

Hydrogen Sulfide Drilling Operations Plan
Independence 8 Federal Com No. 1
Cimarex Energy Co. of Colorado
Unit B, Section 8
T15S-R31E, Chaves County, NM

30-005-29151

- 1 All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
- 2 H₂S Detection and Alarm Systems:
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of flow line (mud pit) and on derrick floor or doghouse.
- 3 Windsock and/or wind streamers:
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
- 4 Condition Flags and Signs:
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag indicates normal safe condition. Yellow flag indicates potential pressure and danger. Red flag indicates danger (H₂S present in dangerous concentration). Only emergency personnel admitted to location.
- 5 Well control equipment:
 - A. See exhibit "E"
- 6 Communication:
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
- 7 Drillstem Testing:

No DSTs or cores are planned at this time.
- 8 Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 9 If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

H₂S Contingency Plan
Independence 8 Federal Com No. 1
Cimarex Energy Co. of Colorado
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T15S-R31E, Chaves County, NM

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must:

- ★ Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- ★ Evacuate any public places encompassed by the 100 ppm ROE.
- ★ Be equipped with H₂S monitors and air packs in order to control the release.
- ★ Use the "buddy system" to ensure no injuries occur during the response.
- ★ Take precautions to avoid personal injury during this operation.
- ★ Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- ★ Have received training in the:
 - ◆ Detection of H₂S, and
 - ◆ Measures for protection against the gas,
 - ◆ Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air=1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air=1	2 ppm	N/A	1000 ppm

Contacting Authorities

Cimarex Energy Co. of Colorado's personnel must liaise with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Cimarex Energy Co. of Colorado's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H₂S Contingency Plan Emergency Contacts
Independence 8 Federal Com No. 1
 Cimarex Energy Co. of Colorado
 Unit B, Section 8
 T15S-R31E, Chaves County, NM

Company Office

Cimarex Energy Co. of Colorado	800-969-4789
Co. Office and After-Hours Menu	

Key Personnel

Name	Title	Office	Mobile
Doug Park	Drilling Manager	972-443-6463	972-333-1407
Dee Smith	Drilling Super	972-443-6491	972-882-1010
Jim Evans	Drilling Super	972-443-6451	972-465-6564
Roy Shirley	Field Super		432-634-2136

Artesia

Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	575-746-2701
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-887-3798
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

Santa Fe

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
New Mexico Emergency Response Commission (Santa Fe) 24 Hrs	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635

National

National Emergency Response Center (Washington, D.C.)	800-424-8802
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Medical

Flight for Life - 4000 24th St.; Lubbock, TX	806-743-9911
Aerocare - R3, Box 49F; Lubbock, TX	806-747-8923
Med Flight Air Amb - 2301 Yale Blvd S.E., #D3; Albuquerque, NM	505-842-4433
SB Air Med Service - 2505 Clark Carr Loop S.E.; Albuquerque, NM	505-842-4949

Other

Boots & Coots IWC	800-256-9688	or	281-931-8884
Cudd Pressure Control	432-699-0139	or	432-563-3356
Halliburton	575-746-2757		
B.J. Services	575-746-3569		

Surface Use Plan
Independence 8 Federal Com No. 1
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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, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

- A. Exhibit "A" shows the proposed well site as staked.
- B. From mile marker 30 of Hwy 249, go North on lease road for 1.8 miles to proposed location.

- 2 Planned Access Roads: No new roads will be constructed.

- 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 If on completion this well is a producer, Cimarex Energy Co. of Colorado will furnish maps and/or plats showing on site facilities or off site facilities if needed. This 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 or piped in flexible lines laid on top of the ground.

- 6 Source of Construction Material:

If possible, construction will be obtained from the excavation of drill site. If additional material is needed, it will be purchased from a local source and transported over the access route as shown on Exhibit "C".

Surface Use Plan
Independence 8 Federal Com No. 1
Cimarex Energy Co. of Colorado
Unit B, Section 8
T15S-R31E, Chaves County, NM

7 Methods of Handling Waste Material:

- A. Drill cuttings will be separated by a series of solids removal equipment and stored in steel containment pits and then hauled to a state-approved disposal facility.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. Sewage from living quarters will drain into holding tanks and be cleaned out periodically. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Drilling fluids will be contained in steel pits in a closed circulating system. Fluids will be cleaned and reused. Water produced during testing will be contained in the steel pits and disposed of at a state approved disposal facility. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8 Ancillary Facilities:

- A. No camps or airstrips to be constructed.

9 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.

10 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 recontoured 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, the previously noted procedures will apply to those areas which are not required for production facilities.

Surface Use Plan
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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. 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 Roswell BLM office.
- D. There are no know dwellings within 1½ miles of this location.

Operator Certification Statement
Independence 8 Federal Com No. 1
Cimarex Energy Co. of Colorado
Unit B, Section 8
T15S-R31E, Chaves 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 the statements and plans made in this APD are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Cimarex Energy Co. of Colorado and/or its contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME: Zeno Farris
Zeno Farris
DATE: March 24, 2010
TITLE: Manager Operations Administration

RECEIVED

AUG 02 2010

HOBBSD

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
SHL LC-060850, BHL LC-069832-B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well☐ Gas Well☐ Other

2. Name of Operator

Cimarex Energy Co. of Colorado

3a. Address

600 N. Marienfeld St., Ste. 600; Midland, TX 79701

3b. Phone No. (include area code)

432-571-7800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SHL 510 FNL & 2310 FEL, 8-15S-31E

BHL 660 FNL & 330 FEL, 9-15S-31E

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

Pending

8. Well Name and No

Independence 8 Federal Com No. 1

9. API Well No.

30-005-

10. Field and Pool, or Exploratory Area

Abo/Wolfcamp Wildcat

11. County or Parish, State

Chaves County, NM

CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-off☐ Well Integrity☒ Other Rectify administratively deficient APD items

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Cimarex's APD for the Independence 8 Federal Com No. 1 was found to be deficient in the following ways:

- **Map showing access route:** Please see attached revised topo.
- **Interim/Federal Reclamation Plan:** Please see attached page for reclamation plans.

ACCEPTED FOR RECORD

JUL 16 2010
NAME Jordan
NATURAL RESOURCE
SPECIALIST

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Natalie Krueger

Title

Regulatory

Signature

Date

07.08.10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of Approval, if any, are attached. Approval of this notice 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.

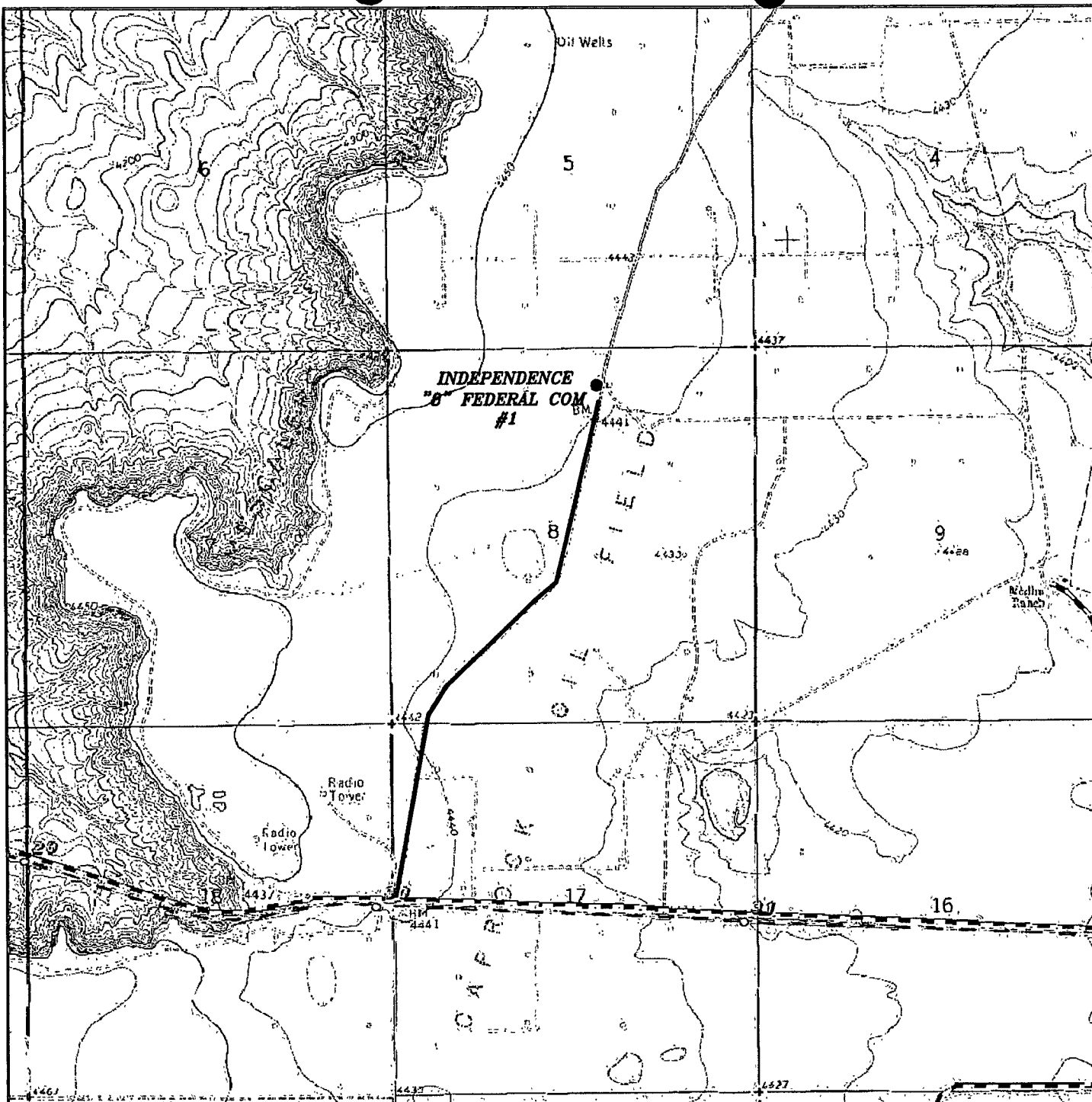
Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 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)



INDEPENDENCE "8" FEDERAL COM #1
 Located 510' FNL and 2310' FEL
 Section 8, Township 15 South, Range 31 East,
 N.M.P.M., Chaves County, New Mexico.

basin
surveys

focused on excellence
 in the oilfield

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

W.O. Number: JMS 21628

Survey Date: 08-14-2009

Scale: 1" = 2000'

Date: 08-17-2009

CIMAREX
ENERGY CO.
OF COLORADO

Interim/Federal Reclamation Plans
Independence 8 Federal Com No. 1
Cimarex Energy Co. of Colorado
SHL 510 FNL & 2310 FEL, 8-15S-31E
BHL 660 FNL & 330 FEL, 9-15S-31E
Chaves County, NM

Location of Proposed Production Facilities:

If on completion this well is a producer, the necessary production equipment will be installed at the wellsite and a flowline laid along existing road to tank battery at the Independence 8 Federal Com No. 2. Caliche from areas of the pad site not required for operations will be reclaimed. The original topsoil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation. Any changes to the facilities or off-site facilities will be accompanied by a Sundry Notice.

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" of APD (rig layout). If additional material is needed, it will be purchased from a BLM-approved pit as near as possible to the well location.

Well Site Layout:

- A. Exhibit "D" of APD 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.

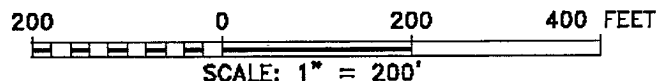
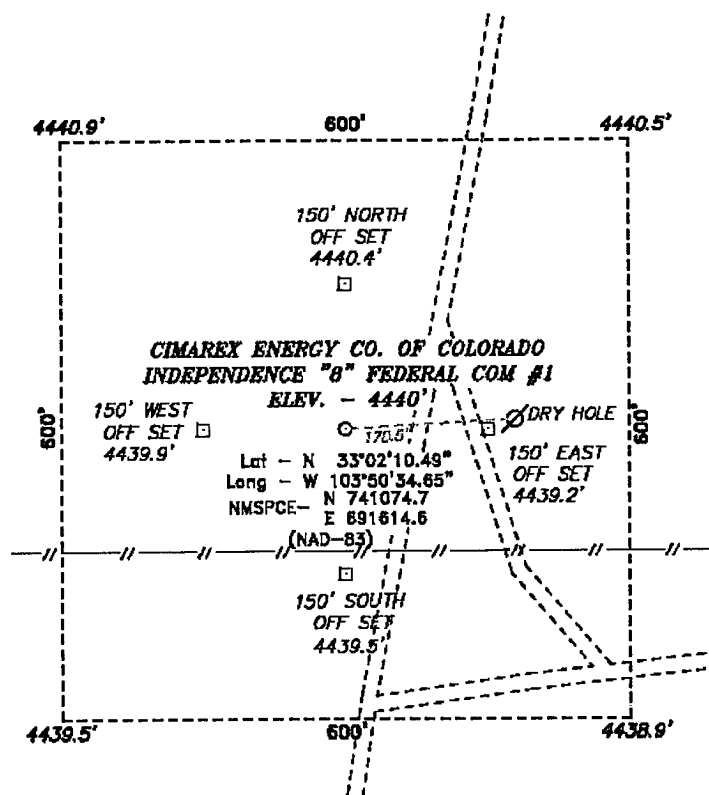
Plans for Restoration of Surface:

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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, or at final abandonment, the pad and road area will be recountoured to match the existing terrain. The caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

SECTION 8, TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO.



Directions to Location:

FROM MILE MARKER 30 OF HWY 249, GO NORTH ON
LEASE ROAD FOR 1.8 MILES TO PROPOSED
LOCATION.

CIMAREX ENERGY CO. OF COLORADO

REF: INDEPENDENCE "8" FEDERAL COM #1 / WELL PAD TOPO

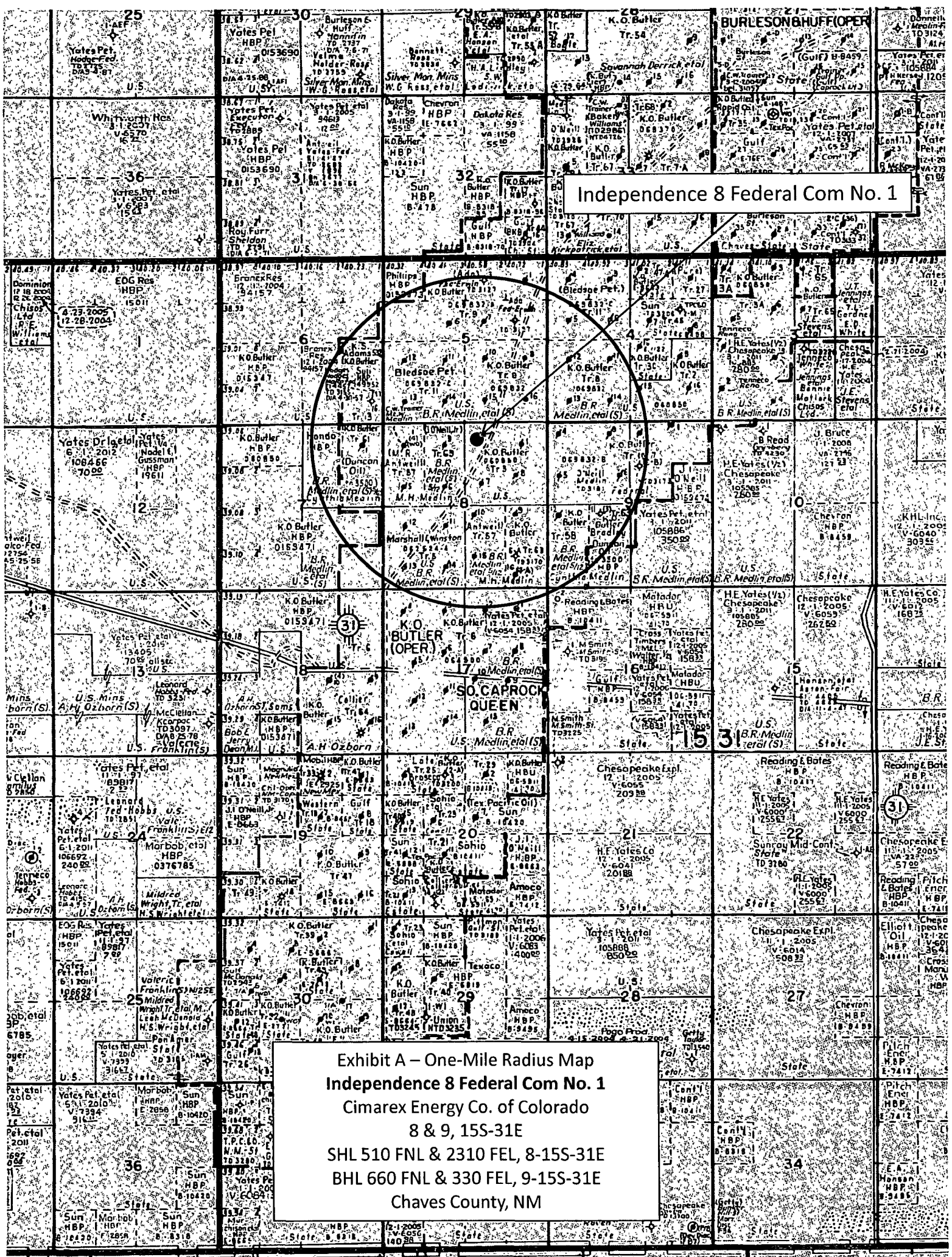
THE INDEPENDENCE "8" FEDERAL COM #1 LOCATED 510'
FROM THE NORTH LINE AND 2310' FROM THE EAST LINE OF
SECTION 8, TOWNSHIP 15 SOUTH, RANGE 31 EAST,
N.M.P.M., CHAVES COUNTY, NEW MEXICO.

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

W.O. Number: 21628 Drawn By: J. SMALL

Date: 08-17-2009 Disk: JMS 21628

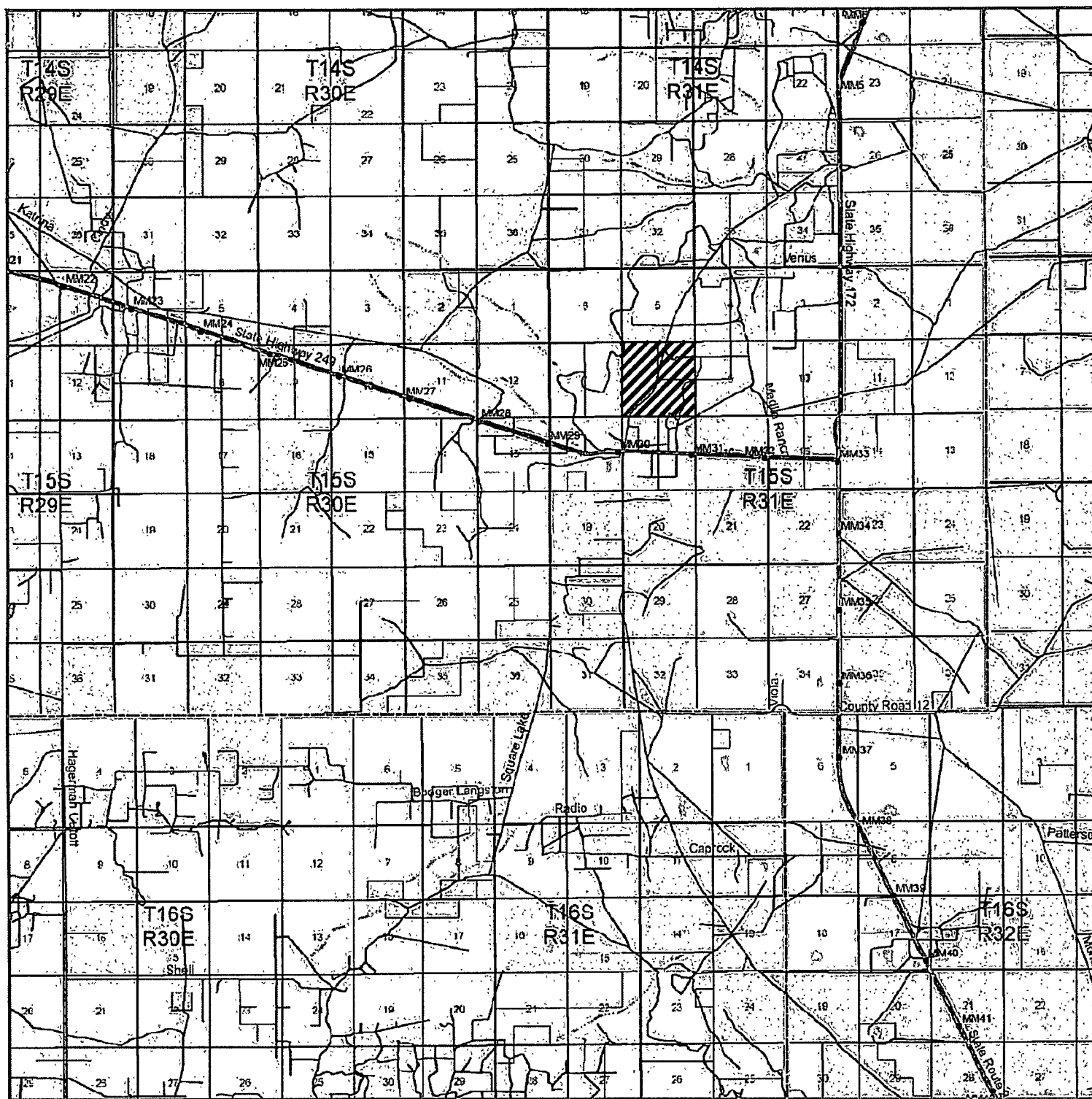
Survey Date: 08-14-2009 Sheet 1 of 1 Sheets



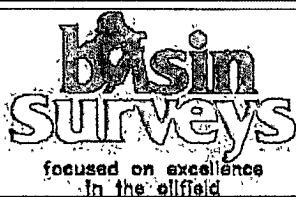
Independence 8 Federal Com No. 1

Exhibit A – One-Mile Radius Map
Independence 8 Federal Com No. 1
Cimarex Energy Co. of Colorado
8 & 9, 155-31E
SHL 510 FNL & 2310 FEL, 8-155-31E
BHL 660 FNL & 330 FEL, 9-155-31E
Chaves County, NM

31



INDEPENDENCE "8" FEDERAL COM #1
 Located 510' FNL and 2310' FEL
 Section 8, Township 15 South, Range 31 East,
 N.M.P.M., Chaves County, New Mexico.



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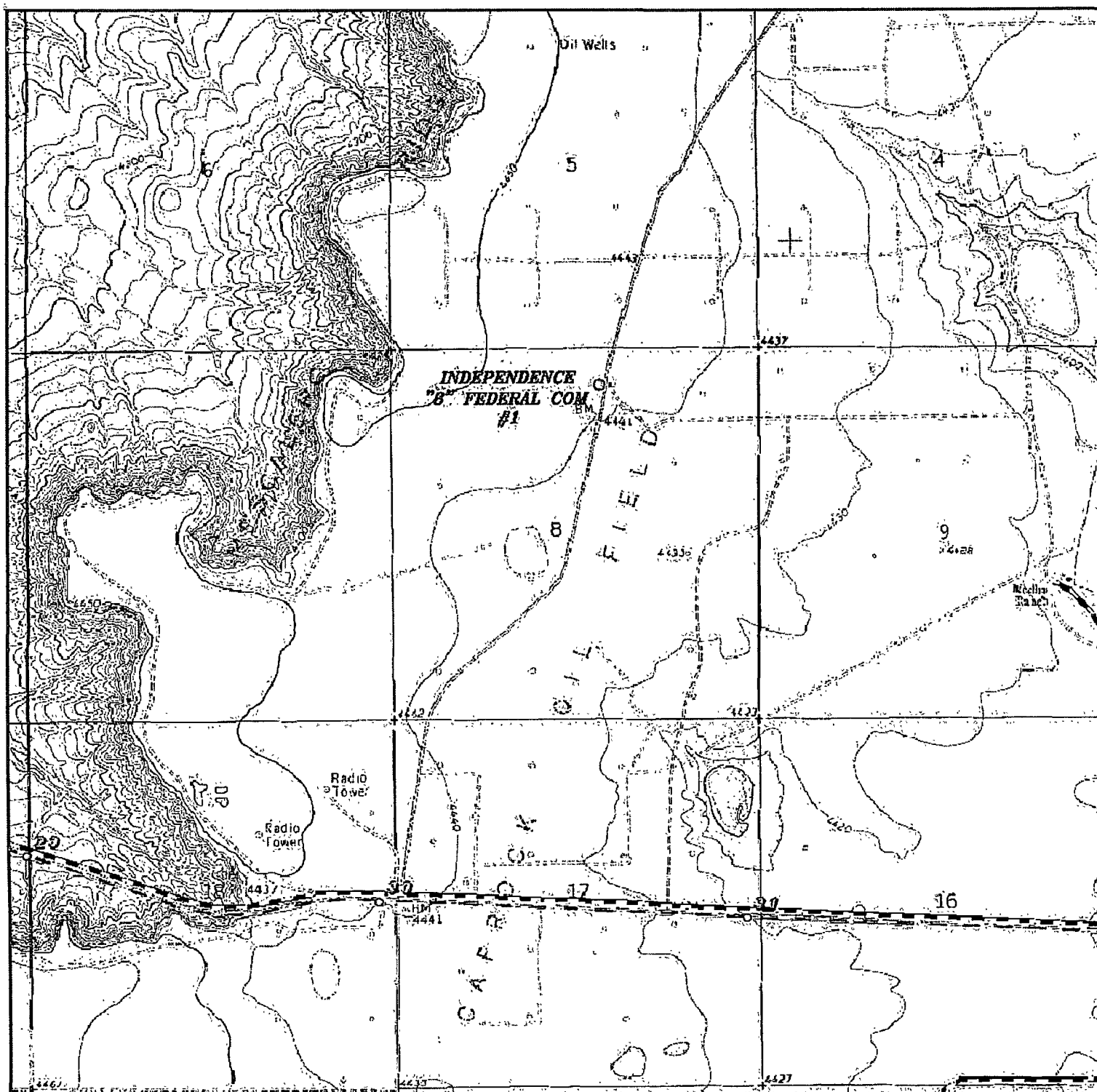
W.O. Number: JMS 21628

Survey Date: 08-14-2009

Scale: 1" = 2 Miles

Date: 08-17-2009

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Survey Date: 08-14-2009

Scale: 1" = 2000'

Date: 08-17-2009

CIMAREX
ENERGY CO.
OF COLORADO

Cactus Rig 122

Cimarex Energy Co. of Colorado

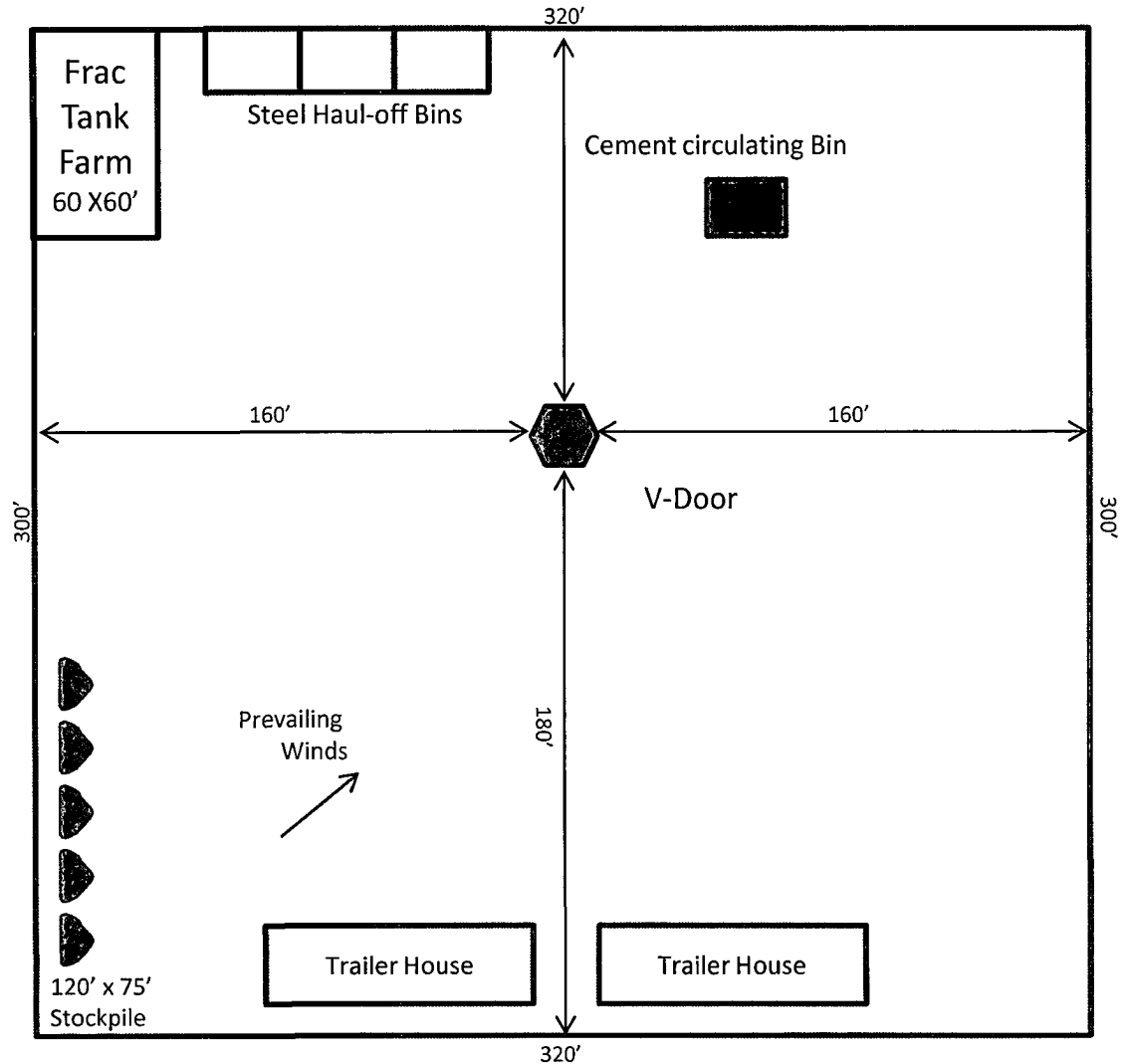


Exhibit D – Rig Layout
Independence 8 Federal Com No. 1
Cimarex Energy Co. of Colorado
8 & 9, 15S-31E
SHL 510 FNL & 2310 FEL, 8-15S-31E
BHL 660 FNL & 330 FEL, 9-15S-31E
Chaves County, NM

