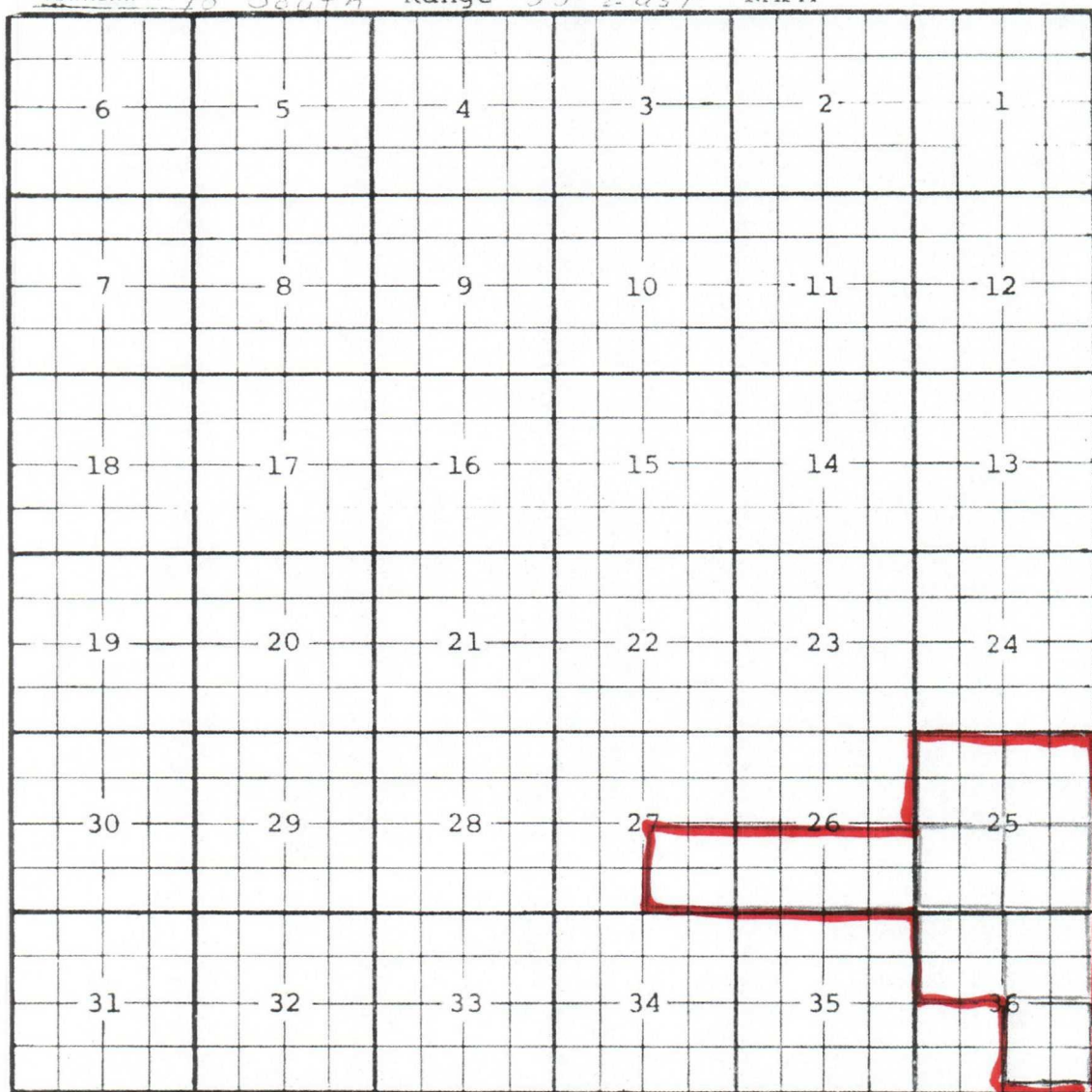


County Lea Pool EK - Bone SpringTOWNSHIP 18 South Range 33 East NMPMExt:  $\frac{SE}{4}$  Sec. 25 (R-7607, 7-27-84) Ext:  $\frac{SW}{4}$  Sec. 25 (R-7763, 1-8-85)Ext:  $\frac{NE}{4}$  Sec. 36 (R-7842, 3-1-85) Ext:  $\frac{NW}{4}$  Sec. 36 (R-7959, 6-12-85)Ext:  $\frac{NE}{4}$  Sec. 25 (R-7996, 8-6-85)Ext:  $\frac{S}{2}$  Sec. 26,  $\frac{SE}{4}$  Sec. 27 (R-8075, 11-8-85) Ext:  $\frac{NW}{4}$  Sec. 25 (R-8125, 1-14-86)Ext:  $\frac{SE}{4}$  Sec. 36 (R-12600, 7-26-06)

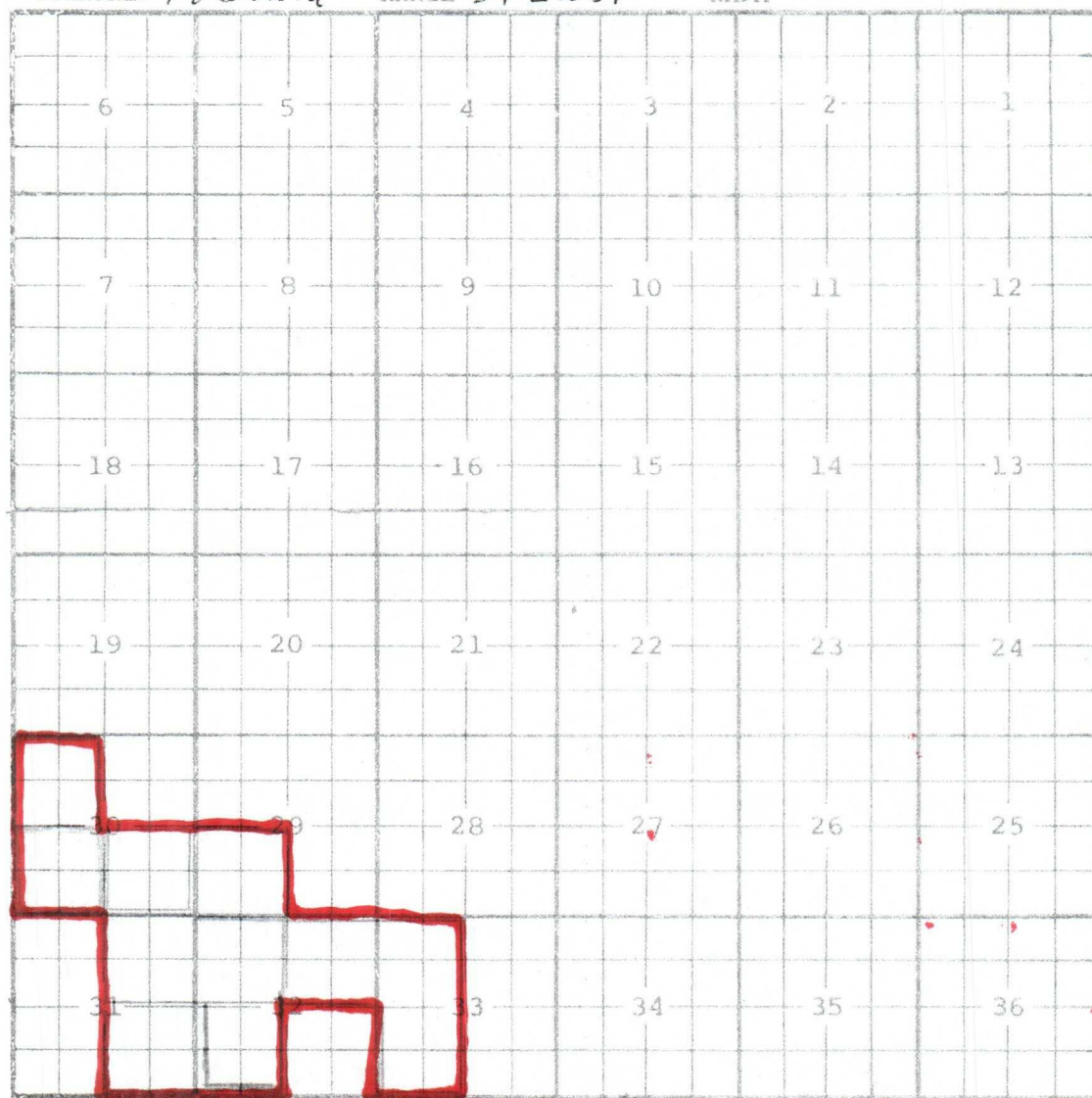
COUNTY Lea

POOL EK - Bone Springs

TOWNSHIP 18 South

RANGE 34 East

NMPM

Description:  $\frac{SE}{4}$  Sec 30 (R-4957, 3-1-75)Ext:  $\frac{NE}{4}$  Sec 31,  $\frac{NW}{4}$  Sec 32 (R-5102, 10-1-75) Ext:  $\frac{NE}{4}$  Sec 32, -  
-  $\frac{W}{2}$  Sec 33 (R-5781, 9-1-78)

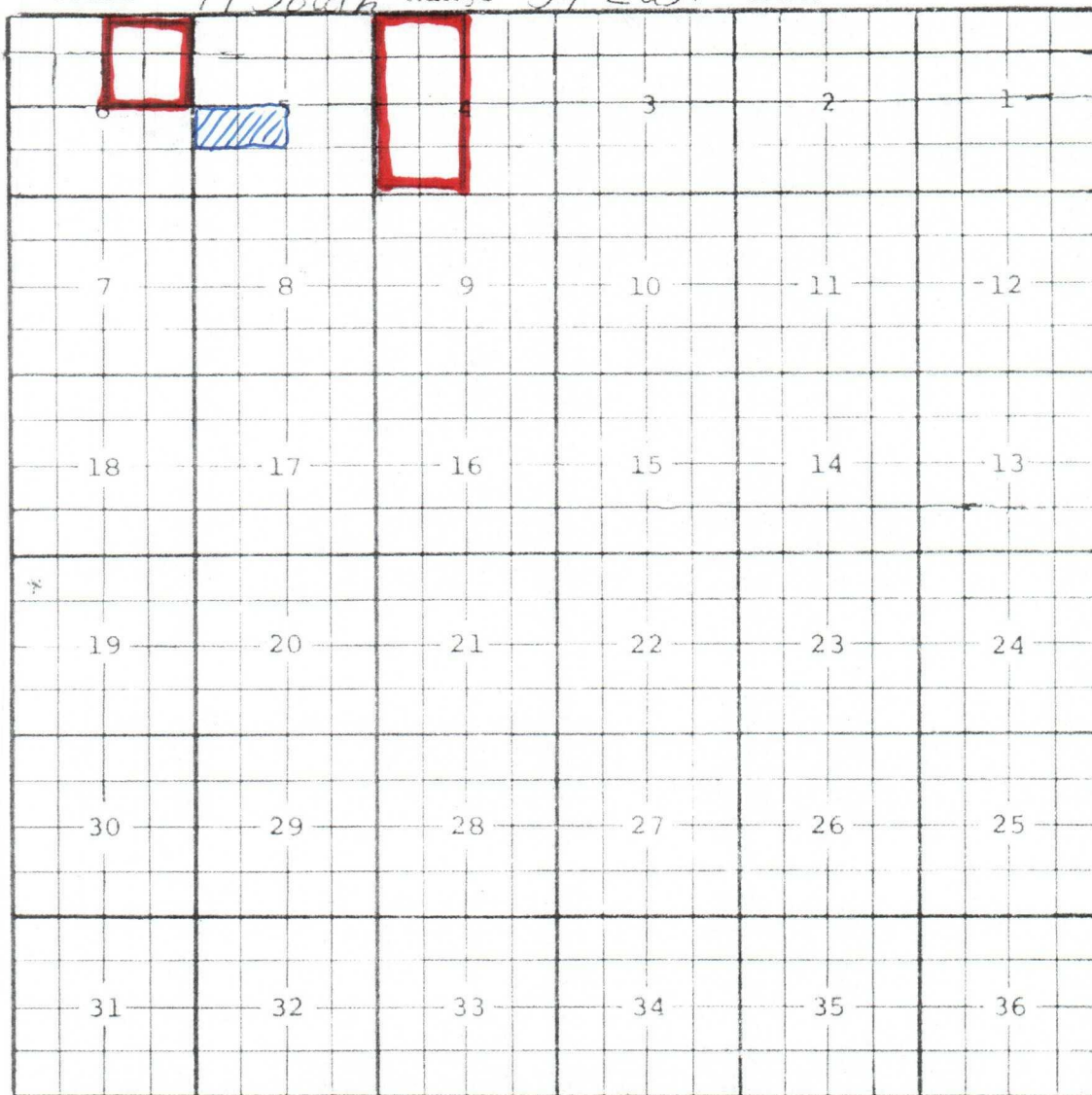
E4: Sec: 30 SW/4 (R-7114 - 10-19-82)

Ext.  $\frac{SW}{4}$  Sec. 29 (R-7607, 7-27-84) Ext:  $\frac{NW}{4}$  Sec. 30 (R-8483, 8-13-87)Ext:  $\frac{SW}{4}$  Sec. 32 (R-10240, 11-9-94) Ext:  $\frac{SE}{4}$  Sec. 31 (R-12141, 5-10-04)



County Lea Pool EK-Bone Spring

TOWNSHIP 19 South Range 34 East NMPM



Ext: <sup>W</sup>/<sub>2</sub> Sec. 4 (R-10556, 3-11-96) Ext: <sup>NE</sup>/<sub>4</sub> Sec. 6 (R-12531, 3-30-06)

1036

OCD-HOBBS

SUBMIT IN TRIPPLICATE\*

FORM APPROVED

OMB NO. 1004-0136

Expires: February 28, 1995

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

(Other instructions on  
reverse side)

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

|  |  |   |  |
|--|--|---|--|
| 1a. TYPE OF WORK<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>                                |  | 1b. TYPE OF WELL<br>OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/><br>WELL WELL SINGLE <input checked="" type="checkbox"/> MULTIPLE <input type="checkbox"/><br>OTHER ZONE ZONE |  |
| 2. NAME OF OPERATOR<br>Cimarex Energy Co. of Colorado  |  |   |  |
| 3. ADDRESS AND TELEPHONE NO.<br>P.O. Box 140907 Irving TX 75014 972-401-3111   |  |   |  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)<br>1650' FSL & 1980' FWL Unit K |  |   |  |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*<br>33 miles West of Hobbs, NM                          |  | 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, T.O (Also to nearest drig. unit line, if any) 1650'   |  |
| 16. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.<br>N/A          |  | 18. NO. OF ACRES IN LEASE<br>1114.36  |  |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL<br>40   |  | 20. ROTARY OR CABLE TOOLS<br>Rotary   |  |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.)<br>3821' GR   |  | 22. APPROX. DATE WORK WILL START*<br>02-15-07   |  |

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" ST&C     | 48#             | 450'          | 410 sx Prem circ surf  |
| 12-1/4"      | J-55 9-5/8" LT&C      | 40#             | 3700'         | 1200 sx Prem circ surf |
| 8-3/4"       | P-110 5-1/2" LT&C     | 17#             | 11000'        | 2155 sx TOC 1250       |

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 are requesting a variance to test the 13-3/8" casing and BOP system to 1000# psi and to 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 Fann TITLE Mgr. Ops. Admin DATE 06-30-06

(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/ Tony J. Herrell TITLE FIELD MANAGER

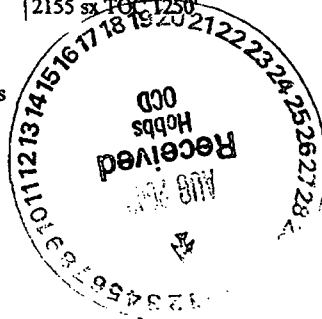
DATE JUL 28 2006  
APPROVAL FOR 1 YEAR

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.

Witness Surface Casing

Kz

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED





**Cimarex Energy Co. of Colorado**

5215 North O'Connor Blvd. □ Suite 1500 □ Irving, TX 75039 □ (972) 401-3111 □ Fax (972) 443-6486

Mailing Address: P.O. Box 140907 □ Irving, TX 75014-0907

*A wholly-owned subsidiary of Cimarex Energy Co., a NYSE Listed Company, "XEC"*

**STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS**

Bureau of Land Management  
620 E. Greene St.  
Carlsbad, New Mexico 88220  
Attn: Ms. Linda Denniston

Cimarex Energy Co. of Colorado accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease No.: NM-4314 – NE/4SW/4 5-19S-34E

County: Lea County, New Mexico

Formation (S): Bone Spring

Bond Coverage: Statewide BLM Bond

BLM Bond File No.: NM 2575

Authorized Signature: \_\_\_\_\_

Zeno Farris  
Representing Cimarex Energy Co. of Colorado

Name: Zeno Farris

Title: Manager, Operations Administration

Date: June 30, 2006

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

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |  |                                      |
|-----------------------------------|--|--------------------------------------|
| API Number<br><b>30-025-38044</b> | Pool Code<br><b>21650</b>                              | Pool Name<br><b>E-K; Bone Spring</b> |
| Property Code<br><b>35887</b>     | Property Name<br><b>PIPELINE "B-5" FEDERAL</b>         | Well Number<br><b>2</b>              |
| OGRID No.<br><b>162683</b>        | Operator Name<br><b>CIMAREX ENERGY CO. OF COLORADO</b> | Elevation<br><b>3821'</b>            |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K             | 5       | 19 S     | 34 E  |         | 1650          | SOUTH            | 1980          | WEST           | LEA    |

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<br><b>40</b> | Joint or Infill<br><b>N</b> | 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><b>No Potash Leases in Entire Section</b></p> |  |  |  | <p><b>OPERATOR CERTIFICATION</b></p> <p>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 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.</p> <p><b>Zeno Farris' 6-30-06</b></p> <p>Signature _____ Date _____</p> <p><b>Zeno Farris</b></p> <p>Printed Name _____</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><b>JUNE 23, 2006</b></p> <p>Date Surveyed _____</p> <p>Signature _____</p> <p>Professional Surveyor</p> <p><b>7977</b></p> <p>Certificate No. _____ Jones 7977</p> <p><b>BASIN SURVEYS</b></p>   |  |

## Application to Drill

Cimarex Energy Co. of Colorado  
Pipeline B 5 Federal No. 2  
Unit K Section 5  
T19S-R34E Lea 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: 1650' FSL & 1980' FWL
- 2 Elevation above sea level: GR 3821'
- 3 Geologic name of surface formation: Quaternary Alluvium Deposits
- 4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
- 5 Proposed drilling depth: 11000'
- 6 Estimated tops of geological markers:

|             |       |
|-------------|-------|
| Yates       | 3240' |
| Queen       | 4479' |
| Bone Spring | 7817' |
- 7 Possible mineral bearing formation:

|             |     |
|-------------|-----|
| Bone Spring | Oil |
|-------------|-----|
- 8 Casing program:

| Hole Size | Interval   | Casing OD | Weight | Thread | Collar | Grade |
|-----------|------------|-----------|--------|--------|--------|-------|
| 17-1/2"   | 0 - 450'   | 13-3/8"   | 48     | 8-R    | ST&C   | H-40  |
| 12-1/4"   | 0 - 3700'  | 9-5/8"    | 40     | 8-R    | LT&C   | J-55  |
| 8-3/4"    | 0 - 11000' | 5-1/2"    | 17     | 8-R    | LT&C   | P-110 |

## Application to Drill

Cimarex Energy Co. of Colorado  
Pipeline B 5 Federal No. 2  
Unit K Section 5  
T19S-R34E Lea County, NM

### 9 Cementing & Setting Depth:

|         |              |  |
|---------|--------------|--|
| 13 3/8" | Surface      | Set 450' of 13 3/8" H-40 48# ST&C casing. Cement lead with 270 Sx. Of Premium Plus + additives and tail with 140 Sx Premium Plus + additives, circulate cement to surface.   |
| 9 5/8"  | Intermediate | Set 3700' of 9 5/8" J-55 40# LT&C casing. Cement lead with 1000 Sx. Of Class Premium Plus + additives, tail with 200 Sx. Of Premium Plus + additives, circulate cement to surface.                                 |
| 5 1/2"  | Production   | Set 11000' of 5 1/2" P-110 17# LT&C casing. Cement in two stages, first stage cement with 1555 Sx. of Class POZ/C Cement + additives. Second stage cement with 600 Sx of Class "C". Estimated top of cement 1250'. |

### 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 - 450'       | 8.4 - 8.6  | 30 - 32   | May lose circ. | Fresh water spud mud add paper to control seepage and high viscosity sweeps to clean hole.  |
| 450' - 3700'   | 9.7 - 10.0 | 28 - 29   | May lose circ. | Fresh water to the top of the 1st salt in Rustler, then switch to Brine. Add paper as needed to control seepage and add lime to control pH (9-10). Use high viscosity sweeps to clean hole. |
| 3700' - 8300'  | 8.4 - 9.9  | 28 - 29   | NC             | Brine water. Paper for seepage. Lime for PH (9 - 9.5)   |
| 8300' - 11000' | 8.45 - 8.9 | 28 - 29   | NC             | Cut brine. Caustic for pH control.  |

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. of Colorado  
Pipeline B 5 Federal No. 2  
Unit K Section 5  
T19S-R34E Lea County, NM

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

- A. Mud logging program: Two-man unit from 3000' to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / CAL / GR
- C. No DSTs or cores are planned at this time.

### **13 Potential Hazards:**

No abnormal pressures or temperatures are expected. The area has a potential H2S hazard. An H2S drilling plan is attached. 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 175.

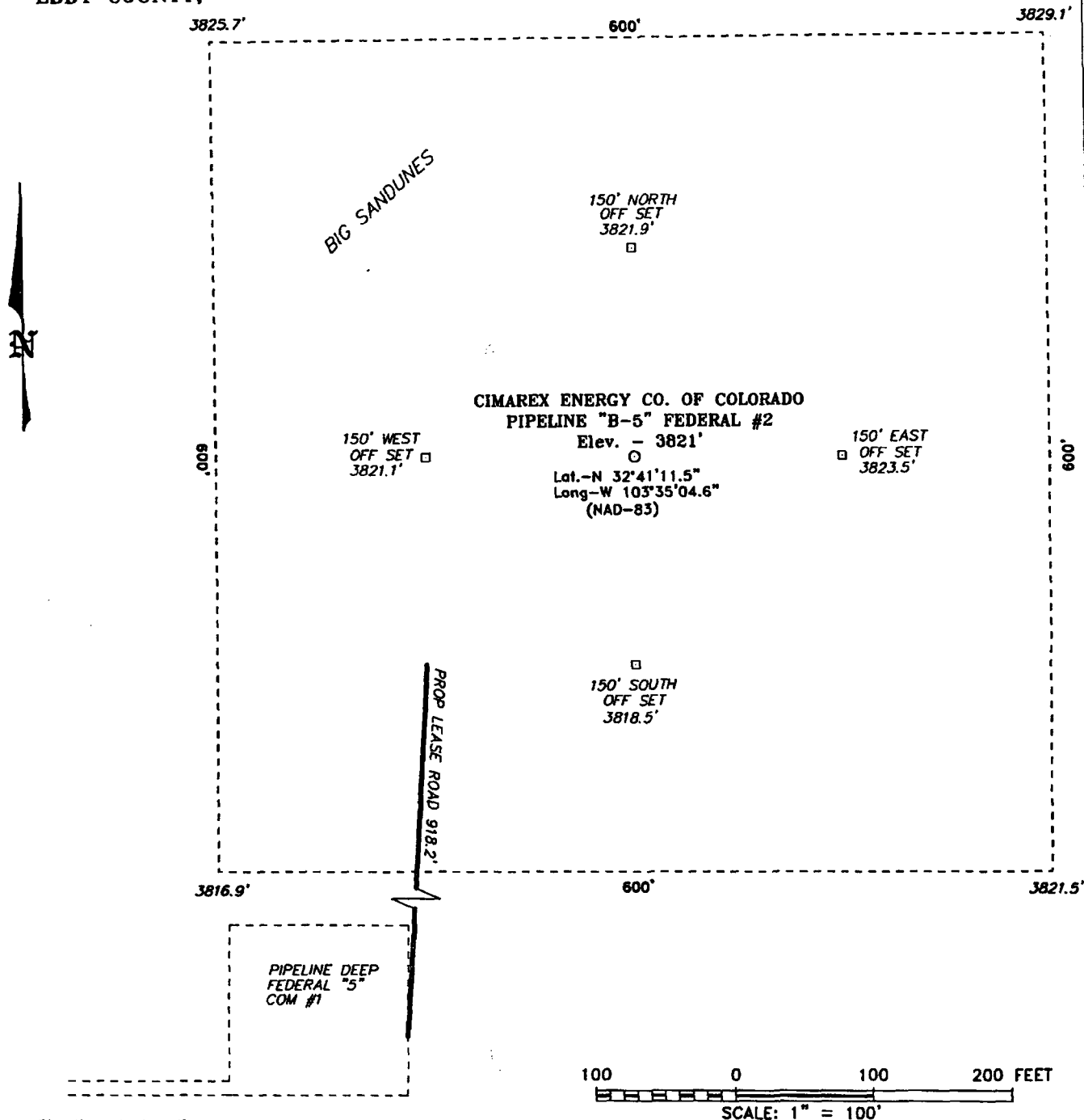
### **14 Anticipated Starting Date and Duration of Operations:**

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 Bone Spring pay will be perforated and stimulated. The well will be tested and potentialized as an oil well.

SECTION 5, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF STATE HWY 62-180 AND CO. RD. H55 (SMITH RANCH), PROCEED NORTHWEST 2.1 MILES TO LEASE ROAD, ON LEASE ROAD GO EAST 2.1 MILE TO LEASE ROAD, THENCE NORTH 3.1 MILE TO LEASE ROAD, THENCE EAST 0.3 MILE TO PROPOSED LEASE ROAD AT THE PIPELINE DEEP FEDERAL "5" COM #1.

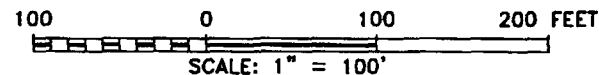
**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 6643

Drawn By: J. M. SMALL

Date: 06-26-2006

Disk: 6643W



**CIMAREX ENERGY CO. OF COLORADO**

REF: PIPELINE "B-5" FEDERAL #2 / WELL PAD TOPO

THE PIPELINE "B-5" FEDERAL No. 2 LOCATED 1650' FROM  
THE SOUTH LINE AND 1980' FROM THE WEST LINE OF  
SECTION 5, TOWNSHIP 19 SOUTH, RANGE 34 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 06-23-2006

Sheet 1 of 1 Sheets

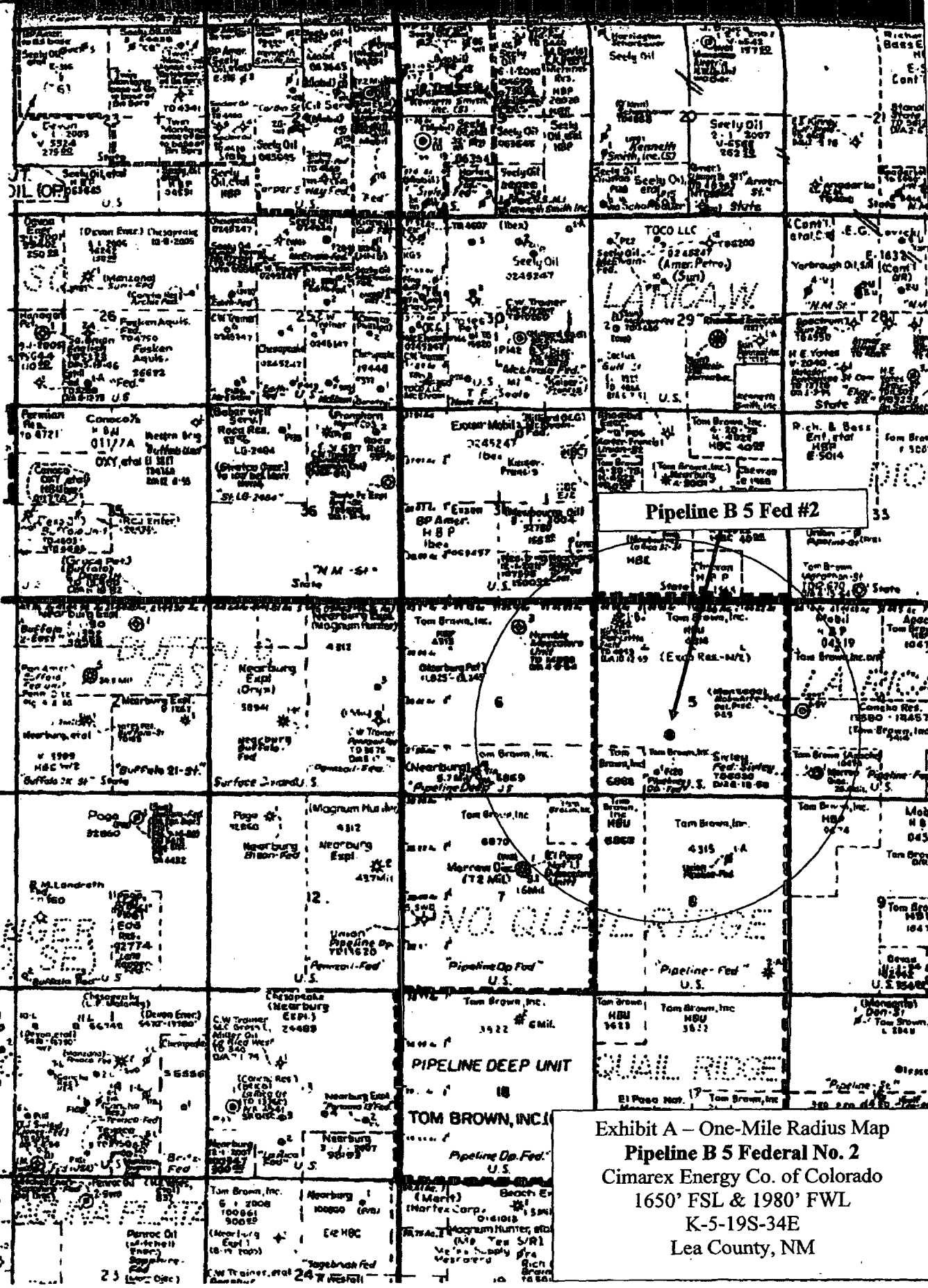
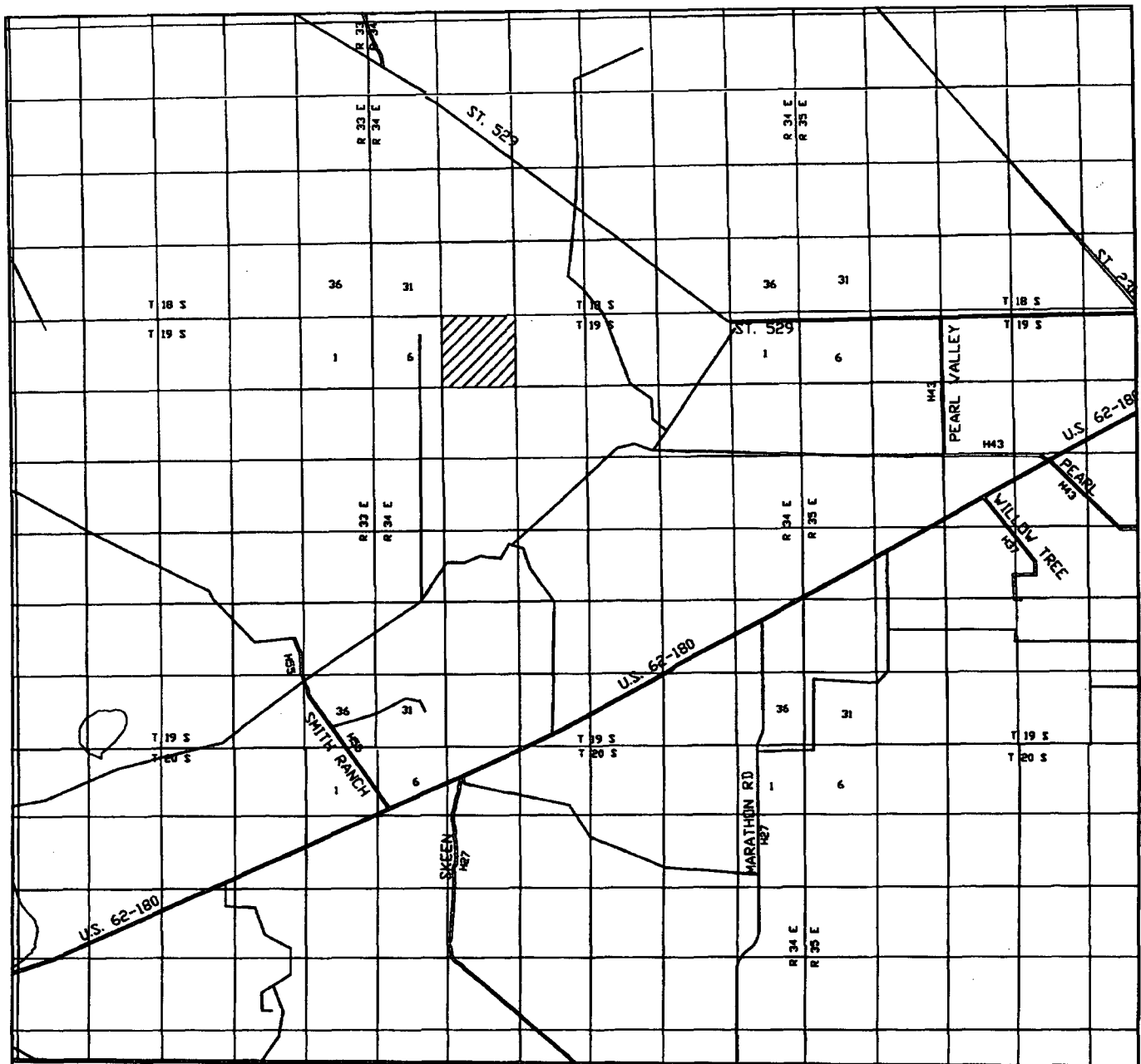


Exhibit A - One-Mile Radius Map  
Pipeline B 5 Federal No. 2  
Cimarex Energy Co. of Colorado  
1650' FSL & 1980' FWL  
K-5-19S-34E  
Lea County, NM



PIPELINE "B-5" FEDERAL #2  
 Located at 1650' FSL AND 1980' FWL  
 Section 5, Township 19 South, Range 34 East,  
 N.M.P.M., LEA County, New Mexico.

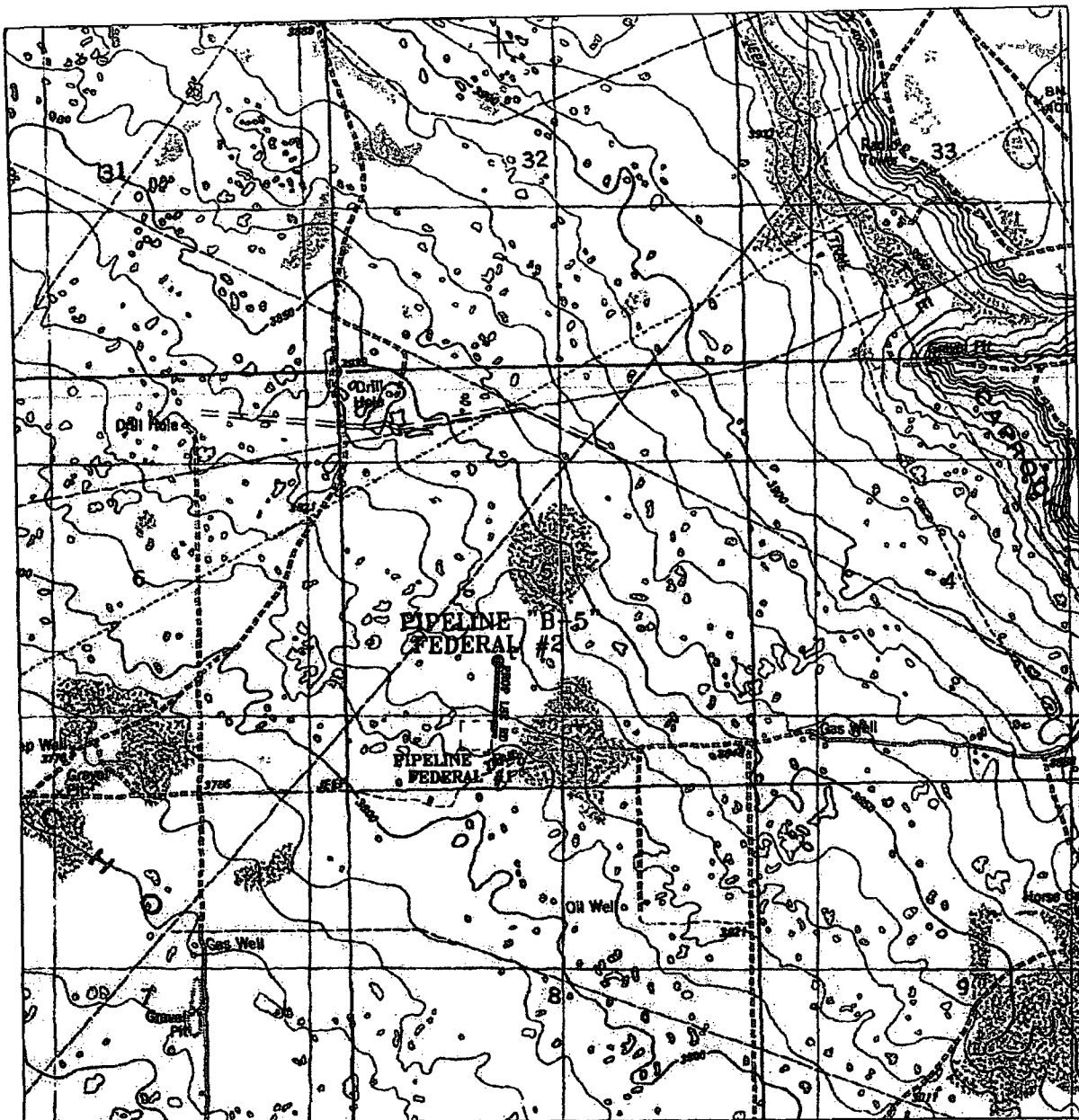
**basin**  
**surveys**  
 focused on excellence  
 in the oilfield

P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: JMS 6643T  
 Survey Date: 06-23-2006  
 Scale: 1" = 2 MILES  
 Date: 06-27-2006

CIMAREX  
 ENERGY CO. OF  
 COLORADO

Exhibit B



PIPELINE "B-5" FEDERAL #2  
 Located at 1650' FSL AND 1980' FWL  
 Section 5, Township 19 South, Range 34 East,  
 N.M.P.M., LEA County, New Mexico.

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 in the oilfield

P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: JMS 6643T

Survey Date: 06-23-2006

Scale: 1" = 2000'

Date: 06-27-2006

CIMAREX  
 ENERGY CO. OF  
 COLORADO

Exhibit C

## CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 2 - PIPELINE B 5 FEDERAL  
Operator's Name: CIMAREX ENERGY CO. OF COLORADO  
Location: 1650' FSL & 1980' FWL - SEC 5 - T19S - R34E - LEA COUNTY  
Lease: NM-4314

### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

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 450 feet below usable water 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. **Note: Operator has agreed to use the Alternative Conditions of Approval - Drilling for Lea County (attached).**

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is **circulate cement to the surface.**

4. The minimum required fill of cement behind the 5-1/2 inch production casing is **cement shall extend upward a minimum of 500 feet above the uppermost hydrocarbon bearing 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 9-5/8 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.

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

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

- A variance to test the 13-3/8 inch surface casing and BOPE to the reduced pressure of 1000 psi with the rig pumps is approved.
- 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.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br><br>NM-4314                          |
| 2. Name of Operator<br>Cimarex Energy Co. of Colorado  |   | 6. If Indian, Allottee or Tribe Name                        |
| 3a. Address<br>PO Box 140907; Irving, TX 75014-0907  | 3b. Phone No. (include area code)<br>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)<br>1650' FSL & 1980' FWL<br>K-5-19S-34E                   |   | 8. Well Name and No.<br>Pipeline B5 Federal No. 2           |
|  |   | 9. API Well No.<br>30-025- 38044                            |
|  |   | 10. Field and Pool, or Exploratory Area<br>E-K; Bone Spring |
|  |   | 11. County or Parish, State<br>Lea County, NM               |

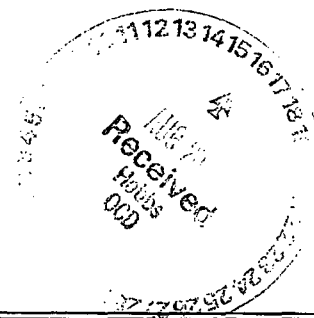
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| 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 type="checkbox"/> Other          |
|  | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       |   |
|  | <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, included 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.)

Due to rig scheduling, Cimarex will drill this well using Patterson Rig 144.

Please see attached rig plat.



|  |  |                         |
|--|--|-------------------------|
| 14. I hereby certify that the foregoing is true and correct<br>Name (Printed/Typed)<br><br>Natalie Krueger |  | Title<br>Reg Analyst 1  |
| Signature<br><i>Natalie Krueger</i>  |  | Date<br>August 10, 2006 |

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

|   |                        |                                 |
|---|------------------------|---------------------------------|
| Approved by<br><i>Pony J. Herrell</i>   | Title<br>FIELD MANAGER | Date<br>AUG 14 2006             |
| 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<br>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)

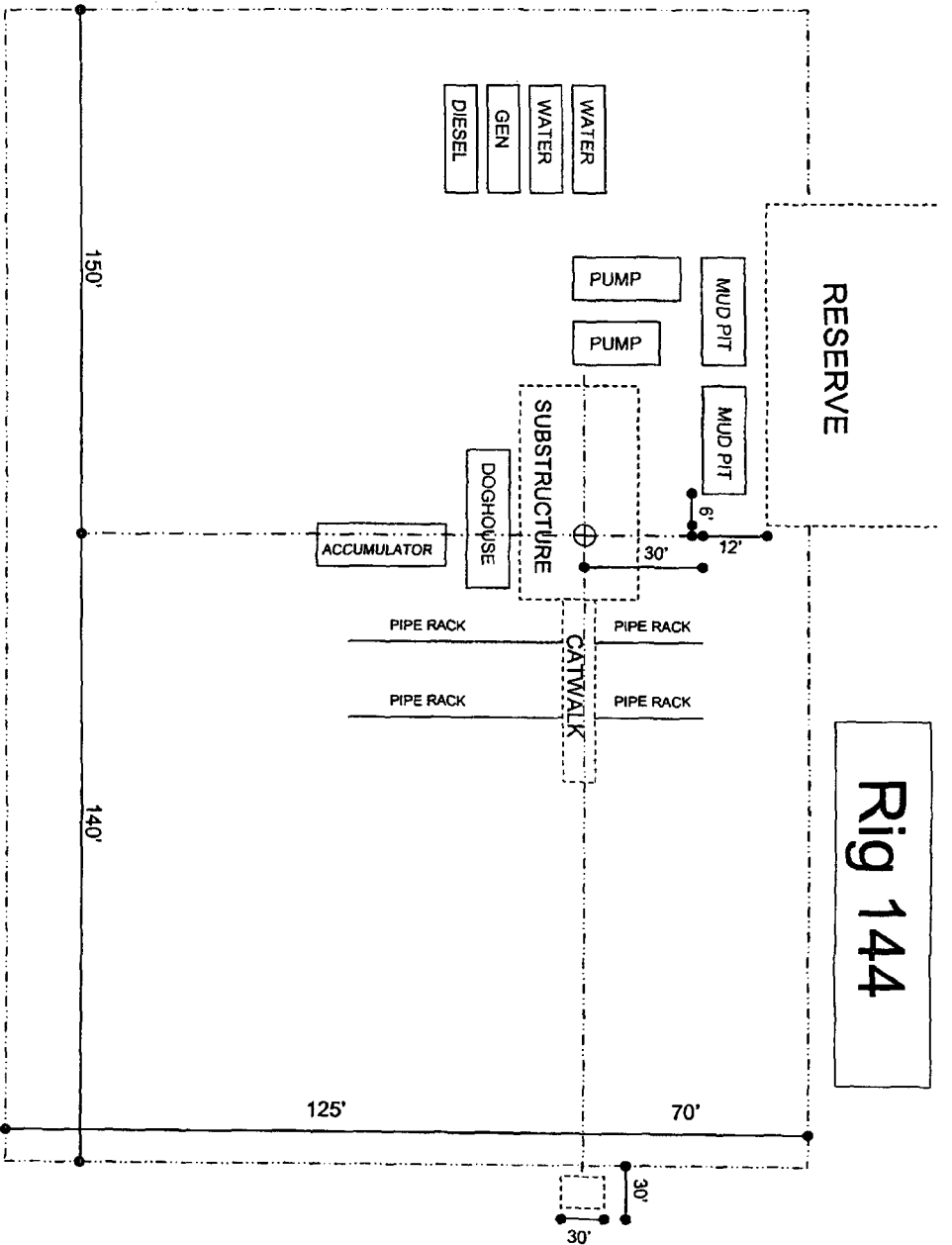


Exhibit D – Rig Layout  
 Pipeline B5 Federal No. 2  
 Cimarex Energy Co. of Colorado  
 K-5-19S-34E  
 1650' FSL & 1980' FWL  
 Lea County, NM