# 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: 1450 l450

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

Case No. 14,770

#### VERIFIED STATEMENT OF HILARY CODER

Hilary Coder, being duly sworn upon her oath, deposes and states:

- 1. I am a landman for Cimarex Energy Co., and have personal knowledge of the matters stated herein.
- 2. Cimarex Energy Co. of Colorado is a wholly owned subsidiary of Cimarex Energy Co.
- 3. 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 owners being pooled have responded to well proposals but have not yet executed an operating agreement.
  - (b) A plat outlining the spacing units 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 following acreage in Township 19 South, Range 25 East, N.M.P.M.

    - (ii) The NW/4SE/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Louisiana 1 Fee Well No. 2, to be drilled at an orthodox location:

      23/0F5 23/0F5

\_ 30.015 - 39643

Oil Conservation Division

Case No. \_\_\_\_\_Exhibit No. \_\_\_\_

-30-015-3964F

(iii) The SE/48W/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Louisiana 1 Fee Well No. 5, to be drilled at an orthodox location; and

(iv) The SW/4SE/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Louisiana 1 Fee Well No. 6, to be drilled at an orthodox location,

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

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

COG Operating, LLC Suite 100 550 West Texas Midland, Texas 79701

0.3214288%

Yates Petroleum Corporation Abo Petroleum Corporation Myco Industries, Inc. 105 South Fourth Street Artesia, New Mexico 88201 10.6428304%

- (d) Copies of the proposal letters sent to the uncommitted mineral interest owners are attached hereto as Exhibits B-1, B-2, B-3, and B-4. In addition, we have called and emailed the parties being pooled.
- (e) Cimarex Energy Co. has made a good faith effort to obtain the voluntary joinder of the uncommitted interest owners in the well.
- (f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a non-consenting interest owner.
- (g) Copies of the Authority for Expenditure for the proposed wells are attached hereto as Exhibits C-1, C-2, C-3, and C-4. 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 \$4500.00/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 wells.

### **VERIFICATION**

| STATE OF TEXAS    | )    |
|-------------------|------|
|                   | ) ss |
| COUNTY OF MIDLAND | )    |

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

Hilary Coder

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of May, 2012 by Hilary Coder.

My Commission Expires:

Notary Public

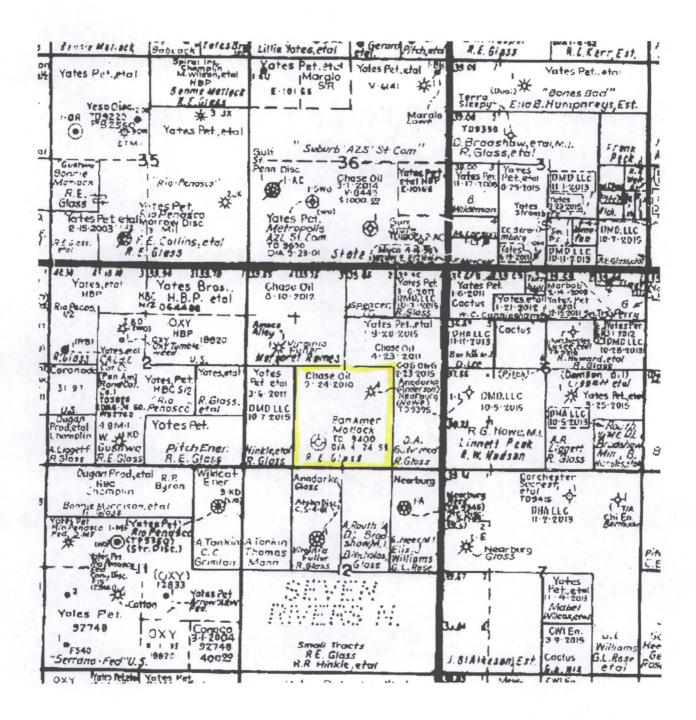


EXHIBIT A

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571,7800



March 20, 2012

# Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7945

Yates Petroleum Corporation Abo Petroleum Corporation MYCO Industries, Inc. Attn: Chuck Moran 105 S 4<sup>th</sup> Street Artesia, New Mexico 88210

Re: New Well Proposal - Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: NE/4SW/4 Eddy County, New Mexico

#### Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 1 Well at legal location in the NE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 1650' FWL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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 Louisiana 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



| New Well Proposal – Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: NE/4SW/4  Eddy County, New Mexico   |
|--|
| 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. |
| Please call the undersigned with any questions or comments.  |
| Respectfully Submitted,  |
| Cimarex Energy Co.  Hilary R. Coder Contract Landman   |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well   |
| Elects TO participate in the proposed Louisiana 1 Fee No.1 Well  |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.1 Well  |
| Dated this day of, 2012.   |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |

| New Well Proposal – Louisiana 1 Fee No.1   |
|--|
| Township 19 South, Range 25 East, N.M.P.M. Section 1: NE/4SW/4   |
| Eddy County, New Mexico  |
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|  |
| If your election above is TO participate in the proposed Louisiana 1 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 |
| Company:   |

New Well Proposal – Louisiana 1 Fee No.1 Township 19 South, Range 25 East, N.M.P.M.

Section 1: NE/4SW/4 Eddy County, New Mexico

# ELECTION TO PARTICIPATE Louisiana 1 Fee No. 1 Well

| Elects TO participate in the proposed Louisiana 1 Fee No.1 Well   |
|---|
| Elects <u>NOT</u> to participate in the proposed Louisiana Fee No.1 Well  |
| Dated this day of , 2012.   |
| Company:  |
| Signature:  |
| Printed Name:   |
| Title:  |
|   |
|   |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.1 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |
| Company:  |

New Well Proposal – Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: NE/4SW/4

Eddy County, New Mexico

# ELECTION TO PARTICIPATE Louisiana 1 Fee No. 1 Well

| Elects TO participate in the proposed Louisiana 1 Fee No.1 Well   |
|---|
| Elects NOT to participate in the proposed Louisiana Fee No.1 Well   |
| Dated this day of , 2012.   |
| Company:  |
| Signature:  |
| Printed Name:   |
| Title:  |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.1 Well, then:  Elects <u>TO</u> be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |
| Company:  |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



August 12, 2011

### Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2537

Oxy Y-1 Company Attn: Katie A. Almeida, Land Negotiator 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521

Re: New Well Proposal-Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.1 Well at legal location in the NE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 1650' 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.

| New Well Proposal-Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |  |
|--|---|--|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens;   |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |
| Respectfully   | Submitted,  |  |
| Cimarex Ene  | Cimarex Energy Co.  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well   |   |  |
|  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well   |  |
|  |   |  |
| Dated this   | day of , 2011.  |  |
| Company:   |   |  |
| Signature:   |   |  |
| Printed Name   | e:  |  |
| Title:   |   |  |

| Section | ship 19 South, Range 25 East, N.M.P.M.<br>on 1: E/2SW/4, W/2SE/4<br>County, New Mexico   |
|---------|--|
| If your | r election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well,   |
|         | 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

New Well Proposal-Louisiana 1 Fee No.1

|                               | pposal-Louisiana 1 Fee No.1  |                  |            |                 |
|-------------------------------|--|------------------|------------|-----------------|
| •                             | South, Range 25 East, N.M.P.M.   |                  |            |                 |
|                               | /2SW/4, W/2SE/4<br>, New Mexico  |                  |            |                 |
| Ludy County                   | , NOW MOXICO   |                  |            |                 |
| consider acc                  | you do not wish to participate in<br>quiring term assignment of your<br>pon final verification of your title | leasehold intere | sts. Cim   | arex's offer is |
| i.)<br>ii.)                   | Bonus Consideration of \$1000.00<br>Reservation of an ORRI equal to  |                  |            |                 |
| iii.)                         | lease burdens;<br>Primary term of Three (3) years<br>thereafter  | with 180-day     | continuous | s development   |
| Please call th                | ne undersigned with any questions  | or comments.     |            |                 |
| Respectfully                  | Submitted,   |                  |            |                 |
| Cimarex En                    | ergy Co.   |                  |            |                 |
| Hilary R. Coo<br>Contract Lan |  |                  |            |                 |
|                               | ELECTION TO PA<br>Louisiana 1 Fee  |                  |            |                 |
|                               | s <u>TO</u> participate in the proposed Loss <u>NOT</u> to participate in the propose                        |                  |            | Vell            |
|                               | day of , 2011  |                  |            |                 |
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|                               |  | •                |            |                 |
|                               | e:   |                  |            |                 |
| Title:                        |  | _                |            |                 |

| New Well Proposal-Louisiana 1 Fee No.1   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
|  |
| If your election chave is TO participate in the proposed Louisians 1 Fee No. 1 Well              |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well, then: |
| Elects <u>TO</u> be covered by well control insurance procured by Cimarex                        |

Elects <u>NOT</u> 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

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



March 20, 2012

## Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7921

COG Operating LLC Attn: Stuart Dirks 550 West Texas Avenue, Suite 100 Midland, Texas 79701

Re: New Well Proposal - Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: NE/4SW/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 1 Well at legal location in the NE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 1650' FWL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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.

| New Well Proposal – Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: NE/4SW/4  Eddy County, New Mexico |
|--|
| be covered by insurance procured by Cimarex and will be responsible for your share of the cost.                                    |
| Please call the undersigned with any questions or comments.  |
| Respectfully Submitted,  |
| Cimarex Energy Co.  Hilary R. Coder Contract Landman   |
|  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well   |
| Elects <u>TO</u> participate in the proposed Louisiana 1 Fee No.1 Well   |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.1 Well  |
| Dated this day of , 2012.  |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |

| New Well Proposal - Louisiana 1 Fee No.1  |
|---|
| Township 19 South, Range 25 East, N.M.P.M.  |
| Section 1: NE/4SW/4   |
| Eddy County, New Mexico   |
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| If your election above is TO participate in the proposed Louisiana 1 Fee No.1 Well, then: |
| uicii.  |
| 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                                     |
|   |
| Osmanana  |
| Company:  |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

### Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 1851

Abo Petroleum Corporation Attn: Land Manager 105 S. 4<sup>th</sup> Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.1 Well at legal location in the NE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

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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.

| New Well Proposal-Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |  |
|--|---|--|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens:   |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |
| Respectfully   | Submitted,  |  |
| Cimarex En   | ergy Co.  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well  |  |
|  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well  |  |
| Elects   | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well  |  |
| Dated this   | day of , 2011.  |  |
| Company:   |   |  |
| Signature:   |   |  |
| Printed Name   | e:  |  |
| Title:   |   |  |

| New '           | Well Proposal-Louisiana 1 Fee No.1  |
|-----------------|---|
|                 | ship 19 South, Range 25 East, N.M.P.M. on 1: E/2SW/4, W/2SE/4   |
|                 | County, New Mexico  |
|                 |   |
|                 |   |
| If you<br>then: | r election above is TO participate in the proposed Louisiana 1 Fee No.1 Well,   |
|                 | Elects TO be covered by well control insurance procured by Cimarex  |
|                 | Elects <u>NOT</u> to be covered by well control insurance procured by Cimares 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 |

New Well Proposal-Louisiana 1 Fee No.1 Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 **Eddy County, New Mexico** In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms: Bonus Consideration of \$1000.00 per net mineral acre delivered; i.) Reservation of an ORRI equal to difference between 25% and current ii.) lease burdens: iii.) Primary term of Three (3) years with 180-day continuous development thereafter Please call the undersigned with any questions or comments. Respectfully Submitted, Cimarex Energy Co. Hilary R. Coder Contract Landman **ELECTION TO PARTICIPATE** Louisiana 1 Fee No.1 Well iana 1 Fee No.1 Well ouisiana 1 Fee No.1 Well

| Elects <u>TO</u> participate  | in the proposed <b>Louis</b> i |
|-------------------------------|--------------------------------|
| Elects <u>NOT</u> to particip | eate in the proposed Lo        |
| Dated this day of             | , 2011.                        |
| Company:                      |                                |
| Signature:                    | <del></del>                    |
| Printed Name:                 |                                |
| Title:                        |                                |

| New Well Proposal-Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico   |  |
|--|--|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 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 |  |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



March 20, 2012

### Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7921

COG Operating LLC Attn: Stuart Dirks 550 West Texas Avenue, Suite 100 Midland, Texas 79701

Re: New Well Proposal - Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: NE/4SW/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 1 Well at legal location in the NE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

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| New Well Proposal – Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: NE/4SW/4  Eddy County, New Mexico |
|--|
| be covered by insurance procured by Cimarex and will be responsible for your share of the cost.                                    |
| Please call the undersigned with any questions or comments.  |
| Respectfully Submitted,  |
| Cimarex Energy Co.  Hilary R. Coder  Contract Landman  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well   |
| Elects <u>TO</u> participate in the proposed Louisiana 1 Fee No.1 Well   |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.1 Well  |
| Dated this day of , 2012.  |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |

| Township 19 South, Range 25 East, N.M.P.M.  |
|---|
| Section 1: NE/4SW/4   |
| Eddy County, New Mexico   |
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| If your election above is TO participate in the proposed Louisiana 1 Fee No.1 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |
| Company:  |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

### Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 1868

Myco Industries, Inc Attn: Land Manager 423 W. Main Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

#### Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.1 Well at legal location in the NE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

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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.

| New Well Pr    | oposal-Louisiana 1 Fee No.1  |
|----------------|--|
|                | South, Range 25 East, N.M.P.M.   |
|                | /2SW/4, W/2SE/4  |
| Eday County    | , New Mexico   |
|                |  |
|                |  |
|                | you do not wish to participate in drilling the Louisiana wells, Cimarex will   |
|                | quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |
| terms:         | port final vermication of your title and is based on the following general   |
|                |  |
| i.)            | Bonus Consideration of \$1000.00 per net mineral acre delivered;   |
| ii.)           | Reservation of an ORRI equal to difference between 25% and current   |
| iii.)          | lease burdens; Primary term of Three (3) years with 180-day continuous development   |
| III. <i>)</i>  | thereafter   |
| Please call th | ne undersigned with any questions or comments.   |
| Respectfully   | Submitted,   |
| Cimarex En     | ergy Co.   |
|                |  |
| Hilary R. Coo  |  |
| Contract Lan   | dman   |
|                |  |
| •              | ELECTION TO PARTICIPATE  |
|                | Louisiana 1 Fee No.1 Well  |
|                |  |
| Elect          | s <u>TO</u> participate in the proposed Louisiana 1 Fee No.1 Well  |
| Elect          | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well   |
| Elect          | s MOT to participate in the proposed Louisiana 11 ee No.1 Well   |
| Dated this _   | day of , 2011.   |
| Company: _     |  |
| Signature: _   |  |
| Printed Nam    | e:   |
|                |  |
| ı iuc          |  |

| New Well Proposal-Louisiana 1 Fee No.1   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
|  |
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|  |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex   |
| Elects <b>NOT</b> to be covered by well control insurance procured by Cimarez and agrees to provide Cimarex with a certificate of insurance prior to commencement of drilling operations <b>or</b> be deemed to have elected to be covered by well control insurance procured by Cimarex |

|                             | oposal-Louisiana 1 Fee No.1<br>9 South, Range 25 East, N.M.P.M.  |
|-----------------------------|--|
| •                           | E/2SW/4, W/2SE/4   |
| Eddy County                 | y, New Mexico  |
|                             |  |
| consider ac                 | t you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is upon final verification of your title and is based on the following general |
| i.)<br>ii.)                 | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current   |
| iii.)                       | lease burdens; Primary term of Three (3) years with 180-day continuous development thereafter  |
| Please call t               | he undersigned with any questions or comments.   |
| Respectfully                | Submitted,   |
| Cimarex En                  | ergy Co.   |
|                             |  |
| Hilary R. Co<br>Contract La |  |
|                             | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well   |
| Elect                       | ts <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well  |
| Elec                        | ts <u>NOT</u> to participate in the proposed Louisiana 1 Fee No.1 Well   |
| Dated this _                | day of , 2011.   |
| Company: _                  |  |
| Signature: _                |  |
| Printed Nam                 | ne:  |

Title:

| New Well Proposal-Louisiana 1 Fee No.1   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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|  |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 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 |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

## Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2537

Oxy Y-1 Company Attn: Katie A. Almeida, Land Negotiator 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521

Re: New Well Proposal-Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

#### Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.1 Well at legal location in the NE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 1650' 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.

| New Well Proposal-Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |  |
|--|---|--|
| Eddy County  | , New Mexico  |  |
|  |   |  |
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens;   |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |
| Respectfully   | Submitted,  |  |
| Cimarex En   | ergy Co.  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well  |  |
|  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well  |  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well  |  |
| Dated this   | day of , 2011.  |  |
| Company:   |   |  |
| Signature:   |   |  |
| Printed Nam  | e:  |  |
| Title:   |   |  |

| New Well Proposal-Louisiana 1 Fee No.1  |
|---|
| Township 19 South, Range 25 East, N.M.P.M.  |
| Section 1: E/2SW/4, W/2SE/4   |
| Eddy County, New Mexico   |
|   |
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|   |
|   |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well, then:  |
| Elects <u>TO</u> be covered by well control insurance procured by Cimarex   |
| Elects <u>NOT</u> 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 |

| New Well Proposal-Louisiana 1 Fee No.1 |   |  |
|--|---|--|
|  | South, Range 25 East, N.M.P.M.  |  |
|  | /2SW/4, W/2SE/4<br>, New Mexico   |  |
| Ludy County                            | , recw released   |  |
| consider acc                           | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |
| i.)<br>ii.)                            | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens;   |  |
| iii.)                                  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |
| Please call th                         | ne undersigned with any questions or comments.  |  |
| Respectfully                           | Submitted,  |  |
| Cimarex En                             | ergy Co.  |  |
| Hilary R. Coo<br>Contract Lan          |   |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well  |  |
| Elects                                 | s <u>TO</u> participate in the proposed Louisiana 1 Fee No.1 Well   |  |
| Elect                                  | s <u>NOT</u> to participate in the proposed Louisiana 1 Fee No.1 Well   |  |
| Dated this                             | day of , 2011.  |  |
| Company:                               | <del></del>   |  |
| Signature:                             | <del></del>   |  |
| Printed Name                           | e:  |  |
| Title:                                 |   |  |

| New Well Proposal-Louisiana 1 Fee No.1   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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|  |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 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 Cimares 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 |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

### Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2520

Yates Petroleum Corporation Attn: Land Manager 105 S. 4<sup>th</sup> Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.1

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.1 Well at legal location in the NE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 1650' 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.

| Township 19<br>Section 1: E   | Sposal-Louisiana 1 Fee No.1 South, Range 25 East, N.M.P.M. /2SW/4, W/2SE/4 /, New Mexico  |
|-------------------------------|---|
|                               |   |
| consider acc                  | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |
| i.)<br>ii.)                   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens;   |
| iii.)                         | Primary term of Three (3) years with 180-day continuous development thereafter  |
| Please call th                | ne undersigned with any questions or comments.  |
| Respectfully                  | Submitted,  |
| Cimarex En                    | ergy Co.  |
| Hilary R. Coo<br>Contract Lan |   |
|                               | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well  |
| Elects                        | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well  |
| Elects                        | NOT to participate in the proposed Louisiana 1 Fee No.1 Well  |
| Dated this                    | day of , 2011.  |
| Company:                      |   |
| Signature:                    |   |
| Printed Name                  | e:  |
|                               | <del></del> -   |

| Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico      |  |
|---|--|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well,<br>then: |  |

New Well Proposal-Louisiana 1 Fee No.1

Elects <u>TO</u> be covered by well control insurance procured by Cimarex

Elects <u>NOT</u> 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

| New Well Proposal-Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4 |   |
|---|---|
| Eddy County   | , New Mexico  |
|   |   |
| consider acc  | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |
| i.)<br>ii.)   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens;   |
| iii.)   | Primary term of Three (3) years with 180-day continuous development thereafter  |
| Please call th  | ne undersigned with any questions or comments.  |
| Respectfully  | Submitted,  |
| Cimarex En  | ergy Co.  |
| Hilary R. Coo<br>Contract Lan   |   |
|   | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.1 Well  |
|   | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well  |
|   | NOT to participate in the proposed Louisiana 1 Fee No.1 Well  |
| Dated this  | day of , 2011.  |
| Company:  |   |
| Signature:  |   |
| Printed Name  | e:  |
| Title:  |   |

| New Well Proposal-Louisiana 1 Fee No.1  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico  |
|---|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.1 Well, then:  |
| Elects <u>TO</u> be covered by well control insurance procured by Cimarex   |
| Elects <u>NOT</u> to be covered by well control insurance procured by Cimare and agrees to provide Cimarex with a certificate of insurance prior commencement of drilling operations or be deemed to have elected to be covered by well control insurance procured by Cimarex |

600 N. Manenfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



March 20, 2012

### Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7945

Yates Petroleum Corporation Abo Petroleum Corporation MYCO Industries, Inc. Attn: Chuck Moran 105 S 4<sup>th</sup> Street Artesia, New Mexico 88210

Re: New Well Proposal - Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: NW/4SE/4 Eddy County, New Mexico

#### Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 2 Well at legal location in the NW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 2310' FEL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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 Louisiana 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



| New Well Proposal – Louisiana 1 Fee No.2  Township 19 South, Range 25 East, N.M.P.M.  Section 1: NW/4SE/4  Eddy County, New Mexico   |
|--|
| 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. |
| Please call the undersigned with any questions or comments.  |
| Respectfully Submitted,  |
| Cimarex Energy Co.  Hilary R. Coder  Contract Landman  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well   |
| Elects TO participate in the proposed Louisiana 1 Fee No.2 Well  |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.2 Well  |
| Dated this day of , 2012.  |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |

| New Well Proposal – Louisiana 1 Fee No.2   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: NW/4SE/4  |
| Eddy County, New Mexico  |
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| If your election above is TO participate in the proposed Louisiana 1 Fee No.2 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 |
| Company:   |

New Well Proposal – Louisiana 1 Fee No.2 Township 19 South, Range 25 East, N.M.P.M.

Section 1: NW/4SE/4 Eddy County, New Mexico

# ELECTION TO PARTICIPATE Louisiana 1 Fee No. 2 Well

| Elects TO participate in the proposed Louisiana 1 Fee No.2 Well  |
|--|
| Elects NOT to participate in the proposed Louisiana Fee No.2 Well  |
| Dated this day of , 2012.  |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |
| $\cdot$  |
|  |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.2 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 |
| Company:   |

New Well Proposal – Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: NW/4SE/4 Eddy County, New Mexico

# ELECTION TO PARTICIPATE Louisiana 1 Fee No. 2 Well

|           | Elects TO participate in the propo        | sed <b>Louisiana</b> 1 Fee No.2 Well  |    |
|-----------|---|---|----|
|           | Elects <u>NOT</u> to participate in the p | roposed Louisiana Fee No.2 Well   |    |
| Dated t   | his day of                                | , 2012.   |    |
| Compa     | ny:                                       |   |    |
| Signatu   | ıre:                                      | . <del></del>   |    |
| Printed   | Name:                                     | <del></del>   |    |
| Title:    |   | . <u>.                                   </u>   |    |
|           |   |   |    |
|           |   |   |    |
| If your e | election above is TO participate in       | the proposed Louisiana 1 Fee No.2 Well,   |    |
| _         | Elects TO be covered by w                 | vell control insurance procured by Cimarex  |    |
| C         | and agrees to provide Cimare              | by well control insurance procured by Cimare ex with a certificate of insurance prior stations or be deemed to have elected to be procured by Cimarex | tc |
| Compa     | nv:                                       |   |    |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



August 12, 2011

### Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2537

Oxy Y-1 Company Attn: Katie A. Almeida, Land Negotiator 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521

Re: New Well Proposal-Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.2 Well at legal location in the NW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 2310' FEL. 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.

| Section 1: E                 | 9 South, Range 25 East, N.M.P.M.<br>E/2SW/4, W/2SE/4<br>y, New Mexico  |
|------------------------------|--|
| consider ac                  | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is upon final verification of your title and is based on the following general |
| i.)<br>ii.)                  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current   |
| iii.)                        | lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter  |
| Please call t                | he undersigned with any questions or comments.   |
| Respectfully                 | Submitted,   |
| Cimarex En                   | ergy Co.   |
| Hilary R. Co<br>Contract Lar |  |
|                              | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well   |
| Elect                        | ts <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well  |
| Elect                        | ts <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well  |
| Dated this _                 | day of , 2011.   |
| Company: _                   |  |
| Signature: _                 |  |
| Printed Nam                  | ne:  |
| Title:                       |  |

New Well Proposal-Louisiana 1 Fee No.2

| New Well Proposal-Louisiana 1 Fee No.2  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico   |
|--|
| In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms:             |
| <ul> <li>i.) Bonus Consideration of \$1000.00 per net mineral acre delivered;</li> <li>ii.) Reservation of an ORRI equal to difference between 25% and current lease burdens;</li> <li>iii.) Primary term of Three (3) years with 180-day continuous development thereafter</li> </ul> |
| Please call the undersigned with any questions or comments.  |
| Respectfully Submitted,  |
| Cimarex Energy Co.   |
| Hilary R. Coder<br>Contract Landman  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well   |
| Elects TO participate in the proposed Louisiana 1 Fee No.2 Well  |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.2 Well  |
| Dated this day of , 2011.  |
| Company:   |
| Signature:   |

Printed Name:

Title:

| New Well Proposal-Louisiana 1 Fee No.2   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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| If your cleation shows is TO participate in the proposed Leuisiana 1 Eco No 2 Well               |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well, then: |
|  |
| Elects <u>TO</u> 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  |

600 N. Marienfeld St.

Suite 600

Midland, Jexas 79701

PHONE 432,571,7800



March 20, 2012

# Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7921

COG Operating LLC Attn: Stuart Dirks 550 West Texas Avenue, Suite 100 Midland, Texas 79701

Re: New Well Proposal - Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: NW/4SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 2 Well at legal location in the NW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 2310' FEL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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.

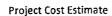
| New Well Proposal – Louisiana 1 Fee No.2  Township 19 South, Range 25 East, N.M.P.M.  Section 1: NW/4SE/4  Eddy County, New Mexico |
|--|
| be covered by insurance procured by Cimarex and will be responsible for your share of the cost.                                    |
| Please call the undersigned with any questions or comments.  |
| Respectfully Submitted,  |
| Cimarex Energy Co.  Hilary R. Coder  Contract Landman  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well   |
| Elects TO participate in the proposed Louisiana 1 Fee No.2 Well  |
| Elects <u>NOT</u> to participate in the proposed Louisiana 1 Fee No.2 Well   |
| Dated this , 2012.   |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |

| New Well Proposal – Louisiana 1 Fee No.2   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: NW/4SE/4  |
| Eddy County, New Mexico  |
|  |
|  |
|  |
|  |
|  |
|  |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.2 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 |
| Company:   |
|  |



### Authorization For Expenditure

| Company Entity<br>Cimarex Energy Co.   |   |   |   |  | the state of the s | February 25, 2011   |
|--|---|---|---|--|--|---|
| Region Well Name  Permian Louisiana 1 Fee  | 2 EWell No.   | Prospect on Field<br>Paddock Extensio   |   | ) i. Property Number 🥞   | 2.705.00   | Drilling AFE No.3   |
| Location .   |   | Fridy   |   | State State  | Oil Gas  | X Expl X  |
| Estimate Type errore and action to the contract of the contrac |   | St.Start/Date* #82-77   |   | st, Comp Date 300 G  |  | on and latel Measured Depth   |
| Original Estimate  Revised Estimate  O  Supplemental Estimate  O   | 1   |   |   |  |  | 3,000'<br>%(T(Vertical/Deptid):<br>3,000'   |
| Project Description  Drill and complete a Paddock/Glorieta vertical hol  |   |   |   |  |  |   |
| Intangibles  |   | Dry Hole Co   | st  | After Casing P   | oint   | Completed Well Cost   |
| Drilling Costs<br>Completion Casts   |   | \$387,600   |   | \$614,000  |  | \$387,600<br>\$614,000  |
| Total Intangible Costs   |   | \$387,600   |   | \$614,000  |  | \$1,001,600   |
| Tunnible   |   |   |   |  |  |   |
| Tangibles<br>LVoll Equipment   |   | \$25,000  |   | \$290,000  |  | 2306,000  |
| Lease Equipment Total Tangible Well Cost   | ·•·····   | \$26,000  | <u> </u>  | \$69,500<br>\$349,500  |  | \$69,500<br><b>\$375,500</b>  |
| Total Tangible Wen Cost  |   | 320,000   |   | 3343,300   |  | 3373,300  |
| Plug and Abandon Cost  |   | \$30,000  |   | -530,000   |  | \$0   |
| Total Well Cost  |   | \$443,600   |   | \$933,500  |  | \$1,377,100   |
| WellControlinsurance.  Juliess otherwise indicated below, you, as a non-cong as Operator conducts operations hereunder insurance, you must provide a certificate of such in ater than commencement of drilling operations.  I elect to purchase my own well control insurance policy.  Well control insurance procured by Operator, provided the drilling and clean-up/pollution expense of the such as a control insurance.   | perating wor<br>and to pay yo<br>nsurance acc<br>You agree th<br>vides, among | king interest owner, agour prorated share of the<br>eptable to Operator, as<br>at failure to provide the<br>cother terms, for \$20,00 | ree to be co<br>e premium:<br>to form an<br>e certificate | overed by Operator's was therefore. If you elect dimits, at the time thin of insurance, as providing W.I) of Combined Si | rell control insu<br>it to purchase y<br>s AFE is returne<br>led herein, will<br>ngle Limit cove   | rance procured by Operator so<br>our own well control<br>cd. if available, but in no event<br>result in your being covered by |
| Marketing Eccions  Cimarex sells its gas under arm's-length contracts rolumes delivered over time. Should you choose to equest to Cimarex's Marketing Department, we viil text to take my gas in kind.   | with third pa<br>o market you   | rty purchasers. Such co<br>I share of gas with Cima   | intracts may<br>arex, you wi                              | y include fees. In additi<br>Il be subject to all of th  | e terms of such  | hay be incurred for insufficient<br>Incontracts. Upon written   |
| I elect to market my gas with Cimarex pursuant to the to   | erms and conditi  | ons of its contracts.   |   |  | Part 1-1-1-1   |   |
| omments on AFE  The above costs are estimates only and anticipate without affecting the authorization for expenditur actual legal, curative, regulatory and well costs un  | trouble free<br>e herein grar   | operations without any<br>nted. By approval of th<br>he joint operating agre  | foreseeablis AFE, the vector of the content, regular      | le change in plans. The<br>vorking interest owner<br>ulatory order or other a  | actual costs m<br>agrees to pay i  | ts proportionate share of   |
|  | d Remove  | Cimarex Energy (  |   |  | Aanlagera V. S. S.   | ing a second  |
| repared by:<br>Iyan Braxton  | Doug Park   | Completion Manager  | A STATE OF  | Roger Alex   |  |   |
| dischaller Wiles of the supragramment of a PAIN Wilespape upon the street en, and , a make under the PAIN STREET, and the supragramment of the Street ender the |   | Joint Interest  | Approval  | g again ganaganan an airi - Ta tan All gaga an ann ann ann an Alba, Wa a   |  | overgrammy or grammy and the second seco                |
| ompany   | / By a constant   |   | Market &  | 45 <b>6</b> -金化。Date 1 <b>8.</b> 4   |  |   |

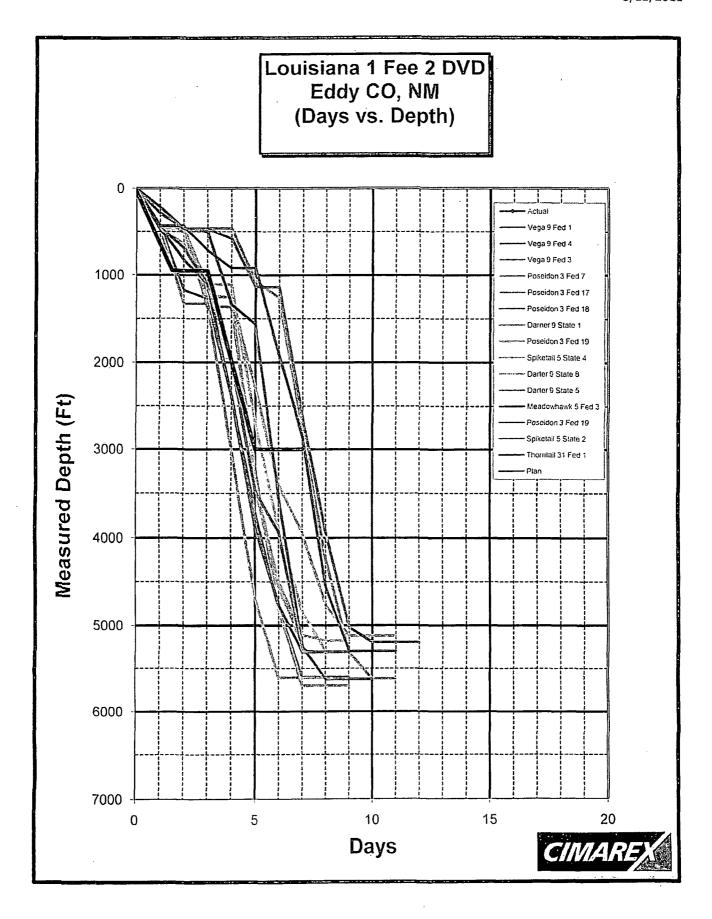




Lease Name: Louisiana 1 Fee Well No.: 2

| Damages  | Lease Name: Louisiana 1 Fee  |                |                |               | w                                       | ell No.:                | 2              |
|--|--|----------------|----------------|---------------|---|-------------------------|----------------|
| Demonges   | mangiblea  |                | Codes          | Dry Hole Cost | 4€odes e                                | <b>经现在的现在分词</b>         | Completed Well |
| Stand Finals Disposal Charges  | Roads & Location Preparation / Restoration   |                | DIDC.100       | \$30,000      | DICC 100                                | \$3,500                 | \$33,500       |
| Day Rine   S   Dit Days   2   Air Pract in   13,500   Per Day   DOC, 115   S68,000   Dec Day   S77,000   S75,000   Bits Perparation Cost (masses hale, rot hole, pads, pile dusters, misc.)   Doc Day   Doc 115   S12,000   Doc 125   S30   S15,000   Doc Day   S30   Do   | Damages  |                | 0000.108       | \$4,000       | 0100.105                                | \$1,000                 | \$5,000        |
| Life Preparation Cost (mouse hale, rot hale, pads, pile dustrer, misc.)  | Mud / Fluids Disposal Charges  |                | O(DC 255       | \$30,000      | DICC 235                                | \$13,000                | \$43,000       |
| Bits   | Day Rate 5 DH Days 2 AEP Days @  | 13,500 Per Day | 0/0L.115       | \$68,000      | DIFC 120                                | \$27,000                | \$95,000       |
| Fuer   \$2.80   Per Gullan   \$00   Gallons Per Day   \$100.130   \$51,000   \$515,000   \$155,000   \$1                 | Misc Preparation Cost (mouse hale, rat hale, pads, pile clusters, misc.)   |                | DIDC.120       | \$12,000      |   |                         | \$12,000       |
| Water / Completion Fluids  |  |                |                |               |   |                         | \$15,000       |
| Mult & Additives   |  |                | ·}             |               |   | ·                       |                |
| Surface Rentals  |  | 1,900 Per Dey  |                |               |   | \$63,000                |                |
| Downhole Rentals   |  |                | ·              |               | MARKE SECTIONS                          | <i>GOLLHILD</i>         |                |
| Farmation Evaluation (DST, Coring including evaluation, G&G Services)  |  | 1,000 Per Day  | · <del> </del> |               |   |                         |                |
| Mud Logging  |  |                | t              |               | COLUMN TARREST                          | \$32,000                | <del></del>    |
| Open Hole Lagging  |  |                | <del></del>    |               | and the second second                   |                         | 50             |
| Cementing & Float Equipment   Discress   \$15,000   Discress   \$20,000   \$35,000   \$3 |  | 1,200 Per Day  | 0100.170       |               | 998644                                  |                         | \$4,500        |
| Tubular inspections  |  |                | 010C-180       |               | CALLES CALLES                           |                         | \$20,000       |
| Casing Crews   | ) - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -  |                | DIDC.185       | \$15,000      | DICC 155                                | \$20,000                | \$35,000       |
| Extra Labor, Welding, Etc.   |  |                | 1              |               |   |                         | \$3,000        |
| Land Trensporation (Trucking)  | <u>}</u>   |                | <del>,</del>   |               |   |                         |                |
| Per Day   Calculation   Per Day   Calculation   S12,600   DEC.190   S12,000   S24,600   S24,60   |  |                | <del></del>    |               |   |                         |                |
| Trailer House / Camp / Catering   700   Par Day   1018, 360   54,000   1015, 355   52,000   55,000   |  |                | · <del>j</del> |               | *************************************** |                         |                |
| Other Misc Expenses  | the state of the s | ····           | ļ              |               |   |                         |                |
| Diverhead   300   Per Day   205   25   52,000   390; 195   52,000   54,000     Remedial Cementing   Diversity   50   300; 228   50   50     MOB/DENDB   000,000   545,000   545,000     Directional Drillina Services   0   Davis (0)   8,000   Per Day   000,000   545,000     Davis (0)   Davis (0)   8,000   Per Day   000,000   50     Davis (0)   Davis (0)   B,000   Per Day   000,000   50     Davis (0)   Davis (0)   Davis (0)   B,000   Per Day   000,000     Davis (0)   Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)     Davis (0)   Davis (0)   Davis (0)    | the same of the sa | 700  Per Day   |                |               |   |                         |                |
| Remedial Comenting   | The second secon |                | 0105.275       |               | 54. <b>C</b> .133                       |                         | \$4,000        |
| MOB/DEMOB   Days @   R,000   Per Day   Dips 745   S0   Disc. 130   S0   S0   S0   S0   Dock, Dispotcher, Crane   Dips 745   S0   Disc. 130   S0   S0   S0   S0   S0   S0   S0  |  | 300 Per Day    | 2010 C 2.25    |               | DICC.195                                |                         | 54,000         |
| Directional Drilling Services  | Land of the contract of the co |                | DICC 231       |               | DICC 215                                | \$0                     | \$0            |
| Dock, Dispatcher, Crane  | The state of the s |                | 0100,140       | \$45,000      |   | <i>3349406_</i>         | \$45,000       |
| Marine & Air Transportation  |  | 8,000 Per Day  | 1.             |               | Z/4/20                                  |                         |                |
| Solids Control   Soli   |  |                | <u></u>        |               |   |                         |                |
| Well Control Equip (Snubbing Svcs.)         D05:265         \$12,000         BICL 340         \$3,500         \$15,500           Fishing & Sidetrack Operations         GREGISTO         \$0         GREGISTO         \$0         GREGISTO         \$0         GREGISTO         \$0         S15,500         \$10,500         \$10,500         \$10,500         \$10,500         \$10,500         \$10,500         \$0 <t< td=""><td></td><td></td><td>·</td><td></td><td></td><td></td><td></td></t<>  |  |                | ·              |               |   |                         |                |
| Fishing & Sidetrack Operations   |  | 3,000  Per Day | <del> </del>   |               |   | THE PROPERTY AND PARTY. | \$15,000       |
| Completion Rig   3   Days @ 3,500   Per Day   Disc.115   \$10,500   \$30,500   | }  |                | 0:DI 265       |               | DEC.240                                 | \$3,500                 | \$15,500       |
| Days  | handle the second secon |                | 01001.270      | \$0           | QB3L345                                 |                         | \$0            |
| Completion Lagging, Perforating, WL Units, WL Surveys   DBC.199   \$10,000   \$30,000  |  | 3,500 Per Day  |                | Calletin.     | DKCC.115                                | \$10,500                | \$10,500       |
| Stimulation   September   Se   | la contraction de la contracti | Per Day        |                | 93 M M (1875) | DICC.260                                | 50                      | \$0            |
| Impail   I   | the state of the s |                |                |               | Frk. C.290                              | \$10,000                | \$10,000       |
| Well Control Insurance   \$0.35  Per Foot   DIDC.25   \$1.000   S0.270   \$26.000   \$44.000   |  |                | MARKE          |               | Q4CC.23m                                | \$258,000               | \$258,000      |
| Contingency         5% of Drilling Intensibles         DBX.435         \$18,000         BBC.728         \$26,000         \$44,000           Construction For Well Equipment         BCVEA.100         \$6,500         \$6,500         \$6,500           Construction For Lease Equipment         BLSG.1180         \$52,500         \$52,500         \$52,500           Construction For Sales P/L         BCC.265         \$5,500         \$5,500         \$5,500           Total Intangible Cost         \$387,600         \$614,000         \$1,001,600   |  |                | <del>}</del>   |               | ***********                             |                         |                |
| Construction For Well Equipment         56,500         \$6,500         \$6,500           Construction For Lease Equipment         01,60,110         \$52,500         \$52,500           Construction For Soles P/L         52,500         \$5,500         \$5,500           Total Intangible Cost         \$387,600         \$614,000         \$1,001,600  |  |                | DIDC.285       |               |   | SHININ                  | \$1,000        |
| Construction For Lease Equipment         DESCLISE         \$52,500         \$52,500         \$52,500         \$52,500         \$55,500         \$5,500         \$5,500         \$5,500         \$5,500         \$5,500         \$1,001,600   |  |                | DIDC.435       | \$18,000      | DICC.220                                |                         |                |
| Construction For Soles P/L         ## Construction For Soles P/L         \$5,500         \$5,500         \$5,500         \$5,500         \$1,001,600           Total Intangible Cost         \$387,600         \$614,000         \$1,001,600   |  |                |                |               | DIVEALLO                                | \$6,500                 | \$6,500        |
| Total Intangible Cost \$387,600 \$614,000 \$1,001,600  | Construction For Lease Equipment   |                |                |               | 011,0330                                | \$52,500                | \$52,500       |
|  | Construction For Sales P/L   |                |                | annin in      | 0000,265                                | \$5,500                 | \$5,500        |
|  | Total Intangible Cost  |                |                | \$387,600     |   | \$614,000               | \$1,001,600    |
|  |  |                |                |               |   |                         |                |

| Tangible - Well Equipment (1.5)  |  |         |         | 10 S       |           |            |           |             |
|--|--|---------|---------|------------|-----------|------------|-----------|-------------|
| Casing   | Size   | Feet    | 5/Foot  |            | 1.600000  |            |           | 16/18/11/16 |
| Drive Pipe   | 20 "   | 40.00   |         | DIVER 150  | 50        |            |           | \$0         |
| Conductor Pipe   | .0 "   | 0.00    | \$0.00  | DNVE3.130  | \$0       |            |           | \$0         |
| Water String   | 0 "  | 0.00    | 50.00   | DV91-0.135 | \$0       |            |           | \$0         |
| Surface Casing   | 8 5/8"   | 950.00  | \$22.18 | OWF8 140   | \$21,000  |            |           | \$21,000    |
| Intermediate Casing  | 0 "  | 0.00    | \$0.00  | DWs5 to5   | \$0       |            |           | 50          |
| Drilling Liner   | 0 "  | 0.00    | \$0.00  | 8949,145   | \$0       |            |           | \$0         |
| Drilling Liner   | 0 ."   | 0.00    | \$0.00  | DWEL-145   | \$0       |            | MASSA     | SO.         |
| Production Casing or Liner   | 5 1/2"   | 3000.00 | \$19.93 |            |           | OW6A.100   | \$60,000  | \$60,000    |
| Production Tie-Back  | 0 "  | 0.00    | \$0.00  |            |           | DIVITA 100 | \$0       | \$0         |
| Tubing   | 2 7/8"   | 2300.00 | \$6:83  |            |           | DWEA 105   | \$16,000  | \$16,000    |
| N/C Well Equipment   |  |         |         |            |           | DWEATIN    | \$6,500   | \$6,500     |
| Wellhead, Tree, Chokes   |  |         |         | EW18 115   | \$5,000   | DWEA.120   | \$10,000  | \$15,000    |
| Liner Hanger, Isolation Packer   |  |         |         | 00L83VG    | \$0       | D1V8A.135  | \$0       | \$0         |
| Packer, Nipples  |  |         |         |            |           | 0V1,A3VIO  | \$0       |             |
| Pumping Unit, Engine   |  |         |         |            |           | 50rg.168   | \$125,000 | \$125,000   |
| Lift Equipment (BHP. Rods, Anchors)  |  |         |         | Chellist.  |           | D1EG.105   | \$62,500  |             |
| Tangible Lease Equipment 401   | 120  |         |         | g. Per. I  |           |            |           |             |
| N/C Lease Equipment  |  |         |         |            |           | DLEG.115   | \$21,000  | \$21,000    |
| Tanks, Tanks Steps, Stairs   |  |         |         |            |           | DIEO 120   | \$13,500  | \$13,500    |
| Battery (Heater Treater, Separator, Gas Treating Equipment)  |  |         |         |            |           | DLEO.125   | \$29,500  | \$29,500    |
| Flow Lines (Line Pipe from wellhead to central facility)   |  |         |         |            |           | D150 170   | \$5,500   | \$5,500     |
|  |  |         |         |            |           | Mile . 100 | ¢n        | \$n         |
| Pipeline to Sales  |  |         |         | 49991020   |           | DWEA,166   | \$0       |             |
| Total Tangibles  |  |         |         |            | \$26,000  |            | \$349,500 | \$375,500   |
| P&A Costs  |  |         |         | 0107.396   | \$30,000  | DICC,275   | -\$30,000 | \$0         |
| Auditor and resident the contract of the contr | Anna Carantella Carant |         |         |            | •         |            |           |             |
| Total Cost   |  |         |         |            | \$443,600 |            | \$933,500 | \$1,377,100 |



600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



August 12, 2011

# Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 1851

Abo Petroleum Corporation Attn: Land Manager 105 S. 4<sup>th</sup> Street Artesia. NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

#### Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.2 Well at legal location in the NW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 2310' FEL. 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.

New Well Proposal-Louisiana 1 Fee No.2 Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 **Eddy County, New Mexico** In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms: Bonus Consideration of \$1000.00 per net mineral acre delivered; i.) Reservation of an ORRI equal to difference between 25% and current ii.) lease burdens: Primary term of Three (3) years with 180-day continuous development iii.) thereafter Please call the undersigned with any questions or comments. Respectfully Submitted. Cimarex Energy Co. Hilary R. Coder Contract Landman **ELECTION TO PARTICIPATE** Louisiana 1 Fee No.2 Well Elects **TO** participate in the proposed **Louisiana** 1 Fee No.2 Well Elects **NOT** to participate in the proposed **Louisiana** 1 Fee No.2 Well Dated this \_\_\_\_\_ , 2011. Company:

Signature:

Printed Name:

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

| New Well Proposal-Louisiana 1 Fee No.2  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico  |
|---|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well, then:  |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |

| Township 19                    | posal-Louisiana 1 Fee No.2<br>South, Range 25 East, N.M.P.M.<br>2SW/4, W/2SE/4<br>New Mexico  |
|--------------------------------|---|
| consider acq                   | you do not wish to participate in drilling the Louisiana wells, Cimarex will uiring term assignment of your leasehold interests. Cimarex's offer is bon final verification of your title and is based on the following general                |
| i.)<br>ii.)<br>iii.)           | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter |
|                                | e undersigned with any questions or comments.   |
| Respectfully S                 |   |
| Hilary R. Cod<br>Contract Land |   |
|                                | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well  |
|                                | TO participate in the proposed Louisiana 1 Fee No.2 Well  NOT to participate in the proposed Louisiana 1 Fee No.2 Well  |
| Dated this                     | day of , 2011.  |
| Company:                       |   |
| Signature:                     |   |
| Printed Name                   | <b>:</b>  |
| Title:                         |   |

| New Well Proposal-Louisiana Tree No.2  |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
|  |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex   |
| Elects <b>NOT</b> 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 <b>or</b> be deemed to have elected to be covered by well control insurance procured by Cimarex |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



March 20, 2012

# Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7921

COG Operating LLC Attn: Stuart Dirks 550 West Texas Avenue, Suite 100 Midland, Texas 79701

Re: New Well Proposal - Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: NW/4SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 2 Well at legal location in the NW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 2310' FEL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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.

| New Well Proposal – Louisiana 1 Fee No.2  |
|---|
| Township 19 South, Range 25 East, N.M.P.M. Section 1: NW/4SE/4                                  |
| Eddy County, New Mexico   |
| be covered by insurance procured by Cimarex and will be responsible for your share of the cost. |
| Please call the undersigned with any questions or comments.                                     |
| Respectfully Submitted,   |
| Cimarex Energy Co. Hilary R. Coder  |
| Contract Landman  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well  |
| Elects <u>TO</u> participate in the proposed Louisiana 1 Fee No.2 Well                          |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.2 Well                             |
| Dated this , 2012.  |
| Company:  |
| Signature:  |
| Printed Name:   |
| <b></b>   |

| New Well Proposal – Louisiana 1 Fee No.2  |
|---|
| Township 19 South, Range 25 East, N.M.P.M.  |
| Section 1: NW/4SE/4   |
| Eddy County, New Mexico   |
|   |
|   |
|   |
|   |
|   |
|   |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.2 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |
| Company:  |
| Company:  |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

## Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 1868

Myco Industries, Inc Attn: Land Manager 423 W. Main Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.2 Well at legal location in the NW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 2310' FEL. 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.

|  | oposal-Louisiana 1 Fee No.2   |  |  |  |  |
|--|---|--|--|--|--|
| Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 |   |  |  |  |  |
|  | New Mexico  |  |  |  |  |
|  |   |  |  |  |  |
|  |   |  |  |  |  |
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |  |  |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current  |  |  |  |  |
|  | lease burdens;  |  |  |  |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |  |  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |  |  |  |
| Respectfully   | Submitted,  |  |  |  |  |
| Cimarex En   | ergy Co.  |  |  |  |  |
| Hilary R. Coo<br>Contract Lar  |   |  |  |  |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well  |  |  |  |  |
| Elect  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well  |  |  |  |  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well  |  |  |  |  |
| Dated this _   | day of , 2011.  |  |  |  |  |
| Company: _   |   |  |  |  |  |
| Signature: _   |   |  |  |  |  |
| Printed Nam  | e:  |  |  |  |  |
| Title:   |   |  |  |  |  |

| New Well Proposal-Louisiana 1 Fee No.2   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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|  |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.2 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

| Township 19 Se  | osal-Louisiana 1 Fee No.2<br>outh, Range 25 East, N.M.P.M.<br>SW/4, W/2SE/4<br>New Mexico  |  |
|---|--|--|
| consider acqui  | ou do not wish to participate in drilling the Louisiana wells, Cimarex will ring term assignment of your leasehold interests. Cimarex's offer is in final verification of your title and is based on the following general |  |
| ii.) R  | onus Consideration of \$1000.00 per net mineral acre delivered; eservation of an ORRI equal to difference between 25% and current ease burdens;  |  |
| •   | rimary term of Three (3) years with 180-day continuous development ereafter  |  |
| Please call the undersigned with any questions or comments.                   |  |  |
| Respectfully Su   | ubmitted,  |  |
| Cimarex Energ   | gy Co.   |  |
| Hilary R. Coder<br>Contract Landn   |  |  |
|   | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well   |  |
| Elects <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well |  |  |
| Elects <u>N</u>   | NOT to participate in the proposed Louisiana 1 Fee No.2 Well   |  |
| Dated this  | _day of, 2011.   |  |
| Company:  | · · · · · · · · · · · · · · · · · · ·  |  |
| Signature:  |  |  |
| Printed Name:   | <del></del>  |  |
| Title:  |  |  |

| New Well Proposal-Louisiana 1 Fee No.2   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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|  |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well, then:   |
| Elects <u>TO</u> be covered by well control insurance procured by Cimarex  |
| Elects <b>NOT</b> 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 <b>or</b> be deemed to have elected to be covered by well control insurance procured by Cimarex |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

## Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2537

Oxy Y-1 Company Attn: Katie A. Almeida, Land Negotiator 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521

Re: New Well Proposal-Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.2 Well at legal location in the NW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 2310' FEL. 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.

| New Well Proposal-Louisiana 1 Fee No.2  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico  |  |  |
|---|--|--|
|   |  |  |
| In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms:  |  |  |
| <ul> <li>i.) Bonus Consideration of \$1000.00 per net mineral acre delivered;</li> <li>ii.) Reservation of an ORRI equal to difference between 25% and current lease burdens;</li> <li>iii.) Primary term of Three (3) years with 180-day continuous development</li> </ul> |  |  |
| thereafter  |  |  |
| Please call the undersigned with any questions or comments.   |  |  |
| Respectfully Submitted,   |  |  |
| Cimarex Energy Co.  |  |  |
| Hilary R. Coder<br>Contract Landman   |  |  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well  |  |  |
| Elects TO participate in the proposed Louisiana 1 Fee No.2 Well   |  |  |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.2 Well   |  |  |
| Dated this day of , 2011.   |  |  |
| Company:  |  |  |
| Signature:  |  |  |
| Printed Name:   |  |  |
| Title:  |  |  |

| New Well Proposal-Louisiana 1 Fee No.2  |
|---|
| Township 19 South, Range 25 East, N.M.P.M.  |
| Section 1: E/2SW/4, W/2SE/4   |
| Eddy County, New Mexico   |
|   |
|   |
|   |
|   |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.2 Well,   |
| then:   |
| Elects <u>TO</u> 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   |

| New Well Proposal-Louisiana 1 Fee No.2  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |
|--|---|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general               |
| i.)<br>ii.)<br>iii.)   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter |
| Please call th   | ne undersigned with any questions or comments.  |
| Respectfully   | Submitted,  |
| Cimarex En   | ergy Co.  |
| Hilary R. Coo<br>Contract Lan  |   |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well  |
| Elect  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well  |
| Dated this   | day of , 2011.  |
| Company: _   |   |
| Signature: _   |   |
|  | e:  |
|  |   |

| New Well Proposal-Louisiana 1 Fee No.2     | _ |
|--|---|
| Township 19 South, Range 25 East, N.M.P.M. |   |
| Section 1: E/2SW/4, W/2SE/4                |   |
| Eddy County, New Mexico                    |   |

| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.2 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 |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

#### Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2520

Yates Petroleum Corporation Attn: Land Manager 105 S. 4<sup>th</sup> Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.2

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.2 Well at legal location in the NW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 2310' FSL & 2310' FEL. 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.

| New Well Proposal-Louisiana 1 Fee No.2  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |
|--|---|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general               |
| i.)<br>ii.)<br>iii.)   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter |
| Please call th   | ne undersigned with any questions or comments.  |
| Respectfully   | Submitted,  |
| Cimarex En   | ergy Co.  |
| Hilary R. Coo  |   |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well  |
| -  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.2 Well   |
| Dated this _   | day of , 2011.  |
| Company: _   |   |
| Signature:   | ·   |
|  | e:  |
|  |   |

| New Well Proposal-Louisiana 1 Fee No.2   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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|  |
|  |
| If your election above is TO participate in the proposed Louisiana 1 Fee No 2 Well |

If your election above is TO participate in the proposed Louisiana 1 Fee No.2 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

| New Well Proposal-Louisiana 1 Fee No.2  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |  |
|--|---|--|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens;   |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |
| Respectfully   | Submitted,  |  |
| Cimarex En   | ergy Co.  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.2 Well  |  |
|  | TO participate in the proposed Louisiana 1 Fee No.2 Well  |  |
| Elects   | NOT to participate in the proposed Louisiana 1 Fee No.2 Well  |  |
| Dated this   | day of , 2011.  |  |
| Company:   |   |  |
| Signature:   |   |  |
| Printed Name   | e:  |  |
| Title:   | <del></del>   |  |

| New Well Proposal-Louisiana 1 Fee No.2     |
|--|
| Township 19 South, Range 25 East, N.M.P.M. |
| Section 1: E/2SW/4, W/2SE/4                |
| Eddy County, New Mexico                    |
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If your election above is TO participate in the proposed Louisiana 1 Fee No.2 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

600 N. Marlenfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



March 20, 2012

# Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7945

Yates Petroleum Corporation Abo Petroleum Corporation MYCO Industries, Inc. Attn: Chuck Moran 105 S 4<sup>th</sup> Street Artesia, New Mexico 88210

Re: New Well Proposal - Louisiana 1 Fee No.5

Township 19 South, Range 25 East, N.M.P.M.

Section 1: SE/4SW/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 5 Well at legal location in the SE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 1650' FWL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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 Louisiana 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



| New Well Proposal – Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: SE/4SW/4  Eddy County, New Mexico   |
|--|
| 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. |
| Please call the undersigned with any questions or comments.  |
| Respectfully Submitted,  |
| Cimarex Energy Co.  Hilary R. Coder Contract Landman   |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well   |
| Elects <u>TO</u> participate in the proposed Louisiana 1 Fee No.5 Well   |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.5 Well  |
| Dated this day of , 2012.  |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |

| New Well Proposal – Louisiana 1 Fee No.5  |
|---|
| Township 19 South, Range 25 East, N.M.P.M.  |
| Section 1: SE/4SW/4   |
| Eddy County, New Mexico   |
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| If your election above is TO participate in the proposed Louisiana 1 Fee No.5 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |
| Company:  |

New Well Proposal - Louisiana 1 Fee No.5

Township 19 South, Range 25 East, N.M.P.M.

Section 1: SE/4SW/4 Eddy County, New Mexico

# ELECTION TO PARTICIPATE Louisiana 1 Fee No. 5 Well

| Elects TO participate in the proposed Louisiana 1 Fee No.5 Well  |
|--|
| Elects NOT to participate in the proposed Louisiana Fee No.5 Well  |
| Dated this day of , 2012.  |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |
|  |
|  |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.5 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 |
| Company.   |

New Well Proposal - Louisiana 1 Fee No.5

Township 19 South, Range 25 East, N.M.P.M.

Section 1: SE/4SW/4 Eddy County, New Mexico

# ELECTION TO PARTICIPATE Louisiana 1 Fee No. 5 Well

| Elects TO participate in the proposed Louisiana 1 Fee No.5 Well   |
|---|
| Elects NOT to participate in the proposed Louisiana Fee No.5 Well   |
| Dated this day of , 2012.   |
| Company:  |
| Signature:  |
| Printed Name:   |
| Title:  |
|   |
| •   |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.5 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |
| Company:  |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



August 12, 2011

# Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2537

Oxy Y-1 Company Attn: Katie A. Almeida, Land Negotiator 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521

Re: New Well Proposal-Louisiana 1 Fee No.5

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

#### Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.5 Well at legal location in the SE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 1650' 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.

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |
|--|---|
| consider acq   | you do not wish to participate in drilling the Louisiana wells, Cimarex will juiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general               |
| i.)<br>ii.)<br>iii.)   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter |
| Please call th   | ne undersigned with any questions or comments.  |
| Respectfully   | Submitted,  |
| Cimarex Ene  | ergy Co.  |
| Hilary R. Coo<br>Contract Lan  |   |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well  |
|  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well   |
| Dated this   | day of , 2011.  |
| Company:   |   |
| Signature:   | <del></del>   |
| Printed Name   | ə:  |
|  |   |

| New Well Proposal-Louisiana 1 Fee No.5     |
|--|
| Township 19 South, Range 25 East, N.M.P.M. |
| Section 1: E/2SW/4, W/2SE/4                |
| Eddy County, New Mexico                    |
|  |
|  |

| lf your<br>then: | election above is TO participate in the proposed Louisiana 1 Fee No.5 Well,  |
|------------------|--|
|                  | Elects TO be covered by well control insurance procured by Cimarex   |
|                  | Elects <u>NOT</u> to be covered by well control insurance procured by Cimarez and agrees to provide Cimarex with a certificate of insurance prior to commencement of drilling operations <b>or</b> be deemed to have elected to be covered by well control insurance procured by Cimarex |

| Township 19<br>Section 1: E   | South, Range 25 East, N.M.P.M. //2SW/4, W/2SE/4 , New Mexico  |
|-------------------------------|---|
| consider acc                  | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |
| i.)<br>ii.)<br>iii.)          | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development |
| Please call th                | thereafter<br>ne undersigned with any questions or comments.  |
| Respectfully                  | Submitted,  |
| Cimarex En                    | ergy Co.  |
| Hilary R. Coo<br>Contract Lan |   |
|                               | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well  |
|                               | s <u>TO</u> participate in the proposed Louisiana 1 Fee No.5 Well s <u>NOT</u> to participate in the proposed Louisiana 1 Fee No.5 Well   |
| Dated this                    | day of , 2011.  |
| Company:                      |   |
| Signature:                    |   |
|                               | ə:  |
|                               | <del></del>   |

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico   |
|--|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex   |
| Elects <b>NOT</b> 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 <b>or</b> be deemed to have elected to be covered by well control insurance procured by Cimarex |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



March 20, 2012

### Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7921

COG Operating LLC Attn: Stuart Dirks 550 West Texas Avenue, Suite 100 Midland, Texas 79701

Re: New Well Proposal - Louisiana 1 Fee No.5

Township 19 South, Range 25 East, N.M.P.M.

Section 1: SE/4SW/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 5 Well at legal location in the SE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 1650' FWL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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.

| New Well Proposal – Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: SE/4SW/4  Eddy County, New Mexico |
|--|
| be covered by insurance procured by Cimarex and will be responsible for your share of the cost.                                    |
| Please call the undersigned with any questions or comments.  |
| Respectfully Submitted,  |
| Cimarex Energy Co.  Hilary R: Coder  Contract Landman  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well   |
| Elects TO participate in the proposed Louisiana 1 Fee No.5 Well  |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.5 Well  |
| Dated this day of 2012.  |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |

| New Well Proposal – Louisiana 1 Fee No.5  |
|---|
| Township 19 South, Range 25 East, N.M.P.M. Section 1: SE/4SW/4  |
| Eddy County, New Mexico   |
| and outling, the mexico   |
|   |
|   |
|   |
|   |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.5 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |
| Company:  |

600 N. Matienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



August 12, 2011

### Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 1868

Myco Industries, Inc Attn: Land Manager 423 W. Main Street Artesia. NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.5

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.5 Well at legal location in the SE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 1650' 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.

| New Well Proposal-Louisiana 1 Fee No.5 |   |
|--|---|
| •                                      | South, Range 25 East, N.M.P.M.<br>/2SW/4, W/2SE/4   |
|  | , New Mexico  |
|  |   |
|  |   |
| consider acc                           | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |
| i.)<br>ii.)                            | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens:   |
| iii.)                                  | Primary term of Three (3) years with 180-day continuous development thereafter  |
| Please call th                         | ne undersigned with any questions or comments.  |
| Respectfully                           | Submitted,  |
| Cimarex En                             | ergy Co.  |
| Hilary R. Coo<br>Contract Lan          |   |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well  |
| Elect                                  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well  |
| Elect                                  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well  |
| Dated this _                           | day of , 2011.  |
| Company: _                             |   |
| Signature:                             | <del></del>   |
| Printed Nam                            | e:  |
| Title:                                 | <del></del>   |

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico   |
|--|
| If your election above is TO participate in the proposed <b>Louisiana 1</b> Fee No.5 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex   |
| Elects NOT to be covered by well control insurance procured by Cimares 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 |

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |  |  |  |
|--|--|--|--|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is upon final verification of your title and is based on the following general |  |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;   |  |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter   |  |  |
| Please call the  | he undersigned with any questions or comments.   |  |  |
| Respectfully   | Submitted,   |  |  |
| Cimarex En   | ergy Co.   |  |  |
| Hilary R. Coo<br>Contract Lar  |  |  |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well   |  |  |
| Elect  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well   |  |  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well   |  |  |
| Dated this _   | day of , 2011.   |  |  |
| Company:   |  |  |  |
| Signature: _   |  |  |  |
| Printed Nam  | e:   |  |  |
|  |  |  |  |

| New Well Proposal-Louisiana 1 Fee No.5 Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico                                       |
|---|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well, then:  Elects <u>TO</u> be covered by well control insurance procured by Cimarex |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

## Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2520

Yates Petroleum Corporation Attn: Land Manager 105 S. 4<sup>th</sup> Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.5

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.5 Well at legal location in the SE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 1650' 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.

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico   |  |  |  |
|--|--|--|--|
| In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms:             |  |  |  |
| <ul> <li>i.) Bonus Consideration of \$1000.00 per net mineral acre delivered;</li> <li>ii.) Reservation of an ORRI equal to difference between 25% and current lease burdens;</li> <li>iii.) Primary term of Three (3) years with 180-day continuous development thereafter</li> </ul> |  |  |  |
| Please call the undersigned with any questions or comments.  |  |  |  |
| Respectfully Submitted,  |  |  |  |
| Cimarex Energy Co.   |  |  |  |
| Hilary R. Coder<br>Contract Landman  |  |  |  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well   |  |  |  |
| Elects <u>TO</u> participate in the proposed Louisiana 1 Fee No.5 Well   |  |  |  |
| Elects <u>NOT</u> to participate in the proposed Louisiana 1 Fee No.5 Well   |  |  |  |
| Dated this day of , 2011.  |  |  |  |
| Company:   |  |  |  |
| Signature:   |  |  |  |
| Printed Name:  |  |  |  |
| Title  |  |  |  |

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |
|--|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well, then:   |
| Elects <b>TO</b> be covered by well control insurance procured by Cimarex  |

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

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico   |   |  |  |  |
|--|---|--|--|--|
| In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms: |   |  |  |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens; |  |  |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |  |  |
| Respectfully   | Submitted,  |  |  |  |
| Cimarex En   | ergy Co.  |  |  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |  |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well  |  |  |  |
| Elects TO participate in the proposed Louisiana 1 Fee No.5 Well  |   |  |  |  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well  |  |  |  |
| Dated this _   | day of , 2011.  |  |  |  |
| Company: _   |   |  |  |  |
| Signature: _   |   |  |  |  |
| Printed Name   | e:  |  |  |  |
|  |   |  |  |  |

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |
|--|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex   |

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

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

# Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 1851

Abo Petroleum Corporation Attn: Land Manager 105 S. 4<sup>th</sup> Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.5

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.5 Well at legal location in the SE/4SW/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 1650' 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.

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: F/25W/A W/25F/A |   |  |  |  |
|--|---|--|--|--|
| Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico  |   |  |  |  |
|  |   |  |  |  |
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will juiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |  |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current  |  |  |  |
| iii.)  | lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter   |  |  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |  |  |
| Respectfully   | Submitted,  |  |  |  |
| Cimarex En   | ergy Co.  |  |  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |  |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well  |  |  |  |
| Elect  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well  |  |  |  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well  |  |  |  |
| Dated this _   | day of , 2011.  |  |  |  |
| Company: _   | <del></del>   |  |  |  |
| Signature: _   | <del></del>   |  |  |  |
| Printed Name   | e:  |  |  |  |
| Title:   |   |  |  |  |

| New Well Proposal-Louisiana 1 Fee No.5     |
|--|
| Township 19 South, Range 25 East, N.M.P.M. |
| Section 1: E/2SW/4, W/2SE/4                |
| Eddy County, New Mexico                    |
|  |
|  |
|  |

| lf you<br>then: | r election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well,   |
|-----------------|--|
|                 | Elects TO be covered by well control insurance procured by Cimarex   |
|                 | Elects NOT to be covered by well control insurance procured by Cimarez 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 |

| New Well Proposal-Louisiana 1 Fee No.5  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico   |   |  |  |
|--|---|--|--|
| In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms: |   |  |  |
| i.)<br>ii.)<br>iii.)   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development |  |  |
| ·  | thereafter ne undersigned with any questions or comments.   |  |  |
| Respectfully   |   |  |  |
| Cimarex En   | ergy Co.  |  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |  |
| ***************************************  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.5 Well  |  |  |
|  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.5 Well   |  |  |
|  | day of , 2011.  |  |  |
| Company:   |   |  |  |
| Signature:   |   |  |  |
| Printed Name   | e:  |  |  |
| Title:   |   |  |  |

| New Well Proposal-Louisiana 1 Fee No.5   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
|  |
|  |
|  |
|  |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.5 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

600 N. Manenfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



March 20, 2012

### Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7945

Yates Petroleum Corporation Abo Petroleum Corporation MYCO Industries, Inc. Attn: Chuck Moran 105 S 4<sup>th</sup> Street Artesia, New Mexico 88210

Re: New Well Proposal - Louisiana 1 Fee No.6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: SW/4SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 6 Well at legal location in the SW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 2310' FEL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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 Louisiana 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



| New Well Proposal – Louisiana 1 Fee No.6   |  |  |  |
|--|--|--|--|
| Township 19 South, Range 25 East, N.M.P.M.   |  |  |  |
| Section 1: SW/4SE/4  |  |  |  |
| Eddy County, New Mexico  |  |  |  |
| 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. |  |  |  |
| Please call the undersigned with any questions or comments.  |  |  |  |
| Respectfully Submitted,  |  |  |  |
| Cimarex Energy Co. Hilary R. Coder Contract Landman  |  |  |  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well   |  |  |  |
| Elects TO participate in the proposed Louisiana 1 Fee No.6 Well  |  |  |  |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.6 Well-   |  |  |  |
| Dated this day of , 2012.  |  |  |  |
| Company:   |  |  |  |
| Signature:   |  |  |  |
| Printed Name:  |  |  |  |
| Title:   |  |  |  |

| New Well Proposal – Louisiana 1 Fee No.6  Township 19 South, Range 25 East, N.M.P.M.  Section 1: SW/4SE/4  Eddy County, New Mexico  |
|---|
| If your election above is TO participate in the proposed Louisiana 1 Fee No.6 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> 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 |
| Company:  |

New Well Proposal – Louisiana 1 Fee No.6 Township 19 South, Range 25 East, N.M.P.M.

Section 1: SW/4SE/4 Eddy County, New Mexico

# ELECTION TO PARTICIPATE Louisiana 1 Fee No. 6 Well

| Elects TO participate in the proposed Louisiana 1 Fee No.6 Well   |
|---|
| Elects <u>NOT</u> to participate in the proposed <b>Louisiana</b> Fee No.6 Well   |
| Dated this day of , 2012.   |
| Company:  |
| Signature:  |
| Printed Name:   |
| Title:  |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.6 Well,<br>then:  |
| Elects TO be covered by well control insurance procured by Cimarex  |
| Elects <u>NOT</u> to be covered by well control insurance procured by Cimares 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 |
| Company:  |

New Well Proposal – Louisiana 1 Fee No.6
Township 19 South, Range 25 East, N.M.P.M.

Section 1: SW/4SE/4 **Eddy County, New Mexico** 

# ELECTION TO PARTICIPATE Louisiana 1 Fee No.6 Well

| Elects TO participate in the proposed Louisiana 1 Fee No.6 Well  |
|--|
| Elects <u>NOT</u> to participate in the proposed Louisiana Fee No.6 Well   |
| Dated this day of , 2012.  |
| Company:   |
| Signature:   |
| Printed Name:  |
| Title:   |
|  |
| If your election above is TO participate in the proposed Louisiana 1 Fee No.6 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 |
| Company:   |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



August 12, 2011

### Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2537

Oxy Y-1 Company Attn: Katie A. Almeida, Land Negotiator 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521

Re: New Well Proposal-Louisiana 1 Fee No.6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.6 Well at legal location in the SW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 2310' FEL. 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.

| New Well Proposal-Louisiana 1 Fee No.6  Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico |   |  |  |
|--|---|--|--|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current  |  |  |
| iii.)  | lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter   |  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |  |
| Respectfully   | Submitted,  |  |  |
| Cimarex En   | ergy Co.  |  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well  |  |  |
| Elect  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |  |  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |  |  |
| Dated this   | day of , 2011.  |  |  |
| Company:   |   |  |  |
| Signature: _   |   |  |  |
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| Title:   |   |  |  |

| New Well Proposal-Louisiana 1 Fee No.6     |  |
|--|--|
| Township 19 South, Range 25 East, N.M.P.M. |  |
| Section 1: E/2SW/4, W/2SE/4                |  |
| Eddy County, New Mexico                    |  |
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| f your<br>then: | election above is TO participate in the proposed Louisiana 1 Fee No.6 Well,   |
|-----------------|---|
|                 | Elects TO be covered by well control insurance procured by Cimarex  |
|                 | Elects <u>NOT</u> to be covered by well control insurance procured by Cimarez 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 |

| New Well Proposal-Louisiana 1 Fee No.6  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |  |  |
|--|---|--|--|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general               |  |  |
| i.)<br>ii.)<br>iii.)   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter |  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |  |
| Respectfully   | Submitted,  |  |  |
| Cimarex En   | ergy Co.  |  |  |
| Hilary R. Coder<br>Contract Landman  |   |  |  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well   |   |  |  |
| Elect  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |  |  |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.6 Well  |   |  |  |
| Dated this _   | day of , 2011.  |  |  |
| Company:   | <del></del>   |  |  |
| Signature: _   |   |  |  |
| Printed Nam  | e:  |  |  |
| Title:   |   |  |  |

| New Well Proposal-Louisiana 1 Fee No.6     |  |
|--|--|
| Township 19 South, Range 25 East, N.M.P.M. |  |
| Section 1: E/2SW/4, W/2SE/4                |  |
| Eddy County, New Mexico                    |  |
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| If you | r election above is TO participate in the proposed Louisiana 1 Fee No.6 Well,   |
|--------|---|
|        | Elects TO be covered by well control insurance procured by Cimarex  |
|        | Elects <u>NOT</u> to be covered by well control insurance procured by Cimarez 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 |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



July 20, 2011

# Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 0387 5269

Concho Resources, Inc. Attn: Land Manager 550 West Texas Avenue, Suite 100 Midland. Texas 79701

Re: New Well Proposal-Louisiana 1 Fee No.6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.6 Well at legal location in the SW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 2310' FEL. 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.

New Well Proposal-Louisiana 1 Fee No.6 Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms: i.) Bonus Consideration of \$1000.00 per net mineral acre delivered; ii.) Reservation of an ORRI equal to difference between 25% and current lease burdens: Primary term of Three (3) years with 180-day continuous development (.iii thereafter Please call the undersigned with any questions or comments. Respectfully Submitted, Cimarex Energy Co. Hilary R. Coder Contract Landman **ELECTION TO PARTICIPATE** Louisiana 1 Fee No.6 Well ell

| Elects <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well     |
|---|
| Elects <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well |
| Dated this day of , 2011.   |
| Company:  |
| Signature:  |
| Printed Name:   |
| Title:  |

| New Well Proposal-Louisian<br>Township 19 South, Range<br>Section 1: E/2SW/4, W/2SI<br>Eddy County, New Mexico   | 25 East, N.M.P.M.  |  |  |
|--|--|--|--|
| If your election above is TO then:   | participate in the proposed <b>Louisi</b> an   | na 1 Fee No.6 Well,                                    |  |
| Elects <u>TO</u> 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 |  |  |  |
|  |  |  |  |
| Confirmation   | Package ID: 9171082153393845807609 Destination ZIP Code: 79705 Customer Reference: Recipient: Address: | PROBE ENVPKG PSP Account #: 35644897 Serial #: 3132785 |  |

JUL 21 2011

1:20P

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



March 20, 2012

# Via: U.S. Certified Mail-Return Receipt No.91 7108 2133 3938 9332 7921

COG Operating LLC Attn: Stuart Dirks 550 West Texas Avenue, Suite 100 Midland, Texas 79701

Re: New Well Proposal - Louisiana 1 Fee No.6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: SW/4SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No. 6 Well at legal location in the SW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 2310' FEL. The well is proposed to be drilled vertically to a total depth of approximately 3,000' to test the Penasco Draw San Andres-Yeso Associated Pool. The formations to be completed will be determined by operator after logs and reports are received and reviewed at casing point.

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.

| New Well Proposal – Louisiana 1 Fee No.6  |  |
|---|--|
| Township 19 South, Range 25 East, N.M.P.M.  |  |
| Section 1: SW/4SE/4   |  |
| Eddy County, New Mexico   |  |
| be covered by insurance procured by Cimarex and will be responsible for your share of the cost. |  |
| Please call the undersigned with any questions or comments.                                     |  |
| Respectfully Submitted,  Cimarex Energy Co.   |  |
|   |  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well  |  |
| Elects TO participate in the proposed Louisiana 1 Fee No.6 Well                                 |  |
| Elects NOT to participate in the proposed Louisiana 1 Fee No.6 Well                             |  |
| Dated this day of , 2012.   |  |
| Company:  |  |
| Signature:  |  |
| Printed Name:   |  |
| Title:  |  |

| New We             | ell Proposal – Louisiana 1 Fee No.6  |                                  |
|--------------------|--|----------------------------------|
|                    | nip 19 South, Range 25 East, N.M.P.M.  |                                  |
| Section            | 1: SW/4SE/4  | ·                                |
| Eddy Co            | ounty, New Mexico  | :                                |
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| lf your e<br>then: | election above is TO participate in the prop   | posed Louisiana 1 Fee No.6 Well, |
| _                  | Elects TO be covered by well contr   | ol insurance procured by Cimarex |
| С                  | Elects <b>NOT</b> to be covered by well and agrees to provide Cimarex with commencement of drilling operations or covered by well control insurance procured | be deemed to have elected to be  |
| Compar             | ny:  |                                  |
| _ 5,               | ··J·   |                                  |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

# Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 1851

Abo Petroleum Corporation Attn: Land Manager 105 S. 4<sup>th</sup> Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

3

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.6 Well at legal location in the SW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 2310' FEL. 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.

| New Well Proposal-Louisiana 1 Fee No.6  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |  |
|--|---|--|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |
| i.)<br>ii.)<br>iii.)   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens;<br>Primary term of Three (3) years with 180-day continuous development    |  |
| Please call th   | thereafter ne undersigned with any questions or comments.   |  |
| Respectfully   | Submitted,  |  |
| Cimarex En   | ergy Co.  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |
| ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well   |   |  |
| Elects   | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |  |
| Dated this   | day of , 2011.  |  |
| Company:   |   |  |
| Signature:   |   |  |
|  | e:  |  |
| Title:   |   |  |

| New Well Proposal-Louisiana 1 Fee No.6     |  |
|--|--|
| Township 19 South, Range 25 East, N.M.P.M. |  |
| Section 1: E/2SW/4, W/2SE/4                |  |
| Eddy County, New Mexico                    |  |
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| If you<br>then: | r election above is TO participate in the proposed Louisiana 1 Fee No.6 Well,  |
|-----------------|--|
|                 | Elects TO be covered by well control insurance procured by Cimarex   |
|                 | Elects NOT to be covered by well control insurance procured by Cimarez 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 |

| Township 19<br>Section 1: E   | South, Range 25 East, N.M.P.M. /2SW/4, W/2SE/4 /, New Mexico  |
|-------------------------------|---|
| consider acc                  | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |
| i.)<br>ii.)                   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens:   |
| iii.)                         | Primary term of Three (3) years with 180-day continuous development thereafter  |
| Please call th                | ne undersigned with any questions or comments.  |
| Respectfully                  | Submitted,  |
| Cimarex En                    | ergy Co.  |
| Hilary R. Coo<br>Contract Lan |   |
|                               | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well  |
|                               | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well   |
| Dated this                    | day of , 2011.  |
| Company: _                    |   |
| Signature: _                  | ·   |
| Printed Nam                   | e:  |
| Title:                        | ·   |

| New Well Proposal-Louisiana 1 Fee No.6   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico  |
| Eddy County, New Mexico  |
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| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex   |
| Elects NOT to be covered by well control insurance procured by Cimarez 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 |

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571,7800



August 12, 2011

# Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 1868

Myco Industries, Inc Attn: Land Manager 423 W. Main Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.6 Well at legal location in the SW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 2310' FEL. 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.

| New Well Proposal-Louisiana 1 Fee No.6  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |  |
|--|---|--|
| consider acq   | you do not wish to participate in drilling the Louisiana wells, Cimarex will uiring term assignment of your leasehold interests. Cimarex's offer is boon final verification of your title and is based on the following general |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current lease burdens:   |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |
| Please call th   | e undersigned with any questions or comments.   |  |
| Respectfully   | Submitted,  |  |
| Cimarex En   | ergy Co.  |  |
| Hilary R. Coo<br>Contract Lan  |   |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well  |  |
| Elects   | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |  |
| Elects   | NOT to participate in the proposed Louisiana 1 Fee No.6 Well  |  |
| Dated this   | day of , 2011.  |  |
| Company:   | <del></del>   |  |
| Signature:   |   |  |
| Printed Name   | ə:  |  |
| Title:   |   |  |

| New Well Proposal-Louisiana 1 Fee No.6  Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico   |
|--|
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well, then:   |
| Elects TO be covered by well control insurance procured by Cimarex   |
| Elects <b>NOT</b> 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 <b>or</b> be deemed to have elected to be covered by well control insurance procured by Cimarex |

| New Well Proposal-Louisiana 1 Fee No.6  Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico |   |
|--|---|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general               |
| i.)<br>ii.)<br>iii.)   | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter |
| Please call the  | ne undersigned with any questions or comments.  |
| Respectfully   | Submitted,  |
| Cimarex En   | ergy Co.  |
| Hilary R. Coder<br>Contract Landman  |   |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well  |
| Elect  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |
| Elect  | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |
| Dated this   | day of , 2011.  |
| Company:   |   |
| Signature:   |   |
|  | e:  |

Title:

| New Well Proposal-Louisiana 1 Fee No.6   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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| If your election above is TO participate in the proposed Louisiana 1 Fee No 6 Well |

If your election above is TO participate in the proposed Louisiana 1 Fee No.6 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

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

# Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2537

Oxy Y-1 Company Attn: Katie A. Almeida, Land Negotiator 5 Greenway Plaza, Suite 110 Houston, Texas 77046-0521

Re: New Well Proposal-Louisiana 1 Fee No.6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.6 Well at legal location in the SW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 2310' FEL. 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.

| New Well Proposal-Louisiana 1 Fee No.6  Township 19 South, Range 25 East, N.M.P.M.  Section 1: E/2SW/4, W/2SE/4  Eddy County, New Mexico |   |  |
|--|---|--|
| consider acc   | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general |  |
| i.)<br>ii.)  | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;  |  |
| iii.)  | Primary term of Three (3) years with 180-day continuous development thereafter  |  |
| Please call th   | ne undersigned with any questions or comments.  |  |
| Respectfully   | Submitted,  |  |
| Cimarex En   | ergy Co.  |  |
| Hilary R. Coder<br>Contract Landman  |   |  |
|  | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well  |  |
| Elect  | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |  |
| Elects   | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |  |
| Dated this _   | day of , 2011.  |  |
| Company:   | <del></del>   |  |
| Signature:   |   |  |
| Printed Name   | e:  |  |
| Title:   | <del></del>   |  |

| New Well Proposal-Louisiana 1 Fee No.6     |  |
|--|--|
| Township 19 South, Range 25 East, N.M.P.M. |  |
| Section 1: E/2SW/4, W/2SE/4                |  |
| Eddy County New Mexico                     |  |

| if you<br>then: | r election above is TO participate in the proposed Louisiana 1 Fee No.6 Well,  |
|-----------------|--|
|                 | Elects TO be covered by well control insurance procured by Cimarex   |
|                 | Elects NOT to be covered by well control insurance procured by Cimarez 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 |

New Well Proposal-Louisiana 1 Fee No.6 Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 **Eddy County, New Mexico** In the event you do not wish to participate in drilling the Louisiana wells, Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms: Bonus Consideration of \$1000.00 per net mineral acre delivered; i.) Reservation of an ORRI equal to difference between 25% and current ii.) lease burdens: Primary term of Three (3) years with 180-day continuous development iii.) thereafter Please call the undersigned with any questions or comments. Respectfully Submitted, Cimarex Energy Co. Hilary R. Coder **Contract Landman ELECTION TO PARTICIPATE** Louisiana 1 Fee No.6 Well iana 1 Fee No.6 Well ouisiana 1 Fee No.6 Well

| Elects <u>TO</u> participate in the proposed <b>Louis</b> |
|---|
| Elects NOT to participate in the proposed L               |
| Dated this day of , 2011.                                 |
| Company:  |
| Signature:  |
| Printed Name:   |
| Title:  |

| New Well Proposal-Louisiana 1 Fee No.6   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well, |
| then:  |
| Electe TO be severed by well central incurance precured by Cimeray                         |
| Elects <u>TO</u> be covered by well control insurance procured by Cimarex                  |
| Floate NOT to be severed by well control incurance procured by Cimarey                     |
| 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

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



August 12, 2011

# Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 2520

Yates Petroleum Corporation Attn: Land Manager 105 S. 4<sup>th</sup> Street Artesia, NM 88210

Re: New Well Proposal-Louisiana 1 Fee No.6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: E/2SW/4, W/2SE/4 Eddy County, New Mexico

Dear Leasehold Owner:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the Louisiana 1 Fee No.6 Well at legal location in the SW/4SE/4 of Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

The intended surface hole location for the well is 990' FSL & 2310' FEL. 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.

New Well Proposal-Louisiana 1 Fee No.6 Township 19 South, Range 25 East, N.M.P.M. Section 1: E/2SW/4, W/2SE/4 **Eddy County, New Mexico** In the event you do not wish to participate in drilling the Louisiana wells. Cimarex will consider acquiring term assignment of your leasehold interests. Cimarex's offer is contingent upon final verification of your title and is based on the following general terms: Bonus Consideration of \$1000.00 per net mineral acre delivered; i.) Reservation of an ORRI equal to difference between 25% and current ii.) lease burdens: Primary term of Three (3) years with 180-day continuous development iii.) thereafter Please call the undersigned with any questions or comments. Respectfully Submitted, Cimarex Energy Co. Hilary R. Coder Contract Landman **ELECTION TO PARTICIPATE** Louisiana 1 Fee No.6 Well \_\_\_\_\_ Elects **TO** participate in the proposed **Louisiana** 1 Fee No.6 Well \_\_\_\_ Elects **NOT** to participate in the proposed **Louisiana** 1 Fee No.6 Well Dated this \_\_\_\_\_ , 2011.

Company:

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

Printed Name:

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

| New Well Proposal-Louisiana 1 Fee No.6   |
|--|
| Township 19 South, Range 25 East, N.M.P.M.   |
| Section 1: E/2SW/4, W/2SE/4  |
| Eddy County, New Mexico  |
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|  |
| If your election above is TO participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well, then: |
|  |

| Township 19<br>Section 1: E   | oposal-Louisiana 1 Fee No.6 South, Range 25 East, N.M.P.M. /2SW/4, W/2SE/4 /, New Mexico  |
|-------------------------------|---|
| consider acc                  | you do not wish to participate in drilling the Louisiana wells, Cimarex will quiring term assignment of your leasehold interests. Cimarex's offer is pon final verification of your title and is based on the following general               |
| i.)<br>ii.)<br>iii.)          | Bonus Consideration of \$1000.00 per net mineral acre delivered;<br>Reservation of an ORRI equal to difference between 25% and current<br>lease burdens;<br>Primary term of Three (3) years with 180-day continuous development<br>thereafter |
| Please call ti                | ne undersigned with any questions or comments.  |
| Respectfully                  | Submitted,  |
| Cimarex En                    | ergy Co.  |
| Hilary R. Coo<br>Contract Lan |   |
|                               | ELECTION TO PARTICIPATE  Louisiana 1 Fee No.6 Well  |
| Elect                         | s <u>TO</u> participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |
| Elect                         | s <u>NOT</u> to participate in the proposed <b>Louisiana</b> 1 Fee No.6 Well  |
| Dated this _                  | day of , 2011.  |
| Company: _                    |   |
| Signature: _                  |   |
| Printed Nam                   | e:  |

Title:

| New Well Proposal-Louisiana 1 Fee No | .6     |   |
|--------------------------------------|--------|---|
| Township 19 South, Range 25 East, N. | M.P.M. |   |
| Section 1: E/2SW/4, W/2SE/4          |        |   |
| Eddy County, New Mexico              |        | • |
| •                                    |        |   |
|                                      |        |   |
|                                      |        |   |
|                                      |        |   |
|                                      |        |   |

If your election above is TO participate in the proposed Louisiana 1 Fee No.6 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



| stimate Type  Driginal Estimate  (avised Estimate  (avised Estimate  (avised Estimate  (b)  (consental Estimate  (  | y Number tate Oil Gos   | w San 3,000'   |
|---|---|--|
| Permian Louisiana 1 Fee 1 Paddock Extension West (EDDY)  atlon County St  Eddy F  imate Type ginal Estimate   | oil Gos  Ste.:: Formati Penasco Dra Andres-Y  | Type Well  x Expl X Prod  Til Measured Depth w San 3,000 Til Vertical Depth  |
| mate Type ginol Estimate ginol Estimate ginol Estimate ginol Estimate Go ginol Estim  | Oil Gos  ate: Formati Penasco Dra Andres-Y  | x Expl X Prod  Ttl Measured Dept w San 3,000 Ttl Vertical Depth  |
| mate Type pinal Estimate Sed Estimate Sed Estimate Optimental Estimate October Type Percental Estimate October Type I and complete a 3000' Blinebry/Paddock vertical well   | Oil Gos  ate: Formati Penasco Dra Andres-Y  | x Expl X Prod  Ttl Measured Dept w San 3,000 Ttl Vertical Depth  |
| mate Type ind Estimate Seed Estimate Olemental Estimate October 1   | Oil Gos  ate: Formati Penasco Dra Andres-Y  | x Expl X Prod  Ttl Measured Dept w San 3,000 Ttl Vertical Depth  |
| mate Type  pinol Estimate  Sed Estimate  O  plemental Estimate  O  plemental Estimate  O  and complete a 3000' Blinebry/Paddock vertical well   | ate Formati Penasco Dra Andres-Y  | on Ttl Measured Dept<br>w San 3,000'   |
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| lect Description<br>I and complete a 3000' Blinebry/Paddock vertical well   | Associated  | 3,000  |
| l and complete a 3000' Blinebry/Paddock vertical well   |   | in a tributa de la compact   |
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| ngibles Dry Hole Cost Af  |   |  |
| ingibles Dry Hole Cost Af   |   |  |
| ngibles Dry Hole Cost Af  |   |  |
| ngibles Dry Hole Cost Ai  |   | 6  |
| ing Costs 5427,000 :  | ter Casing Point  | Completed Well Cost<br>\$427,000   |
| rpletion Costs  | \$1,646,000   | \$1,646,000  |
| al Intangible Costs \$427,000   | \$1,646,000   | \$2,073,000  |
|   | ~   |  |
| gibles U Equipment \$31,000   | \$204,000   | \$235,000  |
| se Equipment  | \$20,000  | \$20,000   |
| al Tangible Well Cost \$31,000  | \$224,000   | \$255,000  |
| - and Abandon Cost  | V.50.000  | 50   |
| g and Abandon Cost Sign.000   | \$30,000  | 50   |
| al Well Cost \$488,000  | \$1,840,000   | \$2,328,000  |
| less otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by (<br>ig as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore<br>urance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at   | e. If you elect to purchase y   | rance procured by Oberator   |
|   | the time this AFE is returne  | our own well control   |
|   |   | our own well control<br>ed, if available, but in no ever   |
| urance procured by Operator.  |   | our own well control<br>ed, if available, but in no ever   |
| urance procured by Operator.  It elect to purchase my own well control insurance policy.  It control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of   | ce, as provided herein, will<br>Combined Single Limit cove  | our own well control<br>ed, if available, but in no ever<br>result in your being covered l   |
| urance procured by Operator.  It elect to purchase my own well control insurance policy.  Il control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of   | ce, as provided herein, will<br>Combined Single Limit cove  | our own well control<br>ed, if available, but in no ever<br>result in your being covered l   |
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EXHIBIT C-(



| Company Entity<br>Cimarex Energy Co.   |   |  | ;  |  | Date Prepared<br>Februa  | ry 8, 2012  |
|--|---|--|--|--|--|---|
| Region .   | Well Name   |  | Prospect or Field Name   | Property Number  | Drillin  | g AFE No.   |
| Permian  | Louisiana 1 Fee   | 2  | Paddock Extension West (EDDY)  |  | <u> </u>   |   |
| ocation  | ,   |  | County   | State  | Тур  | e Well  |
|  |   |  | Eddy   | NM   | Oil x<br>Gas   | Expl X Prod   |
| timate Type  | • • • • • • • • • • • • • • • • • • •   |  | est.Start Date   | st. Comp Date  | Formation Penasco Draw San   | Tti Measured Depth<br>3,000'  |
| riginal Estimate<br>evised Estimate  |   |  |  |  | Andres-Yeso  | Tti Vertical Depth  |
| ipplemental Estima   | nte l O   | L  |  |  | Associated Pool  | 3,000   |
| roject Description<br>rill and complete a  | 3000' Blinebry/Paddock veri   | tical well. Insta  | all tank battery.  | (2.4 m. 46 km m  |  |   |
| e de forme de monte e  |   |  |  |  | 100 y 100 1100 1 TO 100 100 1  |   |
| tangibles  |   |  | Dry Hole Cost  | After Casing   | Point Cor  | npleted Well Cost   |
| rilling Costs  |   |  | 5477,000   | \$1,847,00   |  | \$427,600   |
| ompletion Costs  otal Intangible Cost  | <b>'</b>  |  | \$427,000  | \$1,847,00<br>\$1,847,00   |  | \$1,847,000<br>\$2,274,000  |
|  |   |  |  |  |  |   |
| angibles<br>Vell Equipment   |   |  | ! S01,000  | 9204,000   | ) :  | \$235,000   |
| ase Equipment  |   |  | 48 (B) 18 (B   | \$463,800  |  | \$463,800   |
| otal Tangible Well (   | Cost  |  | \$31,000   | \$667,800  | )<br>  | \$698,800   |
| ug and Abandon Co  | ost   |  | \$30,000   | \$30,000   |  | 50  |
| tal Well Cost  |   |  | \$488,000  | \$2,484,80   |  | \$2,972,800   |
| All tubulars, well o   |   |  | d CEPS guidelines using the Histori  | c Price Multiplier.  |  |   |
| All tubulars, well of the control insurant well control insurant with the control insurant and any as Operator consurance, you must  | ce<br>dicated below, you, as a non-<br>iducts operations hereunde<br>provide a certificate of such  | -operating wo<br>r and to pay yo<br>n insurance acc  |  | overed by Operator's as therefore. If you ele  | well control insurance p<br>ect to purchase your ow<br>his AFE is returned, if av  | procured by Operator<br>in well control<br>vailable, but in no ever   |
| Vell Control Insuran<br>inless otherwise ind<br>ong as Operator con<br>onsurance, you must<br>ster than commence   | ce<br>licated below, you, as a non<br>dducts operations hereunde<br>provide a certificate of such<br>ement of drilling operations   | -operating wo<br>r and to pay yo<br>n insurance acc  | rking interest owner, agree to be o<br>our prorated share of the premium<br>reptable to Operator, as to form a   | overed by Operator's as therefore. If you ele  | well control insurance p<br>ect to purchase your ow<br>his AFE is returned, if av  | procured by Operator<br>on well control<br>vailable, but in no even   |
| Vell Control Insuran inless otherwise ind one as Operator consurance, you must ater than commence procured because and one of the commence of the control of | ce<br>licated below, you, as a non<br>dducts operations hereunde<br>provide a certificate of such<br>ement of drilling operations   | -operating wo<br>r and to pay yo<br>n insurance acc<br>. You agree th  | rking interest owner, agree to be o<br>our prorated share of the premium<br>reptable to Operator, as to form a   | overed by Operator's as therefore. If you elend in the time the ti | well control insurance p<br>ect to purchase your ow<br>his AFE is returned, if av  | procured by Operator on well control rails and even rails are to even   |
| Well Control Insuran Inless otherwise ind ong as Operator con nsurance, you must ater than commence insurance procured to letect to purchase a Well control insurance  | ce licated below, you, as a non- ducts operations hereunde provide a certificate of such ement of drilling operations by Operator. my own well control insurance polic ce procured by Operator, pr  | -operating wo<br>r and to pay yo<br>n insurance acc<br>. You agree th<br>cy.   | rking interest owner, agree to be o<br>our prorated share of the premium<br>reptable to Operator, as to form a   | covered by Operator's instherefore. If you ele ind limits, at the time it e of insurance, as provided to the office of the offic | well control insurance per to purchase your ownis AFE is returned, if avided herein, will result it is a single Limit coverage fo  | procured by Operator<br>in well control<br>Bailable, but in no ever<br>in your being covered l  |
| Well Control Insuran Unless otherwise ind ong as Operator con nsurance, you must ater than commence nsurance procured t I elect to purchase Well control insurance elated redrilling and   | ce licated below, you, as a non- ducts operations hereunde provide a certificate of such ement of drilling operations by Operator. my own well control insurance polic ce procured by Operator, pr  | -operating wo<br>r and to pay yo<br>n insurance acc<br>. You agree th<br>cy.   | rking interest owner, agree to be cour prorated share of the premium teptable to Operator, as to form an last failure to provide the certificate of the certificate o   | covered by Operator's instherefore. If you ele ind limits, at the time it e of insurance, as provided to the office of the offic | well control insurance per to purchase your ownis AFE is returned, if avided herein, will result it is a single Limit coverage fo  | orocured by Operator<br>in well control<br>izilable, but in no ever<br>n your being covered   |
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| Company Entity<br>Cimarex Energy Co.   |                             | }<br>!   |  | Date Prepared<br>Februa                             | ry 8, 2012   |
|--|-----------------------------|--|--|---|--|
| Region Well Name   | Well No.                    | Prospect or Field Name   | Property Number  | Drilling  | AFE No.  |
| Permian Louisiana 1 Fee  | 5                           | Paddock Extension West (EDDY)  |  |   |  |
| Location .   |                             | County   | State  | Тур   | e Well   |
|  |                             | Eddy   | NM   | Oil n   | Prod X   |
| Estimate Type  |                             | st Start Date E  | st. Comp Date  | Formation   | Ttl Measured Depth   |
| Original Estimate  Revised Estimate  Supplemental Estimate  O  |                             |  |  | Penasco Draw San<br>Andres-Yeso<br>Associated Pool  | 3,000' • Ttl Vertical Depth: 3,000'  |
| Project Description  |                             |  |  |   |  |
| Drill and complete a 3000' Blinebry/Paddock vertica  | il well                     |  |  |   |  |
|  |                             |  |  |   |  |
|  |                             |  |  | top beginner in the mission                         |  |
| ntangibles   |                             | Dry Hole Cost  | : After Casing P   | oint Con  | npleted Well Cost  |
| Drilling Costs Completion Costs  |                             | \$427,000  | \$1,546,600  |   | \$427,000<br>\$1,646,000   |
| Total Intangible Costs   |                             | \$427,000  | \$1,646,000  |   | \$2,073,000  |
| Frankla  |                             | **************************************   |  |   |  |
| Tangibles<br>Well Equipment  |                             | \$33,000   | 5204,000   |   | \$235,000  |
| ease Equipment   |                             |  | \$20,000   | T T   | \$20,000   |
| Total Tangible Well Cost   | er Collective Collective    | \$31,000   | \$224,000  |   | \$255,000  |
| Plug and Abandon Cost  |                             | \$30,000   | -\$30,000  |   | \$0  |
| Total Well Cost  |                             | \$488,000  | \$1,840,000  | )   | \$2,328,000  |
| Unless otherwise indicated below, you, as a non-opiong as Operator conducts operations hereunder as<br>insurance, you must provide a certificate of such in<br>later than commencement of drilling operations. Y   | nd to pay yo<br>surance acc | our prorated share of the premium<br>eptable to Operator, as to form as  | ns therefore. If you elected the same t | it to purchase your ow<br>is AFE is returned, if av | n well control<br>ailable, but in no event   |
| insurance procured by Operator.  |                             |  |  |   |  |
| I elect to purchase my own well control insurance policy.  |                             |  |  |   |  |
| Well control insurance procured by Operator, provi<br>related redrilling and clean-up/pollution expense co   |                             |  |  | -   | r well control and   |
| e de la companya del companya de la  |                             |  |  |   |  |
| Marketing Election<br>Cimarex sells its gas under arm's-length contracts v<br>volumes delivered over time. Should you choose to<br>request to Cimarex's Marketing Department, we wi  | market yo                   | u share of gas with Cimarex, you w   | rill be subject to all of th   | e terms of such contra                              |  |
| i elect to take my gas in kind.  |                             |  |  |   |  |
| I elect to market my gas with Cimarex pursuant to the ter  | ms and condit               | ions of its contracts.   |  |   |  |
|  |                             | and the second s |  |   |  |
| Comments on AFE The above costs are estimates only and anticipate to without affecting the authorization for expenditure actual legal, curative, regulatory and well costs und   | herein gra                  | nted. By approval of this AFE, the   | working interest owner   | agrees to pay its prop                              | ortionate share of   |
| and the second s |                             |  |  |   |  |
| Proposed by  | Colli                       | Cimarex Energy Co. Appro   | the best about to the responsibilities of the same   | And a pro-  |  |
| Prepared by<br>Steve Heltzman  | Doug Park                   | d Completion Manager   | Regional A   |   |  |
|  |                             |  | , nuger Are  |   |  |
|  |                             | Joint Interest Approva   | i .  |   |  |
| Company  | Ву                          |  | Date   |   | - I DESTRUCTION TO STATE OF THE |
|  |                             | . ,  | •  |   |  |

EXHIBIT C.3



| Region Permian ocation   | Well Name  |  |  |  | Date Prepared<br>Februa   | ry 8, 2012   |
|--|--|--|--|--|---|--|
|  |  | . Well No.   | Prospect or Field Name   | Property Number  | Drilling  | g AFE No.  |
| eation   | Louisiana 1 Fee  | 6  | Paddock Extension West (EDDY)  | 1  |   |  |
| Ration   |  |  | County   | . State  | Tuo   | e Well   |
|  |  | · · · · · · · · · · · · · · · · · · ·  | Eddy   | NM   | Oil x<br>Gas  | Expl X   |
| timate Type  |  |  | st.Start Date E  | sti Comp Date  | Formation :   | Tti Measured Dep   |
| iginal Estimate  | <u> </u>   | İ  | *  |  | Penasco Oraw San  | 3,000' Ttl Vertical Dept   |
| vised Estimate<br>pplemental Estimate  | · · · · · · · · · · · · · · · · · · ·  |  |  |  | Associated Pool   | 3,000'   |
| ject Description   |  |  |  |  |   |  |
| ll and complete a 300  | O' Blinebry/Paddock verti  | cai well   |  |  |   |  |
|  |  |  |  |  | ,   |  |
| angibles   |  |  | Dry Hole Cost  | After Casing P   | oint Con  | npleted Well Cost  |
| illing Costs<br>Impletion Costs  |  |  | 5427,000   | \$1,64G.00X  | <u> </u>  | \$437,000<br>\$1,64 <b>6,06</b> 0  |
| tal Intangible Costs   |  | Markon francisco   | \$427,000  | \$1,646,000  |   | \$2,073,000  |
| ngibles  |  |  |  |  |   |  |
| ell Equipment  |  |  | \$31,000   | \$204,000  |   | \$235,000  |
| ose Equipment  |  |  | (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)  | \$ 520,060   | <u> </u>  | \$20,000   |
| tal Tangible Well Cost   | ;<br><del>Terminal de la composition de la comp</del>  | SUARTEA ACTRIBUTES   | \$31,000<br>1927. Televisia Company (1920) (1920) (1920) (1920) (1920) (1920) (1920) (1920) (1920) (1920) (1920) (1920) (19  | \$224,000  |   | \$255,000  |
| g and Abandon Cost   |  |  | 536 009  | 580,000  |   | 50   |
| al Well Cost   |  |  | \$488,000  | \$1,840,000  | )   | \$2,328,000  |
| e sant in the contract of the  |  |  |  |  |   |  |
| nless otherwise indicating as Operator conductions.  | cts operations hereunder<br>wide a certificate of such i   | and to pay yo<br>insurance acc   | rking interest owner, agree to be c<br>our prorated share of the premium<br>eptable to Operator, as to form ar   | ns therefore. If you elected the state of th | t to purchase your ow<br>s AFE is returned, if av   | n well control<br>ailable, but in no eve   |
| nless otherwise indicating as Operator conductions of the surance, you must proter than commenceme   | cts operations hereunder<br>wide a certificate of such i<br>ent of drilling operations.  | and to pay yo<br>insurance acc   | our prorated share of the premium  | ns therefore. If you elected the state of th | t to purchase your ow<br>s AFE is returned, if av   | n well control<br>ailable, but in no eve   |
| eless otherwise indicating as Operator conductions as Operator conductions as of the conduction of the | cts operations hereunder<br>wide a certificate of such i<br>ent of drilling operations.  | and to pay yo<br>insurance acc<br>You agree th   | our prorated share of the premium eptable to Operator, as to form an   | ns therefore. If you elected the state of th | t to purchase your ow<br>s AFE is returned, if av   | n well control<br>ailable, but in no eve   |
| nless otherwise indicating as Operator conductor surance, you must proter than commenceme surance procured by Oliteto to purchase my or ell control insurance procurace procuracy procurac | ets operations hereunder<br>wide a certificate of such i<br>ent of drilling operations.<br>Operator,<br>wn well control insurance policy<br>procured by Operator, pro  | and to pay yo<br>insurance acc<br>You agree th<br>wides, among   | our prorated share of the premium eptable to Operator, as to form an   | ns therefore. If you elected limits, at the time this of insurance, as providing the second of the s | t to purchase your ow<br>s AFE is returned, if av<br>led herein, will result in<br>ngle Limit coverage fo   | n well control<br>ailable, but in no eve<br>n your being covered   |
| ing as Operator conduction in the conduction of the commenceme surance procured by O let to purchase my or tell control insurance procurations.  | ets operations hereunder<br>wide a certificate of such i<br>ent of drilling operations.<br>Operator,<br>wn well control insurance policy<br>procured by Operator, pro  | and to pay yo<br>insurance acc<br>You agree th<br>wides, among   | our prorated share of the premium eptable to Operator, as to form as at failure to provide the certificate to the certificate of the certificate o   | ns therefore. If you elected limits, at the time this of insurance, as providing the second of the s | t to purchase your ow<br>s AFE is returned, if av<br>led herein, will result in<br>ngle Limit coverage fo   | n well control<br>ailable, but in no eve<br>n your being covered   |
| nless otherwise indicating as Operator conductor surance, you must protect than commenceme surance procured by O I text to purchase my of leli control insurance polated redrilling and clear control insurance sells its gas under the purchase control insurance con | ets operations hereunder vide a certificate of such i ent of drilling operations. Operator, with well control insurance policy procured by Operator, procu | and to pay you insurance according to a gree the control of the co | our prorated share of the premium eptable to Operator, as to form as at failure to provide the certificate to the certificate of the certificate o   | as therefore. If you elected limits, at the time this of insurance, as provided with the second limits, at the time this of insurance, as provided with the second limits of the  | et to purchase your ow<br>s AFE is returned, if av-<br>led herein, will result in<br>ngle Limit coverage for<br>eductible.<br>on, penalties may be in<br>the terms of such contra-  | in well control allable, but in no even nyour being covered in well control and incurred for insufficient curred for insufficient.   |
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