

**MAY 05 2014**

**RECEIVED**

**5. Location of Existing or 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 will be submitted via 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. 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:

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

**8. Methods of Handling Waste**

- 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.
- 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.
- Human waste and grey water will be properly contained and disposed of properly at a state approved disposal site.
- 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.
- 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.

**9. Ancillary Facilities:**

No camps or airstrips to be constructed.

**10. Well Site Layout:**

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

**MAY 13 2014**

Surface Use Plan  
**Cordoniz 28 Fed Com 4H**  
Cimarex Energy Co.  
UL: P, Sec. 28, 19S, 34E  
Lea Co., NM

**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.

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 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:**

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

**13. On Site Notes and Information:**

On Site Results: 10/24/13 Barry Hunt, Jesse Rice-BLM & Basin Surveys on location. Moved location 180 ft. South (larges dunes) and 100 ft west (E-line). V-Door East. Battery on the west. Top Soil North. Frac pad Northwest corner (North) Flare Northeast (on pad). Interim Reclamation: East. Access road Southeast corner to the east. Gas lift/production lines from southwest corner, southwest, to follow roadway of Chaparral wells in Sec 33.

February 5, 2014

Bureau of Land Management  
Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220

Re: 4H- Cordoniz 28 Fed Com. Lease NM 56263  
0150'/S. & 0750'/E., Sec 28  
Township 19 South, Range 34 East, N.M.P.M.  
Lea County, New Mexico

Gentlemen:

Per the Bureau of Land Management's ("BLM") letter dated, December 23, 2013, regarding Cimarex's Application for Permit to Drill ("APD") for the above captioned well, the BLM cited the following deficiency regarding the APD:

- "2-Operator does not appear to have operating rights on the bottom hole lease:"

Cimarex farmed in, from Chevron, 50% of: Lease NMNM 56263, covering the NE/4, N/2SW/4, and the N/2SE/4, Lease 57285, covering the SE/4SW/4 and S/2SE/4 and through Lease 97155, covering the SW/4SW/4, all in Section 28, T19S-R34E. Cimarex and Chevron now own 100% of the above named spacing unit. Upon request from the BLM, Cimarex will provide a copy of that executed farmout from Chevron to Cimarex.

Please let this letter serve as notice for curing the deficiency cited above in Cimarex's APD for the Cordoniz 28 Fed Com #4H.

If you should have any questions, please contact the undersigned directly at (432) 571-7896 or by email at [mcompton@cimarex.com](mailto:mcompton@cimarex.com).

Sincerely,

**Cimarex Energy Co.**

Mark Compton  
Landman