

Surface Use Plan
Cuervo Federal No. 21H
Cimarex Energy Co. of Colorado
Unit B, Section 14
T23S-R32E, Lea County, NM

HOBBS OCD
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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 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.
 - B. At mile marker 19 of Hwy 128, go East on EPNG Rd for 5.6 miles to lease road. On lease road, go North 1.4 miles to lease road. On lease road go northerly for 0.8 miles to lease road. On lease road go southerly 0.3 miles to proposed lease road.
 - C. The operator will improve or maintain existing roads in a condition the same as or better than before operations begin. The operator will repair pot holes, clear ditches, repair the crown etc. All existing structures on the entire access route 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.
2. Planned Access Roads: An access road will be needed for this proposed project, the length of access road needed to be constructed for this proposed project is 1006.7' feet.

Electric Line: No new electric line will be constructed. Electric line to #20H will be shared.

3. 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 Exhibit "A" |
| E. Abandoned wells - | As shown on Exhibit "A" |

4. Location of Proposed Production Facilities:

If upon completion this well is a producer; two 1935' 4" high pressure flexpipes will be buried along existing lease road to the Cuervo Federal No. 20H tank battery in NENE; one to carry oil, gas, and water to the #21H tank battery and one to be used for gas lift. Allocations will be based on well tests. Any changes to the facilities or off-site facilities will be accompanied by a sundry notice. Flexpipe has 1500 psi MAOP and will have 200 to 300 psi working pressure. Both lines will be buried 25'-35' south of access road.

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. 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:

- A. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
- B. An approximate 120' x 120' area is used within the proposed well site to remove caliche.
- C. Subsoil is removed and piled alongside the 120' by 120' area within the pad site.
- D. When caliche is found, material will be stockpiled within the pad site to build the location and road.
- E. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- F. 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 a BLM-approved caliche pit.

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7. Ancillary Facilities:

- A. No camps or airstrips to be constructed.

8. 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.

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.

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 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.

10 Methods of Handling Waste

- A. 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.
- B. 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.
- C. Human waste and grey water will be properly contained and disposed of properly at a state approved disposal site.
- D. 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.
- E. 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.

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. 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

Cuervo Federal No. 21H

Cimarex Energy Co. of Colorado

Unit B, Section 14

T23S-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 11th day of September, 2012

NAME: 

Tracie J Cherry

TITLE: Sr. Regulatory Analyst

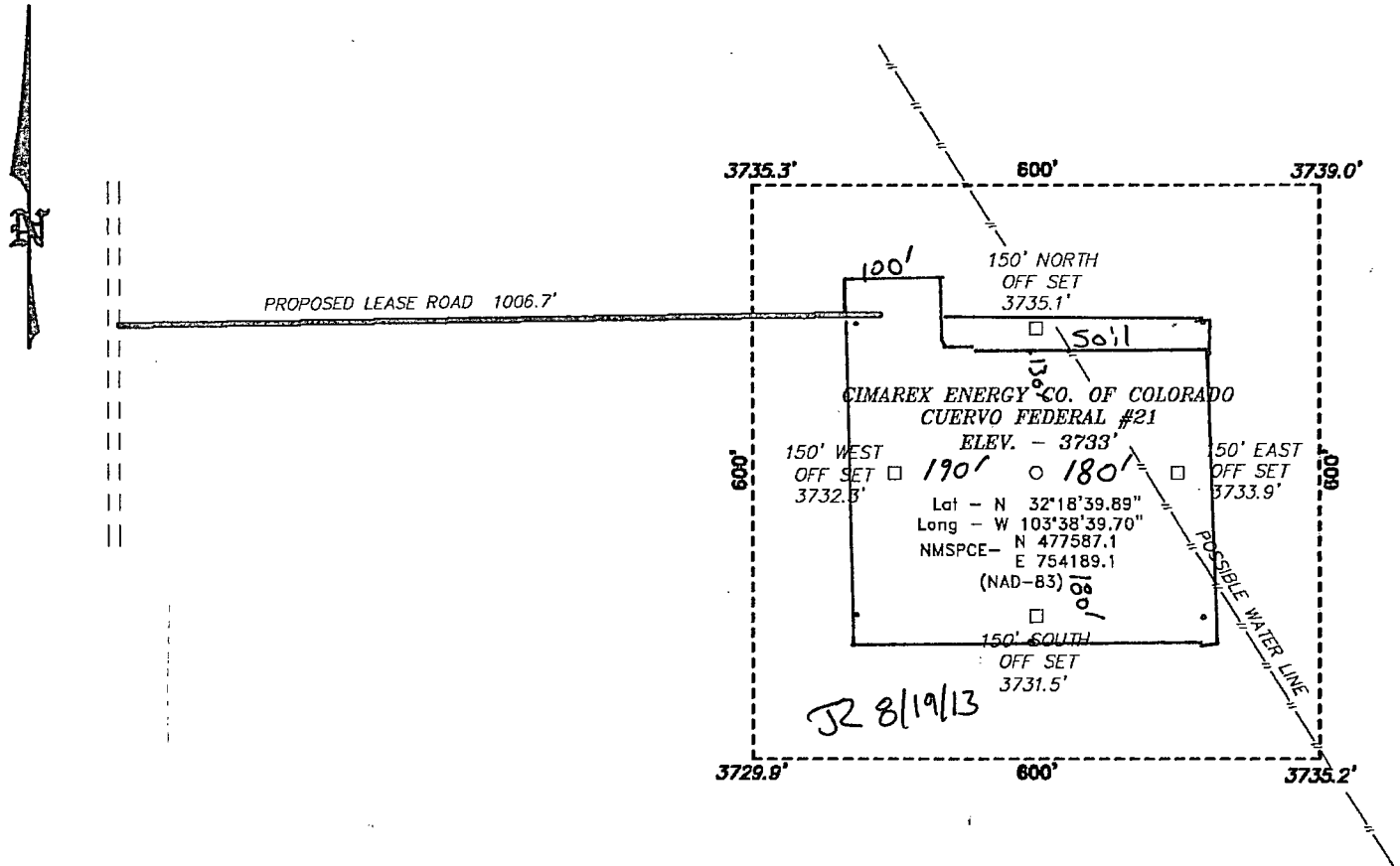
ADDRESS: 600 N Marienfeld St Ste 600
Midland TX 79701

TELEPHONE: Office Phone: (432) 571-7800

EMAIL: tcherry@cimarex.com

Field Representative: Same as above

SECTION 14, TOWNSHIP 23 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



Directions to Location:

AT MILE MARKER 19 OF HWY 128, GO EAST ON
EPNG ROAD FOR 5.6 MILES TO LEASE ROAD, ON
LEASE ROAD GO NORTH 1.4 MILES TO LEASE ROAD,
ON LEASE ROAD GO NORTHERLY FOR 0.8 MILS TO
LEASE ROAD, ON LEASE ROAD GO SOUTHERLY 0.3
MILES TO PROPOSED LEASE ROAD.

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

W.O. Number: 25395 Drawn By: J. SMALL

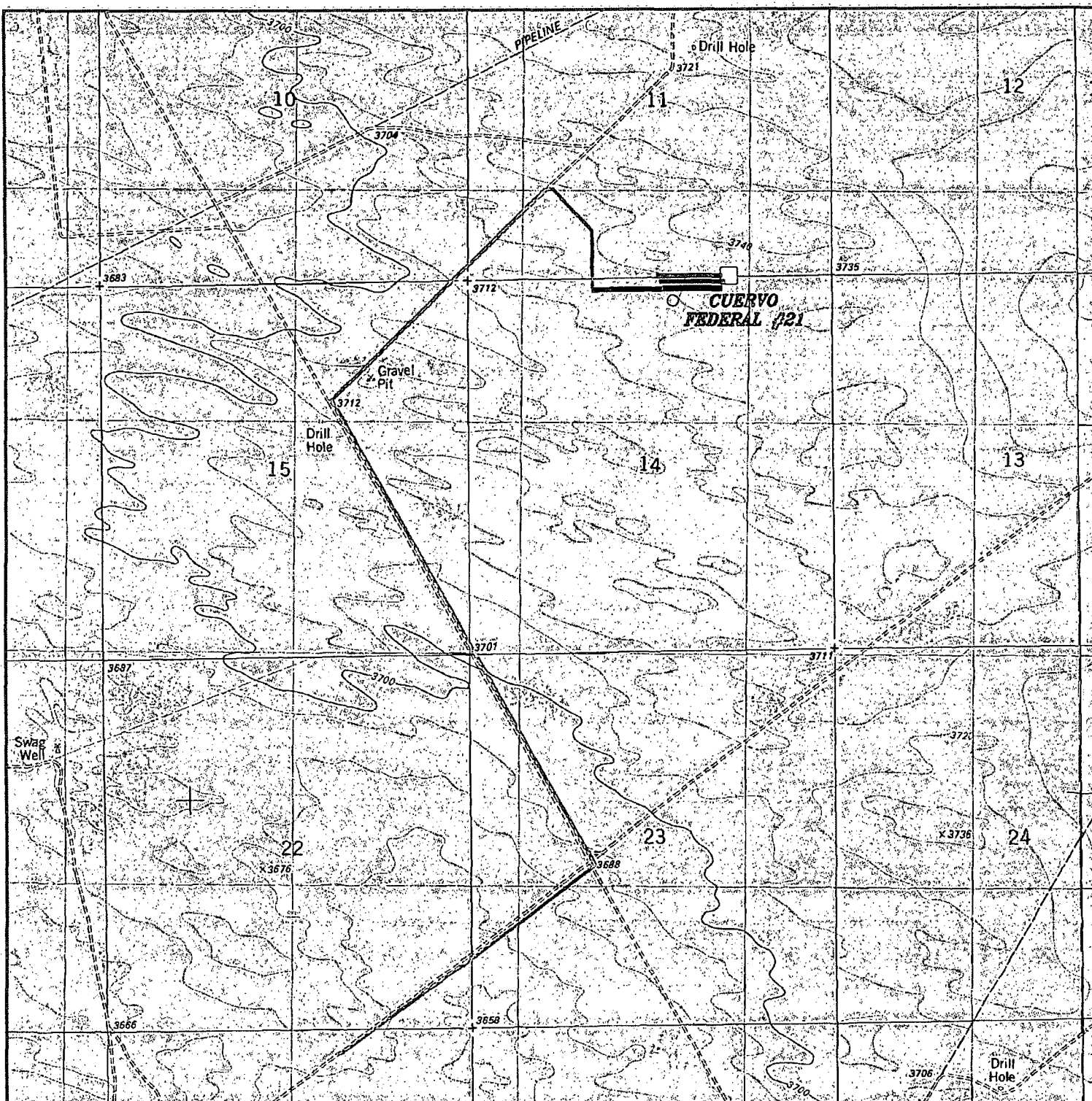
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CIMAREX ENERGY CO. OF COLORADO

REF: CUERVO FEDERAL #21 / WELL PAD TOPO

THE CUERVO FEDERAL #21 LOCATED 330'
FROM THE NORTH LINE AND 2310' FROM THE EAST LINE OF
SECTION 14, TOWNSHIP 23 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10-06-2011 Sheet 1 of 1 Sheets



CUERVO FEDERAL #21

Located 330' FNL and 2310' FEL
 Section 14, Township 23 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.

□ Tank Battery
 — Flow line
 — E-Line

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 in the oilfield

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

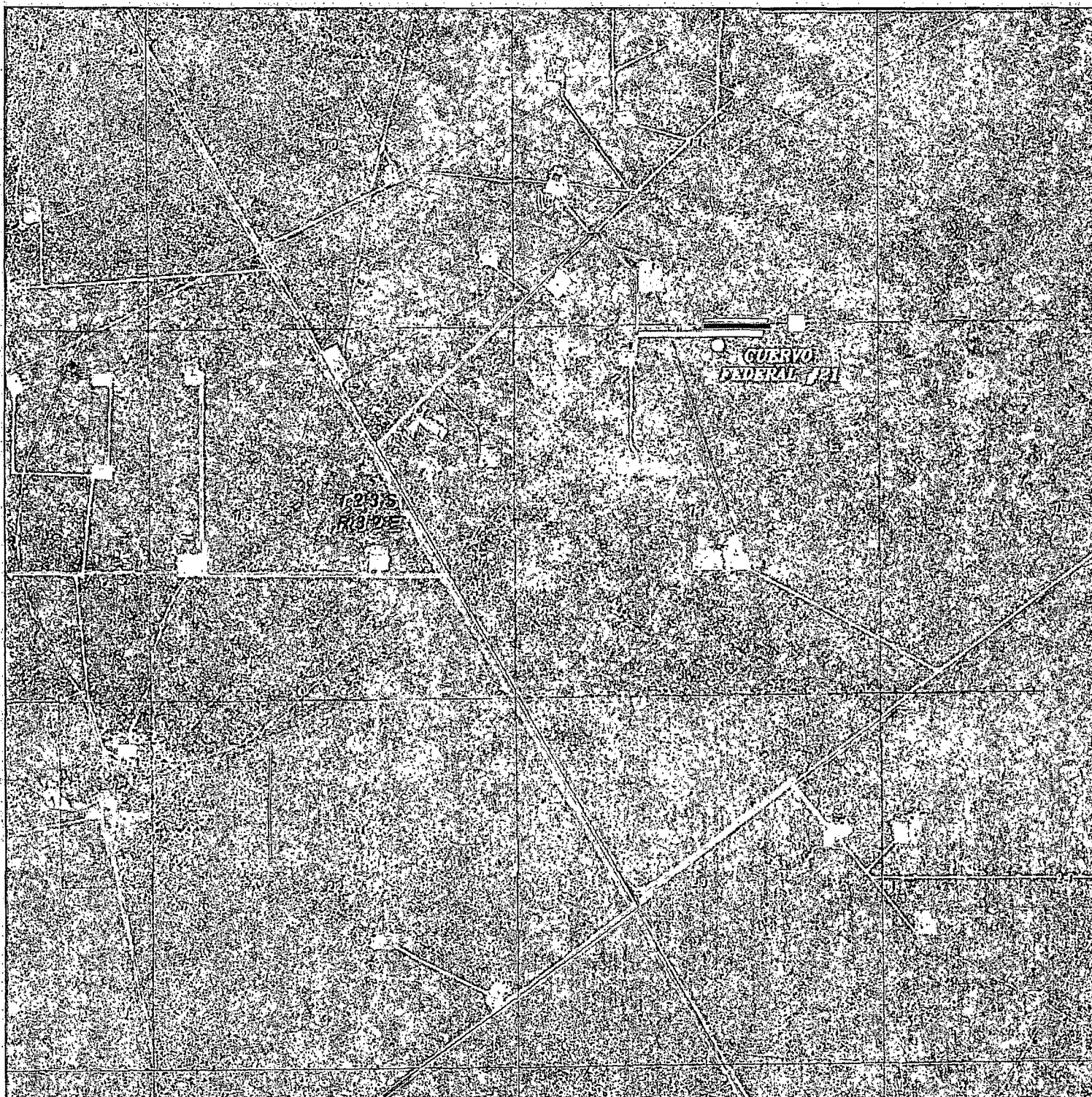
W.O. Number: JMS 25395

Survey Date: 10-06-2011

Scale: 1" = 2000'

Date: 10-10-2011

CIMAREX
ENERGY CO.
OF COLORADO



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Section 14, Township 23 South, Range 32 East,
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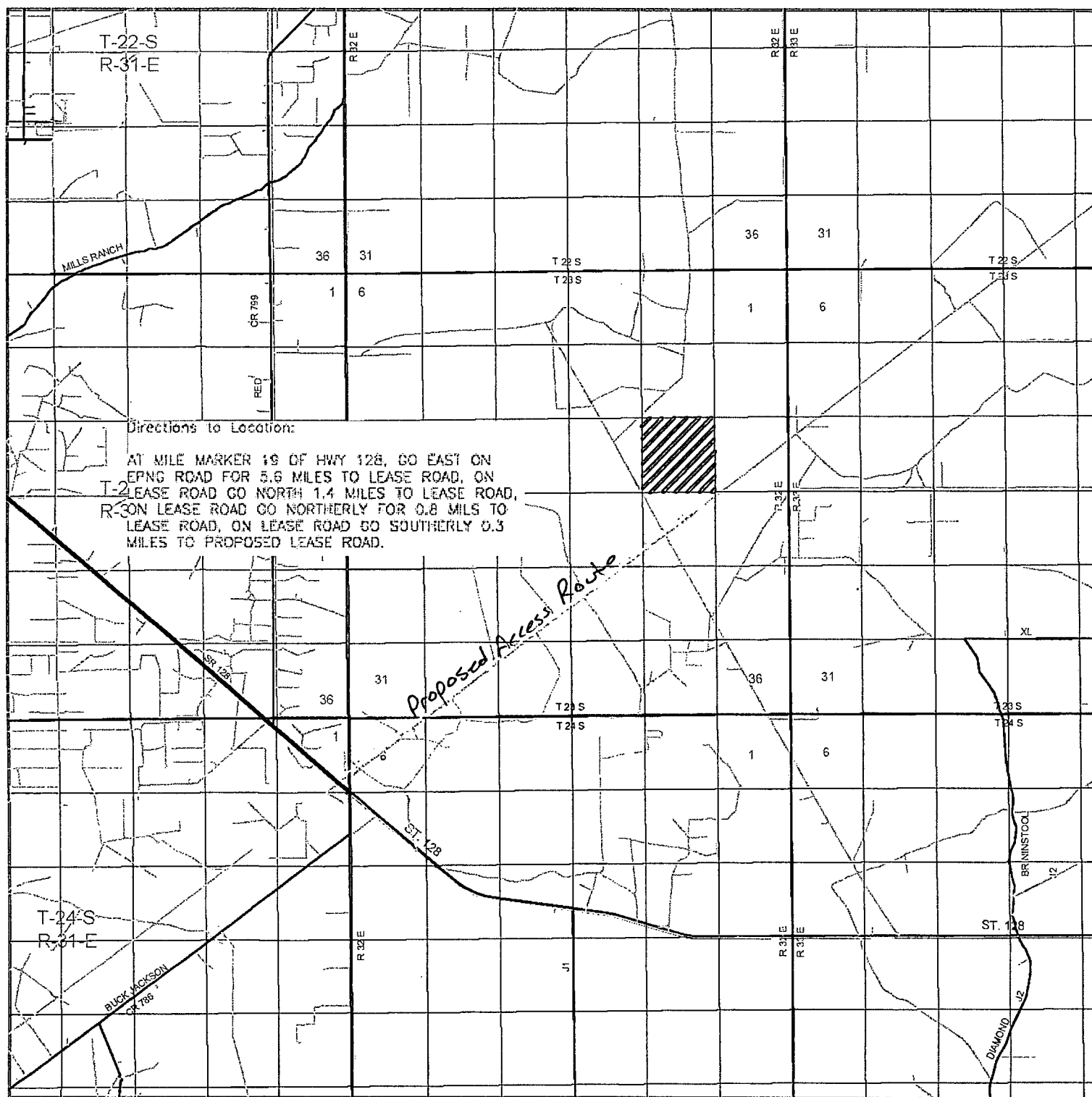
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Scale: 1" = 2000'

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

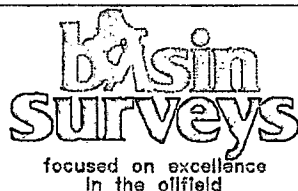
CIMAREX
ENERGY CO.
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W.O. Number: JMS 25395

Survey Date: 10-06-2011

Scale: 1" = 2 Miles

Date: 10-10-2011

CIMAREX
 ENERGY CO.
 OF COLORADO

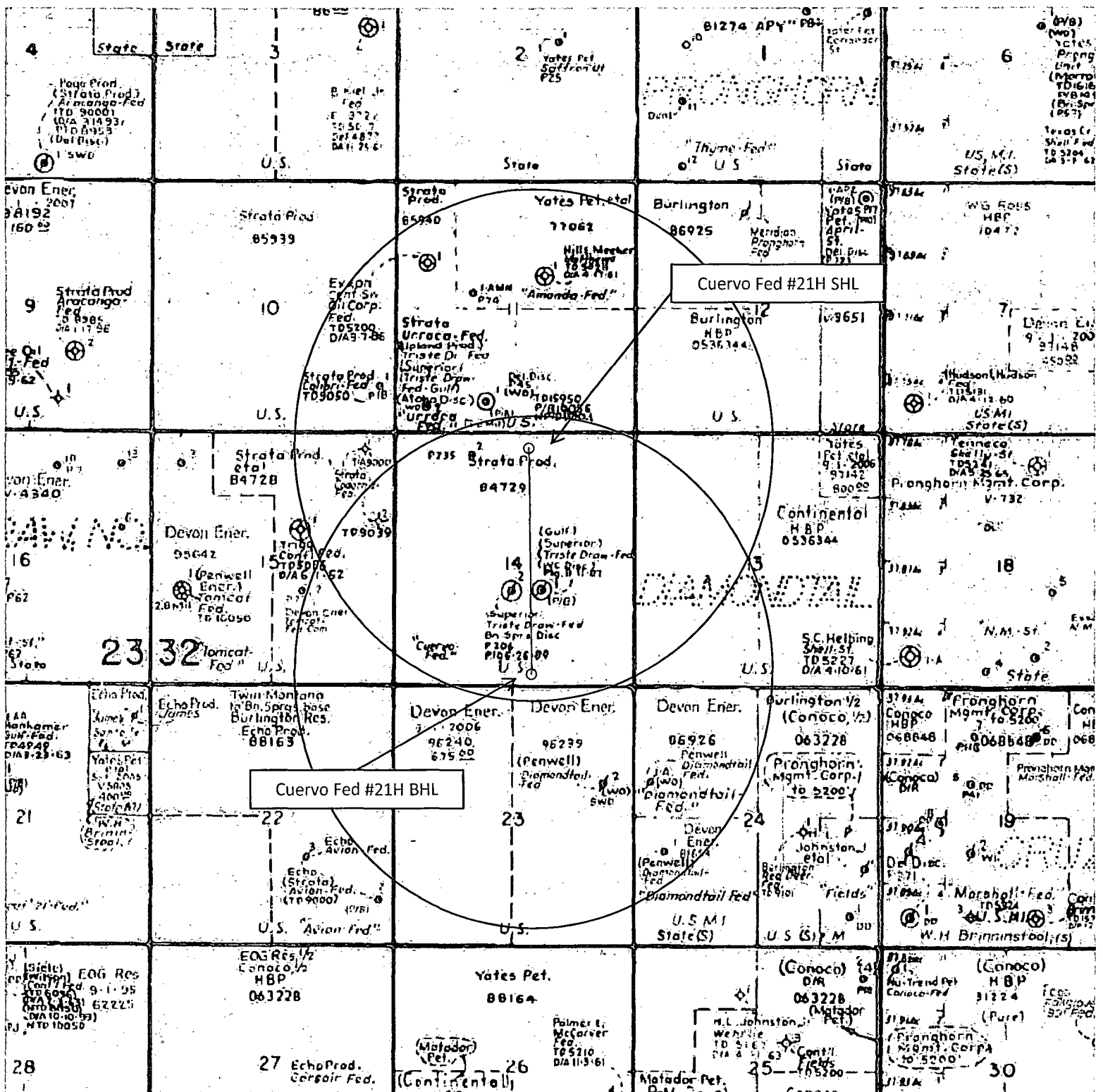


Exhibit A – One-Mile Radius Map
Cuervo Federal No. 21H
 Cimarex Energy Co. of Colorado
 14-235-32E
 SHL 330 FNL & 2310 FEL
 BHL 330 FSL & 2310 FEL
 Lea County, NM