HOBBS OCD

Surface Use Plan

Mallon 27 Federal Com 3

Cimarex Energy Co. UL: N, Sec 27-19S-34E Lea County, NM APR 18 2014

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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 Mile Marker 80 of Hwy 62-180, go southwest on Hwy 62-180 for 0.3 miles to proposed lease road.

2. Planned Access Roads: Approximately 2598.9' of new on-lease road will be constructed from the southeast of the pad to the

east.

3. <u>Planned Electric Line</u>: No e-line planned. Sundry will be submitted when route is determined.

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.

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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.
- 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 porduction 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 Carsbad BLM office.
- D. There are no known dwellings within 1½ miles of this location.

11. On Site Notes and Information:

On June 27, 2012, A BLM onsite meeting was held with Barry Hunt, Cimarex representative, Trish Badbear with the BLM, and Basin Suveys. The permitted location was approved. The Mallon 27 Federal 3 was moved 70' south due to gas pipeline to the north, and 100' east due to large sand dunes to the west. V-Door east northeast. Top soil east. Interim reclamation: All four sides. Access road from the southeast corner, east, to the #2 location.