

AUG 29 2013

30-025-41367 RECEIVED

1. **Existing Roads:** Area maps: Exhibit "B" is a reproduction of Eddy Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, and Exhibit "C-1" is a well site layout map, showing proposed road to location and existing road. Existing road shown on Exhibits "C," "C"-1," will be maintained in a condition equal to or better than current conditions.
 - A. The maximum width of the driving surface will be 15.' The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.
 - B. From the Junction of Hwy 76 and Marathon Rd, Go North on Marathon Rd fro 1.3 miels to lease road. On lease road go East 0.4 miles to lease road, Turn South for 0.4 miles to proposed lease road.

2. **Planned Access Roads:** Cimarex as agent for Nearburg Producing Company plans to construct 929.8' of new access road to service the Lea South 25 Federal Com #5Hwell.

3. **Planned Electric Line:**

Nearburg Producing Company plans to install an overhead electric line from the proposed well to an existing overhead electric line in the NW/4 of Sec. 25. The proposed electric line would be approximately 4600' in length, 14 - 40' poles, 480 volt, 4 wire, 3 phase . The electric line would exit off the West side of the well location and travel North for approximately 4600' along Marathon Road until it would inercept the existing electric line. The electric line will be routed on the East side of Marathon Road and 40-50' from and parallel to Marathon Road. Route is within lease boundaries, and has been staked, however the plat has not been completed. A plat of the Eline will be submitted to the BLM under seperate cover. Any changes to E-Line route will be submitted via sundry notice.

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 tank battery will be used and the necessary production equipment will be installed at the wellsite. Any changes to the facility or off site facilities will be accompanied by a sundry notice.

5. **Location and Type of Water Supply:**

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

6. **Source of Construction Material:**

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

7. Ancillary Facilities:

- A. No camps or airstrips to be constructed.

8. Well Site Layout:

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

9. Plans for Restoration of Surface:

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

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

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

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

10 Other Information

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

11. On Site Notes and Information:

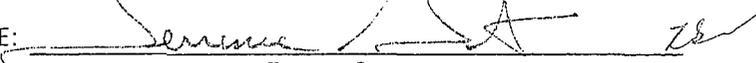
On March 27, 2013 an onsite meeting was held with Barry Hunt, Cimarex representative, Tim Green, Nearburg Producing Co. and Basin Suveys. V-Door South Southeast (to parallel gas pipeline to the north). Battery west side. Top soil south. Trish Badbear and Tim Green discussed the locations prior to staking.

Operator Certification Statement
Lea South 25 Federal Com #5H
Nearburg Producing Co. Agent: Cimarex Energy Co.
UL: M, Sec. 25, 20S, 34E
Lea Co., NM

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

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

Executed this 15th day of May, 2013

NAME: 
Terrence Gant

TITLE: Midland Manager

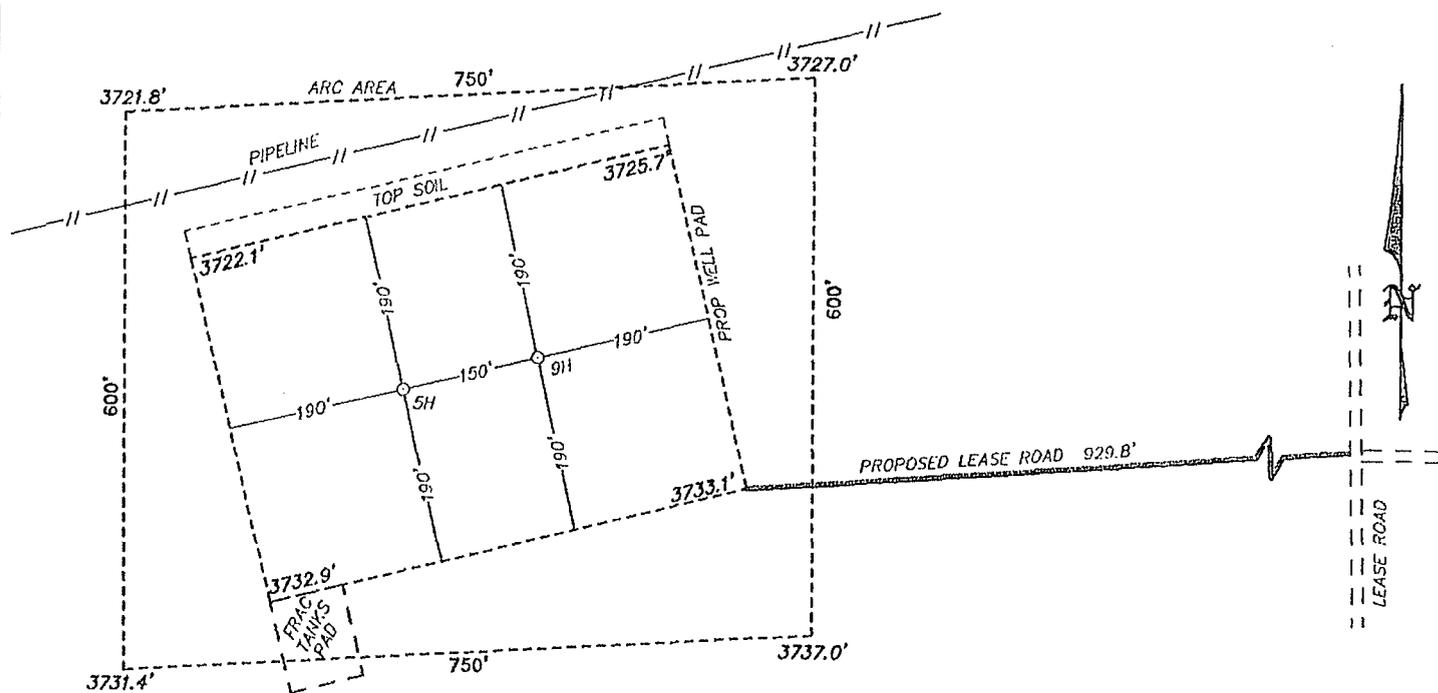
ADDRESS: 3300 N. A Street, Bldg 2, Ste 120
Midland, TX 79705

TELEPHONE: 432--818-2940

EMAIL: tgreen@nearburg.com

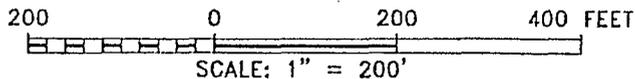
Field Representative: Same as above

SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



NEARBURG PRODUCING CO.
LEA SOUTH 25 FEDERAL COM #5H
ELEV. - 3728'
Lat - N 32°32'13.26"
Long - W 103°31'12.75"
NMSPCE- N 560050.9
E 791925.6
(NAD-83)

EUNICE, NM IS ±23 MILES TO THE SOUTHEAST OF LOCATION.



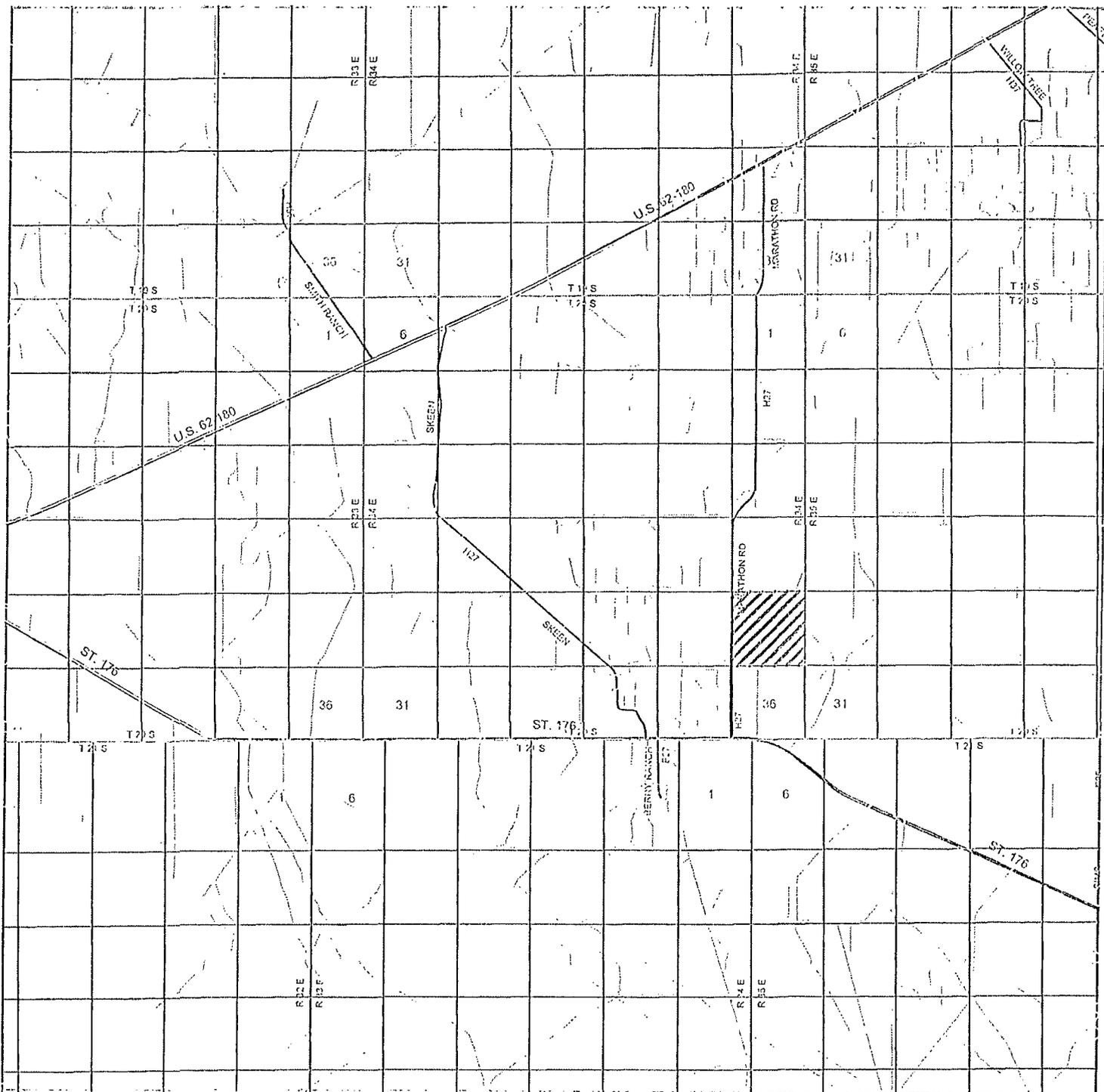
Directions to Location:

FROM THE JUNCTION OF HWY 176 AND MARATHON ROAD, GO NORTH ON MARATHON ROAD FOR 1.3 MILES TO LEASE ROAD, ON LEASE ROAD TO EAST 0.4 MILES TO LEASE ROAD, TURN SOUTH 0.4 MILES TO PROPOSED LEASE ROAD.

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

W.O. Number: 28417 Drawn By: J. SMALL
Date: 04-04-2013 Disk: JMS 28417

NEARBURG PRODUCING CO.	
REF: LEA SOUTH 25 FEDERAL COM #5H / WELL PAD TOPO	
THE LEA SOUTH 25 FEDERAL COM #5H LOCATED 60' FROM THE SOUTH LINE AND 660' FROM THE WEST LINE OF SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.	
Survey Date: 03-27-2013	Sheet 1 of 1 Sheets



LEA SOUTH 25 FEDERAL COM #5H
 Located 60' FSL and 660' FWL
 Section 25, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

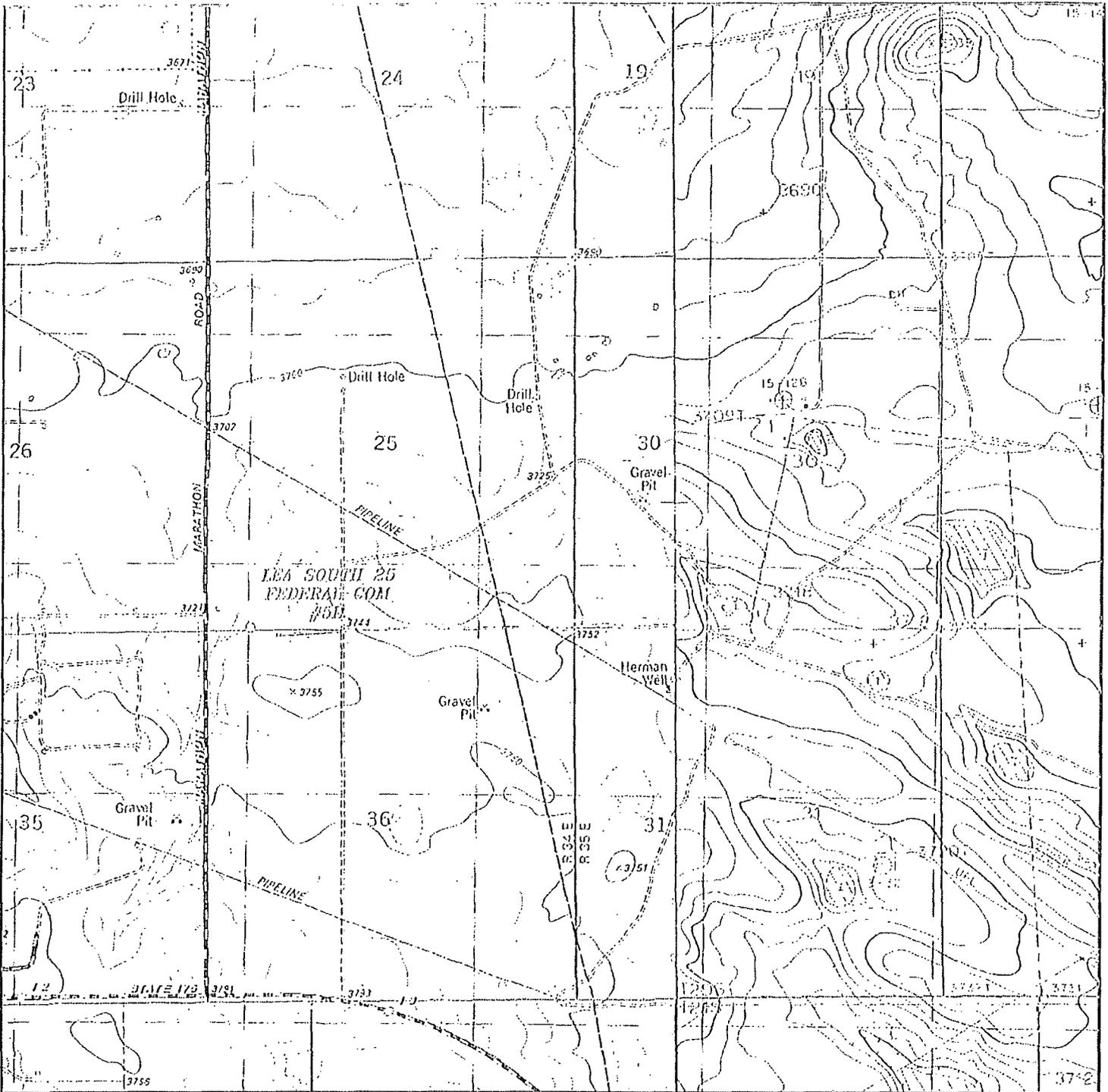
P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basin-surveys.com

focused on excellence
 in the oilfield

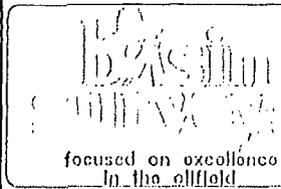
W.O. Number: JMS 28417
 Survey Date: 03-27-2013
 Scale: 1" = 2 Miles
 Date: 04-04-2013

**NEARBURG
 PRODUCING CO.**

Exhibit B



LEA SOUTH 25 FEDERAL COM #5H
 Located 60' FSL and 660' FWL
 Section 25, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

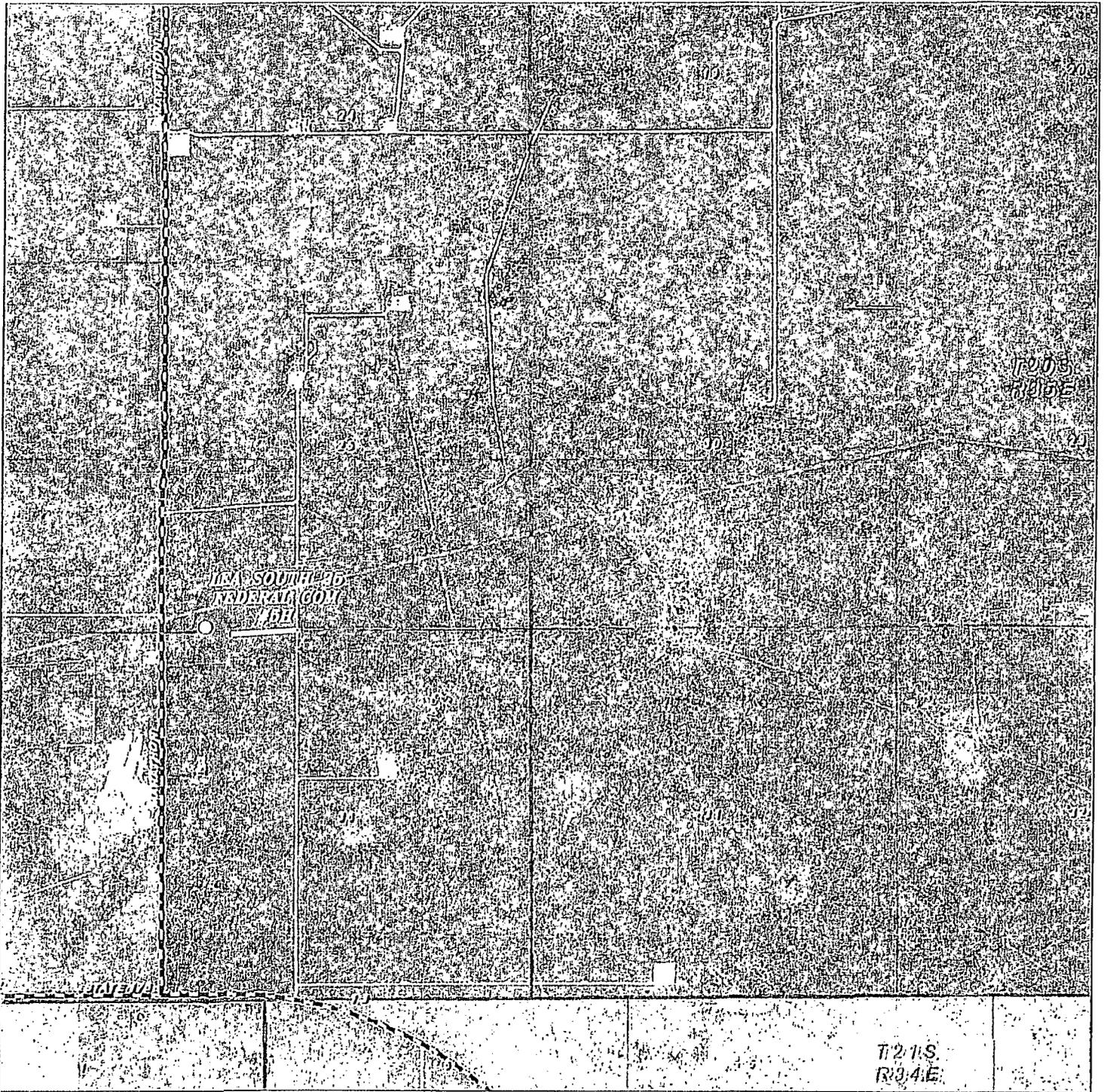


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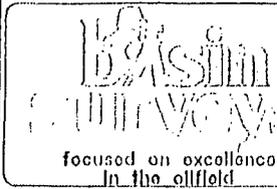
W.O. Number: JMS 28417
 Survey Date: 03-27-2013
 Scale: 1" = 2000'
 Date: 04-04-2013

**NEARBURG
 PRODUCING CO.**

Exhibit C



LEA SOUTH 25 FEDERAL COM #5H
 Located 60' FSL and 660' FWL
 Section 25, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



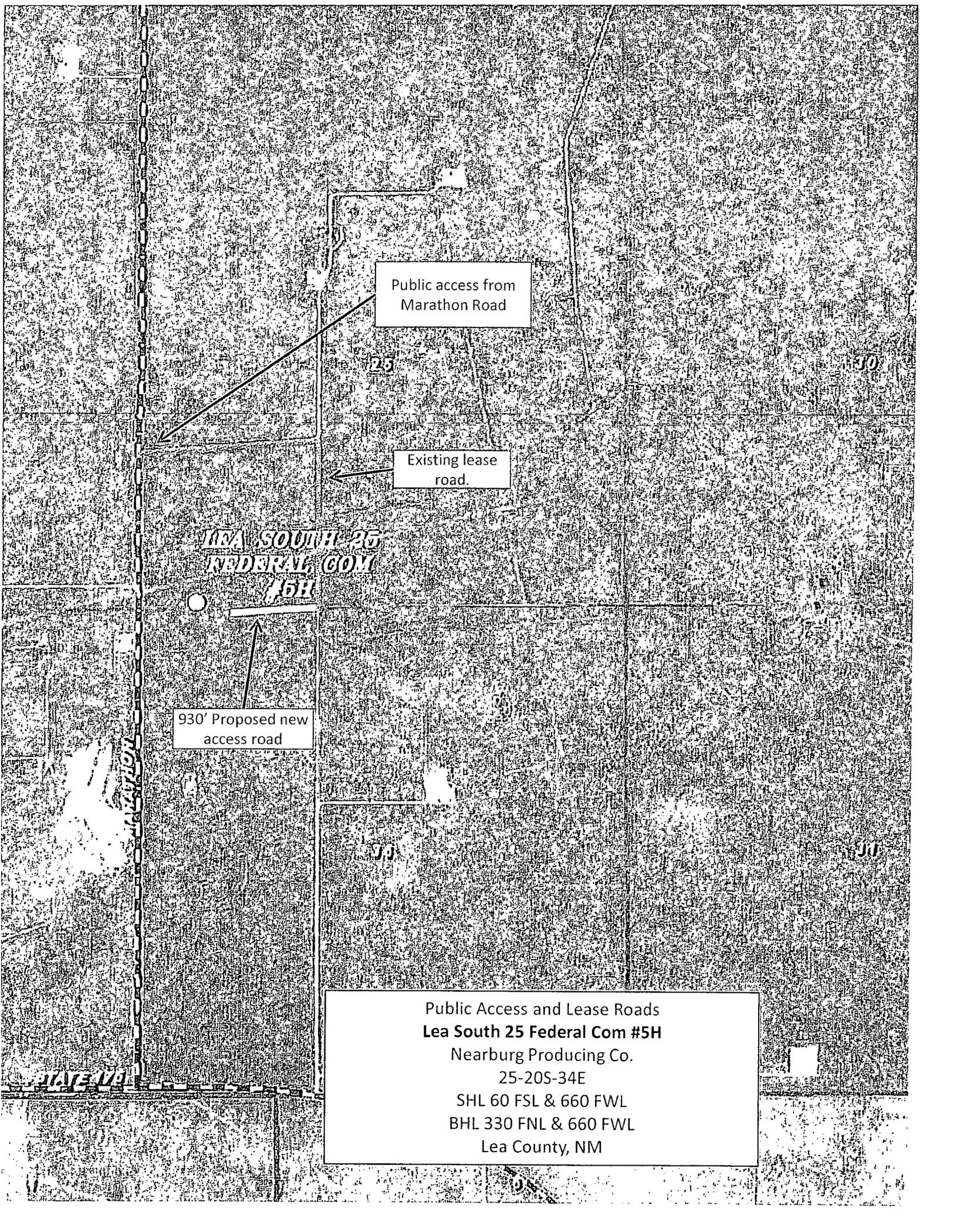
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W.O. Number: JMS 28417

Scale: 1" = 2000'

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

NEARBURG
 PRODUCING CO.



Public access from
Marathon Road

Existing lease
road.

930' Proposed new
access road

Public Access and Lease Roads
Lea South 25 Federal Com #5H
Nearburg Producing Co.
25-20S-34E
SHL 60 FSL & 660 FWL
BHL 330 FNL & 660 FWL
Lea County, NM