

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

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

APPLICATION OF CIMAREX ENERGY CO. FOR  
A NON-STANDARD OIL SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

Case No. 13,995

VERIFIED STATEMENT OF JOSHUA A. RALEY

Joshua A. Raley, being duly sworn upon his oath, deposes and states:

1. I am a landman for Cimarex Energy Co., and have personal knowledge of the matters stated herein.
2. Pursuant to Division Rule 1210.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 are (i) unlocatable, or (ii) have not responded to lease offers or well proposals.
  - (b) A plat outlining the spacing unit being pooled, and marking the location of the proposed well, is attached hereto as Exhibit A. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lot 4 and the SW $\frac{1}{4}$ NW $\frac{1}{4}$  (the W $\frac{1}{2}$ NW $\frac{1}{4}$ ) of Section 6, Township 15 South, Range 38 East, N.M.P.M., Lea County, New Mexico. The unit is to be dedicated to the Harvard 6 Fee Well No. 2, a horizontal well to be drilled at a surface location 430 feet from the north and west lines of Section 6, with a terminus 2310 feet from the north line and 430 feet from the west line of Section 6. The well unit is non-standard because of the horizontal well.
  - (c) The parties being pooled, their interests in the well unit, and their last known addresses, are listed on Exhibit B. The W $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 6 is a fee tract with common, undivided mineral ownership throughout the well unit.
  - (d) Copies of the proposal letters sent to the uncommitted mineral interest owners are attached hereto as Exhibit C.

Oil Conservation Division  
Case No. \_\_\_\_\_  
Exhibit No. 1

(e) Interest owners who are not locatable are highlighted in yellow on Exhibit B. To try to locate these interest owners, Cimarex Energy Co. examined the Lea County records, telephone directories and records in the counties of the last known residences of the out-of-state owners, and internet directories. Correspondence to the last known addresses of these interest owners was returned to sender.

(f) Cimarex Energy Co. has made a good faith effort to obtain the voluntary joinder of interest owners in the well, or to locate interest owners.

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

(h) A copy of the Authority for Expenditure for the proposed well is attached hereto as Exhibit D. 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 Lea County.

(i) Overhead charges of \$ 6,940 /month for a drilling well, and \$ 690 /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. Cimarex Energy Co. requests that the rates be adjusted under the COPAS accounting procedure.

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

VERIFICATION

STATE OF TEXAS            )  
  ) ss.  
COUNTY OF Billings    )

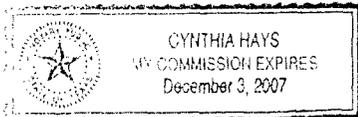
Joshua A. Raley, being duly sworn upon his oath, deposes and states that: He is a landman for Cimarex Energy Co.; he is authorized to make this verification on its behalf; he has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of his knowledge,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

Joshua A. Raley  
Joshua A. Raley

SUBSCRIBED AND SWORN TO before me this 19<sup>th</sup> day of September, 2007 by Joshua A. Raley.

My Commission Expires: Dec 3, 2007

[Signature]  
Notary Public





DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-38513</b>	Pool Code <b>12300 17200</b>	Pool Name <b>Denton; Wolfcamp, East</b>
Property Code <b>36700</b>	Property Name <b>HARVARD "6" FEE</b>	Well Number <b>2</b>
OGRID No. <b>215099</b>	Operator Name <b>CIMAREX ENERGY CO.</b>	Elevation <b>3792'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	6	15 S	38 E		430	NORTH	430	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	6	15 S	38 E		2310	NORTH	430	WEST	LEA

Dedicated Acre <b>40.04</b>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>SURFACE LOCATION</b>          Lat - N33°03'08.73"          Long - W103°08'37.09"          NNSPCE - N 748672.898          E 905868.151          (NAD-83)</p>	<p>Harvard 6 Fee 2</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Zeno Farris</i> 09-04-07          Signature Date</p> <p>Zeno Farris          Printed Name</p>
	<p><b>BOTTOM HOLE LOCATION</b>          Lat - N33°02'50.11"          Long - W103°08'37.3"          NNSPCE - N 746792.898          E 905868.151          (NAD-83)</p>		<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>AUGUST 15, 2007          Date Surveyed</p> <p><i>Gary L. Jones</i>          Signature          Professional Surveyor</p> <p>W. Q. [Signature]</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

**HARVARD #6 FEE, LEA COUNTY, NEW MEXICO  
FORCE POOLING**

Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4

OWNER NAME	NET MINERAL ACRES
Frank Lilley 325 Lakeside Drive Littleton, NC 27850	1.17246
Gayle Lilley c/o Frank Lilley 325 Lakeside Drive Littleton, NC 27850	1.17246
Jessie L. Wissler, Agent for Frank Free 7 N. Calvert Street Baltimore, MD 21202	1.0005
Thomas F. McMahon P.O. Box 94 Olean, NY 14760	1.0005
Betty & M.L. Tieche 38 Lotta Avenue Battle Creek, MI 49014	0.4547726
Ben & Kay Wicker 349 Walnut Wyandotte, MI 48192	0.4547726
Dan & Alice Wicker 12603 Farrell Drive Silver Springs, MD 20901	0.4547726
James Wicker 2755 Fourth Street Wyandotte, MI 48192	0.2273863
Ms. Henrietta B. Schenck Rt. 1, 339 Halama St. Kihei, Maui, HA 96753	5.0025
John Millard Wicker 1496 23 <sup>rd</sup> Street Wyandotte, MI 48192	0.4547726
Mary S. William 11 West 42 <sup>nd</sup> Street New York, NY 10095	1.0005
Rose Berger c/o Henry Kemp 480 Lexington New York, NY 10167	1.50075

Vanda Dale Byars 8900 Comanche Olivette, MO 63132	2.12606
Dorothy Davis c/o D. A. Carey 2 Rector St. – Room 910 New York, NY 10006	0.50025
Stewart Mott Davis c/o D. A. Carey 2 Rector St. – Room 910 New York, NY 10006	0.50025
Jean and Orville Morris 655 Plum Avenue Wyandotte, MI 48192	0.4547726
James E. O'Brien & Robert E. O'Brien, Trustees u/w/o Frank O. Doyle, Deceased 1724 Adams Dunmore, PA 18509-2008	2.50125
Marjorie M. Olds 1004 Rogue Valley Manor Medford, OR 97501	0.50025
Loleita Fay Patterson c/o Marco and Ruby Fox 1402 West Clayton Avenue Lovington, New Mexico 88250	1.25062
Elaine and James Wolf 403 Arbana Avenue Ann Arbor, MI 48103	0.4547726
Hollis G. Gerrish c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	3.0015
Maurice and Bernard Krasner c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	1.0005

Ralph H. Coburn c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	1.0005
Eugene F. Arnold c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	1.0005
R. E. Carter c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	1.0005
Helen Pape c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	2.50125
C. H. Stevenson c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	1.50075
Jennie Spack c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	1.0005
Virginia Fulton Gausa 79 Dosoris Lane Glen Cove, NY 11542	2.34492
T. D. Fussell c/o Marguerite C. Buckley 9446 Litzsingle Road St. Louis, MO 63144	1.0005

# SHAW INTERESTS, INC.

## OIL & GAS PROPERTIES

310 W. WALL, STE. 305

MIDLAND, TX 79701

(432) 685-1404

August 2, 2007

Virginia Fulton Gaussa  
79 Dosoris Lane  
Glen Cove, NY 11542

516-671-2111

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Mrs. Gaussa:

According to our title research you own an undivided 2.34492 net mineral acre under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms listed above.

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

EXHIBIT C



Tim Lilley

kw

August 30, 07

Dear Tim Lilley  
I do not wish to participate in well costs but  
wish to lease minerals <sup>of my ownership</sup> at terms listed above  
and to retain my ownership at your terms  
Virginia Gaussa

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

310 W. WALL, STE. 305

MIDLAND, TX 79701

(432) 685-1404

September 5, 2007

Virginia Fulton Gaussa  
79 Dosoris Lane  
Glen Cove, NY 11542

Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico

Dear Mrs. Gaussa:

Pursuant to your letter dated August 30, 2007, enclosed is an Oil & Gas Lease covering your undivided 2.34492 net mineral acre under the above described lands. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty.

Please sign the Lease in the presence of a Notary Public, and thereafter, return the Lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to approval of title, we will process the Lease and forward you a check in the amount of \$351.74 within thirty (30) days.

We have also enclosed an Affidavit of Death & Heirship concerning your mother's interest. Please sign the Affidavit in the presence of a Notary Public and thereafter return the Affidavit along with the Lease, to the above address.

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS



Tim Lilley

*September 10, 07*

*Dear Tim Lilley:*

*I do not wish to sign the lease but wish my holdings and ownership to remain in trust to collect all future payments whenever by my heirs - as they will, to my heirs - in the future.*

*Sincerely,  
Virginia Gaussa*

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Ralph H. Coburn  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research Ralph H. Coburn owns an undivided 1.0005 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

**SHAW INTERESTS, INC.**

**OIL & GAS PROPERTIES**

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Eugene F. Arnold  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research Eugene F. Arnold owns an undivided 1.0005 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

R. E. Carter  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research R.E. Carter owns an undivided 1.0005 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Helen Pape  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research Helen Pape owns an undivided 2.50125 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

C. H. Stevenson  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research C.H. Stevenson owns an undivided 1.50075 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration; three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Jennie Spack  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research Jennie Spack owns an undivided 1.0005 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 3, 2007

T. D. Fussell  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research T.D. Fussell owns an undivided 1.0005 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Jessie L. Wissler, Agent for  
Frank Free  
7 N. Calvert Street  
Baltimore, MD 21202

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Ms. Wissler:

According to our title research Frank Free owns an undivided 1.0005 net mineral acre under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico:

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms listed above.

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

## OIL & GAS PROPERTIES

310 WEST WALL, STE. 305

MIDLAND, TX 79701

(432) 685-1404

---

August 3, 2007

Clay Allen Cureton  
6582 Vanguard Avenue  
Garden Grove, CA 92845

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Clay:

According to our title research you own an undivided 2.8722832 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Marjorie M. Olds  
1004 Rogue Valley Manor  
Medford, OR 97501

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Marjorie:

According to our title research you own an undivided .50025 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

Enclosed is a detailed AFE reflecting estimated well costs.

If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Mary S. William  
11 West 42<sup>nd</sup> Street  
New York, NY 10095

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Mary:

According to our title research you own an undivided 1.0005 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Maurice and Bernard Krasner  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research Maurice and Bernard Krasner owns an undivided 1.0005 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Ms. Henrietta B. Schenck  
Rt. 1, 339 Halama St.  
Kihei, Maui, HA 96753

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Henrietta:

According to our title research you own an undivided 5.0025 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

**SHAW INTERESTS, INC.**

**OIL & GAS PROPERTIES**

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Hollis G. Gerrish  
C/o Marguerite C. Buckley  
9446 Litzsingle Road  
St. Louis, MO 63144

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Ms. Buckley:

According to our title research Hollis G. Gerrish owns an undivided 3.0015 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

**SHAW INTERESTS, INC.**

**OIL & GAS PROPERTIES**

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Stewart Mott Davis  
C/o D. A. Carey  
2 Rector St. - Room 910  
New York, NY 10006

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Stewart:

According to our title research you own an undivided .50025 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Dan and Alice Wicker  
12603 Farrell Drive  
Silver Springs, MD 20901

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Dan & Alice:

According to our title research you own an undivided .4547726 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Dorothy Davis  
C/o D.A. Carey  
2 Rector St. - Room 910  
New York, NY 10006

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Dorothy:

According to our title research you own an undivided .50025 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Thomas F. McMahon  
P.O. Box 94  
Olean, NY 14760

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Thomas:

According to our title research you own an undivided 1.0005 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico:

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Rose Berger  
C/o Henry Kemp  
480 Lexington  
New York, NY 10167

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Rose:

According to our title research you own an undivided 1.50075 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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If you wish to participate and pay your proportionate share of well costs, please execute the AFE and return to the undersigned as soon as possible. Otherwise, in lieu of being subject to a compulsory pooling, you have the option to lease your minerals at the terms previously proposed being:

Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

## OIL & GAS PROPERTIES

310 W. WALL, STE. 305

MIDLAND, TX 79701

(432) 685-1404

---

August 3, 2007

Frank Lilley  
325 Lakeside Drive  
Littleton, NC 27850

(252) 904-8697

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Mr. Lilley:

According to our title research you own an undivided 1.17246 net mineral acre under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration; three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico:

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

**SHAW INTERESTS, INC.**

**OIL & GAS PROPERTIES**

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Betty & M.L. Tieche  
38 Lotta Avenue  
Battle Creek, MI 49014

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Betty & M.L.:

According to our title research you own an undivided .4547726 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico:

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Elaine and James Wolf  
403 Arbana Avenue  
Ann Arbor, MI 48103

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Elaine & James:

According to our title research you own an undivided .4547726 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 3, 2007

James E. O'Brien & Robert E. O'Brien, Trustees u/w/o  
Frank O. Doyle, dec'd  
1724 Adams  
Dunmore, PA 18509-2008

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear James & Robert:

According to our title research you own an undivided 2.50125 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

James Wicker  
2755 Fourth Street  
Wyandotte, MI 48192

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear James:

According to our title research you own an undivided .2273863 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

## OIL & GAS PROPERTIES

310 W. WALL, STE. 305

MIDLAND, TX 79701

(432) 685-1404

August 3, 2007

Gayle Lilley  
c/o Frank Lilley  
325 Lakeside Drive  
Littleton, NC 27850

(252) 904-8697

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Gayle:

According to our title research you own an undivided 1.17246 net mineral acre under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico:

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

John Millard Wicker  
1496 23<sup>rd</sup> Street  
Wyandotte, MI 48192

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear John:

According to our title research you own an undivided .4547726 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Sincerely,

SHAW INTERESTS

Tim Lilley

kw

**SHAW INTERESTS, INC.**

**OIL & GAS PROPERTIES**

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Jean and Orville Morris  
655 Plum Avenue  
Wyandotte, MI 48192

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Jean & Orville:

According to our title research you own an undivided .4547726 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Sincerely,

SHAW INTERESTS

Tim Lilley

kw

# SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Ben and Kay Wicker  
349 Walnut  
Wyandotte, MI 48192

**Re: Oil & Gas Lease**  
**Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4**  
**of Section 6, Township 15 South, Range 38 East**  
**Lea County, New Mexico**

Dear Ben & Kay:

According to our title research you own an undivided .4547726 net mineral acres under the above described lands. Enclosed is and Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico:

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Sincerely,

SHAW INTERESTS

Tim Lilley

kw

**SHAW INTERESTS, INC.**

**OIL & GAS PROPERTIES**

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

---

August 3, 2007

Loleita Fay Patterson  
C/o Marco and Ruby Fox  
1402 West Clayton Ave.  
Lovington, NM 88250

**Re: Oil & Gas Lease  
Lots 3, 4, S/2NW/4, N/2SW/4, SW/4NE/4 & NW/4SE/4  
of Section 6, Township 15 South, Range 38 East  
Lea County, New Mexico**

Dear Loleita:

According to our title research you own an undivided 1.25062 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$150.00 an acre bonus consideration, three (3) year primary term and one-fifth (1/5) royalty. Please be advised that our client, Cimarex Energy Co., proposes to drill a horizontal Wolfcamp test located in the NW/4 of Section 6, Township 15 South, Range 38 East, Lea County, New Mexico.

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Please do not hesitate to contact us with any questions. We look forward to your response.

Sincerely,

SHAW INTERESTS

Tim Lilley

kw



PROJECT COST ESTIMATE

LEASE NAME: Harvard 6 Fee

WELL NO.:

2

				DRY HOLE		AFTER CASING		COMPLETED
				Codes	COST	Codes	POINT	WELL COST
INTANGIBLES								
ROADS & LOCATION PREPARATION / RESTORATION				DIDC 100	\$100,000	DICC 100	\$2,000	\$102,000
DAMAGES				DIDC 105	\$4,000	DICC 105		\$4,000
MUD/FLUIDS DISPOSAL CHARGES				DIDC 255	\$20,000	DICC 235	\$5,000	\$25,000
DAY RATE 43 DH DAYS 5 ACP DAYS @ PER DAY				DIDC 115	\$700,000	DICC 120	\$77,000	\$777,000
MISC PREPARATION COST (mouse hole, rat hole, pads, pile clusters, misc.)				DIDC 120	\$8,000			\$8,000
BITS				DIDC 125	\$80,000	DICC 125	\$1,000	\$81,000
FUEL \$2.50 PER GALLON				DIDC 135	\$86,000	DICC 130	\$1,000	\$87,000
WATER / COMPLETION FLUIDS				DIDC 140	\$30,100	DICC 135	\$15,000	\$45,100
MUD & ADDITIVES				DIDC 145	\$60,200			\$60,200
SURFACE RENTALS				DIDC 150	\$89,000	DICC 140	\$30,000	\$119,000
DOWNHOLE RENTALS				DIDC 155	\$97,000	DICC 145	\$20,000	\$117,000
FORMATION EVALUATION (DST, Coring including evaluation, G&G SERVICES)				DIDC 160				
MUD LOGGING 30 DAYS @ \$900 PER DAY				DIDC 170	\$34,000			\$34,000
OPEN HOLE LOGGING				DIDC 180	\$85,000			\$85,000
CEMENTING & FLOAT EQUIPMENT				DIDC 185	\$75,000	DICC 155	\$30,000	\$105,000
TUBULAR INSPECTIONS				DIDC 190	\$2,000	DICC 160	\$2,000	\$4,000
CASING CREWS				DIDC 195	\$19,000	DICC 165	\$18,000	\$37,000
EXTRA LABOR, WELDING, ETC				DIDC 200	\$25,800	DICC 170	\$5,000	\$30,800
LAND TRANSPORTATION (Trucking)				DIDC 205	\$30,100	DICC 175	\$4,000	\$34,100
SUPERVISION				DIDC 210	\$47,000	DICC 180	\$12,000	\$59,000
TRAILER HOUSE/CAMP/CATERING				DIDC 280	\$22,000	DICC 255	\$3,000	\$25,000
OTHER MISC EXPENSES				DIDC 220	\$5,000	DICC 190	\$5,000	\$10,000
OVERHEAD				DIDC 225	\$13,000	DICC 195	\$2,400	\$15,400
REMEDIAL CEMENTING				DIDC 231		DICC 215		
MOB/DEMOB				DIDC 240	\$110,000			\$110,000
DIRECTIONAL DRILLING SERVICES 16 DAYS @ 10500 PER DAY				DIDC 245	\$168,000			\$168,000
DOCK, DISPATCHER, CRANE				DIDC 250		DICC 230		
MARINE & AIR TRANSPORTATION				DIDC 275		DICC 250		
SOLIDS CONTROL				DIDC 280	\$112,000			\$112,000
WELL CONTROL EQUIP (Shubbing services)				DIDC 285	\$42,000	DICC 240	\$21,000	\$63,000
FISHING & SIDE TRACK OPERATIONS				DIDC 270	\$75,000	DICC 245		\$75,000
COMPLETION RIG 8 DAYS @ 4400 PER DAY						DICC 115	\$35,200	\$35,200
COIL TUBING 1 DAYS @ 38000 PER DAY						DICC 260	\$38,000	\$38,000
COMPLETION LOGGING, PERFORATING, WL UNITS, WL SURVEYS						DICC 200	\$25,000	\$25,000
STIMULATION						DICC 210	\$180,000	\$180,000
LEGAL/REGULATORY/CURATIVE				DIDC 300	\$3,000	DICC 280		\$3,000
WELL CONTROL INSURANCE \$0.35 PER FOOT				DIDC 285	\$3,000			\$3,000
CONTINGENCY 5% OF DRILLING INTANGIBLES				DIDC 435	\$107,000	DICC 220	\$27,000	\$134,000
CONSTRUCTION FOR WELL EQUIPMENT						DWEA 110	\$1,000	\$1,000
CONSTRUCTION FOR LEASE EQUIPMENT						DLEQ 110	\$39,000	\$39,000
CONSTRUCTION FOR SALES P/L						DICC 285		
<b>TOTAL INTANGIBLE COST</b>					<b>\$2,252,200</b>		<b>\$598,600</b>	<b>\$2,850,800</b>
TANGIBLE - WELL EQUIPMENT								
CASING								
DRIVE PIPE	SIZE	FEET	\$/FOOT	DWEB 150	4,000			\$4,000
CONDUCTOR PIPE				DWEB 130				
WATER STRING				DWEB 135				
SURFACE CASING	13-3/8"	600	42.00	DWEB 140	25,000			\$25,000
INTERMEDIATE CASING	8-5/8"	4,560	20.00	DWEB 145	91,000			\$91,000
DRILLING LINER	7"			DWEB 145				
DRILLING LINER				DWEB 145				
PRODUCTION CASING OR LINER	5 1/2"	9,825	17.76			DWEA 100	174,000	\$174,000
PRODUCTION TIE-BACK						DWEA 100		
TUBING	2 7/8"	11,232	6.00			DWEA 105	67,000	\$67,000
N/C WELL EQUIPMENT						DWEA 115	\$9,000	\$9,000
WELLHEAD, TREE, CHOKES				DWEB 115	30,000	DWEA 120	\$20,000	\$50,000
LINER HANGER, ISOLATION PACKER				DWEB 100		DWEA 125		
PACKER, NIPPLES						DWEA 130	\$70,000	\$70,000
PUMPING UNIT, ENGINE						DLEQ 100	\$90,000	\$90,000
LIFT EQUIPMENT (BHP, Rods, Anchors)						DLEQ 105	\$19,000	\$19,000
TANGIBLE - LEASE EQUIPMENT								
N/C LEASE EQUIPMENT						DLEQ 115	\$44,000	\$44,000
TANKS, TANKS STEPS, STAIRS						DLEQ 120	\$21,000	\$21,000
BATTERY (Heater Treater, Separator, Gas Treating Equipment)						DLEQ 125	\$18,000	\$18,000
FLOW LINES (Line Pipe from wellhead to central facility)						DLEQ 130	\$1,000	\$1,000
OFFSHORE PRODUCTION STRUCTURE FOR FACILITIES						DWEA 135		
PIPELINES TO SALES						DWEA 140		
<b>TOTAL TANGIBLES</b>					<b>\$150,000</b>		<b>\$533,000</b>	<b>\$683,000</b>
P&A COSTS				DIDC 295	150,000	DICC 275	(150,000)	
<b>TOTAL COST</b>					<b>\$2,552,200</b>		<b>\$981,600</b>	<b>\$3,533,800</b>

Oil Conservation Division  
Case No. **D**  
Exhibit No. **D**