

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

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|---|-------------------------------------|-------------------------------|
| 1. Operator Name and Address CIMAREX ENERGY CO. OF COLORADO 600 N. Marienfeld St Midland, TX 79701 | | 2. OGRID Number 162683 |
| | | 3. API Number 30-015-39078 |
| 4. Property Code 38642 | 5. Property Name OKLAHOMA 32 FEE | 6. Well No. 002 |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot A | Section 32 | Township 18S | Range 26E | Lot Idn A | Feet From 330 | N/S Line N | Feet From 380 | E/W Line E | County EDDY |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|

8. Pool Information

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|------------------------------|-------|
| PENASCO DRAW:SA-YESO (ASSOC) | 50270 |
|------------------------------|-------|

Additional Well Information

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|---|----------------------------|--|---------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3395 |
| 14. Multiple N | 15. Proposed Depth 3000 | 16. Formation Blinsbry | 17. Contractor | 18. Spud Date |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |
| Pit: Linear: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: | | | | |
| Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" 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 | 14.75 | 9.625 | 36 | 950 | 1200 | 0 |
| Prod | 8.75 | 5.5 | 17 | 3000 | 640 | 0 |

Casing/Cement Program: Additional Comments

Complete details to be sent to OCD office via email.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000 | 3000 | Cameron |

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| 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 | |
| Printed Name: Electronically filed by Zeno Farris | | Approved By: Randy Dade | |
| Title: Manager Operations Administration | | Title: District Supervisor | |
| Email Address: zfarris@cimarex.com | | Approved Date: 5/31/2011 Expiration Date: 5/31/2013 | |
| Date: 5/31/2011 | 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 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

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

Form C-102
Permit 132364

WELL LOCATION AND ACREAGE DEDICATION PLAT

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|-------------------------------|--|--|
| 1. API Number 30-015-39078 | 2. Pool Code 50270 | 3. Pool Name PENASCO DRAW;SA-YESO (ASSOC) |
| 4. Property Code 38642 | 5. Property Name OKLAHOMA 32 FEE | 6. Well No. 002 |
| 7. OGRID No. 162683 | 8. Operator Name CIMAREX ENERGY CO. OF COLORADO | 9. Elevation 3395 |


10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A | 32 | 18S | 26E | | 330 | N | 380 | E | EDDY |

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

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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: 5/31/2011

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: 5/9/2011
Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: OKLAHOMA 32 FEE #002

API: 30-015-39078

| Created By | Comment | Comment Date |
|------------|--------------------------------------|--------------|
| NKRUEGER | C-144 will be emailed to OCD office. | 5/31/2011 |
| Artesia | Land P/P | 5/31/2011 |

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: OKLAHOMA 32 FEE #002

API: 30-015-39078

| OCD Reviewer | Condition |
|-----------------|--|
| Artesia | 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 |