

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

APPLICATION OF CIMAREX ENERGY CO. FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO.

Case No. 14,682

VERIFIED STATEMENT OF HAYDEN P. TRESNER

Hayden P. Tresner, being duly sworn upon his oath, deposes and states:

1. I am a landman for Cimarex Energy Co., and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule NMAC 19.15.4.12.A(1)(b), the following information is submitted in support of the application filed herein:

(a) No opposition to this application is expected because the mineral interest owner being pooled has not responded to well proposals or has not yet executed an operating agreement.

(b) A plat outlining the spacing unit being pooled is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 32, Township 18 South, Range 26 East, N.M.P.M. The unit is to be dedicated to the Texas 32 Fee Well No. 1, to be drilled at an orthodox location.

Mineral ownership in the well unit is common as to the depths being pooled.

(c) The parties being pooled, their interests in the well unit, and their address, are as follows:

|                      |        |
|----------------------|--------|
| COG Operating LLC    | 23.75% |
| Concho Oil & Gas LLC | 1.25%  |
| Suite 100            |        |
| 550 West Texas       |        |
| Midland, Texas 79701 |        |

Oil Conservation Division  
Case No. 14682  
Exhibit No. 1

(d) A copy of the proposal letter sent to the uncommitted mineral interest owners is attached hereto as Exhibit B-1. E-mails sent by me to the parties being pooled are attached hereto as Exhibit B-2. In addition, I have called Stuart Dirks, COG's landman, approximately 3-5 times.

(e) Cimarex Energy Co. has made a good faith effort to obtain the voluntary joinder of the uncommitted interest owner in the well.

(f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a non-consenting interest owner.

(g) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Eddy County.

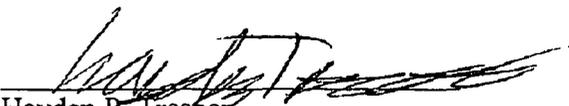
(h) Overhead charges of \$4,500.00/month for a drilling well, and \$450.00/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth. Applicant requests that the rates be adjusted under the COPAS accounting procedure.

(i) Applicant requests that it be designated operator of the well.

VERIFICATION

STATE OF TEXAS            )  
  ) ss.  
COUNTY OF MIDLAND    )

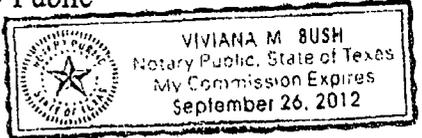
Hayden P. Tresner, being duly sworn upon his oath, deposes and states that: He is a landman for Cimarex Energy Co.; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.

  
Hayden P. Tresner

SUBSCRIBED AND SWORN TO before me this 6<sup>th</sup> day of July, 2011 by Hayden P. Tresner.

My Commission Expires: September 26 2012

Viviana M. Bush  
Notary Public





Cimarex Energy Co.  
600 N. Marienfeld St  
Suite 600  
Midland, Texas 79701  
PHONE 432 571.7800



April 8, 2011

Mineral Owner Address List on Page 3

Re: New Well Proposal-Texas 32 Fee No.1  
Township, 18 South, Range 26 East, N.M.P.M.  
Section 32: NW/4NW/4  
Eddy County, New Mexico

Dear Mineral Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Texas 32 Fee No.1 Well at legal location in the NW/4NW/4 of Section 32, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 330' FNL & 990' FWL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Glorieta-Yeso formations.

It should be understood that compliance with topography or cultural or environmental concerns, among others, might require modification of Cimarex's intended procedure. Cimarex will advise you of any such modifications.

Enclosed, in duplicate, is (i) our detailed AFE which sets forth the estimated costs associated with the well, and; (ii) our proposed form of Operating Agreement to govern operations for the Texas wells. If you intend to participate, please approve and return one (1) original of the enclosed AFE and one (1) original of the signature page to the Operating Agreement, along with your contact information to receive well data, to the undersigned within thirty (30) days of receipt of this proposal. If you should elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

In the event you do not wish to participate in drilling the Texas wells, Cimarex will consider acquiring an Oil and Gas Lease on your mineral interest. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms:

EXHIBIT

**B-1**

New Well Proposal-Texas 32 Fee No.1  
Township, 18 South, Range 26 East, N.M.P.M.  
Section 32: NW/4NW/4  
Eddy County, New Mexico



- i.) \$1000.00 per net mineral acre bonus consideration;
- ii.) 25% royalty interest reserved;
- iii.) One (1) year primary term with 180-day continuous development thereafter

Please call the undersigned with any questions or comments.

Respectfully Submitted,

**Cimarex Energy Co.**

Hayden P. Tresner  
Landman

---

**ELECTION TO PARTICIPATE**  
**Texas 32 Fee No.1 Well**

\_\_\_\_\_ Elects **TO** participate in the proposed Texas 32 Fee No.1 Well

\_\_\_\_\_ Elects **NOT** to participate in the proposed Texas 32 Fee No.1 Well

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

Company: \_\_\_\_\_

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

New Well Proposal-Texas 32 Fee No.1  
Township, 18 South, Range 26 East, N.M.P.M.  
Section 32: NW/4NW/4  
Eddy County, New Mexico



If your election above is TO participate in the proposed Texas 32 Fee No.1 Well, then:

\_\_\_\_\_ Elects TO be covered by well control insurance procured by Cimarex

\_\_\_\_\_ Elects NOT to be covered by well control insurance procured by Cimarex and agrees to provide Cimarex with a certificate of insurance prior to commencement of drilling operations or be deemed to have elected to be covered by well control insurance procured by Cimarex

---

**Mineral Owner Address List**

Via: Certified U.S. Mail-Return Receipt No.91 7108 2133 3937 9627 5565

Sharbro Oil Limited Company  
Attn: Hannah Palomin, Land Manager  
P.O. Box 840  
Artesia, New Mexico 88210

Via: Certified U.S. Mail-Return Receipt No.91 7108 2133 3937 9627 5572

COG Operating, LLC  
Concho Oil and Gas, LLC  
Attn: Stuart Dirks  
550 West Texas Ave., Suite 100  
Midland, Texas 79701

## Hayden Tresner

---

**From:** Hayden Tresner  
**Sent:** Wednesday, May 04, 2011 10:44 AM  
**To:** 'Stuart Dirks'  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Stuart,

Wanted to touch base with you on the Texas and Alaska well proposals. I'm trying to get everything squared away ASAP to get a rig in and get started.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [mailto:SDirks@conchoresources.com]  
**Sent:** Wednesday, May 04, 2011 10:38 AM  
**To:** Hayden Tresner  
**Subject:** Fw: Phone Call from Hayden Tresner Cimarex

Hayden-

I am in an all day meeting, can you e-mail me?

Thanks

---

**From:** Robyn Cummins  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:36:41 2011  
**Subject:** Phone Call from Hayden Tresner Cimarex

Stuart,

Please call Hayden @571-7856 in regards to the Alaska wells and the Texas Proposals (he e-mailed to Dean Chumbley) and copied you.

Thanks,

Robyn

---

**COG OPERATING LLC**

*Robyn Cummins*

*Land Coordinator*

*550 W. Texas Avenue, Suite 100*

*Midland, Texas 79701*

*432-218-2324 phone*

*432-686-3000 fax*



**CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.**

## Hayden Tresner

---

**From:** Hayden Tresner  
**Sent:** Wednesday, May 04, 2011 10:59 AM  
**To:** 'Stuart Dirks'  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Sounds good.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [mailto:SDirks@conchoresources.com]  
**Sent:** Wednesday, May 04, 2011 10:50 AM  
**To:** Hayden Tresner  
**Subject:** Re: Phone Call from Hayden Tresner Cimarex

I'll talk to the team after this meeting and will get back to you.

---

**From:** Hayden Tresner <[htresner@cimarex.com](mailto:htresner@cimarex.com)>  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:44:02 2011  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Stuart,

Wanted to touch base with you on the Texas and Alaska well proposals. I'm trying to get everything squared away ASAP to get a rig in and get started.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone

(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any)

---

**From:** Stuart Dirks [mailto:SDirks@conchoresources.com]  
**Sent:** Wednesday, May 04, 2011 10:38 AM  
**To:** Hayden Tresner  
**Subject:** Fw: Phone Call from Hayden Tresner Cimarex

Hayden-

I am in an all day meeting, can you e-mail me?

Thanks

---

**From:** Robyn Cummins  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:36:41 2011  
**Subject:** Phone Call from Hayden Tresner Cimarex

Stuart,

Please call Hayden @571-7856 in regards to the Alaska wells and the Texas Proposals (he e-mailed to Dean Chumbley) and copied you.

Thanks,

Robyn

**COG OPERATING LLC**

Robyn Cummins

Land Coordinator

550 W. Texas Avenue, Suite 100

Midland, Texas 79701

432-218-2324 phone

432-686-3000 fax



**CONFIDENTIALITY NOTICE:** The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

## Hayden Tresner

---

**From:** Hayden Tresner  
**Sent:** Wednesday, May 04, 2011 10:50 PM  
**To:** 'SDirks@conchoresources.com'  
**Subject:** Re: Phone Call from Hayden Tresner Cimarex  
**Attachments:** image001.jpg; image002.jpg

Stuart,

I think pitch owns a 25 pct. mineral int-it might have been pitch w/ 23.5 and marbob w/ 1.5, i cant remember but i sent proposals to dean chumbley's attention. I will be out until next thurs. I thought i copied you on the proposals that i sent to dean?

Hayden P. Tresner  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld Street, Suite 600  
Midland, Texas 79701  
Office (432) 571-7856  
Cell (432) 413-1560

---

**From:** Stuart Dirks [mailto:SDirks@conchoresources.com]  
**Sent:** Wednesday, May 04, 2011 04:17 PM  
**To:** Hayden Tresner  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Hayden-

All of our interest in the Alaska wells are from Marbob and I don't have any Marbob files. Would you please tell me what you show our interest to be? I believe we have some leasehold and some minerals.

Thanks,  
Stuart

---

**From:** Hayden Tresner [mailto:htresner@cimarex.com]  
**Sent:** Wednesday, May 04, 2011 10:59 AM  
**To:** Stuart Dirks  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Sounds good.



Hayden P. Tresner  
Landman-Permian Basin Exploration

Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [<mailto:SDirks@conchoresources.com>]  
**Sent:** Wednesday, May 04, 2011 10:50 AM  
**To:** Hayden Tresner  
**Subject:** Re: Phone Call from Hayden Tresner Cimarex

I'll talk to the team after this meeting and will get back to you.

---

**From:** Hayden Tresner <[htresner@cimarex.com](mailto:htresner@cimarex.com)>  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:44:02 2011  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Stuart,

Wanted to touch base with you on the Texas and Alaska well proposals. I'm trying to get everything squared away ASAP to get a rig in and get started.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [<mailto:SDirks@conchoresources.com>]  
**Sent:** Wednesday, May 04, 2011 10:38 AM  
**To:** Hayden Tresner  
**Subject:** Fw: Phone Call from Hayden Tresner Cimarex

Hayden-

I am in an all day meeting, can you e-mail me?

Thanks

---

**From:** Robyn Cummins  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:36:41 2011  
**Subject:** Phone Call from Hayden Tresner Cimarex

Stuart,

Please call Hayden @571-7856 in regards to the Alaska wells and the Texas Proposals (he e-mailed to Dean Chumbley) and copied you.

Thanks,

Robyn

**COG OPERATING LLC**

Robyn Cummins

Land Coordinator

550 W. Texas Avenue, Suite 100

Midland, Texas 79701

432-218-2324 phone

432-686-3000 fax



**CONFIDENTIALITY NOTICE:** The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

---

## Hayden Tresner

---

**From:** Hayden Tresner  
**Sent:** Friday, May 13, 2011 1:19 PM  
**To:** 'Stuart Dirks'  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex  
**Attachments:** image001.jpg; image002.jpg

Stuart,

My ownership reports indicates that Pitch Energy Corporation owns 25% MI in our Alaska lease. I sent the proposals to Dean Chumbley's attention.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [<mailto:SDirks@conchoresources.com>]  
**Sent:** Wednesday, May 04, 2011 5:18 PM  
**To:** Hayden Tresner  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Hayden-

All of our interest in the Alaska wells are from Marbob and I don't have any Marbob files. Would you please tell me what you show our interest to be? I believe we have some leasehold and some minerals.

Thanks,  
Stuart

---

**From:** Hayden Tresner [<mailto:htresner@cimarex.com>]  
**Sent:** Wednesday, May 04, 2011 10:59 AM

**To:** Stuart Dirks  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Sounds good.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [<mailto:SDirks@conchoresources.com>]  
**Sent:** Wednesday, May 04, 2011 10:50 AM  
**To:** Hayden Tresner  
**Subject:** Re: Phone Call from Hayden Tresner Cimarex

I'll talk to the team after this meeting and will get back to you.

---

**From:** Hayden Tresner <[htresner@cimarex.com](mailto:htresner@cimarex.com)>  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:44:02 2011  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Stuart,

Wanted to touch base with you on the Texas and Alaska well proposals. I'm trying to get everything squared away ASAP to get a rig in and get started.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for

delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [mailto:SDirks@conchoresources.com]  
**Sent:** Wednesday, May 04, 2011 10:38 AM  
**To:** Hayden Tresner  
**Subject:** Fw: Phone Call from Hayden Tresner Cimarex

Hayden-

I am in an all day meeting, can you e-mail me?

Thanks

---

**From:** Robyn Cummins  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:36:41 2011  
**Subject:** Phone Call from Hayden Tresner Cimarex

Stuart,

Please call Hayden @571-7856 in regards to the Alaska wells and the Texas Proposals (he e-mailed to Dean Chumbley) and copied you.

Thanks,

Robyn

**COG OPERATING LLC**

Robyn Cummins

Land Coordinator

550 W. Texas Avenue, Suite 100

Midland, Texas 79701

432-218-2324 phone

432-686-3000 fax



**CONFIDENTIALITY NOTICE:** The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

## Hayden Tresner

---

**From:** Hayden Tresner  
**Sent:** Wednesday, May 18, 2011 8:55 AM  
**To:** Hayden Tresner; 'Stuart Dirks'  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex  
**Attachments:** image001.jpg; image002.jpg

Stuart,

Is COG/Pitch going to participate in the Alaska and Texas Wells? We've got lease obligations to satisfy and will be getting started on these very soon. Please let me know so I can prepare accordingly. Thank you.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Hayden Tresner  
**Sent:** Friday, May 13, 2011 1:19 PM  
**To:** 'Stuart Dirks'  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Stuart,

My ownership reports indicates that Pitch Energy Corporation owns 25% MI in our Alaska lease. I sent the proposals to Dean Chumbley's attention.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [mailto:SDirks@conchoresources.com]  
**Sent:** Wednesday, May 04, 2011 5:18 PM  
**To:** Hayden Tresner  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Hayden-

All of our interest in the Alaska wells are from Marbob and I don't have any Marbob files. Would you please tell me what you show our interest to be? I believe we have some leasehold and some minerals.

Thanks,  
Stuart

---

**From:** Hayden Tresner [mailto:htresner@cimarex.com]  
**Sent:** Wednesday, May 04, 2011 10:59 AM  
**To:** Stuart Dirks  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Sounds good.



Hayden P. Tresner  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [mailto:SDirks@conchoresources.com]  
**Sent:** Wednesday, May 04, 2011 10:50 AM  
**To:** Hayden Tresner  
**Subject:** Re: Phone Call from Hayden Tresner Cimarex

I'll talk to the team after this meeting and will get back to you.

---

**From:** Hayden Tresner <htresner@cimarex.com>  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:44:02 2011  
**Subject:** RE: Phone Call from Hayden Tresner Cimarex

Stuart,

Wanted to touch base with you on the Texas and Alaska well proposals. I'm trying to get everything squared away ASAP to get a rig in and get started.



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cimarex.com](mailto:htresner@cimarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

---

**From:** Stuart Dirks [mailto:SDirks@conchoresources.com]  
**Sent:** Wednesday, May 04, 2011 10:38 AM  
**To:** Hayden Tresner  
**Subject:** Fw: Phone Call from Hayden Tresner Cimarex

Hayden-

I am in an all day meeting, can you e-mail me?

Thanks

---

**From:** Robyn Cummins  
**To:** Stuart Dirks  
**Sent:** Wed May 04 10:36:41 2011  
**Subject:** Phone Call from Hayden Tresner Cimarex

Stuart,

*Please call Hayden @571-7856 in regards to the Alaska wells and the Texas Proposals (he e-mailed to Dean Chumbley) and copied you.*

*Thanks,*

*Robyn*

**COG OPERATING LLC**

---

Robyn Cummins  
Land Coordinator  
550 W. Texas Avenue, Suite 100  
Midland, Texas 79701  
432-218-2324 phone  
432-686-3000 fax



**CONFIDENTIALITY NOTICE:** The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

---

## Hayden Tresner

---

**From:** Hayden Tresner  
**Sent:** Wednesday, May 25, 2011 3:02 PM  
**To:** 'Stuart Dirks'  
**Subject:** Proposals  
**Attachments:** image001.jpg

Stuart,

Just left you a voice mail-have you made a decision on our Texas and Alaska well proposals? Please call me. Thanks,



**Hayden P. Tresner**  
Landman-Permian Basin Exploration  
Cimarex Energy Co.  
600 N. Marienfeld, Ste. 600  
Midland, Texas 79701  
(432) 571-7800 Phone  
(432) 571-7856 Direct  
(432) 571-7840 Fax  
[htresner@cinarex.com](mailto:htresner@cinarex.com)

---

This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).



Authorization For Expenditure

Company Entity: Cimarex Energy Co. Date Prepared: February 25, 2011

| Region  | Well Name    | Well No. | Prospect or Field Name | Property Number | Drilling AFE No. |
|---------|--------------|----------|------------------------|-----------------|------------------|
| Permian | Texas 32 Fee | 1        | Paddock Extension-West |                 |                  |

| Location           | County | State | Type Well |   |      |   |
|--------------------|--------|-------|-----------|---|------|---|
| Sec. 32- 18S - 26E | Eddy   | NM    | Oil       | X | Expl | X |
|                    |        |       | Gas       |   | Prod |   |

| Estimate Type         | Est. Start Date | Est. Comp Date | Formation     | Ttl Measured Depth |
|-----------------------|-----------------|----------------|---------------|--------------------|
| Original Estimate     |                 |                | Glorieta/Yeso | 3,000'             |
| Revised Estimate      |                 |                |               | Ttl Vertical Depth |
| Supplemental Estimate |                 |                |               | 3,000'             |

**Project Description**  
Drill and complete a Glorieta/Yeso vertical hole well.

| Intangibles                   | Dry Hole Cost    | After Casing Point | Completed Well Cost |
|-------------------------------|------------------|--------------------|---------------------|
| Drilling Costs                | \$387,600        |                    | \$387,600           |
| Completion Costs              |                  | \$614,000          | \$614,000           |
| <b>Total Intangible Costs</b> | <b>\$387,600</b> | <b>\$614,000</b>   | <b>\$1,001,600</b>  |

| Tangibles                       |                 |                  |                  |
|---------------------------------|-----------------|------------------|------------------|
| Well Equipment                  | \$26,000        | \$280,000        | \$306,000        |
| Lease Equipment                 |                 | \$69,500         | \$69,500         |
| <b>Total Tangible Well Cost</b> | <b>\$26,000</b> | <b>\$349,500</b> | <b>\$375,500</b> |

| Plug and Abandon Cost |          |           |     |
|-----------------------|----------|-----------|-----|
|                       | \$30,000 | -\$30,000 | \$0 |

| Total Well Cost |           |           |             |
|-----------------|-----------|-----------|-------------|
|                 | \$443,600 | \$933,500 | \$1,377,100 |

**Comments on Well Costs**  
1 All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

**Well Control Insurance**  
Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefor. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

I elect to purchase my own well control insurance policy

Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$1,000,000 (100% W.I.) deductible.

**Marketing Election**  
Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold.

I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contracts.

**Comments on AFE**  
The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Cimarex Energy Co. Approval

| Prepared by  | Drilling and Completion Manager | Regional Manager |
|--------------|---------------------------------|------------------|
| Ryan Braxton | Doug Park                       | Roger Alexander  |

Joint Interest Approval

| Company | By | Date |
|---------|----|------|
|         |    |      |

EXHIBIT

C



Project Cost Estimate

Lease Name: Texas 32 Fee

Well No.: 1

| Intangibles  | Codes                        | Dry Hole Cost         | Codes              | After Casing Point | Completed Well Cost |           |          |          |
|--|------------------------------|-----------------------|--------------------|--------------------|---------------------|-----------|----------|----------|
| Roads & Location Preparation / Restoration                               | D10C.100                     | \$30,000              | D10C.100           | \$3,500            | \$33,500            |           |          |          |
| Damages  | D10C.105                     | \$4,000               | D10C.105           | \$1,000            | \$5,000             |           |          |          |
| Mud / Fluids Disposal Charges  | D10C.255                     | \$30,000              | D10C.235           | \$13,000           | \$43,000            |           |          |          |
| Day Rate   | 5   DH Days                  | 2   ACP Days @        | \$13,500   Per Day | D10C.115           | \$68,000            | D10C.130  | \$27,000 | \$95,000 |
| Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.) | D10C.120                     | \$12,000              |                    |                    | \$12,000            |           |          |          |
| Bits   | D10C.125                     | \$15,000              | D10C.125           | \$0                | \$15,000            |           |          |          |
| Fuel   | \$2.80   Per Gallon          | 800   Gallons Per Day | D10C.135           | \$11,000           | D10C.130            | \$4,000   | \$15,000 |          |
| Water / Completion Fluids  | 1,900   Per Day              | D10C.140              | \$10,000           | D10C.135           | \$63,000            | \$73,000  |          |          |
| Mud & Additives  | D10C.145                     | \$12,500              |                    |                    | \$12,500            |           |          |          |
| Surface Rentals  | 1,000   Per Day              | D10C.150              | \$5,000            | D10C.140           | \$40,000            | \$45,000  |          |          |
| Downhole Rentals   | D10C.155                     | \$16,000              | D10C.145           | \$32,000           | \$48,000            |           |          |          |
| Formation Evaluation (DST, Coring including evaluation, G&G Services)    | D10C.160                     | \$0                   |                    |                    | \$0                 |           |          |          |
| Mud Logging  | \$2   Days @                 | 1,200   Per Day       | D10C.170           | \$4,500            |                     | \$4,500   |          |          |
| Open Hole Logging  | D10C.180                     | \$20,000              |                    |                    | \$20,000            |           |          |          |
| Cementing & Float Equipment  | D10C.155                     | \$15,000              | D10C.155           | \$20,000           | \$35,000            |           |          |          |
| Tubular Inspections  | D10C.190                     | \$2,000               | D10C.160           | \$1,000            | \$3,000             |           |          |          |
| Casing Crews   | D10C.195                     | \$5,000               | D10C.165           | \$5,000            | \$10,000            |           |          |          |
| Extra Labor, Welding, Etc.   | D10C.200                     | \$3,000               | D10C.170           | \$10,000           | \$13,000            |           |          |          |
| Land Transportation (Trucking)   | D10C.205                     | \$3,000               | D10C.175           | \$5,000            | \$8,000             |           |          |          |
| Supervision  | Per Day                      | D10C.210              | \$12,600           | D10C.180           | \$12,000            | \$24,600  |          |          |
| Trailer House / Camp / Catering  | 700   Per Day                | D10C.260              | \$4,000            | D10C.235           | \$1,000             | \$5,000   |          |          |
| Other Misc Expenses  | D10C.270                     | \$2,000               | D10C.190           | \$2,000            | \$4,000             |           |          |          |
| Overhead   | 300   Per Day                | D10C.225              | \$2,000            | D10C.195           | \$2,000             | \$4,000   |          |          |
| Remedial Cementing   | D10C.231                     | \$0                   | D10C.235           | \$0                | \$0                 |           |          |          |
| MOB/DEMOb  | D10C.240                     | \$45,000              |                    |                    | \$45,000            |           |          |          |
| Directional Drilling Services  | 0   Days @                   | 8,000   Per Day       | D10C.245           | \$0                | \$0                 |           |          |          |
| Dock, Dispatcher, Crane  | D10C.250                     | \$0                   | D10C.210           | \$0                | \$0                 |           |          |          |
| Manne & Air Transportation   | D10C.275                     | \$0                   | D10C.250           | \$0                | \$0                 |           |          |          |
| Solids Control   | 3,000   Per Day              | D10C.260              | \$15,000           |                    | \$15,000            |           |          |          |
| Well Control Equip (Snubbing Svcs.)                                      | D10C.265                     | \$12,000              | D10C.210           | \$3,500            | \$15,500            |           |          |          |
| Fishing & Sidetrack Operations   | D10C.270                     | \$0                   | D10C.245           | \$0                | \$0                 |           |          |          |
| Completion Rig   | 3   Days @                   | 3,500   Per Day       |                    | D10C.115           | \$10,500            | \$10,500  |          |          |
| Coil Tubing  | Days @                       | Per Day               |                    | D10C.260           | \$0                 | \$0       |          |          |
| Completion Logging, Perforating, WVL Units, WVL Surveys                  |                              |                       |                    | D10C.260           | \$10,000            | \$10,000  |          |          |
| Stimulation  |                              |                       |                    | D10C.210           | \$258,000           | \$258,000 |          |          |
| Legal / Regulatory / Curative  | D10C.300                     | \$10,000              | D10C.260           | \$0                | \$10,000            |           |          |          |
| Well Control Insurance   | \$0.35   Per Foot            | D10C.185              | \$1,000            |                    | \$1,000             |           |          |          |
| Contingency  | 5%   of Drilling Intangibles | D10C.435              | \$18,000           | D10C.220           | \$26,000            | \$44,000  |          |          |
| Construction For Well Equipment  |                              |                       |                    | D10C.265           | \$6,500             | \$6,500   |          |          |
| Construction For Lease Equipment   |                              |                       |                    | D10C.265           | \$52,500            | \$52,500  |          |          |
| Construction For Sales P/L   |                              |                       |                    | D10C.265           | \$5,500             | \$5,500   |          |          |
| <b>Total Intangible Cost</b>   |                              | <b>\$387,600</b>      |                    | <b>\$614,000</b>   | <b>\$1,001,600</b>  |           |          |          |

| Tangible - Well Equipment                                   |        |         |                 |          |                  |                  |
|---|--------|---------|-----------------|----------|------------------|------------------|
| Casing  | Size   | Feet    | \$ / Foot       |          |                  |                  |
| Drive Pipe  | 20"    | 40.00   | \$100.00        | D10E.150 | \$0              | \$0              |
| Conductor Pipe  | 0"     | 0.00    | \$0.00          | D10E.130 | \$0              | \$0              |
| Water String  | 0"     | 0.00    | \$0.00          | D10E.135 | \$0              | \$0              |
| Surface Casing  | 8 5/8" | 950.00  | \$22.18         | D10E.110 | \$21,000         | \$21,000         |
| Intermediate Casing   | 0"     | 0.00    | \$0.00          | D10E.145 | \$0              | \$0              |
| Drilling Liner  | 0"     | 0.00    | \$0.00          | D10E.145 | \$0              | \$0              |
| Drilling Liner  | 0"     | 0.00    | \$0.00          | D10E.145 | \$0              | \$0              |
| Production Casing or Liner                                  | 5 1/2" | 3000.00 | \$19.93         | D10E.100 | \$60,000         | \$60,000         |
| Production Tie-Back   | 0"     | 0.00    | \$0.00          | D10E.160 | \$0              | \$0              |
| Tubing  | 2 7/8" | 2300.00 | \$6.83          | D10E.105 | \$16,000         | \$16,000         |
| N/C Well Equipment  |        |         |                 |          |                  |                  |
| Wellhead, Tree, Chokes                                      |        |         |                 | D10E.115 | \$5,000          | \$5,000          |
| Liner Hanger, Isolation Packer                              |        |         |                 | D10E.120 | \$10,000         | \$10,000         |
| Packer, Nipples   |        |         |                 | D10E.125 | \$6,500          | \$6,500          |
| Pumping Unit, Engine  |        |         |                 | D10E.125 | \$125,000        | \$125,000        |
| Lift Equipment (BHP, Rods, Anchors)                         |        |         |                 | D10E.105 | \$62,500         | \$62,500         |
| Tangible - Lease Equipment                                  |        |         |                 |          |                  |                  |
| N/C Lease Equipment   |        |         |                 | D10E.115 | \$21,000         | \$21,000         |
| Tanks, Tanks Steps, Stairs                                  |        |         |                 | D10E.120 | \$13,500         | \$13,500         |
| Battery (Heater Treater, Separator, Gas Treating Equipment) |        |         |                 | D10E.125 | \$29,500         | \$29,500         |
| Flow Lines (Line Pipe from wellhead to central facility)    |        |         |                 | D10E.130 | \$5,500          | \$5,500          |
| Offshore Production Structure for Facilities                |        |         |                 | D10E.135 | \$0              | \$0              |
| Pipeline to Sales   |        |         |                 | D10E.140 | \$0              | \$0              |
| <b>Total Tangibles</b>                                      |        |         | <b>\$26,000</b> |          | <b>\$349,500</b> | <b>\$375,500</b> |

|                   |          |                  |          |                  |                    |
|-------------------|----------|------------------|----------|------------------|--------------------|
| P&A Costs         | D10E.205 | \$30,000         | D10E.275 | \$30,000         | \$0                |
| <b>Total Cost</b> |          | <b>\$443,600</b> |          | <b>\$933,500</b> | <b>\$1,377,100</b> |