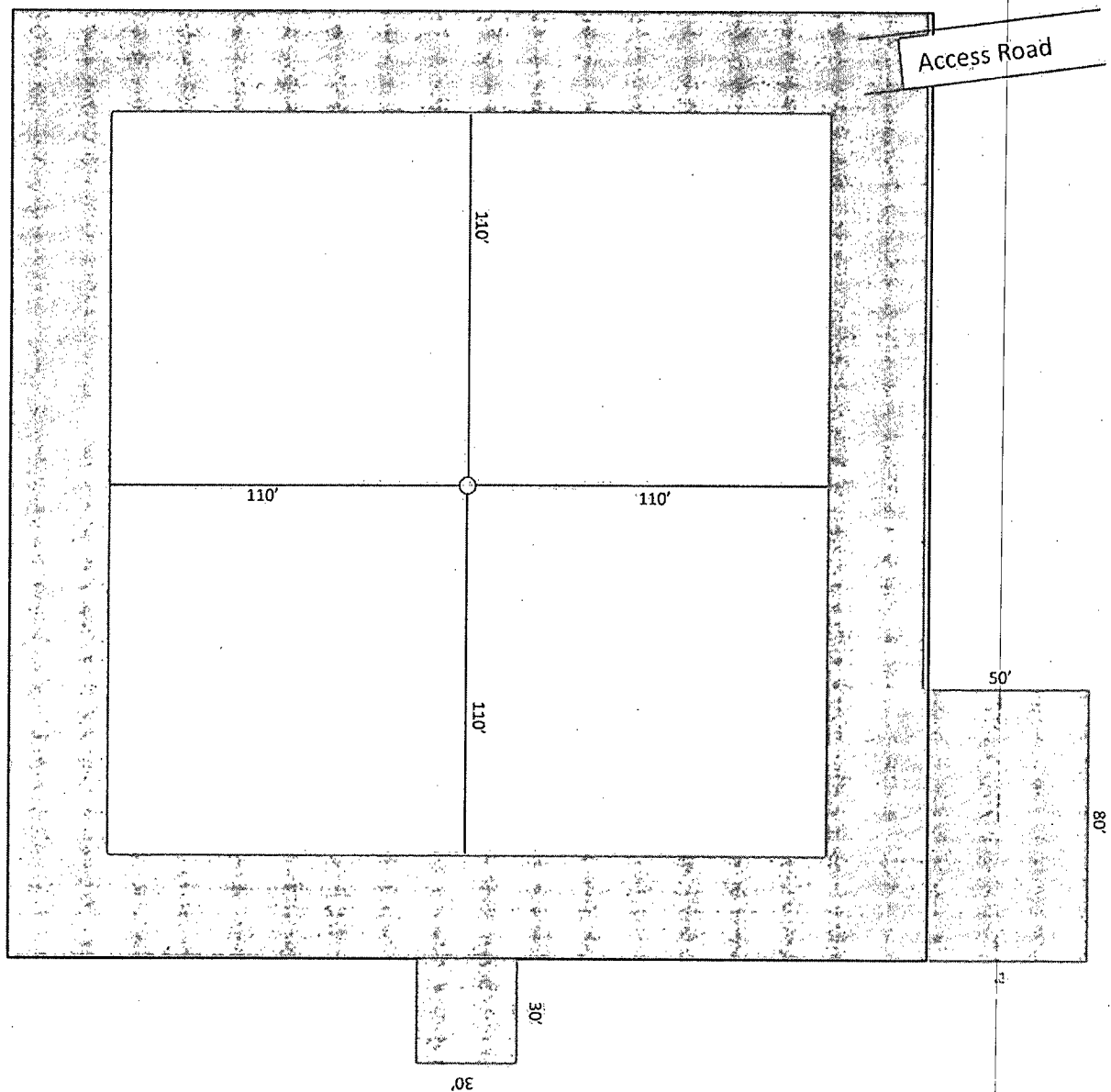
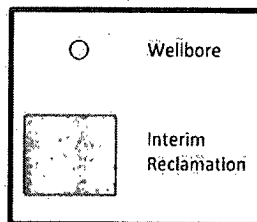


Exhibit D-1
Bluetail 8 Federal No. 4
 Cimarex Energy Co. of Colorado
 8-17S-29E
 SHL 1850 FNL & 330 FWL
 BHL 1650 FNL & 330 FWL
 Eddy County, NM



1"=50'