

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

If earthen pits are used in association with the drilling of the well, an OCD pit permit must be obtained prior to pit construction

1. 2

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
DRILL ☒ DEEPEN ☐  
1b. TYPE OF WELL  
OIL ☐ GAS ☒ SINGLE ☒ MULTIPLE ☐  
WELL WELL OTHER ZONE ZONE

2. NAME OF OPERATOR

Cimarex Energy Co.

3. ADDRESS AND TELEPHONE NO.

P.O. Box 140907 Irving TX 75014 972-401-3111

4. LOCATION OF WELL

(Report location clearly and in accordance with any State requirements)

660' FSL & 1980' FEL

RECEIVED  
DEC 14 2005  
APPROVAL SUBJECT TO BLM  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

30 miles west and 4 miles south of Carlsbad, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, T.O.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

1600

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

2970'

19. PROPOSED DEPTH

10,500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4354' GR

22. APPROX. DATE WORK WILL START\*

10-15-05

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13 3/8"	48 #	1050'	950 sx circulate
12-1/4"	J-55 9 5/8"	40 #	2300'	650 sx circulate
8-3/4"	P-110 5 1/2"	17#	10500'	1920 sx TOC 2700'

CARLSBAD CONTROLLED WATER BASIN

From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 - psi BOP system. We are requesting a variance for the 13 3/8" surface casing and BOP testing from Onshore Order No. 2, which states all casing strings below the conductor shall be pressure tested to 0.22 psi per foot or 1500#, whichever is greater, but not to exceed 70% of the manufacturer's stated maximum internal yield. During the running of the surface pipe and the drilling of the intermediate hole we do not anticipate any pressures greater than 1000#, and we are requesting a variance to test the 13 3/8" casing and BOP system to 1000# psi and use rig pumps instead of an independent service company.

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM:

If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

Zeno Farris

TITLE

Mgr. Ops. Admin

DATE

07-25-05

(This space for Federal or State office use)

PERMIT No.

APPROVAL DATE

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:

APPROVED BY

/s/ Joe G. Lara

TITLE

ACTING FIELD MANAGER

DATE

12/9/05

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

APPROVAL FOR 1 YEAR

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

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 JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 79030	Pool Name Indian Basin; Morrow, SW
Property Code	Property Name WAGON WHEEL "13" FEDERAL	Well Number 3
OGRID No. 215099	Operator Name CIMAREX ENERGY COMPANY	Elevation 4354'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	22-S	22-E		660	SOUTH	1980	EAST	EDDY

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 320	Joint or Infill Y	Consolidation Code	Order No.						

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

<p>1650'</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=504093.2 N Wagon Wheel 13 Fed #2 X=400917.5 E</p> <p>LAT.=32°23'07.65" N LONG.=104°39'15.51" W</p> <p>Wagon Wheel 13 Fed #3</p> <p>4357.6' 4350.4' 600' 1980' 4358.8' 4352.4' 600'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Zeno Farris</u> Signature Zeno Farris Printed Name Mgr. Operations Admin. Title July 25, 2005 Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>JULY 19, 2005 Date Surveyed Signature &amp; Seal of Professional Surveyor NEW MEXICO CARY EIDSON 05.11.1138 Certificate No. CARY EIDSON 12641</p>
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ACT I  
ANCE DR., HOESS, NM 88240

ACT II  
GRAND AVENUE, ARTESIA, NM 88210

STRICT III  
400 Rio Brazos Rd., Artec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

RECEIVED

APR 29 2005

OOD-ARTESIA

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name WAGON WHEEL FEDERAL		Well Number 3
OGRID No.	Operator Name CIMAREX ENERGY COMPANY		Elevation 4356'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	24	22-S	22-E		1360'	NORTH	1730'	EAST	EDDY

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.
320			

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature Steve J. Simonson Printed Name Only Supt. Title 8-18-04 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>JULY 20, 2004</p> <p>Date Surveyed Signature &amp; Seal Professional Surveyor GARY E. ELLISON NEW MEXICO 8/26/04 04.11.0863 Certificate No. GARY E. ELLISON 12641</p>

**Cimarex Energy Co.**

600 E. Las Colinas Blvd.

Suite 1100

Irving, Texas 75039

PHONE 972.401.0752

FAX 972.401.3110



July 25, 2005

Oil Conservation Division  
District II Office  
1301 W. Grand Ave.  
Artesia, New Mexico 88210  
Attn: Mr. Bryan Arrant

**RECEIVED**  
JUL 29 2005  
OCD-ARTESIA

Re: Statewide Rule 118  
Hydrogen Sulfide Gas Contingency Plan  
Proposed Wagon Wheel 13 Federal No. 3 Well

Dear Mr. Arrant:

In accordance with NMAC 19.15.3.118 C. (1) governing the determination of the hydrogen sulfide concentration in gaseous mixtures in each of its operations, Cimarex Energy Co. does not anticipate that there will be enough H<sub>2</sub>S from the surface to the Morrow/Atoka formations to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of the following test(s):

Wagon Wheel 13 Federal No. 3 -- 660' FSL & 1980' FEL -- Sec. 13-T22S-R22E

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact the undersigned at 972-443-6489.

Yours truly,

A handwritten signature in dark ink, appearing to read "Zeno Farris". The signature is fluid and cursive.

Zeno Farris  
Manager, Operations Administration

## Application to Drill

Cimarex Energy Co.  
Wagon Wheel 13 Federal No. 3  
Unit Letter O Section 13  
T22S - R22E Eddy County, NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1 Location: SHL 660' FSL & 1980' FEL Sec. 13-T22S-R22E

2 Elevation above sea level: 4354'

3 Geologic name of surface formation: Queen

4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.

5 Proposed drilling depth: 10500'

6 Estimated tops of geological markers:

San Andres	598'	Cisco Canyon	7991'
Glorieta	2246'	Strawn	8182'
Yeso	2292'	Atoka	8578'
Bone Spring	3205'	Morrow	9195'
Wolfcamp	6073'	Barnett	9555'

7 Possible mineral bearing formation:

San Andres	Water	0-1000'
Morrow	Gas	8925' - 10500'

8 Casing program:

Hole Size	Interval	Casing OD	Weight	Thread	Collar	Grade
17 1/2"	0-1050'	13 3/8"	48#	8-R	ST&C	H-40
12 1/4"	0-2300'	9 5/8"	40#	8-R	LT&C	J-55
7 7/8"	0-10500'	5 1/2"	17#	8-R	LT&C	P-110

WITNESS

## Application to Drill

Cimarex Energy Co.  
Wagon Wheel 13 Federal No. 3  
Unit Letter O Section 13  
T22S - R22E Eddy County, NM

### 9 Cementing & Setting Depth:

13 3/8"	Surface	Set 1050' 13-3/8" 48# H-40 ST&C. Cement with 950 sx Class C + additives.
9 5/8"	Intermediate	Set 2300' of 9 5/8" J-55 40# LT&C casing. Cement in two stages, first stage cement with 450 sx Class POZ/C + additives, second stage cement with 200 sx of Class "C" + additives, circulate cement to surface.
5 1/2"	Production	Set 10500' of 5 1/2" P-110 17# LT&C casing. Cement in two stages, first stage cement with 870 Sx. of Class POZ/C Cement + additives. Second stage cement with 1050 Sx of Class "C" + additives. Estimated top of cement 5100'.

### 10 Pressure control Equipment:

Exhibit "E". A 13 3/8" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000 # annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 6000'. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor. BOP unit will be hydraulically operated. BOP will be nipped up on the 9 5/8" casing and will be operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling.

### 11 Proposed Mud Circulating System:

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0' - 700'	8.8 - 9.2	28-32	May lose circ from 0' - 598'	Low Solids/Premix
700' - 10500'	9.0 - 9.2	34-40	May lose circ from 7508' - 7991'	Low Solids/Lite dispersed. Use cut brine from Intermediate casing to TD

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs. Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until production casing is run and cemented.

## **Application to Drill**

Cimarex Energy Co.  
Wagon Wheel 13 Federal No. 3  
Unit Letter O Section 13  
T22S - R22E Eddy County, NM

### **12 Testing, Logging and Coring Program:**

- A. Mud logging program: One-man unit from 8000' to TD
- B. Electric logging program: CNL / FDC / GR, DLL / GR
- C. One DST is planned.

### **13 Potential Hazards:**

No abnormal pressures or temperatures or H<sub>2</sub>S gas are expected. Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 4000 PSI, estimated BHT 190.

### **14 Anticipated Starting Date and Duration of Operations:**

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 35 - 45 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

### **15 Other Facets of Operations:**

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Morrow pay will be perforated and stimulated. The well will be tested and potentialized as a gas well.

## **Hydrogen Sulfide Drilling Operations Plan**

- 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
- 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 blooie 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, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H2S present in dangerous concentration. Only emergency

- 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 Not Anticipated



## **Hydrogen Sulfide Drilling Operations Plan**

- 8 Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
- 9 If H<sub>2</sub>S 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 H<sub>2</sub>S scavengers if

## Surface Use Plan

Cimarex Energy Co.  
Wagon Wheel 13 Federal No. 3  
Unit Letter O Section 13  
T22S - R22E Eddy County, NM

- 1 Existing Roads: Area maps, Exhibit "B" is a reproduction of Lea 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 the Intersection of St. Hwy. #137 (Queens Rd.) and Co. Rd. #401 (Marathon Rd.), go West on Marathon Rd. approx. 5.6 miles. Turn left (South) and go approx. 0.8 miles to a fork in the road. Go Right (SW) approx. 1.1 miles. Turn Right (W-SW) and go approx 1.2 miles. Turn Left (South) and go approx. 1.6 miles. Turn Right (West) and go approx 0.7 miles to Cawley Rd. Turn Left (South) and go approx 1.1 miles. Turn Right (West) and go approx 0.2 miles. Follow bend in the road to left and go approx. 0.3 miles. Follow bend in the road to right and go approx. 1.0 miles. Turn Left (South) and go approx. 0.6 miles to the Cimarex Wagon Wheel 13 Fed #1 well. This location is approx. 0.3 miles SW along proposed road survey.
- 2 PLANNED ACCESS ROADS: 1763' of access road 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"

## **Surface Use Plan**

Cimarex Energy Co.  
Wagon Wheel 13 Federal No. 3  
Unit Letter O Section 13  
T22S - R22E Eddy County, NM

- 4 If, on completion this well is a producer Cimarex Energy Co. 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".

7 METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pit.
- 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 a 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. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. 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.

## **Surface Use Plan**

Cimarex Energy Co.  
Wagon Wheel 13 Federal No. 3  
Unit Letter O Section 13  
T22S - R22E Eddy County, NM

### **9 WELL SITE LAYOUT**

- A. Exhibit "D" shows location and rig layout.
- B. This exhibit indicates proposed location of reserve and trash pits; and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be unlined, unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with PVC or polyethylene line. The pit liner will be 6 mils thick. Pit liner will extend a minimum, 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and 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 and reserve pit 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.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. 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 recountered 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

Cimarex Energy Co.  
Wagon Wheel 13 Federal No. 3  
Unit Letter O Section 13  
T22S - R22E Eddy County, NM

### 11 OTHER INFORMATION:

- A. Topography consists of gently sloping areas with ridges or mesa tops and Limestone Outcrops in places. The soil is Ector stony loam, 0 to 9 percent slope grayish brown stony loam to light colored limestone bedrock. The flora and fauna consist of a scrubland
- B. The wellsite is on surface owned by The United States 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 Carlsbad BLM office.

### 12 OPERATORS REPRESENTATIVE:

Cimarex Energy Co.  
P.O. Box 140907  
Irving, TX 75014-0907  
Office Phone: (972) 443-6489  
Zeno Farris

- 13 **CERTIFICATION:** I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this 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 Gruy Petroleum Management Company 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

DATE: 7/25/2005

TITLE: Manager, Operations Administration

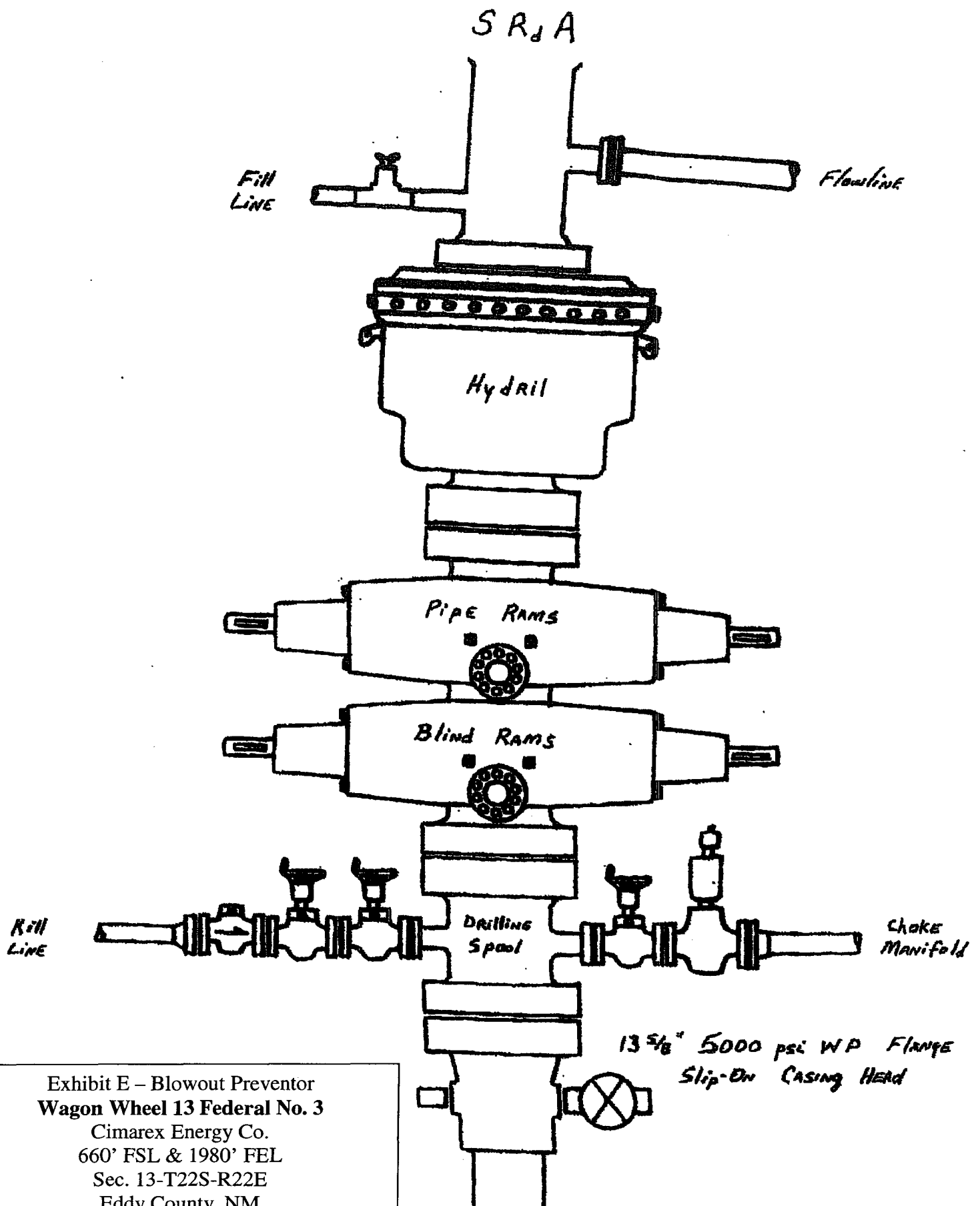


Exhibit E – Blowout Preventor  
 Wagon Wheel 13 Federal No. 3  
 Cimarex Energy Co.  
 660' FSL & 1980' FEL  
 Sec. 13-T22S-R22E  
 Eddy County, NM

DRILLING OPERATIONS  
CHOKE MANIFOLD  
5M SERVICE

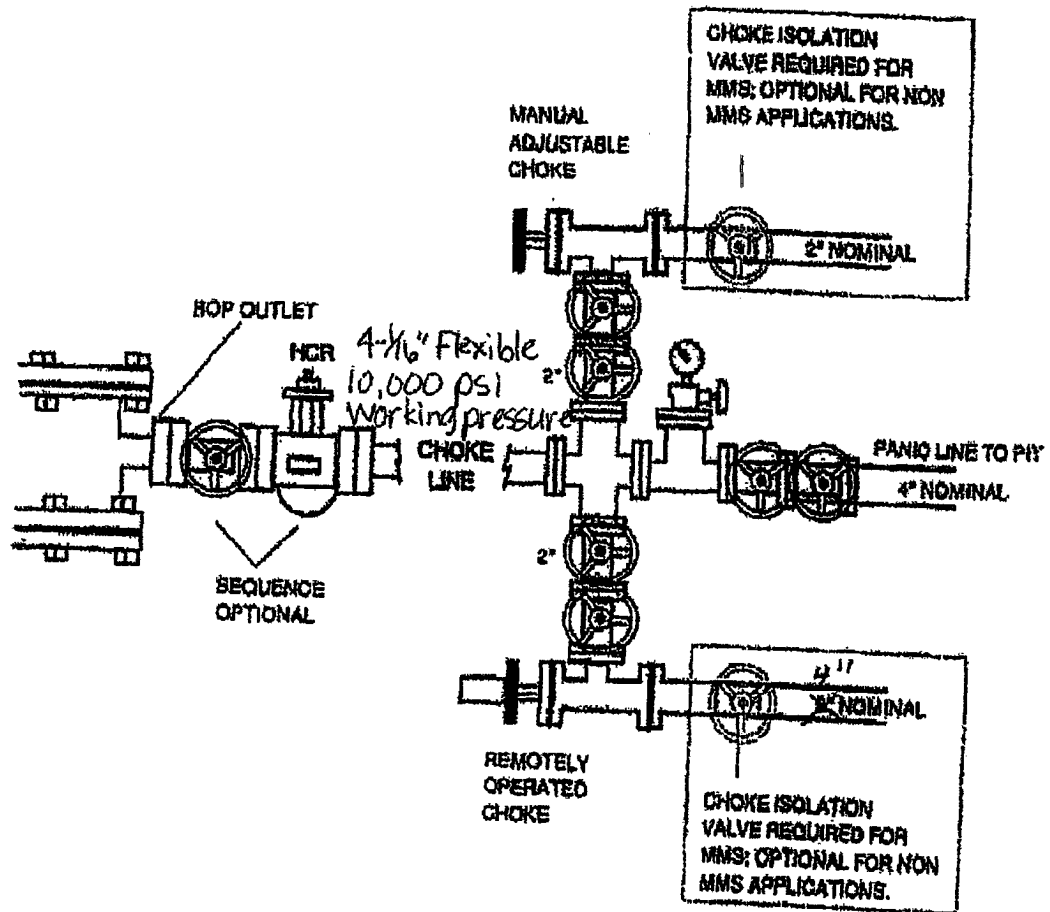


Exhibit E-1 – Choke Manifold Diagram  
Wagon Wheel 13 Federal No. 3  
Cimarex Energy Co.  
660' FSL & 1980' FEL  
Sec. 13-T22S-R22E  
Eddy County, NM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

**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.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM100586
2. Name of Operator Cimarex Energy Co.		6. If Indian, Allottee or Tribe Name
3a. Address P. O. Box 140907 Irving, TX 75014-0907	3b. Phone No. (include area code) 972-401-3111	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13-T22S-R22E 660' FSL & 1980' FEL		8. Well Name and No. Wagon Wheel 13 Federal No. 3
		9. API Well No. 30-015-
		10. Field and Pool, or Exploratory Area Indian Basin; Morrow, SW
		11. County or Parish, State Eddy Co., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Re-route Access
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Road
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including 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.)

Per the BLM's request, Cimarex is re-routing its access road as mapped in the attached plats. As with the originally permitted route, the road comes from the W/2 of the spacing unit, but since the same federal lease (NMNM100586) covers all of Section 13, and Cimarex operates both spacing units, no Right of Way is needed.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Natalie Krueger

Signature

*Natalie Krueger*

Title

Regulatory Analyst

Date

November 22, 2005

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

/s/ Joe G. Lara

ACTING

FIELD MANAGER

Date

12/9/05

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.

Office

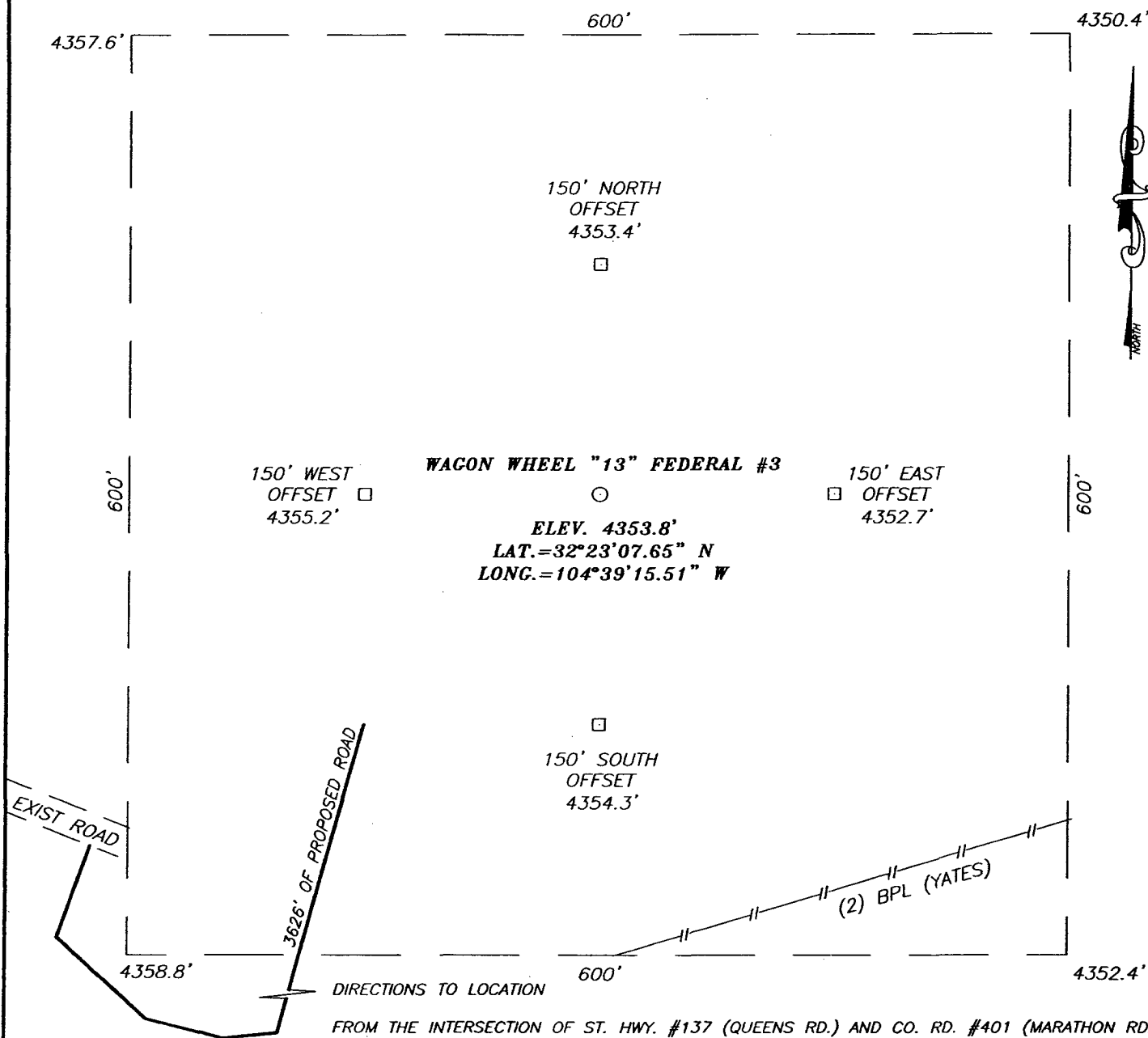
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001, makes 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 reverse)

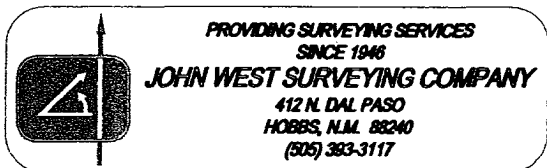
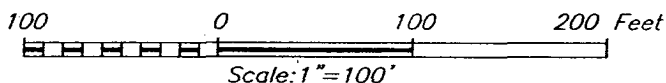


**SECTION 13, TOWNSHIP 22 SOUTH, RANGE 22 EAST, N.M.P.M.,**  
 EDDY COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF ST. HWY. #137 (QUEENS RD.) AND CO. RD. #401 (MARATHON RD.). GO WEST ON MARATHON RD. APPROX. 5.6 MILES. TURN LEFT (SOUTH) AND GO APPROX. 0.8 MILES TO A FORK IN THE ROAD. GO RIGHT (SW) APPROX. 1.1 MILES. TURN RIGHT (W-SW) AND GO APPROX. 1.2 MILES. TURN LEFT (SOUTH) AND GO APPROX. 1.6 MILES. TURN RIGHT (WEST) AND GO APPROX. 0.7 MILES TO CAWLEY RD. TURN LEFT (SOUTH) AND GO APPROX. 1.1 MILES. TURN RIGHT (WEST) AND GO APPROX. 0.2 MILES. FOLLOW BEND IN THE ROAD TO LEFT AND GO APPROX. 0.3 MILES. FOLLOW BEND IN THE ROAD TO THE RIGHT AND GO APPROX. 1.0 MILES. TURN LEFT (SOUTH) AND GO APPROX. 0.6 MILES TO THE CIMAREX WAGON WHEEL "13" FED. #1 WELL. THIS LOCATION IS APPROX. 0.7 MILES SE ALONG PROPOSED ROAD SURVEY.

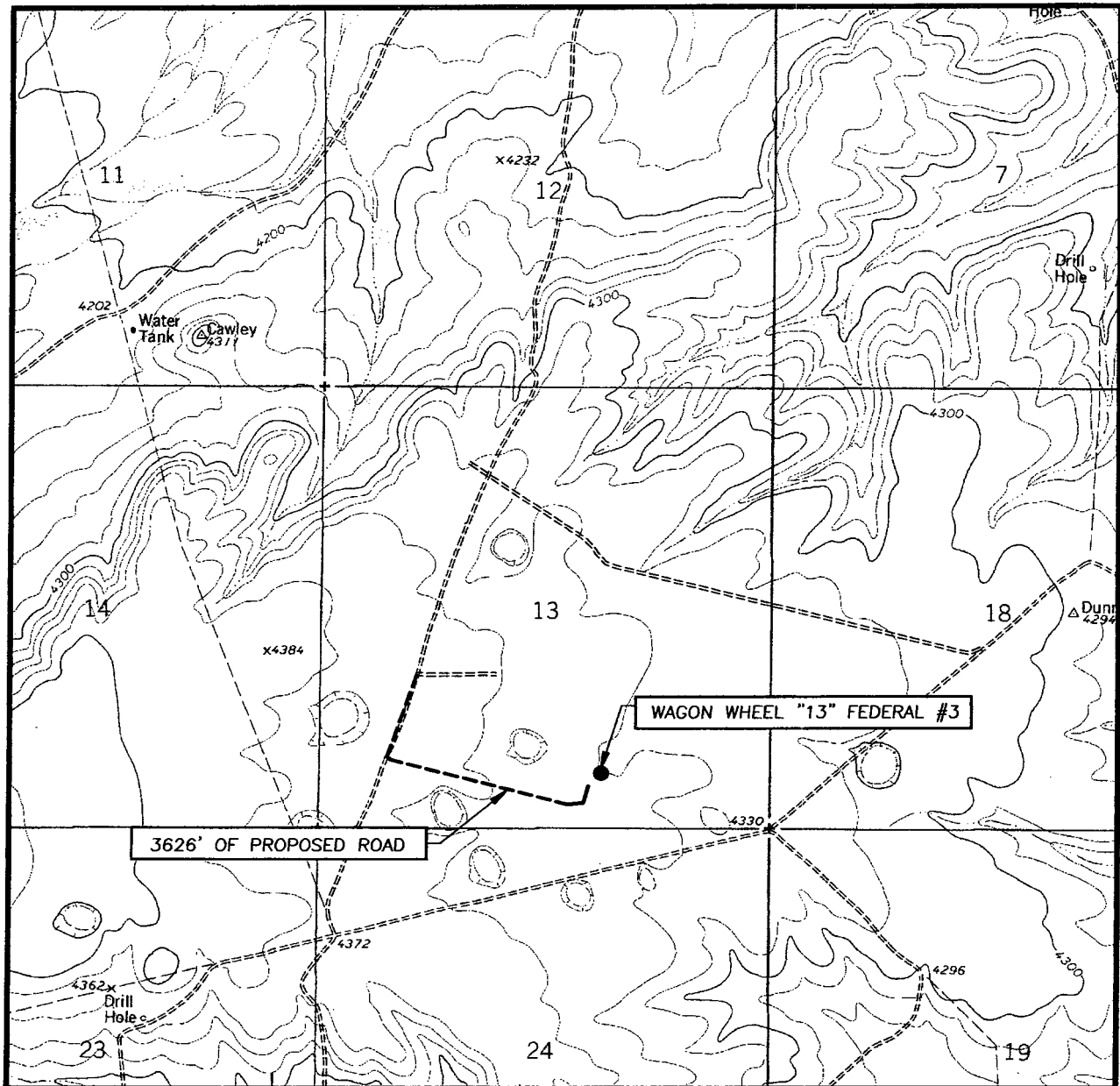


**CIMAREX ENERGY COMPANY**

WAGON WHEEL "13" FEDERAL #3 WELL  
 LOCATED 660 FEET FROM THE SOUTH LINE  
 AND 1980 FEET FROM THE EAST LINE OF SECTION 13,  
 TOWNSHIP 22 SOUTH, RANGE 22 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 10/27/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1671	Dr By: JR
Date: 10/28/05	Disk: CD#4
05111671	Scale: 1"=100'

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
CAWLEY DRAW, N.M. - 20'

SEC. 13 TWP. 22-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY EDDY

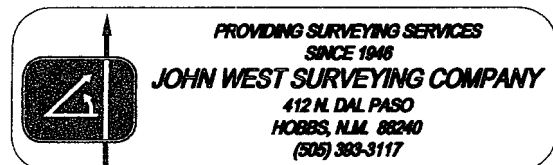
DESCRIPTION 660' FSL & 1980' FEL

ELEVATION 4354'

OPERATOR CIMAREX  
ENERGY COMPANY

LEASE WAGON WHEEL "13" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
CAWLEY DRAW, N.M.



PROVIDING SURVEYING SERVICES  
SINCE 1946

**JOHN WEST SURVEYING COMPANY**

412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 383-3117

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Cimarex Energy Co.  
Well Name & No. Wagon Wheel 13 Federal #3  
Location: 660' FSL, 1980' FEL, Section 13, T. 22 S., R. 22 E., Eddy County, New Mexico  
Lease: NM-100586

### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

A. Well spud

B. Cementing casing: 13-3/8 inch 9-5/8 inch 5-1/2 inch

C. BOP tests

2. 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.

3. 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.

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

### II. CASING:

1. The 13-3/8 inch surface casing shall be set at approximately 1050 feet and 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 9-5/8 inch intermediate casing is to be circulated to the surface.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is to reach at least 500 feet above the top of the uppermost hydrocarbon productive interval.

### III. 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.

*NOTE: A variance to test the 13-3/8 inch casing to 1000 # with the rig pumps is granted.*

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

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

- The tests 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 a safe workman-like manner. Hard line connections shall be required.

#### **IV. DRILLING MUD:**

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

7/28/2005

acs