

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

RECEIVED

2009 JAN 16 PM 1 26



January 12, 2009

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

**RE: Cimarex Energy Co.'s Sunshine #1
Case No. 14085, Order No. R-12946**

Ladies and Gentlemen:

Please be advised that Cimarex Energy Co.'s Sunshine #1 well has been completed. Pursuant to paragraph 10 of the above-mentioned order, please find enclosed a copy of the actual well costs for this well.

Please contact me if you have any questions at the phone number below.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Meador", written over a horizontal line.

Todd Meador
Landman, Permian Basin Region
Cimarex Energy Co.
(432) 571-7858



Billed Item Property Txn Detail

Redcloud #2

| Bill Category | Type of Expense | Total Expense |
|---------------|---------------------------------|---------------|
| DICC.100 | Misc. Site Preparation | \$3,978.05 |
| DICC.110 | Location Restoration | \$3,145.88 |
| DICC.115 | Completion Rig | \$65,236.46 |
| DICC.120 | Drilling Rig | \$63,491.45 |
| DICC.130 | Fuel | \$17,347.24 |
| DICC.135 | Water, Mud and Fluids | \$30,304.33 |
| DICC.140 | Surface Rentals | \$63,953.62 |
| DICC.145 | Downhole Rentals | \$2,639.55 |
| DICC.155 | Cementing Production CSG | \$50,493.52 |
| DICC.160 | Tubular Inspections | \$11,726.01 |
| DICC.165 | Casing Crews | \$18,615.01 |
| DICC.170 | Extra Labor, Welding, etc | \$4,778.75 |
| DICC.175 | Trucking | \$15,900.38 |
| DICC.180 | Supervision | \$21,732.43 |
| DICC.190 | Other Misc. Expenses | \$9,664.80 |
| DICC.195 | Overhead | \$4,920.52 |
| DICC.200 | Logging, Perforating, WL Unit | \$43,974.39 |
| DICC.205 | Acidize, Breakdown | \$9,608.53 |
| DICC.210 | Fracturing, Stimulation | \$114,860.18 |
| DICC.235 | Mud/Fluids Disposal | \$12,250.72 |
| DICC.240 | Well Control-Equipment/Services | \$7,718.54 |
| DICC.245 | Fishing and Sidetrack Services | \$30,719.10 |
| DICC.255 | Trailer, Camp and Catering | \$900.02 |
| DICC.260 | Coil Tubing Services | \$74,559.79 |
| | | |
| DIDC.100 | Roads and Location | \$103,363.26 |
| DIDC.105 | Damages | \$40,643.26 |
| DIDC.110 | Location Restoration | \$2,065.01 |
| DIDC.115 | Drilling Rig | \$838,124.85 |
| DIDC.120 | Misc. Preparation Costs | \$8,213.46 |
| DIDC.125 | Bits | \$130,203.35 |
| DIDC.135 | Fuel | \$110,734.70 |
| DIDC.140 | Water | \$6,328.78 |
| DIDC.145 | Mud and Additives | \$80,943.81 |
| DIDC.150 | Surface Rentals | \$41,948.92 |
| DIDC.155 | Downhole Rentals | \$259,908.48 |
| DIDC.170 | Mud Logging | \$30,180.94 |
| DIDC.180 | Open Hole Logging | \$145,949.22 |
| DIDC.185 | Cementing, Thru Intermed CSG | \$97,975.54 |
| DIDC.190 | Tubular Inspections | \$15,220.30 |
| DIDC.195 | Casing Crews | \$6,143.36 |

| | | |
|----------|--|--------------|
| DIDC.200 | Extra Labor, Welding, etc | \$7,866.72 |
| DIDC.205 | Trucking | \$24,118.97 |
| DIDC.210 | Supervision | \$77,191.58 |
| DIDC.220 | Other Misc Expenses | \$165.62 |
| DIDC.225 | Overhead | \$12,986.71 |
| DIDC.240 | Mobilize and Demobilize | \$121,220.12 |
| DIDC.245 | Directional Drilling | \$324,280.06 |
| DIDC.255 | Mud Disposal | \$59,347.22 |
| DIDC.260 | Solids Control-Equipment/Service | \$115,406.99 |
| DIDC.265 | Well Control-Equipment/Service | \$73,621.78 |
| DIDC.270 | Fishing and Sidetrack Services | \$141,744.60 |
| DIDC.280 | Trailer, Camp and Catering | \$29,800.54 |
| DIDC.300 | Legal/Regulatory/Curative | \$58,492.61 |
| | | |
| DLEQ.100 | Pumping Unit, Engine | \$98,568.75 |
| DLEQ.105 | Lift Equipment (BHP, Rods, Anchors) | \$26,945.33 |
| DLEQ.110 | Construction for Lease Equipment | \$60,852.63 |
| DLEQ.115 | N/C Lease Equipment | \$28,104.38 |
| DLEQ.120 | Tanks | \$0.00 |
| DLEQ.125 | Battery (HTR TRTR, Separ, Gas T) | \$4,993.70 |
| DLEQ.130 | Flow Lines, Line Pipe | \$0.00 |
| DLEQ.220 | Metering Equipment | \$0.00 |
| | | |
| DWEA.100 | Production CSG/Tie Back | \$161,821.16 |
| DWEA.105 | Tubing | \$31,415.03 |
| DWEA.115 | N/C Well Equipment | \$19,513.76 |
| DWEA.120 | Wellhead, Tree, Chokes | \$22,539.90 |
| DWEA.130 | Packer, Nipples | \$64,101.88 |
| DWEA.140 | Pipelines to Sale | \$0.00 |
| | | |
| DWEB.110 | N/C Well Equipment | \$1,451.83 |
| DWEB.115 | Wellhead, Tree, Chokes | \$30,415.58 |
| DWEB.135 | Water String | -\$390.72 |
| DWEB.140 | Surface Casing | \$26,036.49 |
| DWEB.145 | Intermediate Casing | \$82,087.42 |
| | | |
| LOE.100 | Labor - Pumper/Foreman Company | \$1,617.12 |
| LOE.105 | Labor - Roustabout Company | \$235.14 |
| LOE.115 | Supervision | \$61.85 |
| LOE.125 | Auto Use | \$187.15 |
| LOE.130 | Contract Pumper | \$1,102.00 |
| LOE.135 | Surface W/H Equipment & Maintance | \$8,459.81 |
| LOE.140 | Tank Battery/Process Equipment & Maintance | \$6,461.61 |
| LOE.160 | Roads and Location | \$1,583.49 |
| LOE.165 | Salt Water Disposal Cost | \$5,279.68 |
| LOE.200 | Electricity | \$6.29 |
| LOE.205 | Fuel-Lease Operations | \$18,199.28 |

| | | |
|---------|--------------------------|------------|
| LOE.230 | Rental Equipment | \$8,172.81 |
| LOE.235 | Well Servicing | \$2,092.42 |
| LOE.245 | Supplies | \$9.59 |
| LOE.250 | Other LOE | \$5.79 |
| LOE275 | Legal Costs | \$0.00 |
| LOE.295 | Communications | \$94.43 |
| LOE.305 | COPAS Producing Overhead | \$5,522.66 |
| LOE.335 | District Expense | \$119.17 |
| LOE.350 | Chemicals and Treating | \$7,300.47 |
| LOE.415 | Offshore Other LOE | \$0.92 |

Report Total: \$4,371,678.83