

Cimarex Energy Co.  
600 N. Marienfeld St.  
Suite 600  
Midland, Texas 79701  
PHONE 432.571.7800



June 20, 2011

Working Interest Owner Address List on Page 4

Re: New Well Proposal-Boxer 3 Federal Com No.1  
Township 15 South, Range 31 East, N.M.P.M.  
Section 3: S/2N/2  
Chaves County, New Mexico

Dear Working Interest Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Boxer 3 Federal Com No. 1 Well at a legal location in the S/2N/2 of Section 3, Township 15 South, Range 31 East, N.M.P.M., Chaves County, New Mexico.

The intended surface hole location for the well is 2265' FNL & 375' FEL of Section 3 and the intended bottom hole location is 2265' FNL & 375' FWL of Section 3. The well is proposed to be drilled to a true vertical depth of approximately 8,770' to the lower Abo/Wolfcamp formation and laterally in a Westerly direction within the formation to the referenced bottom hole location. Total measured depth of the well is proposed to be approximately 13,200' from surface to terminus.

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 reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Boxer 3 Federal Com No.1 Well. 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 the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you 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 proposed well, Cimarex will consider acquiring a term assignment of your leasehold interests based on the following general terms:

- I.) Bonus Consideration equal to \$300 per net mineral acre delivered;

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- II.) Reservation of an ORRI equal to the difference between 25% and current lease burdens;
- III.) One (1) year primary term

Please contact the undersigned directly at (432) 571-7856 or by e-mail at htresner@cimarex.com if you should have any questions in regard to this proposal.

Respectfully Submitted,

**Cimarex Energy Co.**

  
Hayden P. Tresner  
Landman

Enclosures//

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**WELL ELECTION**  
**Boxer 3 Federal Com No.1 Well**

\_\_\_\_\_ Elects TO participate in the proposed Boxer 3 Federal Com No.1 Well

\_\_\_\_\_ Elects NOT to participate in the proposed Boxer 3 Federal Com No.1 Well

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

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

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

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

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If your election above is TO participate in the proposed Boxer 3 Federal Com 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

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Section 3: S/2N/2  
Chaves County, New Mexico



WORKING INTEREST OWNER ADDRESS LIST

Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3937 9627 5725

Don M. Kidwell  
4208 Fairwood Place  
Midland, Texas 79707

Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3937 9627 5732

Jase Minerals, LP  
Attn: John H. Webb  
P.O. Box 904  
Midland, Texas 79702

Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3937 9627 5749

Edward L. Shea Estate/Trust  
c/o Bryan Cave, LLP  
290 Avenue of the Americas, Suite 3501  
New York, New York 10104

Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3937 9627 5756

Sigyn Lund  
c/o Hilmer H. Graham  
110-55 72<sup>nd</sup> Road, Apt. 307  
Forrest Hills, New York 11375

Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3937 9627 5763

Clare L. Fraser  
133 East 64th Street  
New York, New York 10021

Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3937 9627 5770

First Roswell Company  
Attn: Thomas E. Jennings  
111 South Kentucky Avenue  
Roswell, New Mexico 88203