State of New Mexico

Form C-101 Permit 126636

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

	erator Name and Address IERGY CO. OF COLORADO	2. OGRID Number 162683 3. API Number 30-025-40064	
7.7	0 N. Marienfeld St idland, TX 79701		
4. Property Code 38499	5. Property Name QUERECHO 36 STATE COM	6. Wett No. 001	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	36	188	32E	D	330	N	400	W	LEA

8. Pool Information

QUERECHO PLAINS; UPPER BONE SPRING

50600

Additional Well Information

9. Work Type	10. Well Type	11. Cable/Rotary	12. Lesse Type	13. Ground Level Elevation
New Well	OIL		State	3731
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date
N	14098	Bone Spring		3/31/2011
Depth to Ground	water	Distance from nearest fre	sh water well	Distance to nearest surface water
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air

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	1250	550	0
Int1	12.25	9.625	36	4600	810	0
Prod	8.75	5.5	17	14098	1600	4400

Casing/Cement Program: Additional Comments

Drill 8.75" hole to pilot hole TD @ 9900 and log. Set 300 sx C1 H cement plug from 9900 to 9255. Drill through cement and kick off 8.75" lateral to TD @ 14098 MD, 9600 TVD. Run 5.5" casing from 0-14098 and cement.

Proposed Blowout Prevention Program

<u> </u>			602
Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameran

of my knowledge and belief.	on given above is true and complete to the best	OIL CONSERVATION DIVISION		
	ral permit □, or an (attached) alternative	Approved By: Paul Kautz		
Printed Name: Electronical	y filed by Zeno Farris	Title: Geologist		
Title: Manager Operations	Administration	Approved Date: 2/17/2011	Expiration Date: 2/17/2013	
Email Address: zfarris@cir	narex.com			
Date: 2/17/2011	Phone: 432-620-1936	Conditions of Approval Attached		

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District I

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

State of New Mexico

Form C-102 Permit 126636

Energy, Minerals and Natural Resources

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40064			Pool Name NS;UPPER BONE SPRING	
4. Property Code 38499	5. Property Name QUERECHO 36 STATE COM		6. Wett No. 001	
7. OGRID No. 162683	8. Oper CIMAREX ENERGY	9. Elevation 3731		

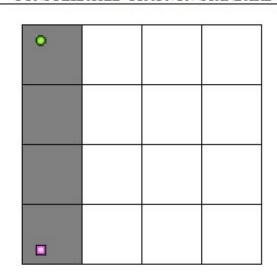
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	36	188	32E	1.	330	N	400	W	LEA

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
M	36	18S	32E	M	330	S	400	W	LEA
25.000000000000000000000000000000000000	cated Acres	13. J	oint or Infill		. Consolidation Communitizati	12 400 R		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: 2/17/2011

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 L. Jones Date of Survey: 1/11/2011 Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683 Well: QUERECHO 36 STATE COM #001 API: 30-025-40064

Created By	Comment	Comment Date
NKRUEGER	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 H2S from the surface to the Bone Spring formation to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of this test.	2/17/2011
NKRUEGER	C-102, C-144, and preliminary directional plan to be emailed to Hobbs OCD.	2/17/2011
pkautz	Land S/S	2/17/2011

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683 Well: QUERECHO 36 STATE COM #001 API: 30-025-40064

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Surface casing must be set 25 ' below top of Rustler Anhydrite