CIMAREX

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Authorization For Expenditure

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		29639.27 <u>633</u>	- 				18, 2013
Region La 1943	Well Name :- "	- Viell No.	Prospect or Field Name .	Property Number	·· ••••	Orilling	AFE No
Permian	Independence	#1H	Caprock				
Location 2 1			County Sec. 2017	State		- Ture	well .
SHL: 510' FNL & 2310	r FEL, SEC 8 / 155 / 318 FEL, SEC 9 / 155 / 318		Chaves	NM	0// Gas	<u>x</u>	Expl Prod
			Est.Start Date			nation : .	
Estimate Type : Original Estimate			Est.Start Date.;	ist. Comp Date 🦾 🕂			Ttl Me
Revised Estimate Supplemental Estimat	1e0					Nbo .	td Ve
Drill and complete an	ABO Horizontal Produ						
Intangibles			Dry Hole Cost	After Casing P	oint	Соп	pleted
Drilling Costs Completion Costs			\$3,111,000	\$3,093,600	<u>}</u>	<u> </u>	\$3,111 \$3,093
Total Intangible Cost	3		\$3,111,000	\$3,093,600			\$6,204
Tangibles							
Well Equipment			\$478,000 //////////////////////////////////	\$671,000 \$ \$75,580		+	\$1,149 \$75,5
Total Tangibis Well (Cost		\$478,000	\$745,580			\$1,224
Plug and Abandon Co	ast		\$0	\$0		1	\$0
Total Well Cost			\$3,589,000	\$3,840,18	<u>.</u>		\$7,425
1. All tubulars, well o	ce 1921 (11)	oriced by COPAS an	d CEPS guidelines using the Histor	lc Price Multiplier.			
1. All tubulars, well of Notific Control Instruction Unless otherwise and long as Operator con Insurance, you must later than commence insurance procured to	or lease equipment is p contraction of the second second second contractions here: provide a certificate of ement of drilling opera	inced by COPAS an inced by COPAS an incon-operating wo under and to pay y f such insurance ac tions. You agree ti	d CEPS guidelines using the Histor	Ic Price Multiplier.	rell control to purcha Is AFE is ret	Insurance p ase your own turned, if ava	rocures n well c allable,
All tubulars, well of Mell Control Instruction Indexs otherwise ind Iong as Operator con Insurance, you must later than commence Insurance procured to Later than commence Issurance procured to Later to purpose Well control insurance	or lease equipment is p contraction of the second second icated below, you, as a ducts operations here provide a certificate of ement of drilling opera by Operator. my own well control ansurant co procured by Operato	inced by COPAS an incomperating we under and to pay y f such (nsurance ac tions. You agree ti ca policy. or, provides, amon	d CEPS guidelines using the Histor Bioscience and the set of the set of the rising interest owner, agree to be ur prorated share of the premiu coptable to Operator, as to form a	Ic Price Multiplier.	rell control ti to purcha is AFE is ret ded herein, ingle Limit i	Insurance p ase your own umed, if avail will result in coverage for	rocureo n well c allable, a your b
All tubulars, well of the second	or lease equipment is p contracted below, you, as a ducts operations here provide a certificate of ement of drilling opera procured by Operator. my own well control insuran- ce procured by Operator is clean-up/pollution ex- tic dean-up/pollution ex- dean-up/pollution ex- tic dean-up/pollution ex- tic dean-upollution ex- tic dean-up/pollution ex- tic dean	indeed by COPAS an index-operating we under and to pay y f such insurance ac tions. You agree th or, provides, amon pense covering dh operate covering dh toracts with third p boose to market yo	d CEPS guidelines using the Histor discontraction of the premiur rising interest owner, agree to be aking interest owner, agree to be ur prorated share of the premiur ceptable to Operator, as to form a hat failure to provide the certificant g other terms, for \$20,000,000 (10	Ic Price Multiplier. covered by Operator's w ns therafore. If you elec nd limits, at the time this e of Insurance, as provid C% W.I.) of Combined S 51,000,000 (100% W.I.) of C% W.I.) of Combined S 51,000,000 (100% W.I.) of will be subject to all of the will be subject to all of the	rell control it to purcha is AFE is ret Jed herein, ingle Limit leductible.	Insurance p Insurance p se your own urmed, if ava will result in coverage for coverage for	course rocurse allable, a your t well co
All tubulars, well of the second	or lease equipment is p contracted below, you, as a ducts operations here provide a certificate of ement of drilling opera procured by Operator. my own well control insuran- ce procured by Operator is clean-up/pollution ex- tic dean-up/pollution ex- dean-up/pollution ex- tic dean-up/pollution ex- tic dean-upollution ex- tic dean-up/pollution ex- tic dean	inced by COPAS and inced by COPAS and under and to pay y i such insurance ac tions. You agree ti ca poley. or, provides, amon pense covering dri tracts with third p hoose to market you t, we will share wit	d CEPS guidelines using the Histor whing interest owner, agree to be our prorated share of the premiu captable to Operator, as to form a hast failure to provide the certificat g other terms, for \$20,000,000 (10 ling (through completion) with a 1 procession of the completion of the set arty purchasers. Such contracts in su share of gas with Cimarex, you th you the terms and conditions p	Ic Price Multiplier. covered by Operator's w ns therafore. If you elec nd limits, at the time this e of Insurance, as provid C% W.I.) of Combined S 51,000,000 (100% W.I.) of C% W.I.) of Combined S 51,000,000 (100% W.I.) of will be subject to all of the will be subject to all of the	rell control it to purcha is AFE is ret Jed herein, ingle Limit leductible.	Insurance p Insurance p se your own urmed, if ava will result in coverage for coverage for	contractions of the second sec
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All tubulars, well of the second	contraction of the second seco	inceed by COPAS and inceed by COPAS and under and to pay y i such insurance ac tions. You agree to as poly. or, provides, amon pense covering dhi tracts with third p thracts with third p thracts with third p thracts with third p tracts with third	d CEPS guidelines using the Histor string interest owner, agree to be our prorated share of the premiu ceptable to Operator, as to form a hast failure to provide the certificat g other terms, for \$20,000,000 (10 fling (through completion) with a 1 process string agreement, you thy our the terms and conditions p thy our the terms and conditions p thy ou the terms and conditions p thy out the terms and conditions p	Ic Price Multiplier.	reli control t to purcha is AFE is ret Jed herein, ingle Limit feductible. Signed to the ingle Limit feductible. Signed to the terms of i be sold. e actual cost applicable : Gentlecost applicable :	Insurance p ase your own turned, if ava- will result in coverage for es may be it such contra sts may exce pay its prop agreement o	coursed n well co allable, t well co coursed c



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Project Cost Estimate

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tease Name: Independence			w	eli No.:	#1H
Incangibles	: Codes	Dry Hole Cost	Codes "		Completed Well
Roads & Location Preparation / Restaration	LIDC.100	\$70,000	DICC 100	\$10,000	\$80,000
Damages '	DIDC.105	\$5,000	DICC.105	\$0	\$5,000
Mud / Fluids Disposal Charges	DIDC.255	\$90,000	UNCC:235	\$105,000	\$195,000
Day Rate 包括新34 DH Days 世界和新常式ACP Days @ 网络世际24,500 Per Day	DIOC.115	\$833,000	0400.120	\$123,000	\$956,000
Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.)	DIDC.126	\$45,000	USINA M	91111111111	\$45,000
Bits	DIDC,125	\$125,000	DICC.125	\$0	\$125,000
Fuel 53.50 Per Gallon 60100 Gollons Per Day	CODC.125	\$184,000	DICC.130	\$26,000	\$210,000
Water / Completion Fluids Per Day	D(DC.140	\$20,000	DICC.135	\$5,000	\$25,000
Mud & Additives	DIDC.145	\$180,000	MAU	91111111111	\$180,000
Surface Rentals	DIDC.15C	\$\$1,000	DICC 140	\$180,000	\$231,000
Downhole Rentais	0:00.155	\$159,000	DICC.145	\$10,000	· \$169,000
Formation Evaluation (DST, Coring including evaluation, G&G Services)	E-00.160	\$0	aadada	un an	\$0
Mud Logging Days @ 1,200 Per Day	DIDC.170	\$32,000	uma	aaaaaaa	\$32,000
Open Hole Logging	0406.186	i \$25,000	unana.	<u>Manna a</u>	\$25,000
Cementing & Float Equipment	0.02185	\$180,000	0:00.155	· \$0	\$180,000
Tubular Inspections	DIDC.190	\$10,000	9:CC.160	\$2,000	\$12,000
Casing Crews	0100.195	\$23,000	DICC 165	\$18,000	\$41,000
Extra Labor, Welding, Etc.	0.00.200	\$20,000	DICC.170	\$8,000	\$28,000
Land Transporation (Trucking)	DIDC.205	\$15,000	DICC.175	\$20,000	\$35,000
Supervision 2008.03,600 Per Day	0:DC 210	\$140,000	DICC 180	\$30,000	\$170,000
Trailer House / Camp / Catering	DIDC.280	\$37,000	DICC.255	\$5,000	\$42,000
Other Misc Expenses	0/0C.220	\$1,000	DICC.193	\$35,000	\$36,000
Overhead 200 Per Day	DIDC.225	510,000	DICC 195	\$2,000	
Remedial Cementing	DIDC.231	\$0	510C.235	\$0	
MOB/DEMOB	DIDC.240	\$250,000	SHAMA (C	SA MAAA	\$250,000
Directional Drilling Services Days @ 1999-1999 Per Day	DIDC.245	\$355,000	SIIIIII	the state of the s	\$355,000
Dock, Dispotcher, Crane	DI DC.250	50	DICC 230	\$0	\$0
Marine & Air Transportation	DIDC.275	\$0	DICC.250	\$0	
Solids Control 위험 전자 Day	0100.260	\$37,000	dsustil	IMANIA.	\$37,000
Well Control Equip (Snubbing Svcs.)	0100.255	\$\$0,000	DICC 240	\$50,000	\$110,000
Fishing & Sidetrock Operations	010C.170	\$0	DICC.245	50	\$0
Completion Rig Completion Rig Completion Rig	Walland State	sus and	0100.113	\$48,000	\$48,000
Coll Tubing Days @ 50,000 Per Day	- WAAA	saasaa a	DICC.260	\$150,000	\$150,000
Completion Logging, Perforating, WL Units, WL Surveys	WHAN	anna an	DICC.200	\$50,000	\$50,000
Stimulation	an a	ATTA MARIA	DICC 210	\$1,876,000	\$1,875,000
Legal / Regulatory / Curative	001-00C	\$10,000	0100.280	\$0	\$10,000
Well Cantrol Insurance \$0.35 Per Foat	CIDC.235	\$6,000	HAMA	ommun	\$5,000
Contingency Control Conting Intongibles	DIDC,435	\$148,000	DICC.220	\$138,000	\$285,000
Construction For Well Equipment	umm and the second s	nan an	DWEA.110	a - 1 agén 20 - \$0	\$0
Construction For Lease Equipment	Mistin	an a	NEQ.119	\$192,600	\$192,600
Construction For Sales PA	aaaaa	mmu	- DICC.265	an diatogra S O	\$0
Total Intangible Cost		\$3,111,000		\$3,093,600	\$6,204,600

Tangible - Well Equipment 4 2014 1214 1214 1214	1. P. 75	1 14 A	- <u>19</u> 19 19 19 19	2.11.12	active th			
Cosing	Size	Feet	\$/Foot		HMANNIN (TANNA M	nnnnn i	777777777777777777777777777777777777777
Drive Pipe	661666	NEAST 14	1990,000	DWE8,153	\$0	///////////////////////////////////////	MARAMA ANDA	\$0
Conductor Pipe		1. S.	14. 17. 16.	DWE3.130	\$0	UMM A	mmm	\$0
Water String	2 13 3/8	400.00	\$35.00	DWE5.135	\$14,000	unada.		\$14,000
Surface Casing		4000.00	\$35.00	DIVE9.340	\$140,000	aaaa	anna dh	\$140,000
Intermediate Casing	2. (7) (43)	9300.00	\$32.00	D.VEG.145	\$298,000	aana	mmm	\$298,003
Drilling Liner	13512345	1034-555-59	11. Photo:	DWE8.145	\$0	aana.	///////////////////////////////////////	\$0
Drilling Liner	- 623.XA	a state		DWE3.145	\$0	amm	amam	\$0
Production Casing or Liner	41/2	8000.00	\$15.00	ANNI NY	anna an	OWEA.100	\$120,000	\$120,000
Production Tie-Back	and the set	1997-99-20			mann	DWEA.100	\$0	\$0
Tubing	2.7/8	90.00.00	\$8.00	saaaa	ananan an	DWE4.105	\$72,000	\$72,000
N/C Well Equipment		•		anna	i an	DWEA-115	Side \$30,000	\$30,000
Wellhead, Tree, Chokes				DWEE.115	\$26,000	OW54.120	\$19,000	\$45,000
Liner Hanger, Isolation Packer				DWET.100	\$0	DWEA.125	\$0	\$0
Packer, Nipples				Massin .	97922222	0W/EA.130	\$260,000	\$260,000
Pumping Unit, Engine				ann an	mmm	DLEG.100	\$120,000	\$120,000
Lift Equipment (BHP, Rods, Anchors)			/	VIIIIII	anna an	DLEG 105	\$50,000	\$50,000
Tangible - Lease Equipment 1975 (1984) (1974) 1974 (1974)	- 3 MBC -	din 1 fee 10	1. L. L.	1		1		ing i en san s
N/C Lease Equipment	_			UAMM	7777787777	0110.115	\$38,500	\$38,500
Tonks, Tanks Steps, Stairs				the and the second s	annan an a	DLEO, 120	18.2019 (A.1695) (SC	\$0
Battery (Heater Treater, Separator, Gos Treating Equipment,)			<i>UNIM</i>	unnastala	DLECL125	CELLA: \$22,580	\$22,580
Flow Lines (Line Pipe from wellhead to central facility)					saaas in	DLECL130		\$14,500
Offshore Production Structure for Facilities				W MA		DWEA.135	sc	
Pipeline to Sales				anna a	stall all a	OWEA.140	19173) (ALL SC	so
Total Tangibles					\$478,000		\$746,380	\$1,224,580
P&A Costs	·			0100,295	\$0	DICC.275	sc sc	S0
		······		·	·····			
Total Cost					\$3,589,000		\$3,840,180	\$7,429,180