

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address CIMAREX ENERGY CO OF COLORADO PO BOX 140907 IRVING , TX 750140907		2. OGRID Number 162683
		3. API Number 30-025-37991
4. Property Code 35758	5. Property Name PENNZOIL B 36 STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	36	19S	33E	H	1980	N	660	E	LEA

8. Pool Information

APACHE RIDGE,BONE SPRING	2260
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3619
14. Multiple N	15. Proposed Depth	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/1/2006
Depth to Ground water 70		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	450	1400	0
Int1	12.25	9.625	40	3700	1000	0
Prod	8.75	5.5	17	11000	2400	3500

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameran

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 7/10/2006	Expiration Date: 7/10/2007
	Email Address: zfarris@magnumhunter.com	
	Date: 6/16/2006	Phone: 972-443-6489
Conditions of Approval Attached		

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
Permit 32394

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37991	2. Pool Code 2260	3. Pool Name APACHE RIDGE,BONE SPRING
4. Property Code 35758	5. Property Name PENNZOIL B 36 STATE	6. Well No. 001
7. OGRID No. 162683	8. Operator Name CIMAREX ENERGY CO OF COLORADO	9. Elevation 3619

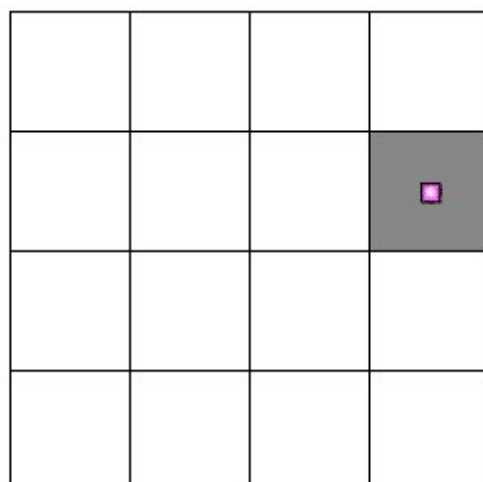
10. Surface Location

UL - Lot H	Section 36	Township 19S	Range 33E	Lot Idn	Feet From 1980	N/S Line N	Feet From 660	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. 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



OPERATOR CERTIFICATION

I hereby certify that the information contained 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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Zeno Farris
Title: Manager Operations Administration
Date: 6/16/2006

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.

Surveyed By: Gary Eidson
Date of Survey: 5/16/2006
Certificate Number: 12641

Permit Comments

Operator: CIMAREX ENERGY CO OF COLORADO , 162683

Well: PENNZOIL B 36 STATE #001

API: 30-025-37991

Created By	Comment	Comment Date
NKRUEGER	C-144 will be emailed to Donna Mull.	6/15/2006
NKRUEGER	Cimarex Energy Co. of Colorado's calculated H2S ROE of 27' at 100 ppm and 12' at 500 ppm does not meet the OCD's minimum requirements for submission of an H2S contingency plan.	6/15/2006

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO OF COLORADO , 162683

Well: PENNZOIL B 36 STATE #001

API: 30-025-37991

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	Must tie cement on production casing back into intermediate casing
DMULL	OCD requires plat of the area showing the potash lessees in the one (1) mile radius of the well to be drilled.
DMULL	OCD requires operator to notify potash lessees of the Application to drill by certified mail. A copy of deliver notice and a copy of any waivers received.
DMULL	OCD has notified BLM and the State land office this Application to drill. Holding intent to drill for their reply.
DMULL	OCD has received plats for operator stating no Potash lessees in the area. Also responses from the State Land office and the BLM office that this well is not in the LMR or the buffer zone.