30-025-40474

HOBBS OCD

FEB 29 2012

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Surface Use Plan
Hallertau 4 Federal No. 3H
Cimarex Energy Co. of Colorado
Unit B, Section 4
T26S-R32E; Lea 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. Existing road shown on Exhibits "C," and "C"-1 will be maintained in a condition equal to or better than current conditions.
   A. The maximum width of the driving surface will be 15.' The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.
   B. From the junction of Hwy 128 and Orla, go South for 10 miles to lease road. Go West 0.4 miles to lease road. Go southerly 0.1 miles to proposed lease road.

2. Planned Access Roads: 135' of new, on-lease access road is proposed.

3. Planned Electric Lines, Flowlines, SWD lines:
   Approx 500' of 3 phase 4 wire 2 spans E-line along pad & existing road to e-line at Hallertau 4 Fed 7 well.
   Approx 500' of buried 4" high pressure poly line along pad and road to gas lift line at Hallertau 4 Fed 7 well. 4" high pressure poly line will continue from Hallertau 4 Fed 3 well to all remaing Hallertau 4 Fed wells when permitted. LP MAOP 130 psi, operating pressure 40-50 psi.

   Approx 1600' of buried 4" high pressure poly line to carry oil, gas, water down existing corridor or road to proposed Hallertau 4 Fed 8 tank battery. Allocation based on well test. Flow lines for additional wells will be burried in same trench. MAOP 1500 psi, anticipated working pressure 200-300 psi.
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, oil, gas, water will flow by buried HP flow line to Hallertau 4 Fed 8 Tank battery. Allocation will be based on well test. 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

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8. Ancillary Facilities:
   A. No camps or airstrips to be constructed.

9. 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.

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

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 toproduction facilities and operations will be reclaimed and seeded per BLM requirements. Please see Production Facilities Layout Diagram, exhibit D-1.

11 Other Information
   A. Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
   B. The wellsite is on surface owned by Department of the Interior, Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
   C. An Archaeological survey will be conducted on the location and proposed roads, and this report will be filed with the Bureau of Land Management in the Carlsbad BLM office.
   D. There are no know dwellings within 1½ miles of this location.

Operator Certification Statement
Hallertau 4 Federal No. 7H 3H
Cimarex Energy Co. of Colorado
Unit B, Section 4
T26S-R32E; Lea 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 22th day of January, 2012

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

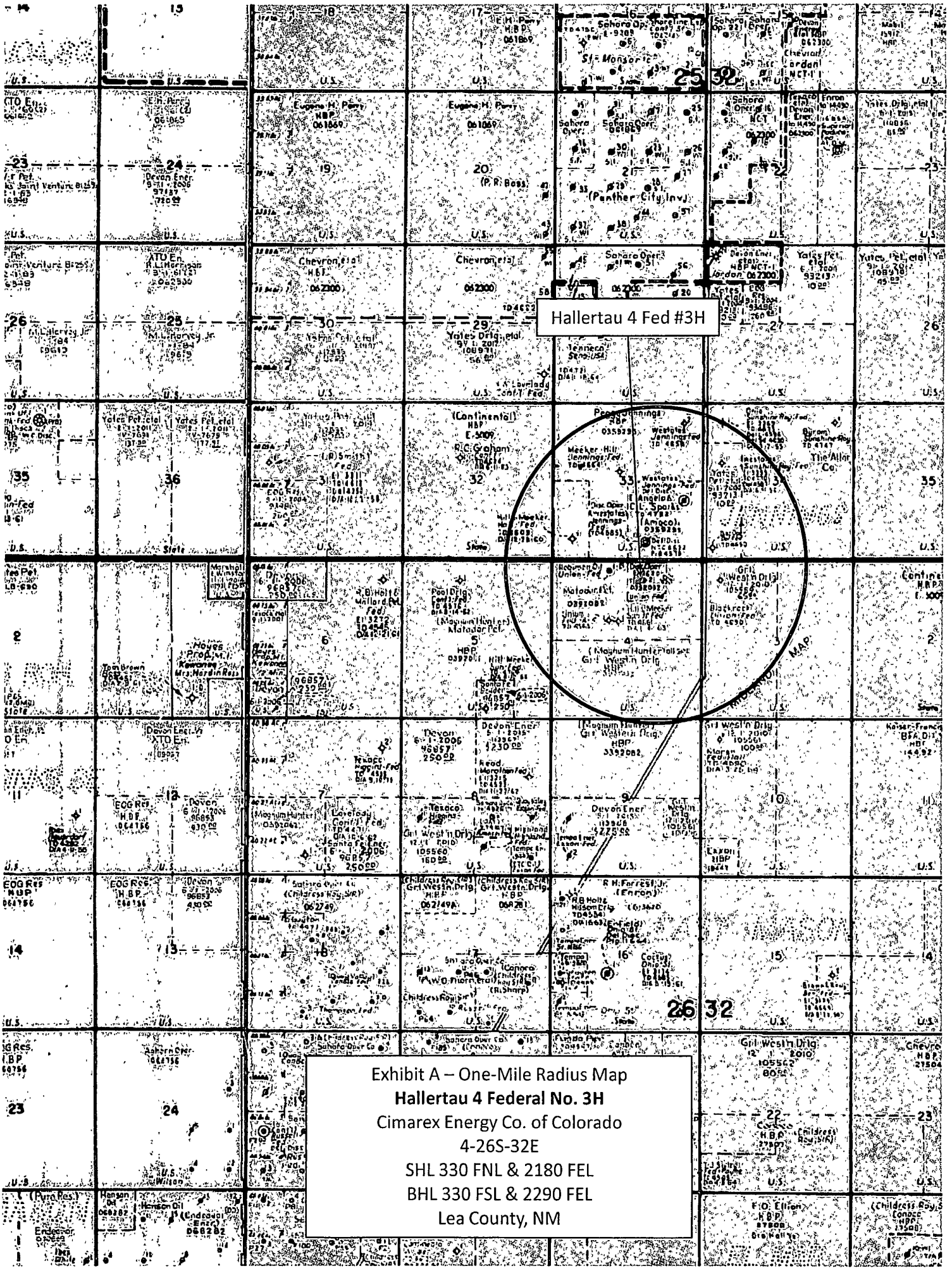
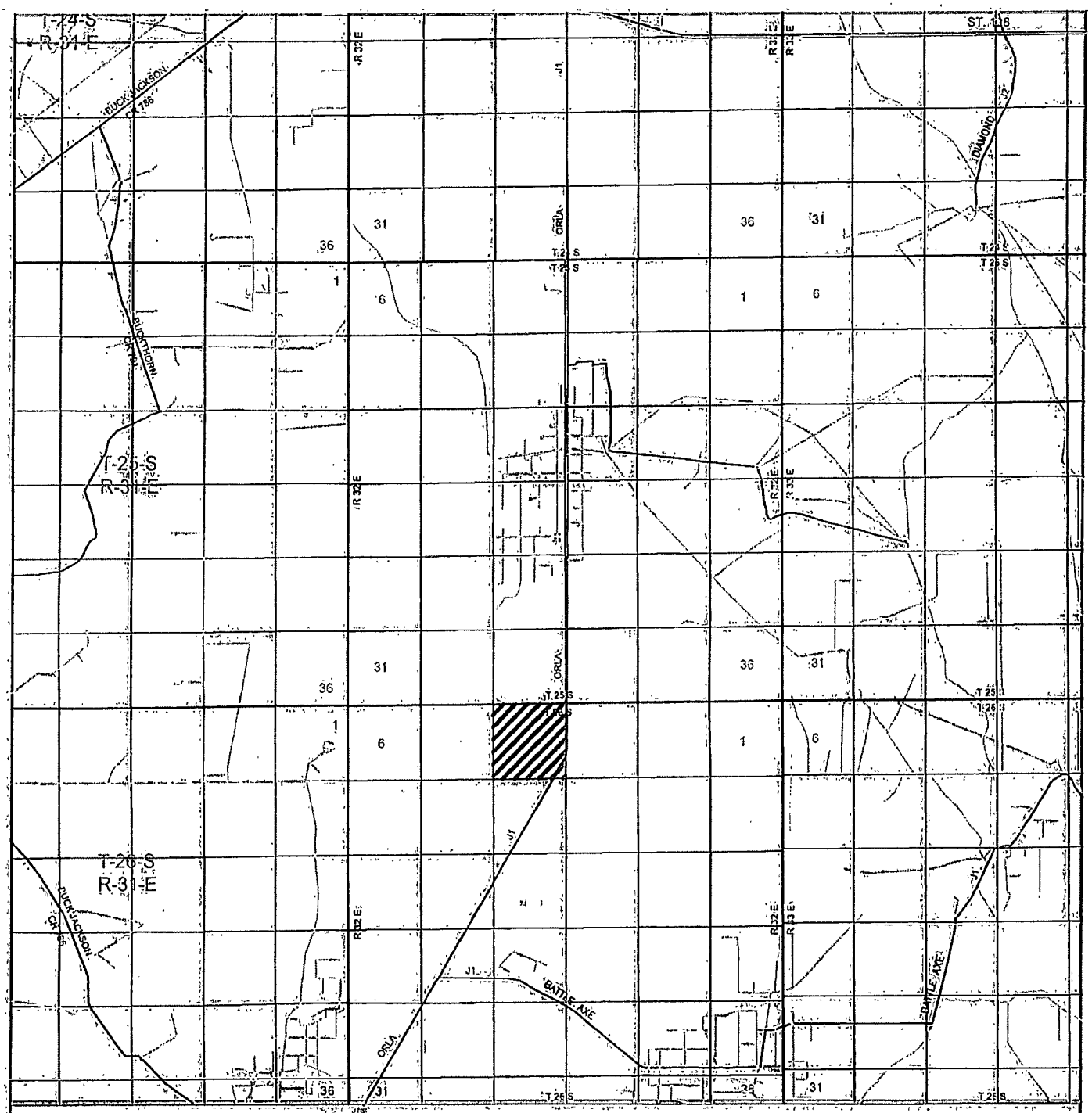


Exhibit A – One-Mile Radius Map
Hallertau 4 Federal No. 3H
Cimarex Energy Co. of Colorado
4-26S-32E
SHL 330 FNL & 2180 FEL
BHL 330 FSL & 2290 FEL
Lea County, NM



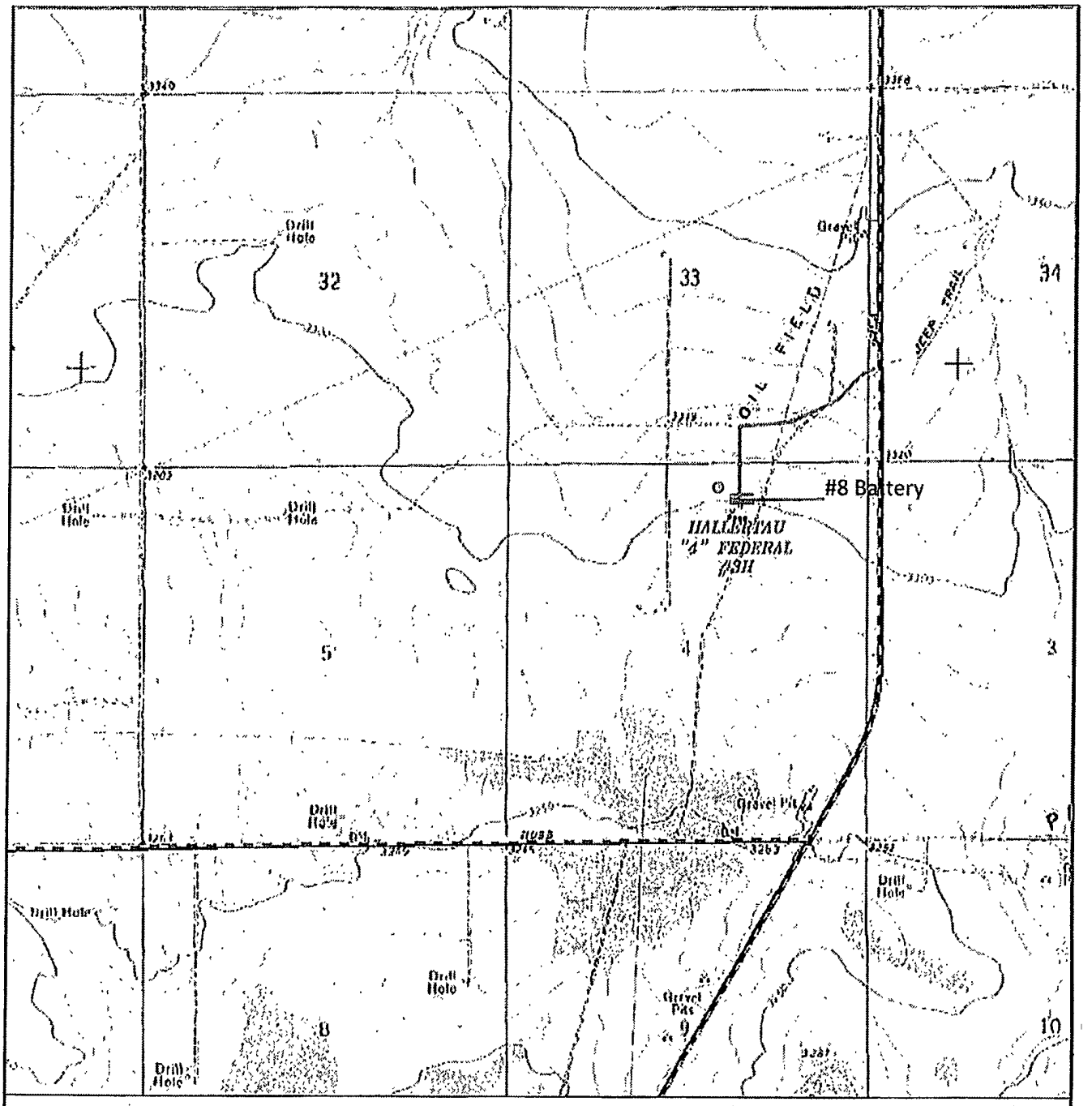
HALLERTAU "4" FEDERAL #3H
Located 330' FNL and 2180' FEL
Section 4, Township 26 South, Range 32 East,
N.M.P.M., Lea County, New Mexico.

Basin Surveys
focused on excellence in the oilfield
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 24492
Survey Date: 05-02-2011
Scale: 1" = 2 Miles
Date: 05-04-2011

CIMAREX ENERGY CO. OF COLORADO

Exhibit B



HALLERTAU "4" FEDERAL #3H
Located 330' FNL and 2180' FEL
Section 4, Township 26 South, Range 32 East,
N.M.P.M., Lea County, New Mexico.

4" buried HP flowline
E-Line
4" buried gas lift line

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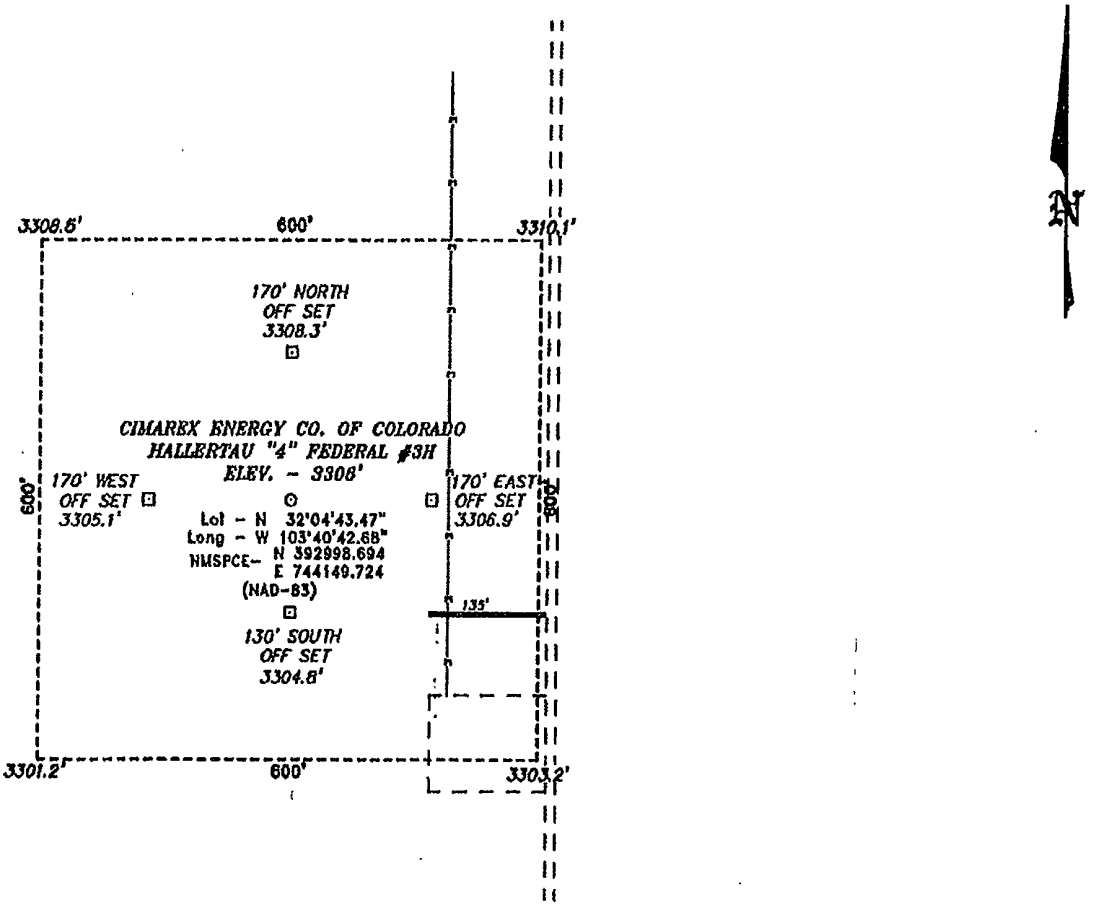
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 24492
Survey Date: 05-02-2011
Scale: 1" = 2000'
Date: 05-04-2011

CIMAREX ENERGY CO. OF COLORADO

Exhibit C

SECTION 4, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



200 0 200 400 FEET

SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF HWY 128 AND CO. RD. J1, GO SOUTH ON J1 FOR 10.0 MILES TO LEASE ROAD, ON LEASE ROAD GO WEST 0.4 MILES TO LEASE ROAD, ON LEASE ROAD TO SOUTH 0.1 MILES TO PROPOSED LEASE ROAD.

CIMAREX ENERGY CO. OF COLORADO

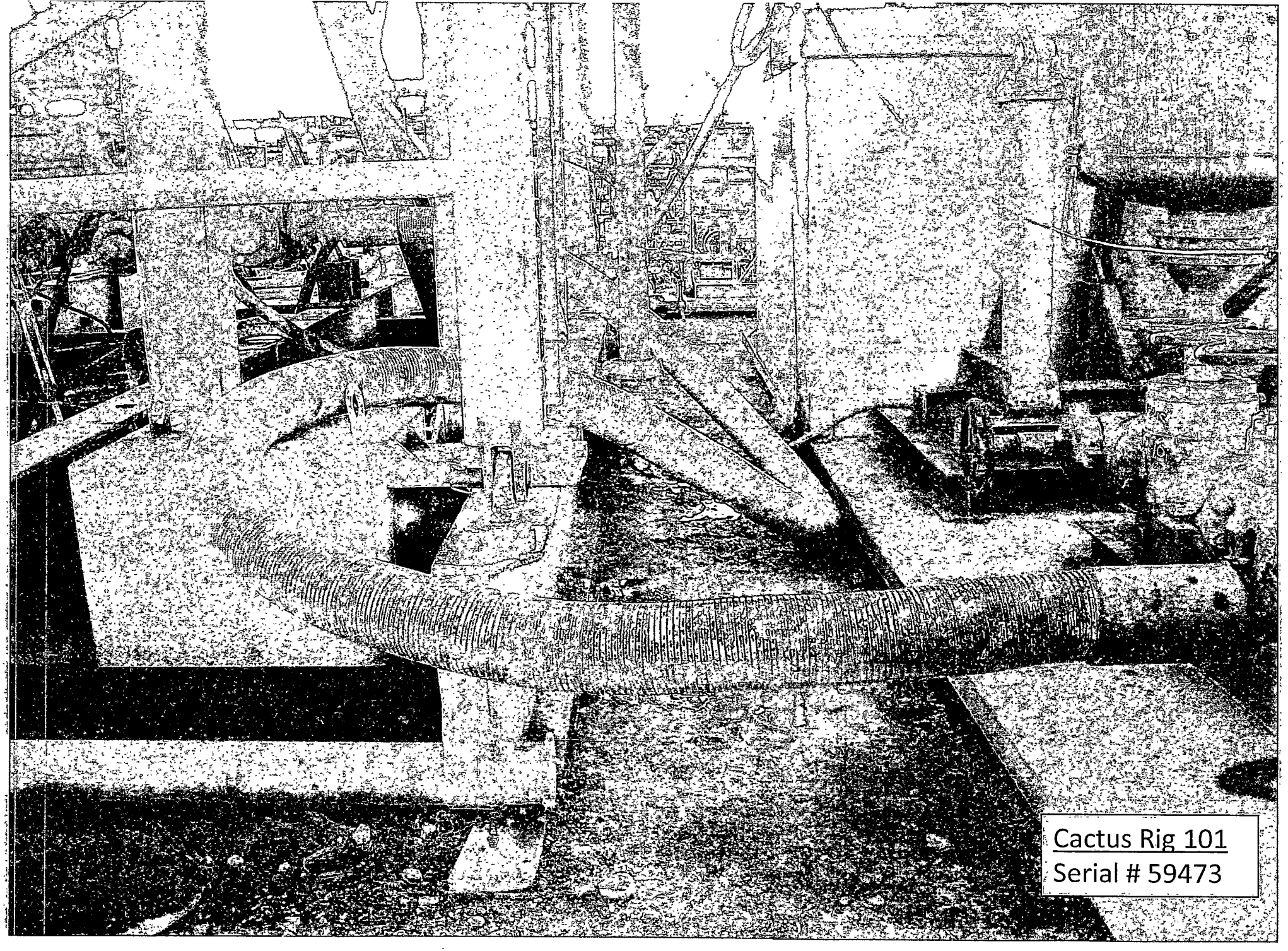
REF: HALLERTAU "4" FEDERAL #3H / WELL PAD TOPO

THE HALLERTAU "4" FEDERAL #3H LOCATED 330' FROM THE NORTH LINE AND 2180' FROM THE EAST LINE OF SECTION 4, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 24492	Drawn By: J. SMALL		
Date: 05-04-2011	Disk: JMS 24492	Survey Date: 05-02-2011	Sheet 1 of 1 Sheets

Exhibit C-1


Cactus Rig 101
Serial # 59473

MIDWEST

HOSE AND SPECIALTY INC.

INTERNAL HYDROSTATIC TEST REPORT		
Customer: CACTUS		P.O. Number: Rig#101
		Asset#M5358
HOSE SPECIFICATIONS		
Type: CHOKE LINE		Length: 35'
I.D. 4" *INCHES*		O.D. 8" *INCHES*
WORKING PRESSURE	TEST PRESSURE	BURST PRESSURE
10,000 *PSI*	15,000 *PSI*	*PSI*
COUPLINGS		
Type of End Fitting: 4 1/16 10K FLANGE		
Type of Coupling: SWEDGED	MANUFACTURED BY MIDWEST HOSE & SPECIALTY	
PROCEDURE		
Hose assembly pressure tested with water at ambient temperature.		
TIME HELD AT TEST PRESSURE: 15 *MIN.*	ACTUAL BURST PRESSURE: 0 *PSI*	
COMMENTS: s/n#59473 Asset#M5358 Hose is covered with stainless steel armour cover and wraped with fire resistant vermiculite coated fiberglass insulation rated for 1500 degrees complete with lifting eyes		
Date: 5/19/2010	Tested By: BOBBY FINK	Approved: MENDI JACKSON

Midwest Hose
& Specialty, Inc.

Specification Sheet
Choke & Kill Hose

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

Working Pressure:	5,000 or 10,000 psi working pressure
Test Pressure:	10,000 or 15,000 psi test pressure
Reinforcement:	Multiple steel cables
Cover:	Stainless Steel Armor
Inner Tube:	Petroleum resistant, Abrasion resistant
End Fitting:	API flanges, API male threads, threaded or butt weld hammer unions, unibolt and other special connections
Maximum Length:	110 Feet
ID:	2-1/2", 3", 3-1/2", 4"
Operating Temperature:	-22 deg F to +180 deg F (-30 deg C to +82 deg C)

P.O. Box 96558 – 1421 S.E. 29th St. Oklahoma City, OK 73143 * (405) 670-6718 * Fax: (405) 670-6818

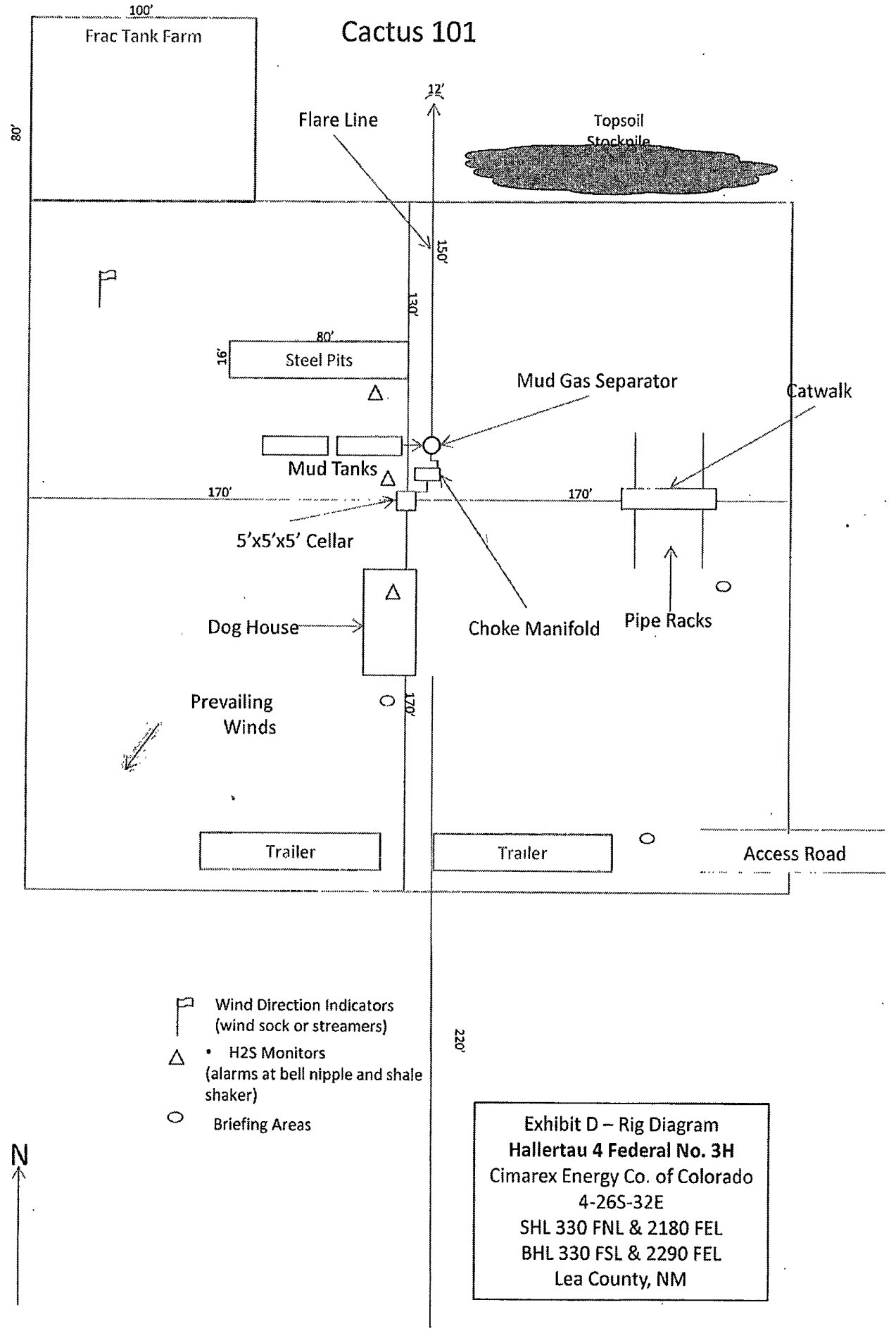


Exhibit D – Rig Diagram
Hallertau 4 Federal No. 3H
Cimarex Energy Co. of Colorado
4-26S-32E
SHL 330 FNL & 2180 FEL
BHL 330 FSL & 2290 FEL
Lea County, NM