

HUNT CIMARRON LIMITED PARTNERSHIP

Cedar Point 14-L Federal No. 1
1,980' FSL & 660' FWL
Section 14, T-15-S, R-30-E
Chaves County, New Mexico
Lease No. NMNM 103880

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AUG 23 2010

HOBBSOCD

Hydrogen Sulfide Drilling Operations Plan

(attached to Federal Form 3160-3)

- 1 All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:
 - A. The hazards and characteristics of hydrogen sulfide (H_2S).
 - B. Proper use of safety equipment and life support systems.
 - C. Proper use of H_2S detectors, warning systems, and briefing areas.
 - D. Evacuation procedure, routes, and first aid.
 - E. Proper rescue procedures and proper use of rescue equipment
- 2 H_2S Detection and Alarm Systems:
 - A. Portable H_2S monitors with warning lights and audible alarms will be placed on location and positioned for the best possible coverage and response, including on the derrick floor or in the doghouse.
- 3 Visual Warning Systems:
 - A. Windssocks and/or wind streamers at the mud pit area and briefing area will be placed at a sufficient height to be visible from a distance.
 - B. Warning signs will be displayed on the access road to the location and will be in highly visible colors and of sufficient size to be read from a reasonable distance.
 - C. Flags will be displayed on the sign to the location. A green flag will be displayed to indicate normal, safe conditions. A yellow flag will be displayed to indicate potential pressure and danger. A red flag will be displayed to indicate H_2S is present in dangerous conditions and only emergency personnel will be admitted to the location.
- 4 Well Control Equipment:
 - A. See Blowout Preventer exhibit attached
- 5 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 radios or cell phones will be used to communicate off location. In most cases, cellular communications are available in the drilling supervisor's living quarters.
- 6 Drillstem Testing:
 - A. No drillstem tests or cores are planned at this time.
- 7 Metallurgy:

The drilling contractor supervisor will be required to be familiar with the effects of H_2S on tubular goods, packing and seal materials, and other mechanical equipment and materials.
- 8 Mud System:

Proper mud weight and characteristics will be maintained to limit the volume of any H_2S being circulated to the surface. If H_2S is encountered, the mud system will be adjusted as necessary to maintain control of the formation. A mud/gas separator will be utilized along with H_2S scavengers if necessary.

Hydrogen Sulfide Drilling Operations Plan

(attached to Federal Form 3160-3)

Company Office

Hunt Cimarron Limited Partnership
Cimarron Exploration Company

575-623-9799

Company Personnel

Name	Office	Mobile	Home
Bobby Burnett	575-623-9799	575-390-5254	575-396-3797
Jody Mulkey	575-623-9799	575-420-3261	806-229-3246
Richard Gilliland	575-623-9799	575-420-6264	

Agency Responders

Name	Contact Number
Roswell State Police Office	575-622-7200
Roswell City Police Office	575-624-6770
Chaves County Sheriff's Office	575-624-6500
Ambulance Service	911
Roswell Fire Department	575-624-6800
Local Emergency Planning Committee (LEPC)	575-624-6770
New Mexico Oil Conservation Division - Artesia	575-748-1283
Bureau of Land Management - RFO	575-627-0272

Emergency Services

Name	Contact Number
Boots & Coots IWC	800-256-9688
Cudd Pressure Control	915-563-3356
B.J. Services	575-746-3569
Flight For Life - Lubbock, TX	806-743-9911
Aerocare - Lubbock, TX	806-747-8923
Med Flight Air Ambulance - Albuquerque, NM	505-842-4433
Lifeguard Air Med Services - Albuquerque, NM	505-272-3115

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

HUNT CIMARRON LIMITED PARTNERSHIP

Cedar Point 14-L Federal No. 1

1,980' FSL & 660' FWL

Section 14, T-15-S, R-30-E

Chaves County, New Mexico

Lease No. NMNM103880

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In conjunction with Form 3160-3, *Application for Permit to Drill*, Hunt Cimarron Limited Partnership 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 15 miles northeast of Loco Hills, New Mexico.
- B. Directions to the well site: From Loco Hills, New Mexico take the Hagerman Cutoff north approximately 16 miles to the "T" intersection with SR 249. Turn right on SR 249 and proceed east approximately 6 miles. Turn right (south) off of SR 249 through a cattle guard. Continue southerly on this lease road approximately 1.1 miles to the location.

2. Planned Access Road:

- A. Length and Width: The proposed new access road will be approximately 1,447 feet long and 14 feet wide beginning from an existing lease road in the SW/4 of section 14 and proceeding directly west to the location. Exhibit "B" is a topographic map indicating the location of the proposed access road as staked. The existing lease road will also require improvements. A verbal agreement has been reached with the private surface owner for right-of-way access across the portion of the existing lease road that traverses private surface.
- 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: No major cuts and fills will be required.
- E. Culverts: It is anticipated that a low-water crossing will be constructed, or if necessary, a culvert will be installed at an arroyo to control possible erosion and washout conditions.
- F. Gates, Cattle guards: A cattleguard and gate will be required at the point of entrance where the old lease road intersects with SR 249. No other cattle guards will be required.

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. Hunt Cimarron 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:**

Fresh and brine water will be utilized for 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:**

Caliche will be required for the construction of the access road and well pad. The dirt contractor will locate the closest pit with available quality material and obtain all necessary permits and materials to complete construction.

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

- A. During drilling operations all liquids, drilling fluids, and cuttings will be hauled off to a permitted disposal facility.
- B. 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.
- C. Oil produced during operations will be stored in tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. 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 location and orientation of the drilling rig and equipment, and the access road approach.
- B. The well will be drilled utilizing a closed-loop system.
- 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. 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.

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 primarily grazing and pasture land for cattle operations. The surface is currently under a grazing lease with Albert H. Ozborn, East Star Route, Maljamar, NM 88264. The grazing lessee has been consulted regarding the proposed operations.
- G. Surface Ownership: Surface ownership for the proposed well site is the United States Government under the management of the Bureau of Land Management.
- H. Cultural Resource Aspects: A cultural resource survey will be conducted to determine if any evidence exists for any archaeological, historical, or cultural sites within the staked areas for the well pad or the proposed access road. Copies of the results of this survey will be provided to the surface management agency as soon as it is available.

12. Operator's Representative:

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

Richard C. Gilliland
Vice President
Hunt Cimarron Limited Partnership
P.O. Box 1592
Roswell, NM 88202-1592
Ph: (575) 623-9799

Bobby Burnett
Field Supervisor
Hunt Cimarron Limited Partnership
P.O. Box 1592
Roswell, NM 88202-1592
Ph: (575) 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 Hunt Cimarron Limited Partnership 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.

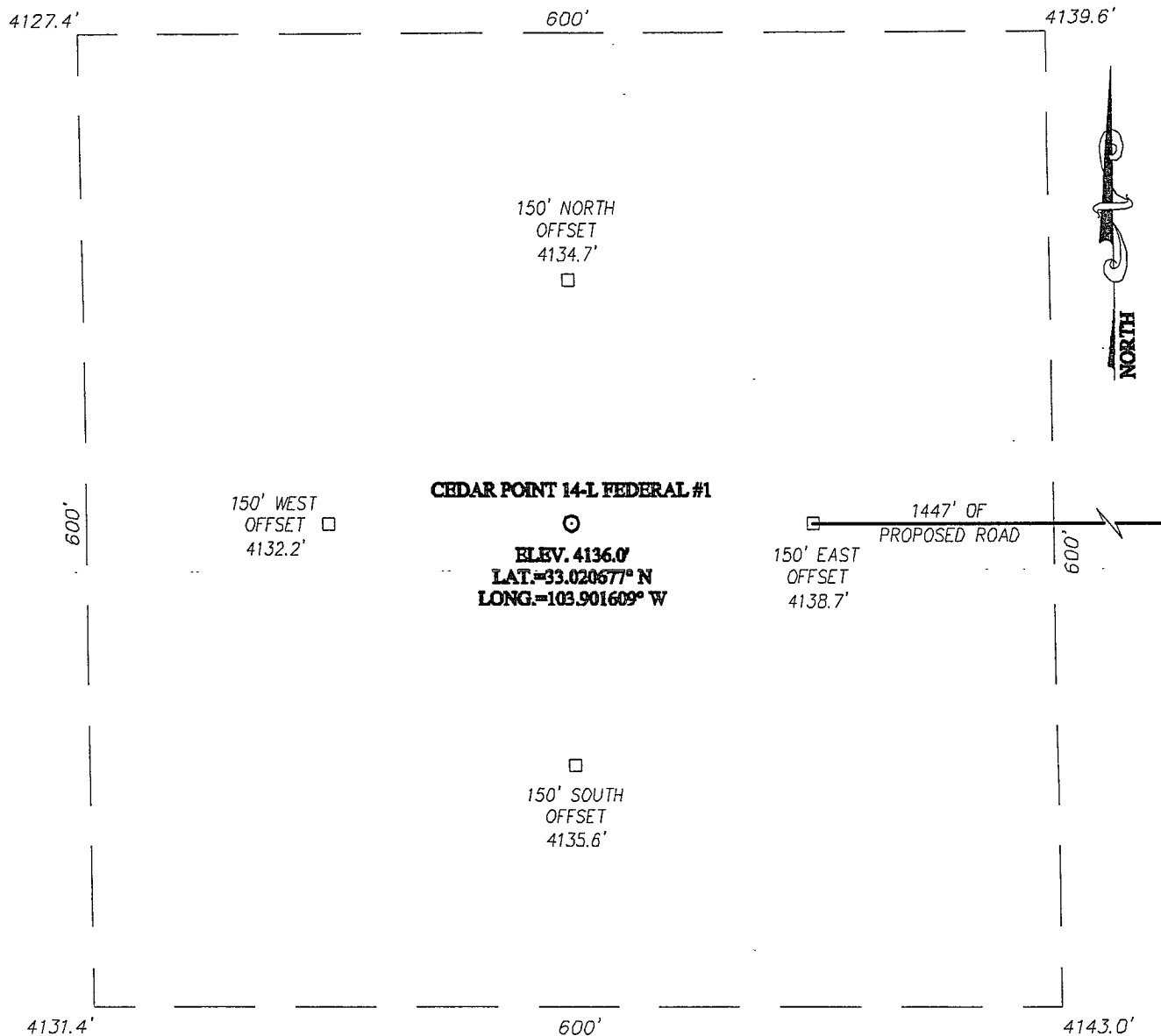
19-Feb-10



Richard C. Gilliland
Vice President, Hunt Cimarron Limited Partnership

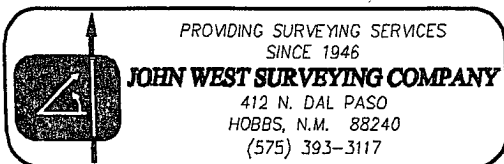
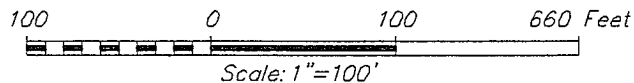
PLAT - Detail

SECTION 14, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
CHAVES COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #249 AND ST. HWY. #172, GO WEST ON ST. HWY. #249 APPROX. 5.0 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 0.8 MILES TO A PROPOSED ROAD SURVEY. TURN RIGHT AT PROPOSED ROAD SURVEY AND GO WEST APPROX. 1447 FEET. THIS LOCATION STAKE IS APPROX. 150 FEET WEST.



HUNT CIMARRON LIMITED PARTNERSHIP

CEDAR POINT 14-L FEDERAL #1 WELL
LOCATED 1980 FEET FROM THE SOUTH LINE
AND 660 FEET FROM THE WEST LINE OF SECTION 14,
TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.,
CHAVES COUNTY, NEW MEXICO

Survey Date: 02/11/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.0206	Dr. By: DSS
Date: 02/19/10	Rel W.O.: 101102063
	Scale: 1"=100'

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Chaves County, New Mexico

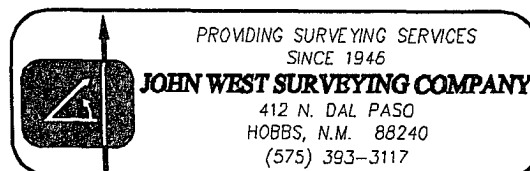
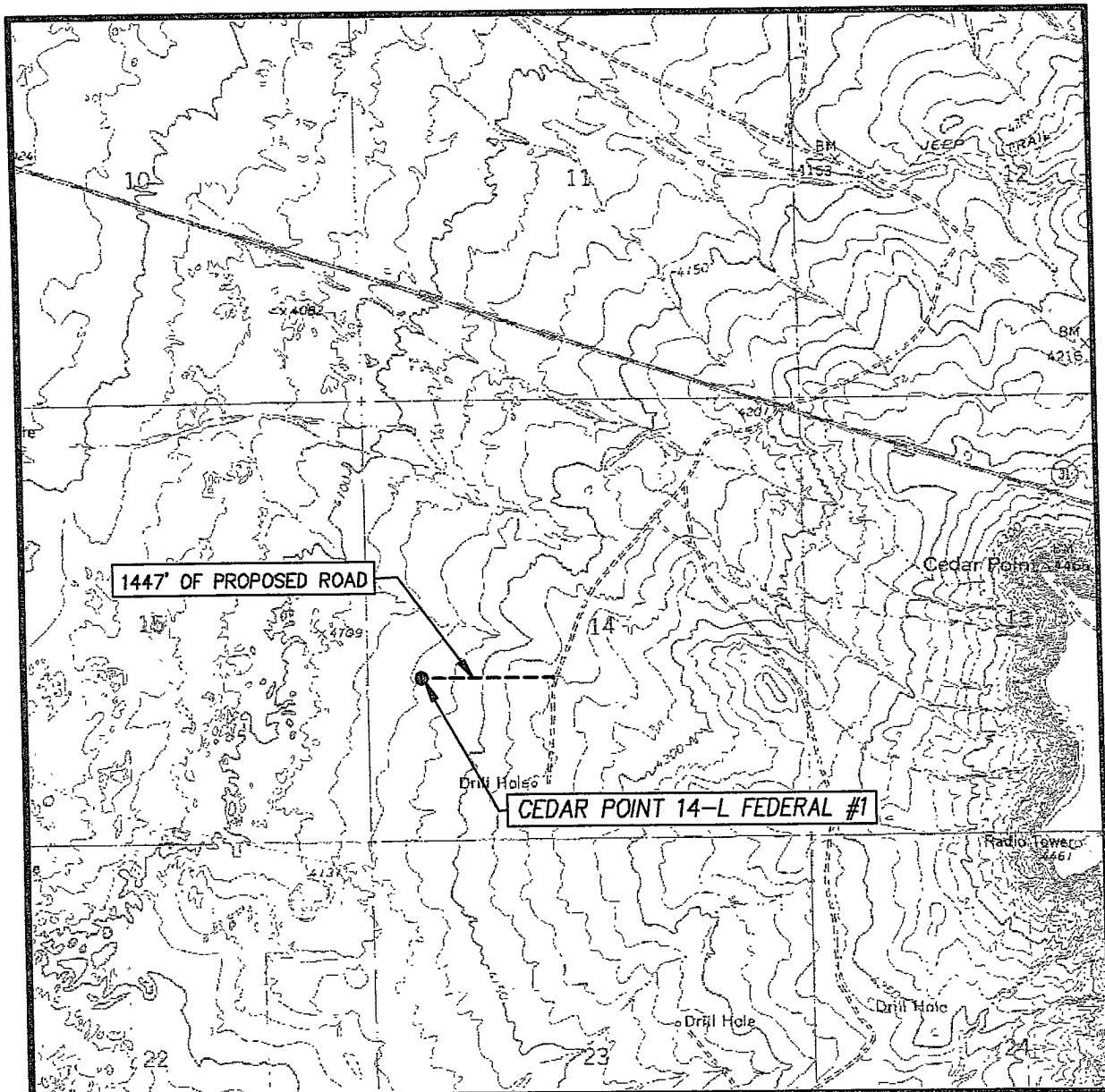
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EXHIBIT "B"

Hunt Cimarron Limited Partnership
Cedar Point 14-L Federal No.1
1,980' FSL & 660' FWL, Section 14, T 15-S, R 30-E
Chaves County, New Mexico

LOCATION VERIFICATION MAP

SCALE: 1" = 2000'

CONTOUR INTERVAL:
CEDAR POINT, N.M. - 10'

SEC. 14 TWP. 15-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1980' FSL & 660' FWL

ELEVATION 4136'

OPERATOR HUNT CIMARRON
LIMITED PARTNERSHIP

LEASE CEDAR POINT 14-L FEDERAL

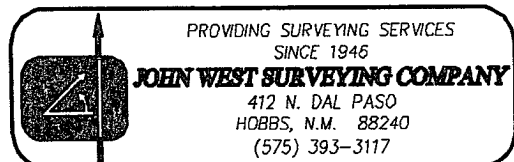
U.S.G.S. TOPOGRAPHIC MAP
CEDAR POINT, N.M.

Exhibit C
Hunt Cimarron Limited Partnership
Cedar Point 14-L Federal No. 1
Section 14, T 15-S, R 30-E, NMPM
Chaves County, New Mexico

One Mile Radius Map

**Cedar Point 14-L
Federal No. 1**

R 30 E

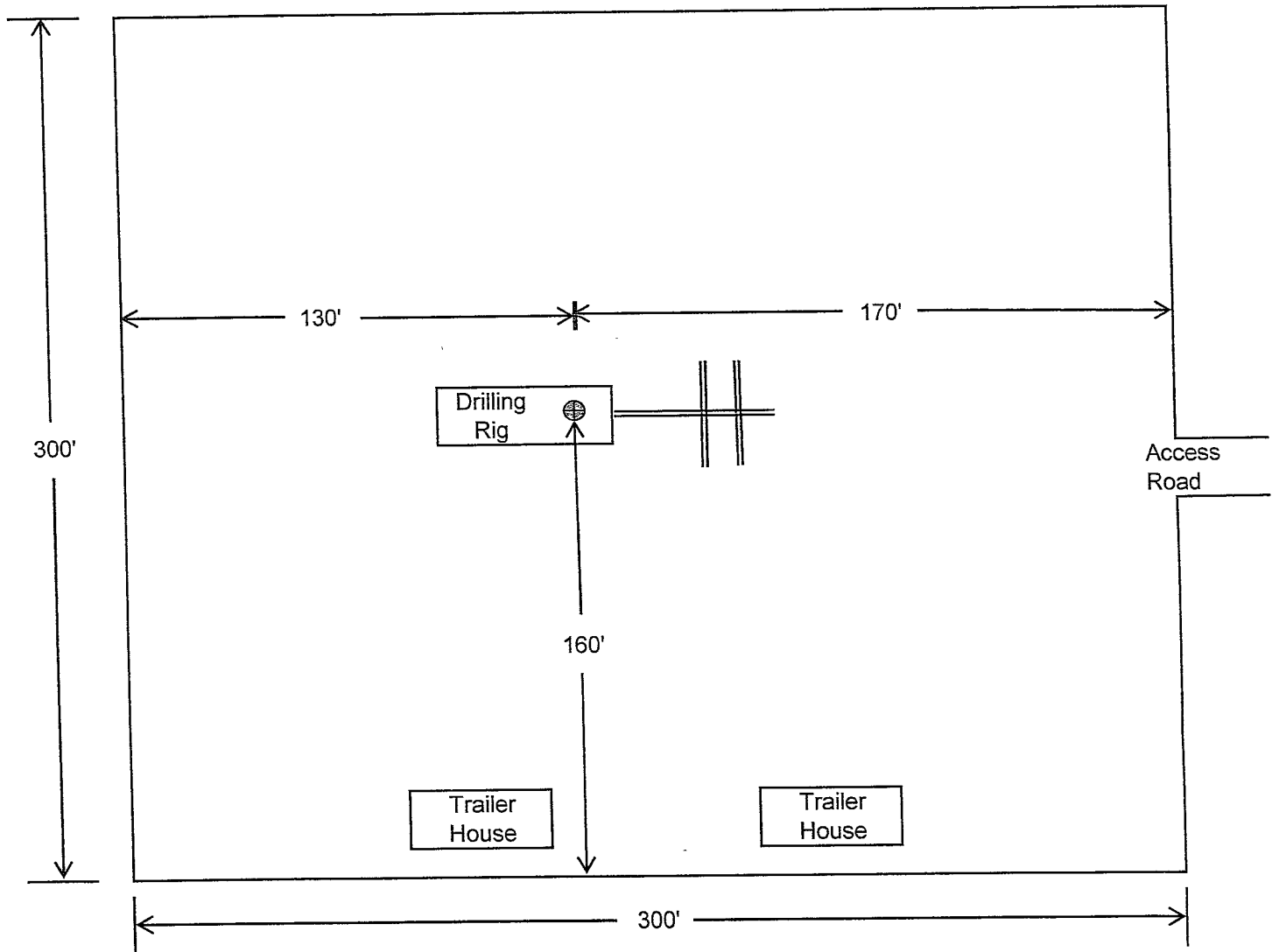
LEGEND

R 31 E

EXHIBIT "D"

Cedar Point 14-L Federal #1
1,980' FSL & 660' FWL of Sec. 14, T-15-S, R-30-E
Chaves County, New Mexico

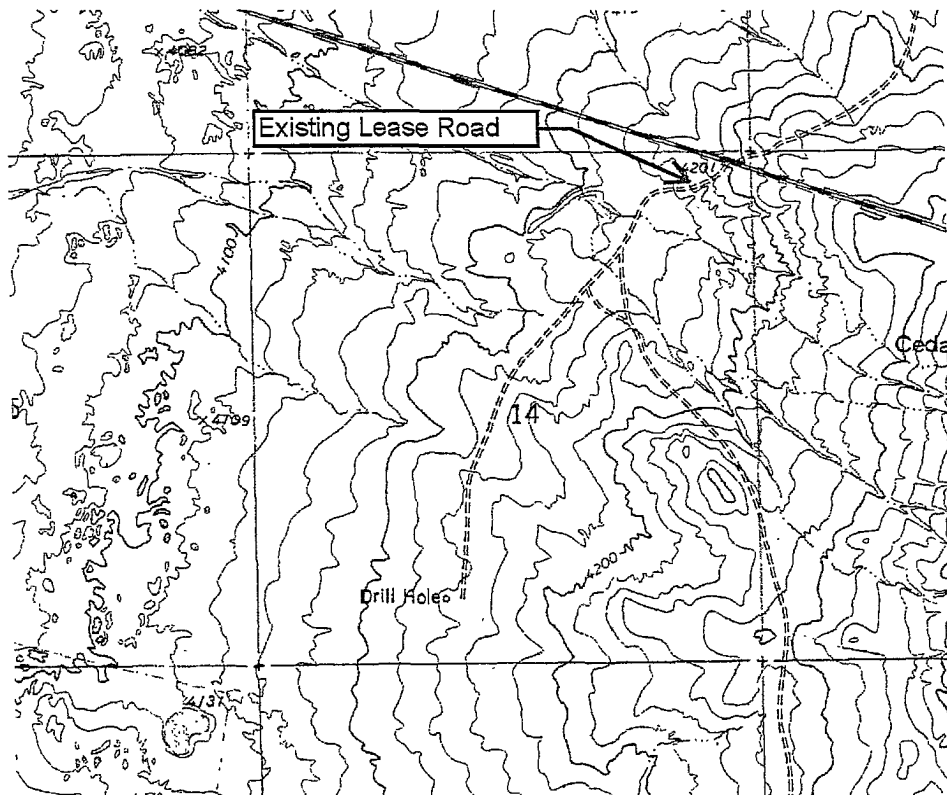
Approximate Pad Dimensions



STATEMENT OF ACCESS

Hunt Cimarron Limited Partnership
Cedar Point 14-L Federal No. 1
Section 14, T 15-S, R 30-E, NMPM
Chaves County, New Mexico

A verbal agreement has been reached with a representative owner of the private surface estate in the E/2 of Section 14, T 15-S, R 30-E for a right-of-way covering ingress and egress along an existing lease road that traverses the private surface estate (see map below). In addition, applicant will likewise have the right of improvement and maintenance of the subject lease road. Access along this road will be controlled by way of a locked gate at the existing entrance at State Highway 249. This gate will remain locked when parties with approved access are not on the premises. Access will be limited to employees and contractors of applicant Hunt Cimarron, representatives of the Bureau of Land Management responsible for conducting operational inspections of the proposed federal well, and representatives and contractors of the private surface owner Albert H. Ozborn. A written agreement codifying this verbal understanding is pending.



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FEB 25 2010

Date: February 23, 2010

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BUREAU OF LAND MGMT
ROSWEIL OFFICE

I, Phillip Ozborn, as the appointed Authorized Representative for Albert H. Ozborn, owner of the non-federal surface on which Hunt Cimarron Limited Partnership will access the Cedar Point 14-L Fed #1 well located at 1980' FSL and 660' FWL, Section 14, T.15S., R.30E., Chaves County, New Mexico do hereby authorize Hunt Cimarron Limited Partnership access from non-federal lands and as authorized representative or owner, I guarantee the Department of the Interior, including the Bureau of Land Management access from the non-federal lands to perform all necessary surveys and inspections of this well location.

X Phillip Ozborn 2/23/10

Phillip Ozborn, Authorized Representative for
Albert H. Ozborn
Surface Owner