

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
NMNM 93224

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No. *<36448>*
West Prairie Federal I No. 1

9. API Well No.
30-041-20931

10. Field and Pool, or Exploratory
Undesignated *Pearl* *Prairie* *Cisco*

11. Sec., T. R. M. or Blk. and Survey or Area
Section 19, T-8-S, R-36-E, NMPM *South* *<50390>*

12. County or Parish
Roosevelt

13. State
NM

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
Cimarron Exploration Company *<164726>*

3a. Address P.O. Box 1592
Roswell, NM 88202-1592

3b. Phone No. (include area code)
(505) 623-9799

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface */* 2130' FSL & 660' FEL (Unit Letter I)
At proposed prod. zone Same

14. Distance in miles and direction from nearest town or post office*
Approx. 4 miles southeast of Milnesand, NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 660'

16. No. of acres in lease
278.87 +/-

17. Spacing Unit dedicated to this well
80 acres (E/2 SE/4)

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
9800'

20. BLM/BIA Bond No. on file
NMB 000235

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4130' GL

22. Approximate date work will start*
ASAP FOLLOWING APPROVAL

23. Estimated duration
45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Richard C. Gilliland* Name (Printed/Typed) Richard C. Gilliland Date 10/25/2006
Title Vice President

Approved by (Signature) *LARRY D. BRAY* Name (Printed/Typed) /S/LARRY D. BRAY Date NOV 17 2006
Title Assistant Field Manager, Lands And Minerals Office ROSWELL FIELD OFFICE

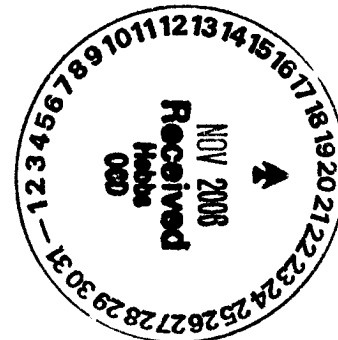
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

GWW



DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 80240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-D41-20931	Pool Code 50390	Pool Name Prairie Cisco, South
Property Code 36148	Property Name WEST PRAIRIE I	Well Number 1
OGRID No. 164726	Operator Name CIMARRON EXPLORATION COMPANY	Elevation 4130'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	8-S	36-E		2130	SOUTH	660	EAST	ROOSEVELT

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1			
38.35 AC			
LOT 2	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=949350.3 N X=817770.6 E</p> <p>LAT.=33°36'19.16" N LONG.=103°17'22.85" W</p>		
38.52 AC			
LOT 3			
38.70 AC			
LOT 4			
38.87 AC			

660'

2130'

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Richard C. Gilliland 10/25/2006
Signature Date
Richard C. Gilliland
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

AUGUST 19, 2004

Date Surveyed REV: 06/15/06 JR

Signature & Seal of Professional Surveyor
GARY EIDSON 6/15/06
06.11.0926

Certificate No. GARY EIDSON 12841

SUPPLEMENT TO APPLICATION FOR PERMIT TO DRILL
MULTI-POINT DRILLING PROGRAM

CIMARRON EXPLORATION COMPANY
West Prairie Federal I No.1
2130' FSL & 660' FEL
Section 19, T-8-S, R-36-E
Roosevelt County, New Mexico
Lease No. NM 93224

In conjunction with Form 3160-3, *Application for Permit to Drill*, Cimarron Exploration Company submits the following Multi-Point Drilling Program in support of the application for the referenced well and in compliance with Onshore Oil and Gas Order No. 1.

1. Geologic Identity of Surface Formation:

Tertiary - Gomez loamy fine sand

2. Estimated tops of Geologic Markers:

Rustler	2250'
Yates	2754'
San Andres	4020'
Glorietta	5464'
Tubb	6909'
Abo	7752'
Wolfcamp	8986'
Bough "C"	9707'

3. Estimated Depth of Anticipated Water, Oil, and/or Gas:

Water: Surface water between 150' - 300'.
 Oil & Gas: Possible in the San Andres at 4020'.
 Oil & Gas: Possible in the Abo at 7752'.
 Oil & Gas: Possible in the Bough "C" at 9707'.

4. Proposed Casing Program:

Hole Size	Casing				Depth	Cement Data
	Size	Weight	Grade	Thread		
17-1/2"	13-3/8"	48#	H40	ST&C	350'	400 sx. "C" - Circ.
12-1/4"	8-5/8"	24 & 32 #	J55	ST&C	4200'	1485 sx + 250 sx - Circ.
7-7/8"	5-1/2"	15.5 # 17#	J55/N80	LT&C	9800'	500 sx "C" (Stage 1) 310 sx + 150 sx (Stage 2)

Equivalent or better grades and weights of casing may be substituted. Additional cement may be used as appropriate.

5. Proposed Pressure Control Equipment:

- A. The blowout preventer equipment will consist of a minimum of a 2000# WP double-ram preventer with kill line, choke manifold, and accumulator. See Exhibit "E" for a schematic of the proposed BOP.
- B. The accumulator volume will be sufficient to provide for repeated opening & closure of preventer.
- C. The BOP and choke will be tested to 500# prior to drilling out under the surface casing.
- D. Pipe rams will be operated once each 24-hour period and blind rams will be operated on trips.
- E. Approved close-in procedure will be posted on the rig floor.
- F. Each rig crew will hold periodic BOP drills.
- G. The hole will be kept full and volumes will be monitored on trips.

6. Proposed Mud Program:

Depth		Mud Type	Weight (ppg)	Viscosity (sec/1000 cc)	Fluid Loss Control
From	To				
0' - 350'		Spud mud	8.4-8.6	33-34	NC
350' - 4200'		Native	10.2	32-35	NC
4200' - 7800'		Brine	9.0-10.0	28	NC
7800' - 9800'		Salt gel	10.0-10.5	36-40	<15 cc

7. Auxiliary Equipment:

A safety valve for the drill pipe will be kept on the rig floor at all times.

8. Testing, Logging , and Coring Program:

- DST: Drill stem tests will be made when samples, drilling time, and other data indicate such is warranted as determined by the on-site mud logger and on-site geologist.
- Logging: Open hole logs will be run prior to running production casing. The expected suite will include GR-DLL-MSFL, FDC-CNL
- Coring: No coring is anticipated.

9. Potential Hazards:

No H₂S is expected. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the drilling fluid weight will be modified accordingly. Conditions for possible loss circulation problems may be encountered. LCM will be available on the location should such conditions be encountered.

10. Anticipated Starting Date:

Work will begin as soon as possible following approval of this application. Drilling and completion operations are expected to take approximately 45 days.

SUPPLEMENT TO APPLICATION FOR PERMIT TO DRILL
MULTI-POINT SURFACE USE PLAN

CIMARRON EXPLORATION COMPANY
West Prairie Federal I No.1
2130' FSL & 660' FEL
Section 19, T-8-S, R-36-E
Roosevelt County, New Mexico
Lease No. NM 93224

In conjunction with Form 3160-3, Application for Permit to Drill, Cimarron Exploration Company submits the following Multi-Point Surface Use Plan in support of the application for the referenced well. The purpose of the plan is to identify the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after the completion of the operation so that a complete appraisal may be made of the environmental affects associated with the operation.

1. Existing Roads:

- A. Exhibit "A" is a quadrangle vicinity map showing the location of the proposed well as staked and indicating the existing roads. The well site is approximately 4 miles southeast of Milnesand, New Mexico.
- B. Directions to the well site: From Tatum, NM go north on state highway 206 approximately 22 miles to the Roosevelt County line. Turn right (east) through a cattle guard and onto a caliche road. Continue east for approximately 1.5 miles and cross a cattle guard heading northeast. Continue 0.5 miles and cross a cattle guard going east. Continue east approximately 0.3 miles and the road will veer to the north. Continue northerly approximately 1 mile and the road will veer back to the east. Continue east for about 0.4 miles and turn to the north. Continue north about 0.8 miles to an old fence line. Cross the old fence line and continue north and northeast about 0.5 miles to the southeast corner of the well pad.

2. Planned Access Road:

- A. Length and Width: The proposed access road will be approximately 2,076 feet long and 14 feet wide beginning at the northwestern-most point of the existing public access road and continuing to the southeast corner of the well pad. Exhibit "B" is a topographic map indicating the location of the existing public access road and the proposed access road as staked.
- B. Construction: The access road will be constructed and upgraded as necessary by grading and topping with compacted caliche. The surface will be properly drained to control runoff and soil erosion.
- C. Turnouts: None required.
- D. Cuts and Fills: None required.

- E. Culverts: It is anticipated that a culvert will be installed at the point where the existing public access road crosses an old fence line into section 19 to control possible washout conditions.
- F. Gates, Cattle guards: It is anticipated that it will be necessary to repair/replace two of the existing cattle guards on the existing public access road. In addition, a fencing section will be constructed near the end of the existing public access road to discourage traffic continuing east to the plugged Lewis Federal No. 1 well site which is located 510' FSL & 660' FEL of section 19.

3. **Location of Existing Wells:**

There are no currently active wells within a one-mile radius of the proposed location. Exhibit "C" shows the one-mile radius of investigation surrounding the proposed location.

4. **Location of Existing and/or Proposed Production Facilities:**

- A. Cimarron Exploration Company has no existing production facilities on the lease at this time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation and processing facilities, and tank battery equipment will be installed on the drilling pad.

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

It is planned to utilize fresh water during the drilling of this well. The water will be obtained from private or commercial sources and will be transported over the existing and proposed access roads as shown on Exhibits "A" and "B".

6. **Source of Construction Materials:**

Under the terms of verbal discussions and agreements with the surface owner, it is planned to the extent that is reasonable and possible to obtain caliche for construction material from other abandoned roads and locations currently existing on the surface owner's property. If it is necessary to obtain any additional material, the dirt contractor will locate the nearest pit and obtain all necessary permits and materials to complete construction.

7. **Methods of Handling Waste Disposal:**

- A. Drill cuttings will be disposed of in reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted for approval.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill following drilling and/or completion operations.

8. Ancillary Facilities:

None required

9. Well Site Layout:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, the reserve pits, the location and orientation of the drilling rig and equipment, and the access road approach.
- B. The reserve pits will be plastic lined.
- C. A 600' X 600' site has been staked and flagged.

10. Plans for Restoration of the Surface:

- A. After finalizing drilling and/or completion operations, all equipment and other material not necessary for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits containing fluids, if any, will be fenced until they have dried and can be filled and leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled after they have evaporated and dried.

11. Other Information:

- A. Topography: The area is a sandy plain with low dunal ridges.
- B. Soil: Observed soils are fine tan aeolian sands with small fragments of caliche exposed in eroded areas.
- C. Flora and Fauna: The vegetation of the area is a cover of shinnery oak along with narrow-leaf yucca, prickly pear cactus, snakeweed, and mixed grasses. Wildlife consists of coyotes, rabbits, rats, antelope, rattlesnakes, prairie chicken, quail, and other wildlife typical of the semi-arid desert area.
- D. Ponds and Streams: None
- E. Residences and Other Structures: None in the vicinity
- F. Land Use: The surface use is non-commercial and primarily maintained for wildlife habitat purposes.
- G. Surface Ownership: Surface ownership for the proposed well site and the proposed access road is as follows:

New Mexico Department of Game & Fish
P.O. Box 25112
Santa Fe, New Mexico 87504
Ph: (505) 476-8128

- H. Cultural Resource Aspects: Two cultural resource surveys were conducted on the well site and the proposed access road by Mr. Don Clifton, Archaeological Consultant, P.O. Box 30, Pep, New Mexico 88126. No evidence was found for any archaeological, historical, or cultural sites within the staked areas for the well pad or the proposed access road. Copies of Mr. Clifton's reports and recommendations to proceed with construction have been provided to the surface owner and the appropriate governmental agencies. In addition, copies of these reports are attached to and included as an addendum to this surface use plan.

12. **Operator's Representative:**

The representatives for assuring compliance with the approved use and operations plan are as follows:

Richard C. Gilliland
Vice President
Cimarron Exploration Company
P.O. Box 1592
Roswell, NM 88202-1592
Ph: (505) 623-9799

Bobby Burnett
Field Supervisor
Cimarron Exploration Company
P.O. Box 1592
Roswell, NM 88202-1592
Ph: (505) 390-5254

13. **Certification:**

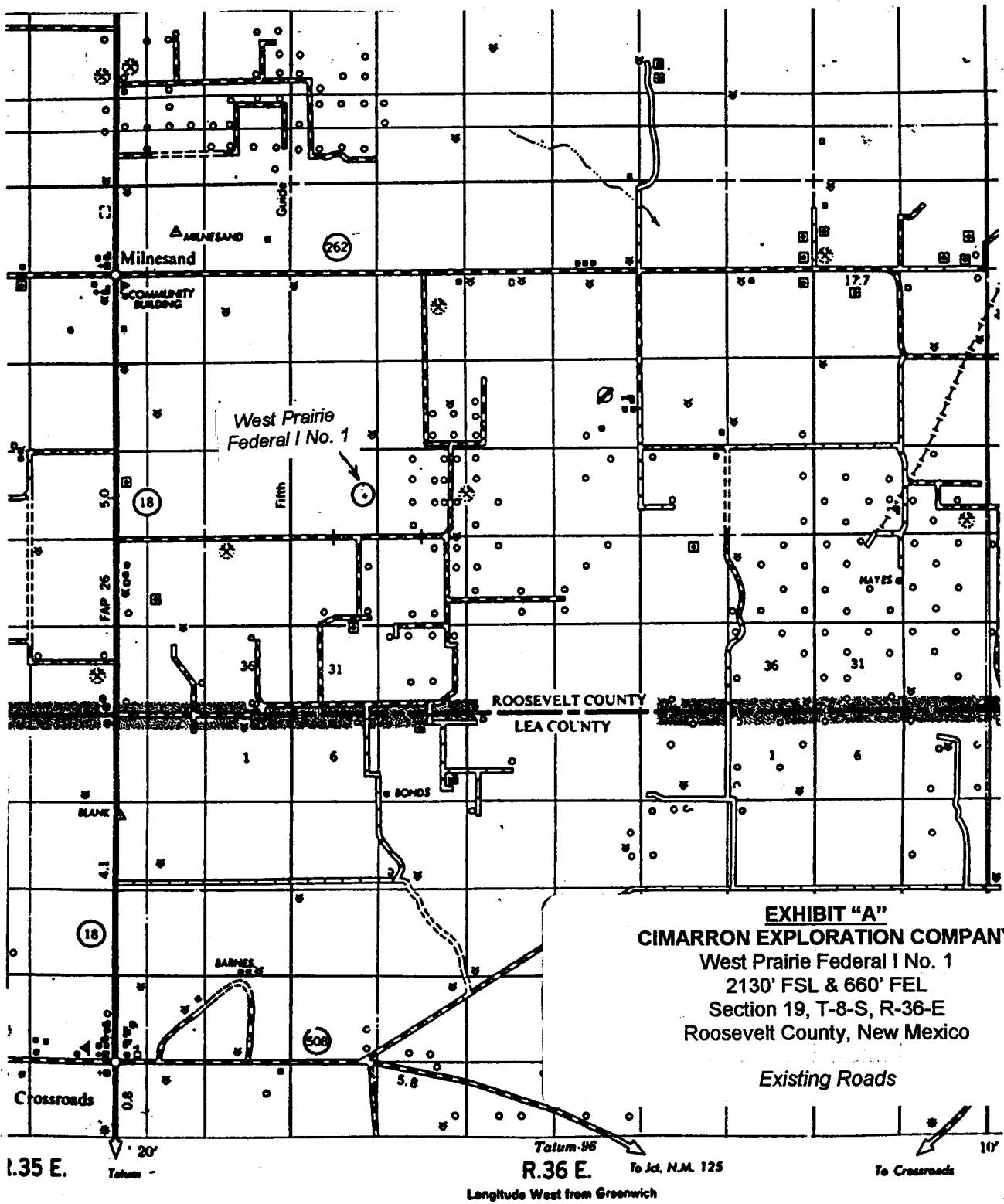
I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Cimarron Exploration Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

25-Oct-06



Richard C. Gilliland
Vice President, Cimarron Exploration Company

VICINITY MAP

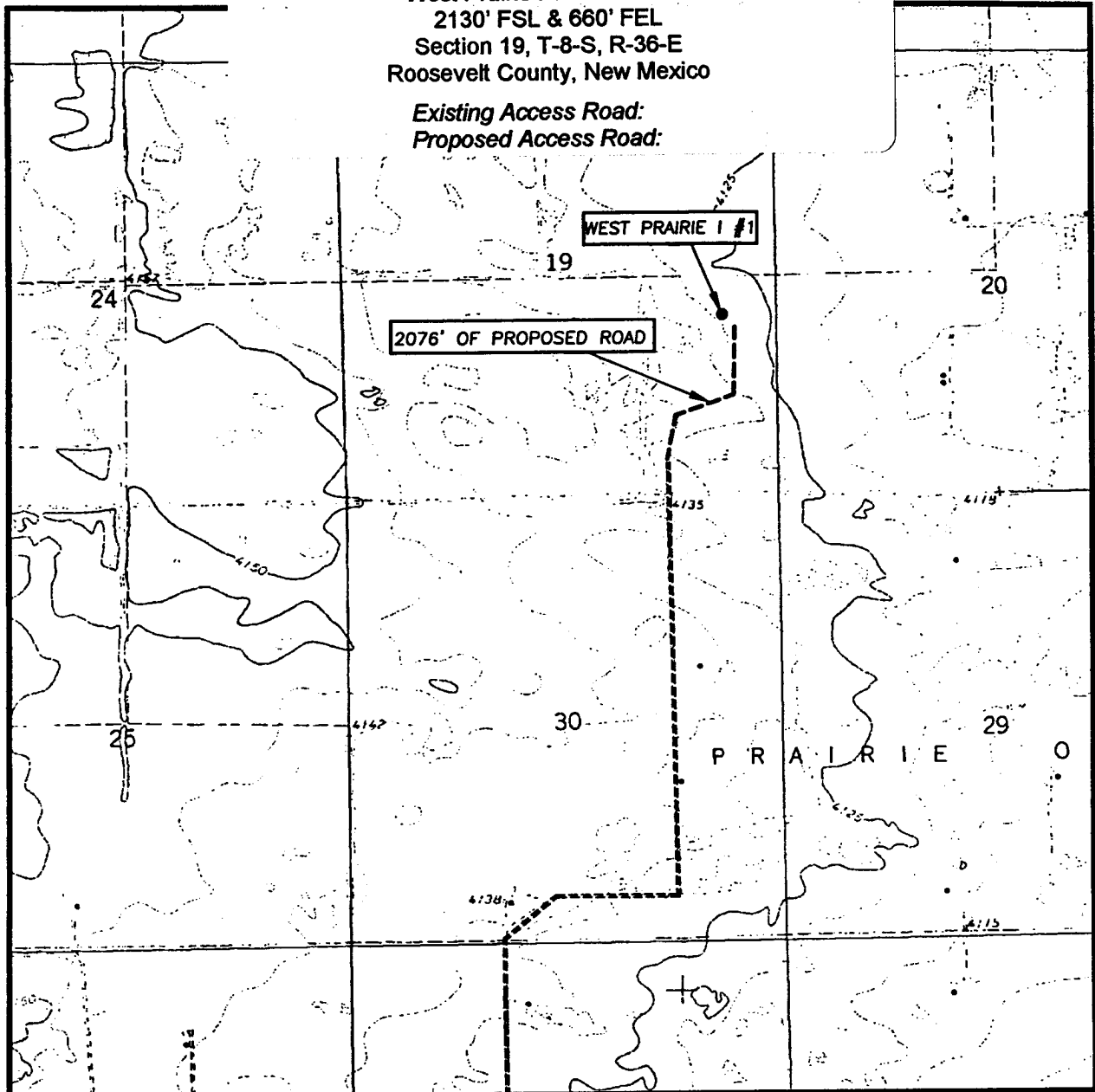


LOCATION VERIFICATION MAP

EXHIBIT "B" CIMARRON EXPLORATION COMPANY

West Prairie Federal I No. 1
2130' FSL & 660' FEL
Section 19, T-8-S, R-36-E
Roosevelt County, New Mexico

Existing Access Road:
Proposed Access Road:



SCALE: 1" = 2000'

CONTOUR INTERVAL:
CROSSROADS, N.M. - 10'

SEC. 19 TWP. 8-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY ROOSEVELT STATE N.M.

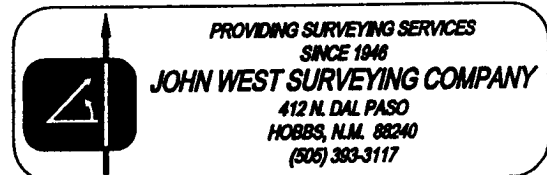
DESCRIPTION 2130' FSL & 660' FEL

ELEVATION 4130'

OPERATOR CIMARRON EXPLORATION COMPANY

LEASE WEST PRAIRIE I

U.S.G.S. TOPOGRAPHIC MAP
CROSSROADS, N.M.



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
HOBBBS, N.M. 88240
(505) 393-3117

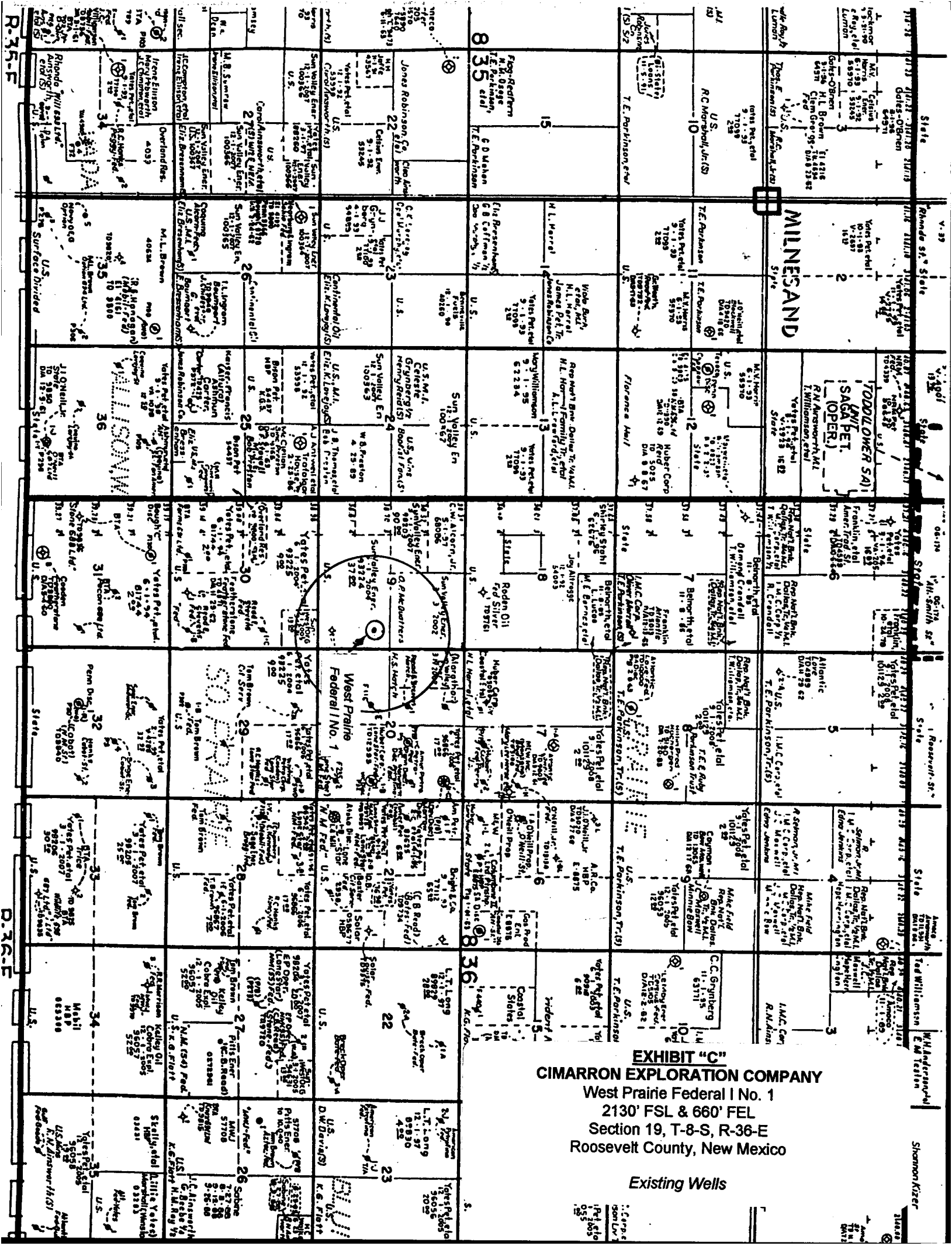


EXHIBIT "C"
CIMARRON EXPLORATION COMPANY
West Prairie Federal No. 1
2130' FSL & 660' FEL
Section 19, T-8-S, R-36-E
Roosevelt County, New Mexico

Existing Wells

Shannon Kizer

West Prairie Federal I #1
2130' FSL & 660' FEL of Sec. 19, T-8-S, R-36-E
Roosevelt County, New Mexico

Approximate Pad Dimensions

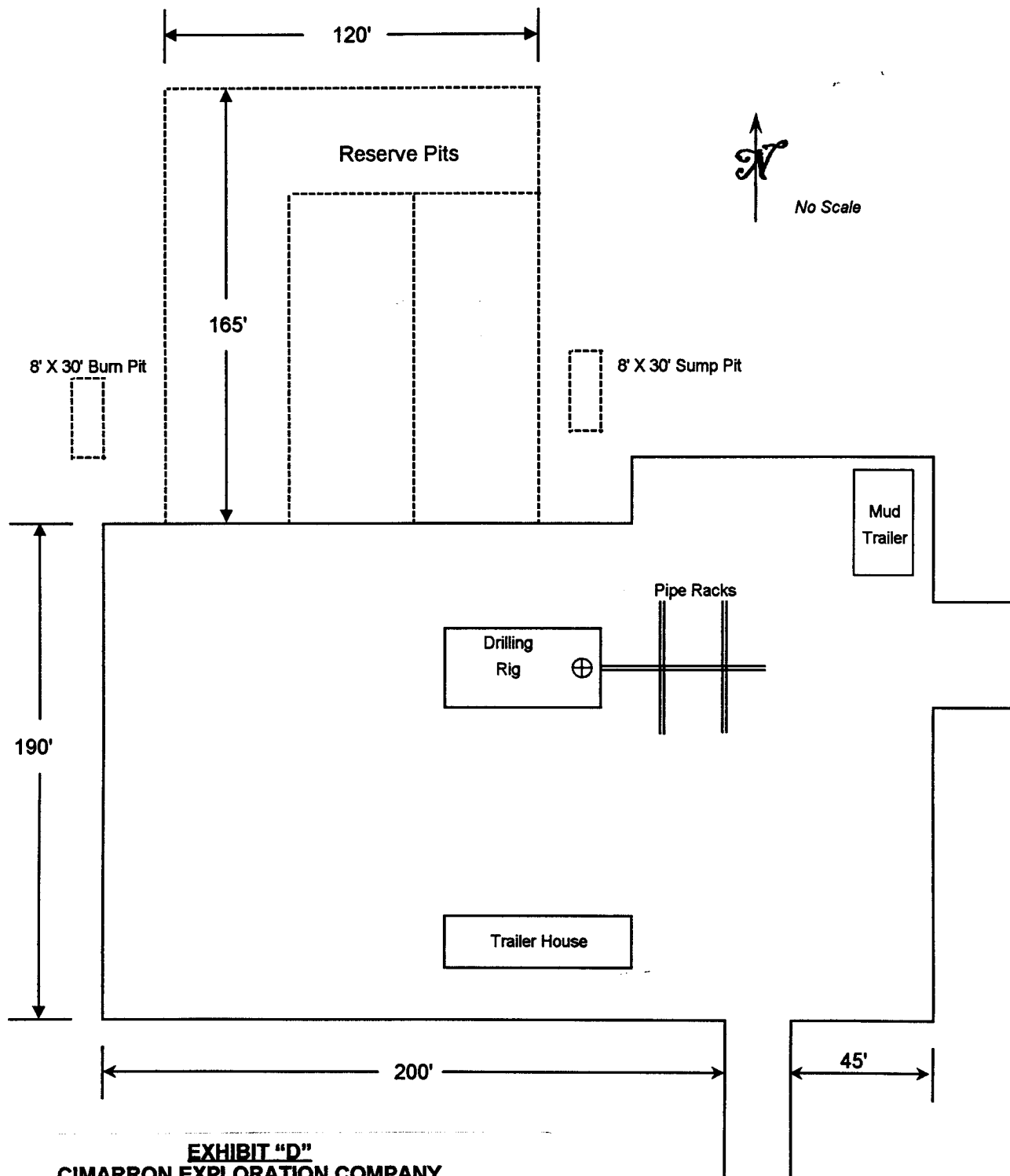


EXHIBIT "D"
CIMARRON EXPLORATION COMPANY
West Prairie Federal I No. 1
2130' FSL & 660' FEL
Section 19, T-8-S, R-36-E
Roosevelt County, New Mexico

Access Road: Approx. width - 14'
Approx. length - 2076'

Well Site Layout

BOP SCHEMATIC
Typical Double Ram Preventer Stack
2,000 psi WP System

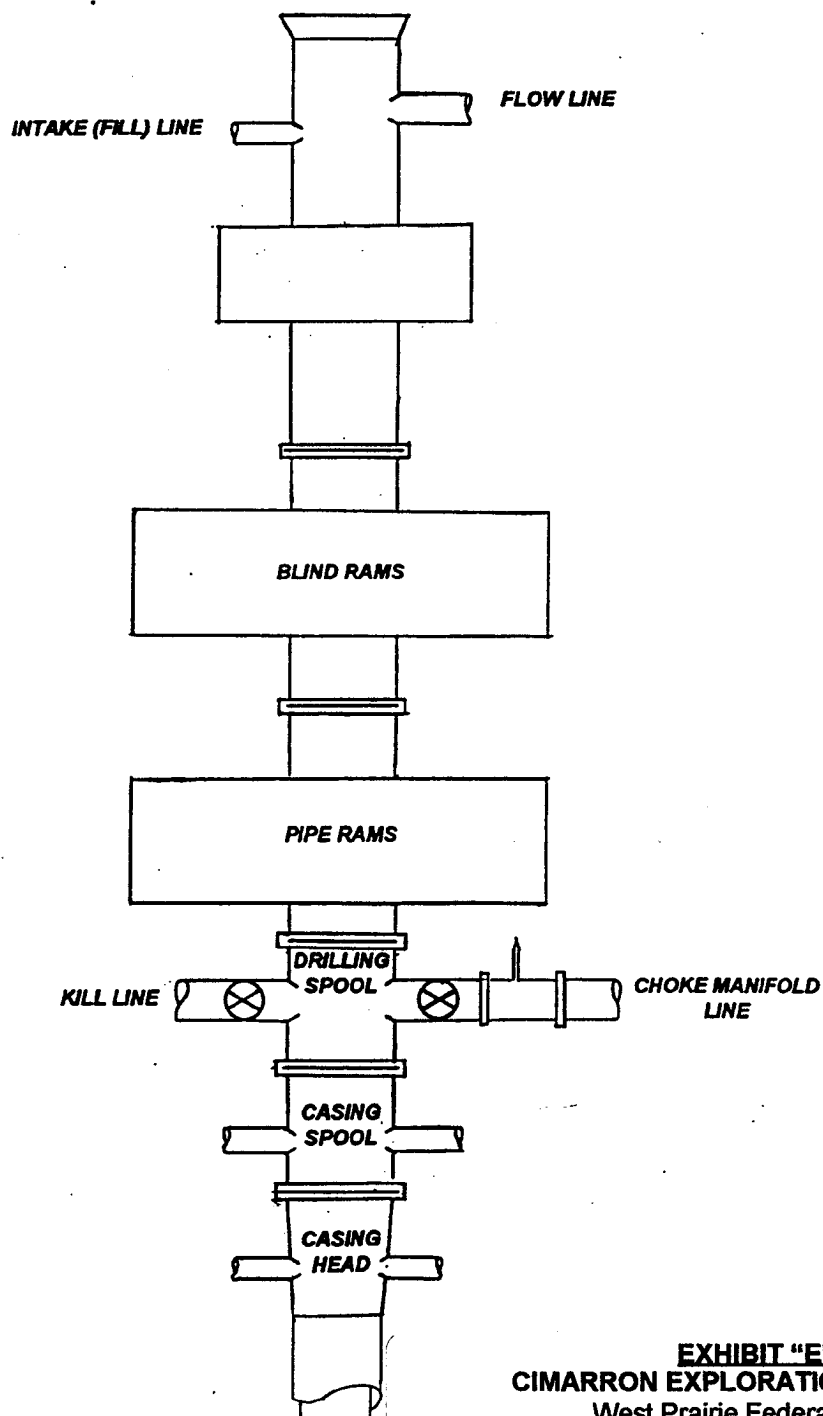


EXHIBIT "E"
CIMARRON EXPLORATION COMPANY
West Prairie Federal I No. 1
2130' FSL & 660' FEL
Section 19, T-8-S, R-36-E
Roosevelt County, New Mexico

BOP Schematic

ADDENDUM
TO
MULTI-POINT SURFACE USE PLAN
FOR

CIMARRON EXPLORATION COMPANY
West Prairie Federal I No. 1
2130' FSL & 660' FEL
Section 19, T-8-S, R-36-E
Roosevelt County, New Mexico

CULTURAL RESOURCE SURVEY
REPORTS AND RECOMMENDATIONS

**A CULTURAL RESOURCE SURVEY OF
THE WEST PRAIRIE I NO. 1 WELL LOCATION,
ROOSEVELT COUNTY, NEW MEXICO**

Prepared by
Don Clifton, Archaeological Consultant
For
Cimarron Exploration

NMCRIS Number 89770

Bureau of Land Management
Cultural Resource Use Permit 83-2920-02-0

Report Number 532
August, 2004

ABSTRACT

A cultural resource survey of a proposed well location and access road has been completed for Cimarron Exploration. The proposed well location and access road are on lands under the jurisdiction of the New Mexico Department of Game and Fish in Roosevelt County, New Mexico.

Fieldwork was conducted by Don Clifton, Archaeological Consultant, on August 19, 2004. The work was performed according to provisions of Bureau of Land Management Cultural Resource Use Permit 83-2920-02-0 which expires on December 31, 2005.

An area of 11 acres was examined for cultural resources.

An archaeological site, LA145139, was discovered during the survey. The site lies outside of the proposed area of impact and will be avoided by the proposed well location.

It is recommended that construction of the proposed well location and access road proceed with the stipulation that Site LA145139 be avoided.

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INTRODUCTION

Cimarron Exploration proposes to construct the West Prairie I No. 1 well location and access road within the Milnesand Prairie Chicken Area which is owned by the New Mexico Department of Game and Fish in Roosevelt County, New Mexico. The minerals are under the jurisdiction of the Bureau of Land Management.

Don Clifton, Archaeological Consultant, performed a cultural resource survey of the proposed well location and access road on August 19, 2004. The survey was conducted under provisions of Cultural Resource Use Permit 83-2920-02-0 which expires in December, 2005.

The West Prairie I No. 1 well location is in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 19, Township 8 South, Range 36 East, at 2,130' from the south line and 660' from the east line (Figure 1). An area 600' x 600' (8.25 acres) was examined for the proposed well location and an area 100' wide x 1,200' long (.75 acres) was inspected for the proposed access road. The access road will connect the proposed location to an abandoned well location. A total area of 11 acres was examined for cultural resources.

The map source is USGS 7.5' Crossroads, New Mexico, topographic map.

ENVIRONMENTAL SETTING

The proposed West Prairie I No. 1 is located approximately four miles southeast of Milnesand, New Mexico, in the Milnesand Prairie Chicken Area. The proposed well location is on a plain with a dunal ridge adjacent to the southwest corner of the location.

The area is a sandy plain with low dunal ridges and playas. Soils are classified as Gomez loamy fine sand. Observed soils are fine tan aeolian sands with small fragments of caliche exposed in eroded areas.

The vegetation of the area is a cover of shinnery oak. Also noted are narrow-leaf yucca, prickly pear cactus, snakeweed, and mixed grasses.

Surface visibility is estimated to be 60 – 70%.

METHODS

The proposed well location was examined for cultural resources by walking a series of linear transects spaced no wider than 50' apart. The proposed access road was inspected

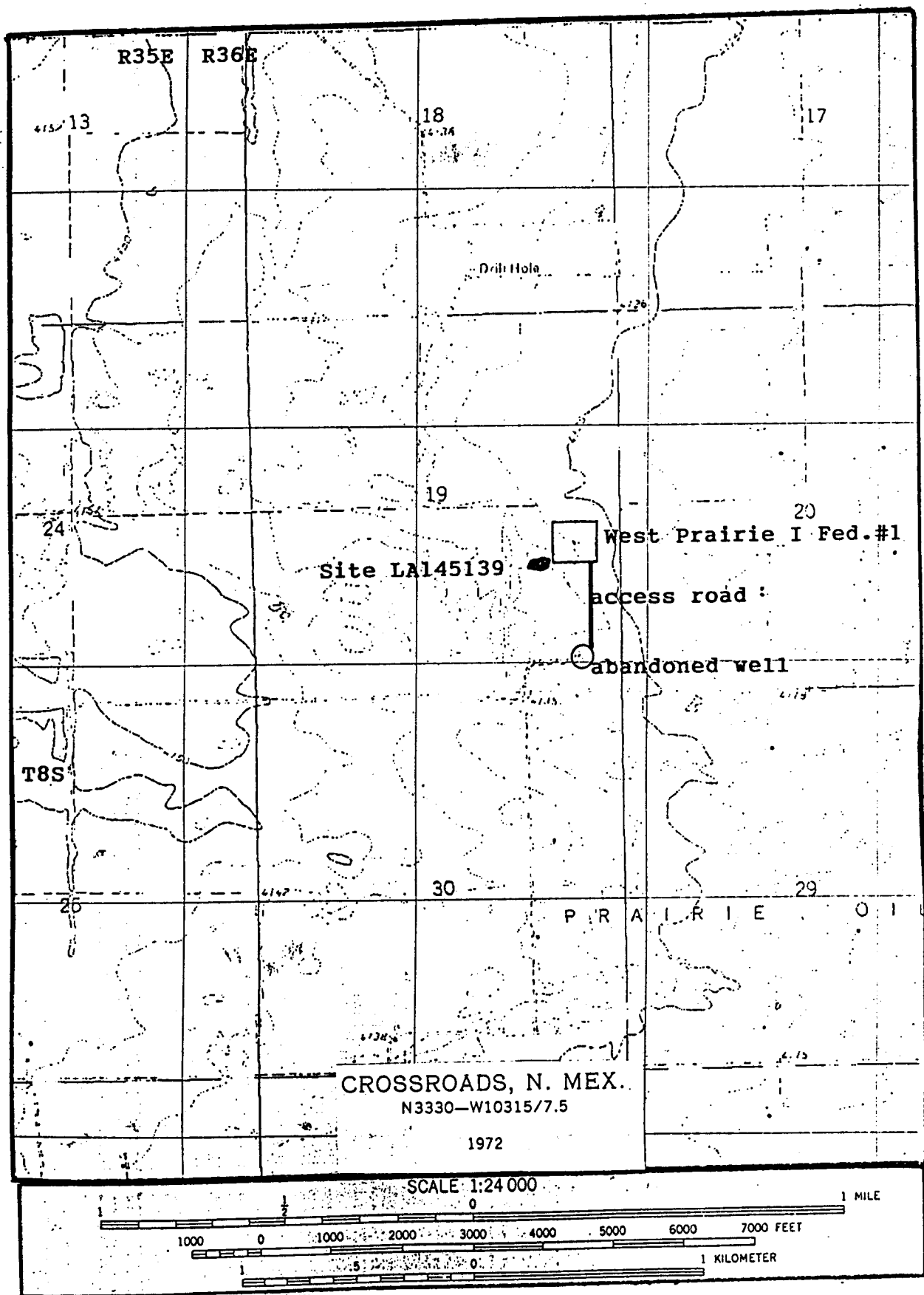


FIGURE 1. TOPOGRAPHIC MAP OF PROJECT

by walking a transect on either side of the staked center line which covered a 100' wide area.

Archaeological Site LA145139 was mapped using a Garmin 76S GPS unit with an accuracy within 17'.

Prior to fieldwork, records at the Bureau of Land Management and the Archaeological Records Management Section, Historic Preservation Division, State of New México, were consulted for known cultural resources within one mile of the project. These records checks found two previously recorded sites: Site LA6327, a Paleoindian site, is located over .75 mile to the southeast and Site LA136195, an historic homestead, that is .9 mile to the southeast.

SURVEY RESULTS

Site LA145139 was discovered just outside of the southwest corner of the proposed 600' x 600' well location. Cultural materials are present within eight of the ten blowouts on a low ridge of parabolic dunes. The blowouts vary in size and are an estimated 1.5 meters deep. Six of the blowouts are eroded to a compact red paleosol. The dunes are comprised of fine tan aeolian sands that are presumed to be of recent origin.

Blowout #1 is 32m x 9m in size and is 1.5m deep. The blowout contains a small area of compact red paleosols in the center. Eight fist-to-golfball sized pieces of burned caliche are scattered within the blowout.

Blowout #2 is 16m x 14m in size and is also 1.5m deep. The blowout contains loose tan sands in the bottom. Within a two-meter diameter area there are an estimated 30 golfball-sized pieces of burned caliche. Also noted within the blowout is a scatter of larger pieces of burned caliche, a unifacial fragment of a sandstone slab metate, the distal portion of a flake of alibates dolomite, two microflakes of Edwards Plateau chert, and a small body sherd of Chupadero Black-on-white pottery.

Blowout #3 is 40m x 10m in size and is eroded in the center to a red compact paleosol. Cultural materials consist of three fist-sized pieces of burned caliche.

Blowout #4 is 12m x 10m in size and contains a single golfball-sized piece of burned caliche.

Blowout #5 is 8m x 6m and is sterile.

Blowout #6 is 17m x 10m and is eroded in the center to compact red paleosols. There are 20 fist-to-marble sized pieces of burned caliche scattered throughout the blowout. On the north side of the blowout there are a few pieces of burned caliche part way up the side. This suggests the presence of buried cultural materials underneath the dunes.

Blowout #7 is 17m x 10m in size and contains loose tan sands in the bottom. A single marble-sized piece of burned caliche is present.

Blowout #8 is a crescent-shape blowout that is 24m x 7m. Compact red paleosols are exposed in the center of the blowout. A softball-sized piece of burned caliche and a purple quartzite biface were noted. The biface is percussion-flaked with use along a lateral edge. It measures 5.1cm long, 2.2cm wide, and is .8cm thick.

Blowout #9 is 5m x 4m in size and is sterile.

Blowout #10 is 25m x 7m in size and is eroded to compact red paleosols. The south end of the blowout contains 6 tertiary flakes of Edwards Plateau chert. Ten tertiary flakes of a dark grey chert are present in the northern portion of the blowout. Three of the flakes exhibit potlidding from a fire. Another three microflakes of Edwards Plateau chert were also noted.

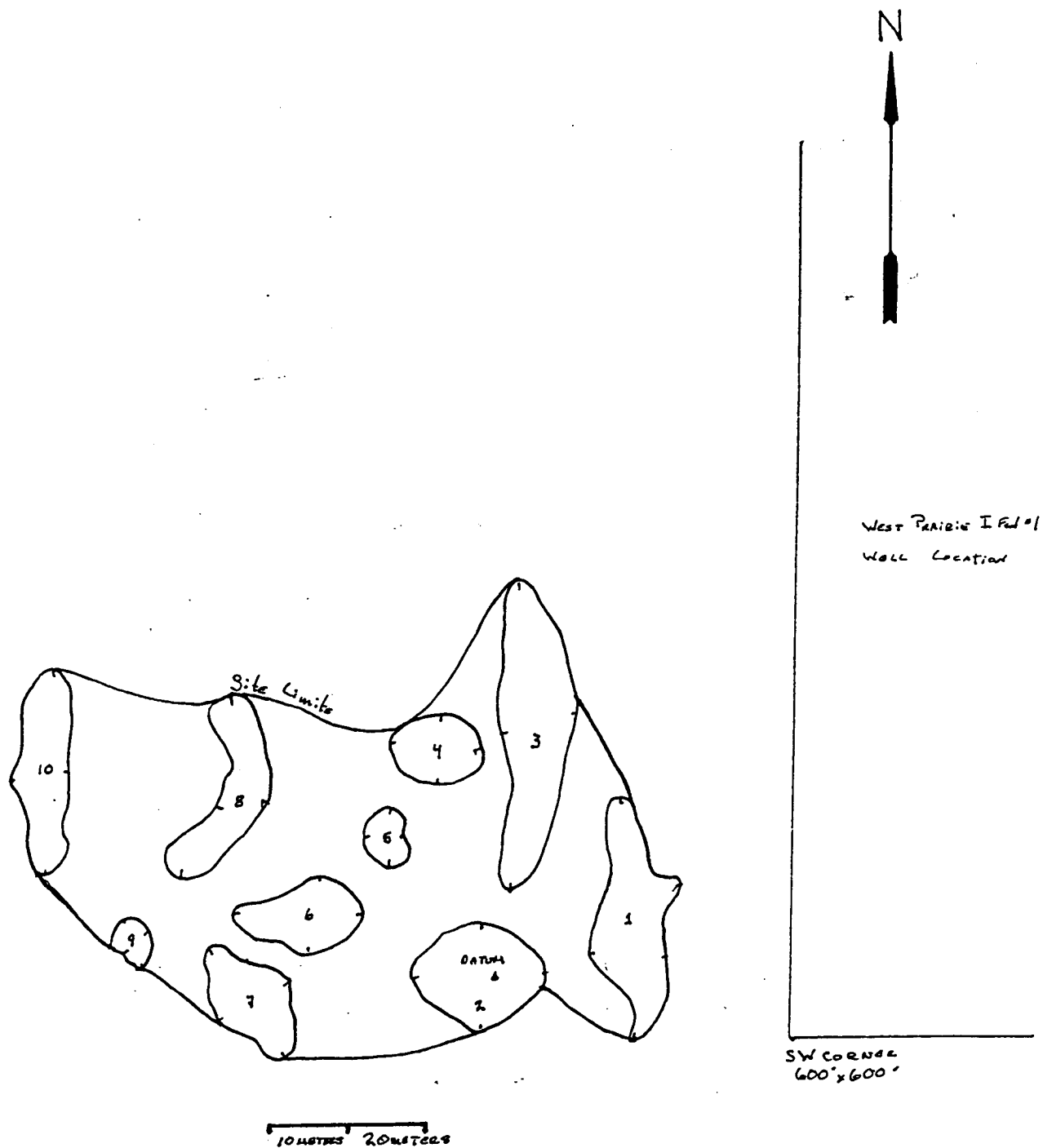
The single sherd of Chupadero Black-on-white indicates the site was occupied between A.D. 1150 and 1350. The few artifacts present suggest that the occupation of the site was of short duration. The lithic debitage types of Alibates dolomite and Edwards Plateau chert suggests either a very mobile group or that the lithics were acquired by trade. The tertiary lithic debitage also indicates that tool maintenance was an activity rather than tool manufacture.

One of the functions of the site was vegetal collection, processing, and preparation which is evidenced by the presence of the metate fragment and burned caliche which is indicative of cooking. The presence of the single sherd suggests storage, probably of foodstuffs.

The site is considered significant because of the probability of buried cultural materials underneath the adjacent dunes.

RECOMMENDATIONS

Site LA145139 is outside of the area of impact. It is recommended that construction of the West Prairie I No.1 well location and access road proceed with the stipulation that Site LA145139 be avoided.



SITE LA145139 (532-1)

FIGURE 2. MAP OF SITE LA145139

TITLE PAGE/ABSTRACT/NEGATIVE SITE REPORT

1. BLM Report No.	2. Reviewer's Initials/Date.....	3. NMCRIS Number			
	Accepted () Rejected ()				
4. Type of Report:	Negative (X)	Positive ()			
5. Title of Report: A CULTURAL RESOURCE SURVEY OF AN ACCESS ROAD TO THE WEST PRAIRIE NO. 1 WELL LOCATION, ROOSEVELT COUNTY, NEW MEXICO		6. Fieldwork Date(s) 26Jul2006			
Author: Don Clifton		7. Report Date 28Jul2006			
8. Consultant Name and Address: Direct Charge: Don Clifton Field Personel: Don Clifton Address: P.O. Box 30, Pep, N.M. 88126 Phone: (505)675-2360		9. Cultural Resource Permit No.: 83-2920-05-P 10. Consultant Report Number 633			
11. Client Name: Cimarron Exploration Responsible Individual: Richard Gilliland Address: P.O. Box 1592, Roswell, N.M. 88202 Phone: 505-623-9799					
13. Land Status	BLM	State	Private	Other	Total
a. Area Surveyed			4.4		4.4 acres
b. Area of Effect			2.2		2.2 acres
14. Linear	Length: 1,900'		Width: 100'		
15. Location: a. State: New Mexico a. County: Roosevelt c. BLM Office: Roswell d. Nearest City or Town: Milnesand e. Legal Description: SE1/4 SE1/4; SE1/4 NE1/4 SE1/4 Sec. 19, T8S, R36E f. Well Pad Footages: N/A g. USGS 7.5' Map: Crossroads, N.M. 1972 33103 E3					
16. Project Data: a. Records Search: Date of BLM Review: 26Jul2006 Name of Reviewer: Pat Flanery Date of ARMS Data Review: 25Jul2006 Name of Reviewer: Don Clifton Findings: Three previously recorded archaeological sites are within one mile of the project. Site LA145139 is a Formative Period campsite that was discovered during					

the survey of the West Prairie No. 1 well location, Site LA136195, a historic homestead is .9 mile to the east, and LA6327, a Paleoindian site is .75 miles to the southeast.

b. Description of Undertaking. The proposed 1,900' long access road was routed to avoid a potential prairie chicken lek.

c. Environmental Setting: The proposed access road is 4 miles southeast of Milnesand in the New Mexico Department of Game and Fish Milnesand Prairie Chicken Area. The project is on a plain with isolated areas of dunes. Soils are classified as Gomez loamy fine sand. Vegetation is a grasslands with a cover of shinnery oak.

There is an estimated 70% surface visibility.

d. Field Methods: The proposed access road was examined for cultural resources by walking a single transect on either side of a staked center line.

e. Artifacts Collected: None

17. Cultural Resource Findings: No cultural resources were discovered within the area examined.

a. Location and Identification of each resource:

b. Evaluation of significance of each resource

18. Management Summary: It is recommended that construction of the proposed access road proceed without any additional cultural resource investigations.

19. I certify the information provided is correct and accurate to my knowledge and meets all applicable BLM standards.

Responsible Archaeologist: *Don Chyten*

Date: *July 28, 2006*

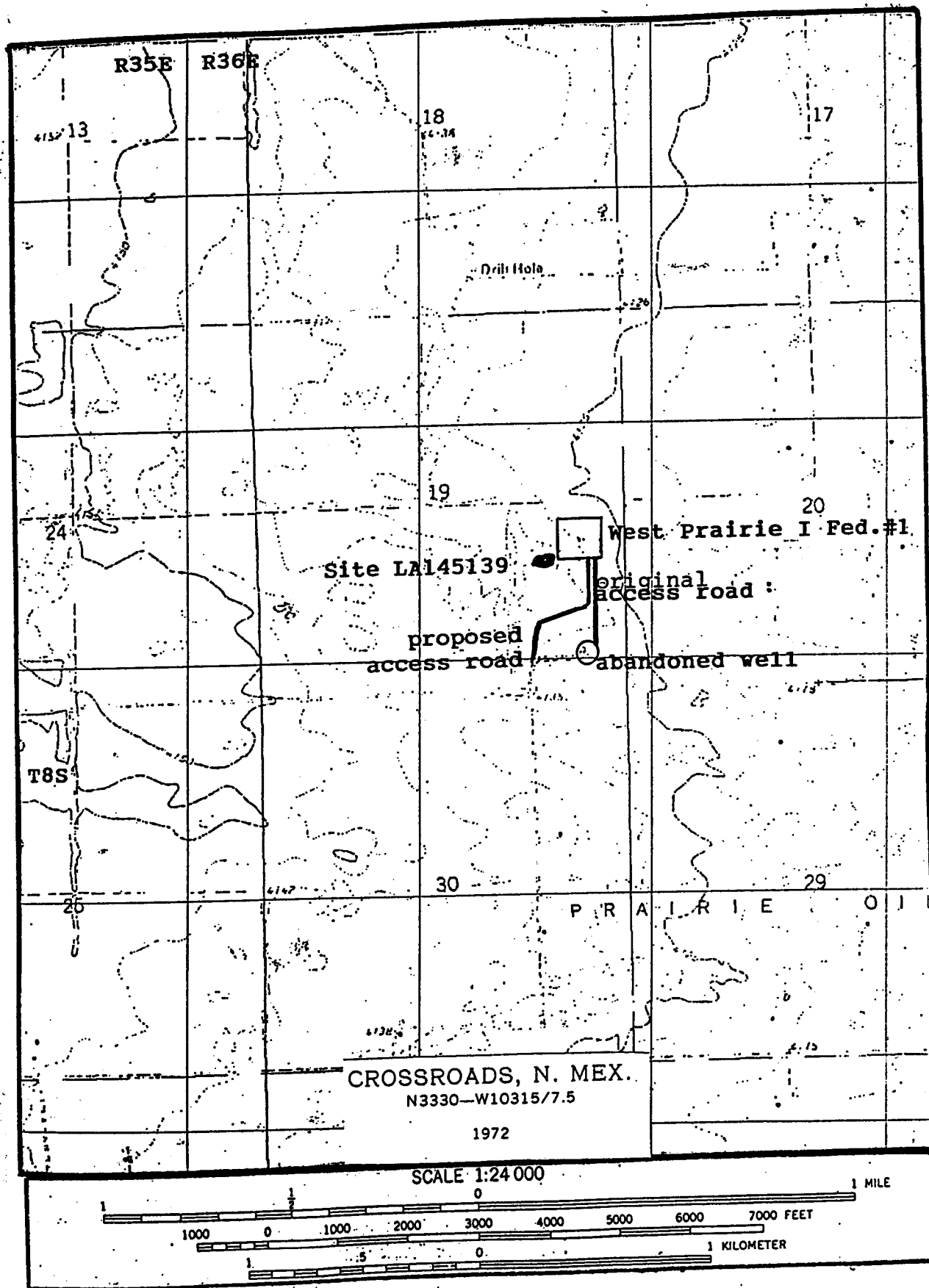


EXHIBIT A

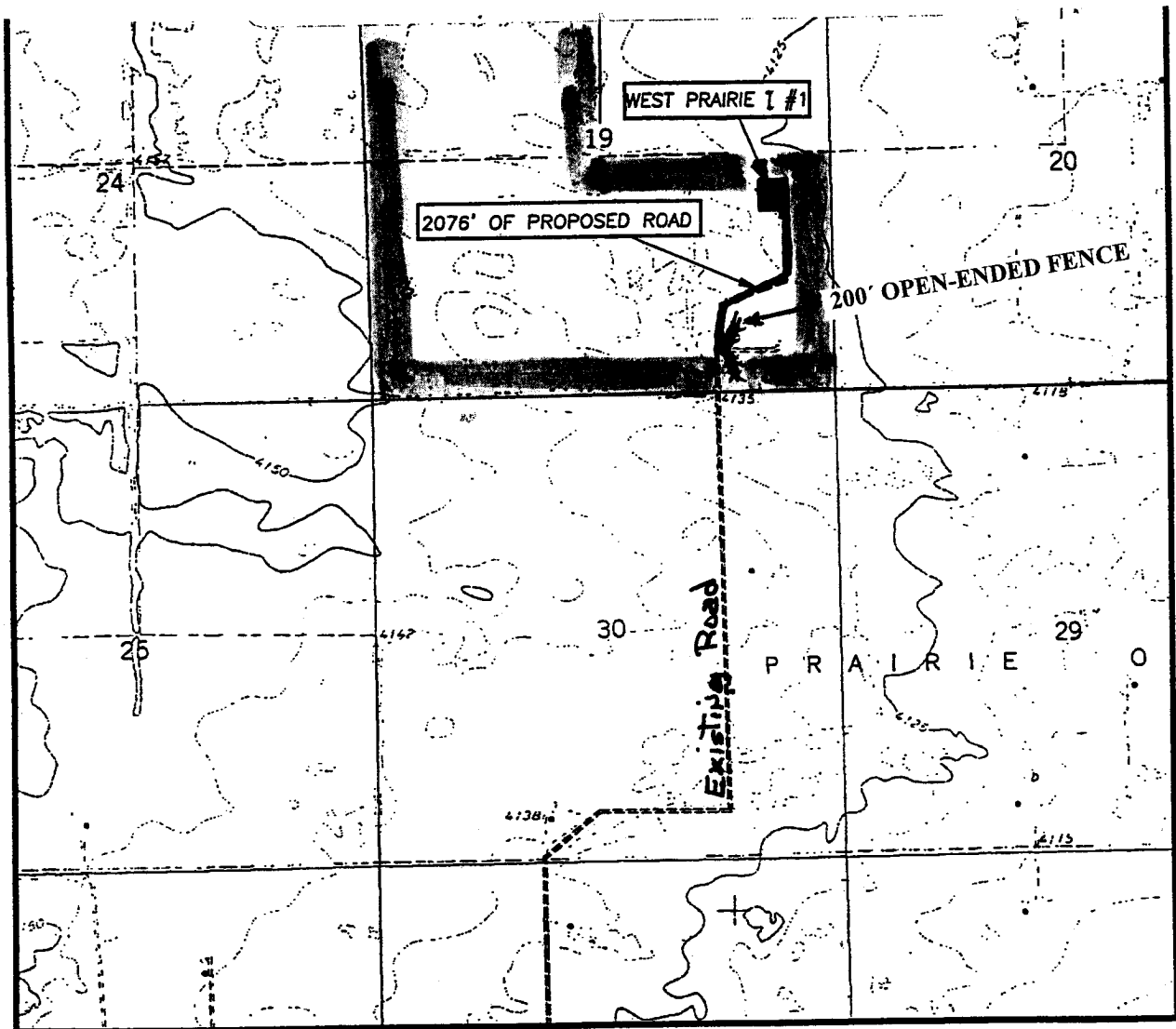
OPERATORS NAME: Cimarron Exploration Company LEASE NO.: NM-93224

WELL NAME & NO: West Prairie Federal I #1

QUARTER/QUARTER & FOOTAGE: NE $\frac{1}{4}$ SE $\frac{1}{4}$ - 2130' FSL & 660' FEL

LOCATION: Section 19, T. 8 S., R. 36 E.

COUNTY: Roosevelt County, New Mexico, NMPM





United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

EXHIBIT B

WELL DRILLING REQUIREMENTS

1 of 6 pages

OPERATORS NAME: Cimarron Exploration Company LEASE NO.: NM-93224
WELL NAME & NO: West Prairie Federal I #1
QUARTER/QUARTER & FOOTAGE: NE¼SE¼ - 2130' FSL & 660' FEL
LOCATION: Section 19, T. 8 S., R. 36 E.
COUNTY: Roosevelt County, New Mexico, NMPM

I. GENERAL PROVISIONS:

- A. The operator has the right of administrative review of these requirements pursuant to 43 CFR 3165.1(a).
- B. The operator shall hereafter be identified as the holder in these requirements. The Authorized Officer is the person who approves the Well Drilling Requirements.

II. WELL PAD CONSTRUCTION REQUIREMENTS:

- A. The BLM shall administer compliance and monitor construction of the access road and well pad. Notify Richard G. Hill at least 3 working days (72 Hours) prior to commencing construction of the access road and/or well pad. Roswell Field Office number (505) 627-0247.
- B. Prior to commencing construction of the access road, well pad, or other associated developments, the holder shall provide the dirt contractor with a copy of the approved APD signature page, a copy of the location map (EXHIBIT A), a copy of pages 1 & 2 from the Well Drilling Requirements (EXHIBIT B), and a copy of the Permanent Resource Road Requirements (EXHIBIT D).
- C. The holder shall stockpile the topsoil from the surface of the well pad. The topsoil on the West Prairie Federal I #1 well pad is approximate 6 inches in depth. Approximately 800 cubic yards of topsoil shall be stockpiled on the Southwest corner of the well pad, opposite the reserve pit.
- D. Reserve Pit Requirements:
 - 1. The reserve pit shall be constructed 120' X 165' on the **North** side of the well pad.
 - 2. The reserve pit shall be constructed to a minimum depth of four (4) feet below ground level. The reserve pit shall be constructed, so that the cuttings in the reserve pit can be buried a minimum depth of three (3) feet below ground level. See Exhibit E – Surface Reclamation/Restoration Requirements.

3. A synthetic or fabricated liner 12 mil in thickness shall be used to line the reserve pit. The liner shall meet ASTM standards that are designed to be resistant to the reserve pit contents.
4. The reserve pit shall be fenced on three (3) sides during drilling operations. The fourth side shall be fenced immediately upon rig release.
5. The reserve pit shall be constructed so as not to leak, break, or allow discharge of drilling muds. Under no circumstances will the reserve pit be cut to drain drilling muds on the well location.
6. The reserve pit shall not be located in any natural drainage.
7. The reserve pit shall be equipped to deter entry by birds, bats, other wildlife, and livestock, if the reserve pit contains any oil and/or toxic fluids.
8. Drilling muds shall be properly disposed of before the reserve pit is reclaimed. Drilling muds can be allowed to evaporate in the reserve pit or be removed and transported to an authorized disposal site. The reserve pit shall be backfilled when dry.
9. Dumping of junk or trash into the reserve pit is not allowed. Junk or trash shall be removed from within the reserve pit before the reserve pit is reclaimed. **Junk or trash shall not be buried in the reserve pit.**

E. Well Pad Surfacing Requirement:

The well pad shall be surfaced with 6 inches of compacted caliche, gravel, or other approved surfacing material. The well pad shall be surfaced prior to drilling operations. **See Permanent Resource Road Requirements - EXHIBIT D - requirement #4, for road surfacing.**

F. Cave Requirements:

1. If, during any construction activities any sinkholes or cave openings are discovered, all construction activities shall immediately cease. Contact Bill Murry at (505) 627-0220.
2. The BLM Authorized Officer will, within 24 hours of notification in "A" above, conduct an on-the-ground field inspection for karst. At the field inspection the authorized field inspector will authorize or suggest mitigating measures to lessen the damage to the karst environment. A verbal order to proceed or stop the operation will be issued at that time.

III. A. WELL SUBSURFACE REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell, NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties, in sufficient time for a representative to witness:

A. Spudding B. Cementing casing: 13 3/8 inch; 8 5/8 inch; 5 1/2 inch. C. BOP Tests

2. A Hydrogen Sulfide (H₂S) Drilling Plan is not required for this wellbore.

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

B. CASING:

1. The 13 3/8 inch shall be set at **350 Feet** with cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 8 5/8 inch Intermediate casing is to circulate to surface.

3. The minimum required fill of cement behind the 5 1/2 inch Production casing is to tie back into the 8 5/8 inch casing shoe by at least 200 ft.

C. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13 3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2 M psi.

D. Pressure Control (continued):

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the test.

- The test shall be done by an independent service company
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures.
- Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in safe workman-like manner. Hard line connections shall be required.
- Both low pressure and high pressure testing of BOPE is required.

IV. ON LEASE - WELL REQUIREMENTS:

A. The holder shall post signs identifying the location permitted herein with the requirements contained in Onshore Oil and Gas Order #1 and 43 CFR 3162.6.

B. The following data is required on the well sign that shall be posted in a conspicuous place on the well pad. The sign shall be kept up with current identification and shall be legible for as long as the well is in existence:

Operator Name: Cimarron Exploration Company
Well Name & No.: West Prairie Federal I #1
Lease No.: NM-93224
Footage: 2130' FSL & 660' FEL
Location: Section 19, T. 8 S., R. 36 E.

C. UPON ABANDONMENT OF THE WELL, THE SAME INFORMATION SHALL BE INSCRIBED ON THE DRY HOLE MARKER WITH A BEADED WELD.

D. The approval of the APD does not in any way imply or grant approval of any on-lease, off-lease, or off-unit action(s). It is the responsibility of the holder to obtain other approval(s) such as rights-of-way from the Roswell Field Office or other agencies, including private surface landowner(s).

E. All vehicles, including caterpillar track-type tractors, motor graders, off-highway trucks and any other type of motorized equipment that is used in the construction of the access road and well pad shall be confined to the area(s) herein approved. The drilling rig that is used to drill the well shall also be confined to the approved area(s).

F. Containment Structure Requirement:

1. A containment structure or earthen dike shall be constructed and maintained around all storage facilities/batteries. The containment structure or earthen dike shall surround the storage facilities/batteries.
2. The containment structure or earthen dike shall be constructed two (2) feet high around the facilities/batteries (the containment structure or earthen dike can be constructed higher than the two (2) feet high minimum).
3. The perimeter of the containment structure or earthen dike can be constructed substantial larger for greater holding capacity of the contents of the largest tank.
4. The containment structure or earthen dike shall be constructed so that in case of a spill the structure can contain the entire contents of the largest tank, plus 24 hour production, within the containment structure or earthen dike, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

G. Painting Requirement:

All above-ground structures (e.g.: meter houses, tanks, above ground pipelines, and related appurtenance, etc.) not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for painting all the well facilities is Olive Drab, Supplemental Environmental Colors 18-0622 TPX.

H. Fence Requirement:

The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair impacted improvements to at least their former state. On private surface the holder shall contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates shall be allowed unless approved by the Authorized Officer.

I. Open-vent Exhaust Stack Requirements:

1. All open-vent exhaust stacks associated with heater-treater, separators and dehydrator units shall be modified to prevent birds and bats from entering them and to the extent practical to discourage perching and nesting.
2. New production equipment installed on federal leases after November 1st, 1993, shall have the open-vent exhaust stacks constructed to prevent the entry of birds and bats and to the extent practical, to discourage perching, and nesting.

V. Invasive and Noxious Weeds Requirement:

A. The holder shall be held responsible if noxious weeds become established within the area. Evaluation of the growth of noxious weeds shall be made upon discovery. Weed control will be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipelines, and adjacent land affected by the establishment of weeds due to this action. The holder is responsible for consultation with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policy.

B. The holder shall insure that the equipment and or vehicles that will be used to construct, maintain and administer the access roads, well pad and resulting well are not polluted with invasive and noxious weed seed. Transporting of invasive and noxious weed seed could occur if the equipment and vehicles were previously used in noxious weed infested areas. In order to prevent the spread of noxious weeds, the Authorized Officer shall require that the equipment and vehicles be cleaned with either high pressure water or air prior to construction, maintenance and administration of the access roads, well pad, and resulting well.

VI. SPECIAL REQUIREMENT(S):

A. Lesser Prairie Chicken Stipulation:

The Roswell Approved Resource Management Plan and Record Of Decision addresses the preservation of the Lesser prairie chicken wildlife habitat. In cooperation with NMDGF, the RFO shall also consider the preservation of the North Bluit Lesser Prairie Chicken Management Area.

1. There shall be no earthmoving construction activities, well exploratory and/or developmental drilling, well completion, plugging and abandonment activities, **between February 15th through June 30th**, of each year. During that period, other activities, including the operation and maintenance of oil and gas facilities, will not be allowed between **3:00 a.m. and 9:00 a.m.**. To the extent practicable, activities occurring for a short period of time may be conducted so long as they do not commence until after **9:00 A.M.**. Waiver requests from February 15th to February 29th and June 16 to June 30 will be considered. Any deviation from this stipulation must be approved in writing by the Roswell Field Office Manager or the appropriate Authorized Officer.
2. All motors or engines that produce high noise levels shall have mufflers installed that effectively reduce excessive noise levels within prairie chicken habitat. High noise levels produced by motors or engines shall be reduced and muffled so as not to exceed 75 db measured at 30 feet from the source of the noise.
3. Upon abandonment of the well, reclamation activities can be conducted between February 15th through June 30th, so long as reclamation work shall not be conducted between the hours of **3:00 AM to 9:00 AM**. Any deviation from this requirement shall require prior approval by the Authorized Officer.
4. In an emergency situation, the Authorized Officer can allow a pit to be constructed for the purpose of collecting crude oil for removal. To prevent wildlife from entering the pit, netting of adequate size to deter access by wildlife shall cover the pit until it is no longer a threat to wildlife, and the pit is reclaimed.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Cimarron Exploration Company Telephone: (505) 623-9799 e-mail address: richardg@huntmr.com
Address: P.O. Box 1592, Roswell, New Mexico 88202-1592
Facility or well name: West Prairie Federal I No. 1 API #: 30-041-20931 U/L or Qtr/Qtr NE/4 SE/4 Sec 19 T 8-South R 36-East
County: Roosevelt Latitude N 33°36'19.16" Longitude W 103°14'22.85" NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☐ State ☐ Private ☐ Indian ☒

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume _____ bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <u>100 feet or more</u> (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) <u>No</u> (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <u>1000 feet or more</u> (0 points)
Ranking Score (Total Points) 0 points	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: October 25, 2006

Printed Name/Title Richard C. Gilliland, Vice President, Cimarron Exploration Company

Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title GARY W. WINK/STAFF MGR

Signature

Date: 11/22/06