Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800

Warnell

RECEIVED OCD

2010 NOV 15 A 9: 15 CINAREX

November 10, 2010

Via: U.S. Mail

Oil Conservation Division Attn: Florene Davidson 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Case No. 14416; Order No. R-13221

Dear Florene:

Enclosed herewith is an itemized schedule of actual well costs associated with the drilling and completion of the Franklin 18 Federal Com No. 4 Well.

Please be advised that voluntary agreements were reached with the heirs of R.D. Collier and Jimmy Collier, the heirs of George H. Williams and Lois M. Combs Williams, Delbert Bassett, and Nell Blackerby.

If there is any additional information that you should require in regard to this matter, please do not hesitate to contact the undersigned. Thank you.

Sincerely,

Cimarex Energy Co.

Havden P. Tresner

Landman

CC: James Bruce via e-mail



## Cimarex Energy Co. Daily Cost Sheet

Viva #26 Drilling: MD	FRANKLIN 18 FEDERAL COM 4H           Contractor         Rpt # DFS Pre			259076 309742-035 30-005-29090 sent Operation					L Abo ~13,300'			Sat, Jun 5, 2010			
To the second se	Viva #26 18 64.333				Turn Well Over to Production										
0 0	TVD 0.00	Footage 0	Daily \$/Ft	Cum \$/Ft			С	ompletion:	TOC	PBTD O		0	HRS WRK		
Sub Ledger Description			B.C.P	Daily Drlg.	Cum Drlg.	Variance To Drlg. Afe	A.C.P	Daily Compl.	Cum Compl.	Variance To Compl. Afe	Dry Hole	After Casing	Compl Well		
Roads & Location Preparation / Resto		dor & Descript	DIDC.100	Cost	Cost 46,200	Over/Under 16,200	Code DICC.100	3,000	3,000	Over/Under	30,000	Point 3,000	Cost 33,0		
Damages			DIDC.105		6,000		DICC.105	-			6,000		6,0		
Mud/Fluids Disposal Charges	EOW Adj [		DIDC.255 DIDC.115	-	28,563 535,751		DICC.235 DICC.120	3,552	30,692 99,214	-16,183 15,214	46,000 557,000	46,875 84,000	92,8 641,0		
Day Rate Misc Prep Cost (Mouse Hole, Rat Hole	), 1		DIDC.120		- 555,751	-5,000	DICC.120		99,214 -	14/6/14	5,000	-	5,0		
3its			DIDC.125		10,900		DICC.125	-	4	-1,000	15,000	1,000	16,0		
-uel			DIDC.135	-	-	47 775	DICC.130	20,000	- 20 225	-1,000	- 20 625	1,000	1,0		
Nater 009 / Completion Fluids 109 Mud & Additives	EOW Adj [		DIDC 140 DIDC 145	1	13,300 46,043	-17,325 -18,457	DICC.135	30,000	38,335	-18,540	30,625 64,500	56,875	87,5 64,5		
Surface Rentals	EOW 40%	Adj [] / Key Energ	gy [Reve DIDC.150	4	5,550		DICC.140	4,401	52,706	-14,294	31,000	67,000	98,0		
Downhole Rentals	016300000000000000000000000000000000000		DIDC.155	-	16,601	-19,399	DICC.145		13,461	-539	36,000	14,000	50,0		
DSTS, Formation Tests  Mud Logging			DIDC.160 DIDC.170	1	22,625	-7,375				-	30,000		30,0		
Open Hole Logging			DIDC.180		18,549	-16,451			-		35,000	-	35,0		
Cementing, thru Intermediate Casing			DIDC.185	-	21,844		DICC.155		37,902	17,902	40,000	20,000	60,0		
Tubular Inspections Casing Crews			DIDC 190 DIDC 195	1	1,000 2,100		DICC.160 DICC.165	-	3,726 15,154	726 1,154	5,000 9,000	3,000 14,000	8,0 23,0		
Extra labor, Welding, etc.			DIDC 200		450		DICC.170		5,767	767	11,000	5,000	16,0		
Trucking	and the state of t		DIDC.205		2,520	-18,480	DICC.175	1	4,300	300	21,000	4,000	25,0		
Supervision	Steve Snel	son [Supervision		1	42,000		DICC 355	1,200	17,000	1,000	45,000	16,000	61,0		
Trailer, Camp & Catering Other misc expenses			DIDC.280 DIDC.220		10,529		DICC.255 DICC.190		2,221	-1,779 -7.000	21,000 2,000	4,000 7,000	25,0 9,0		
Outer Irrisc expenses Overhead	0		DIDC.225	1	13,000	-,000	DICC.195	3,000	3,000		13,000	3,000	16,0		
Remedial Cementing			DIDC:231	-	925	925	DICC.215		-		-				
Mobilize & Demobilize	abir occioloscoloscolosco		DIDC.240	-	-	teadonomenomonagunomo				enals/litration or other	-		400		
Directional Drilling Dock, Dispatcher, Crane			DIDC 245 DIDC 250		130,517	517	DICC.230				130,000		130,0		
Marine/Air Transportation			DIDC.275				DICC 250	-							
Solids Control-Equip/Services	resont second		DIDC.260	-	66,051	20,051				CONTROL OF THE STATE OF T	46,000		46,0		
Well Control-Equip/Services	R&H Renta	als [BOP]	DIDC.265		2,225	-3.775	DICC.240	475	2,014	-8,986	6,000	11,000	17,0		
Fishing & Sidetrack Services Completion Rig	EOW Adir	/ Viva 26 [Comp	DIDC.270		-		DICC.245 DICC.115	19,850	33,331	-2,669		36,000	36,0		
Coil Tubing	LOW AUI L	i viva zo (comp	iouoii (\i\)	ABDARBARA.			DICC.260	10,000	109,718	76,718	D19850989898988 <del>5</del>	33,000	33,0		
Completion Logging, Perforating							DICC.200			-8,000	-	8,000	8,0		
Stimulation							DICC.210	-	985,026	314,046	-	670,980	670,9		
Legal/Regulatory/Curative Well Control Insurance			DIDC.300 DIDC.285		13,000 5,000		DICC.280	-	_	·	13,000 5,000	-	13,0 5,0		
Contingency			DIDC.435		48,814	-14,186	DICC.220	11,424	78,809	23,809	63,000	55,000	118,0		
Construction For Well Equipment	0				e construction de descrito		DWEA_110	15,500	15,500	000000000000000000000000000000000000000	55555555555555555555555555555555555555	15,500	15,5		
Construction For Lease Equipment	0						DLEQ.110	62,500	62,500			62,500	62,5		
Construction For Sales P/L Intan	-11-1-			0	1,110,057	-206,068	DICC.265	100,000	1,713,375	371,645	1,316,125	1,341,730	2,657,1		
IIItali	gible							204,002	1,1 10,010		1,010,120		ajour je		
			A STATE OF THE STATE OF												
			DWEB.150									-			
Conductor Pipe			DWEB.130	-	-	•					-	-			
Conductor Pipe Water String				-	17,701	-3,299					- - 21,000	-	21,0		
Drive Pipe Conductor Pipe Water String Surface Casing Intermediate Casing			DWEB.135	-		-3,299 -131,000				-	21,000 131,000	-	131,0		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner			DWEB.130 DWEB.130 DWEB.140	-			DWEA.100		352,429	-11,937		- - - - - 364,366	131,0 364,3		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing	[257 jts (8	057)]	DWEB.130 DWEB.130 DWEB.140	-			DWEA.100 DWEA.105	60,992	60,992			- - - - 364,366 61,000	131,0 364,3 61,0		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment	0		DWEB.138 DWEB.148 DWEB.148		17,701	-131,000	DWEA.100 DWEA.105 DWEA.115	7,500	60,992 7,500	-8	131,000 - - -	364,366 61,000 7,500	131,0 364,3 61,0 7,5		
Conductor Pipe Water String Surface Casing Intermediate Casing	0	057)] nectors [Hanger]	DWEB.130 DWEB.130 DWEB.140			-131,000	DWEA.100 DWEA.105		60,992	-8		- - - - 364,366 61,000	21,0 131,0 364,3 61,0 7,5 25,0		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing NIC Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples	[] Quick Con		DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000	DWEA.100 DWEA.105 DWEA.115 DWEA.120 DWEA.125 DWEA.130	7,500 5,000 -	60,992 7,500 19,272 - 163,139	-8 9,272 - -4,861	131,000 - - -	364,366 61,000 7,500 10,000	131,0 364,3 61,0 7,5 25,0		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unit, Engine	Quick Con		DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000	DWEA.100 DWEA.105 DWEA.115 DWEA.120 DWEA.125 DWEA.130 DLEQ.100	7,500 5,000 - - 135,000	60,992 7,500 19,272 - 163,139 135,000	9,272 -4,861	131,000 - - -	364,366 61,000 7,500 10,000 - 168,000 135,000	131,0 364,3 61,0 7,5 25,0 168,0 135,0		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unik, Engine Lift Equipment (Bhp, Rods, Anchors)	[] Quick Con		DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000	DWEA.100 DWEA.105 DWEA.115 DWEA.120 DWEA.125 DWEA.130	7,500 5,000 -	60,992 7,500 19,272 - 163,139	9,272 -4,861	131,000 - - -	364,366 61,000 7,500 10,000	131,0 364,3 61,0 7,5 25,0 168,0 135,0		
Conductor Pipe Valer String Surface Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unit, Engline Lift Equipment (Bhp, Rods, Anchors) Metering Equipment	II Quick Con	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000 -2,000	DWEA.100 DWEA.105 DWEA.115 DWEA.120 DWEA.125 DWEA.130 DLEQ.100 DLEQ.105 DLEQ.220	7,500 5,000 - - 135,000	60,992 7,500 19,272 - 163,139 135,000	-8 9,272 - 4,861 - -	131,000 - - -	364,366 61,000 7,500 10,000 - 168,000 135,000	131,0 364,3 61,0 7,5 25,0 168,0 135,0 61,5		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing NRC Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unit, Engine Lift Equipment (Bhp. Rods, Anchors) Metering Equipment Tangible - V/	Quick Con  II  I  II	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000 -2,000	DWEA.100 DWEA.105 DWEA.115 DWEA.120 DWEA.125 DWEA.130 DLEQ.100 DLEQ.105 DLEQ.220	7,500 5,000 135,000 61,500	60,992 7,500 19,272 163,139 135,000 61,500	-8 9,272 -4,861 - -7,534	131,000 - - - 15,000 - - -	364,366 61,000 7,500 10,000 135,000 61,500 807,368	131,0 364,3 61,0 7,5 25,0 168,0 135,0 61,5		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment Wellhead, Tree, Chokes Wellhead, Tree, Chokes Packer, Nipples Pumping Unit, Engine Lift Equipment (Bhp, Rods, Anchors) Metering Equipment Tanglible - W/ N/C Lesse Equipment	I Quick Con I I I I I I I I I I I I I I I I I I I	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000 -2,000	DWEA.100 DWEA.105 DWEA.115 DWEA.120 DWEA.125 DWEA.130 DLEQ.100 DLEQ.100 DLEQ.100 DLEQ.220	7,500 5,000 - 135,000 61,500 269,992 52,500	60,992 7,500 19,272 163,139 135,000 61,500 799,832	-8 9,272 -4,861 -7,534	131,000 - - - 15,000 - - -	- - - 364,366 61,000 7,500 10,000 - 168,000 61,500 - 897,388	131,0 364,3 61,0 7,5 25,0 168,0 61,5 974,		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unit, Engine Lift Equipment (Bhp, Rods, Anchors) Metering Equipment Tanglible - W/ N/C Lease Equipment Tanks, Tanks Steps, Stairs	I Quick Con I I I I I I I I I I I I I I I I I I I	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000 -2,000	DWEA.100 DWEA.105 DWEA.115 DWEA.120 DWEA.125 DWEA.130 DLEQ.100 DLEQ.105 DLEQ.220	7,500 5,000 135,000 61,500	60,992 7,500 19,272 163,139 135,000 61,500	9,272 -4,861 -7,534	131,000 - - - 15,000 - - -	364,366 61,000 7,500 10,000 135,000 61,500 807,368	131,0 364,3 61,0 7,5 25,0 168,0 135,0 61,5		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing NIC Well Equipment Wellhead, Tree, Chokes Packer, Nipples Pumping Unit, Engine Lift Equipment (Bhp, Rods, Anchors) Metering Equipment Tanglible – W/ NIC Lesse Equipment Tanks, Tanks Steps, Stairs Battery (Heater Treater, Separator,) Flow Lines (Line Pipe From Wellhead	U Quick Con U U U U U U U U U U U U U U U U U U U	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000 -2,000	DWEA 100 DWEA 105 DWEA 115 DWEA 120 DWEA 120 DWEA 120 DLEO 100 DLEO 100 DLEO 105 DLEO 220 DLEO 115 DLEO 120 DLEO 120 DLEO 120	7,500 5,000 135,000 61,500 269,992 52,500 58,500 29,500 5,500	60,992 7,500 19,272 163,139 135,000 61,500 799,832	-6 9,272 4,861 -7,534	131,000 - - - 15,000 - - -	364,366 61,000 7,500 10,000 135,000 61,500 52,500 58,500	131,0 364,3 61,0 7,5 25,0 168,0 135,0 61,5 974,0		
Conductor Pipe Water String Surface Casing Intermediate Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unit, Engine Lift Equipment (Bhp, Rods, Anchors) Metering Equipment Tanglible - W.  N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery (Heater Treater, Separator) Flow Lines (Line Pipe From Wellhead) Offshore Production Structure For	U Quick Con U U U U U U U U U U U U U U U U U U U	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000 -2,000	DWEA 100 DWEA 105 DWEA 125 DWEA 125 DWEA 130 DLEQ 100 DLEQ 105 DLEQ 220 DLEQ 115 DLEQ 120 DLEQ 120 DLEQ 120 DLEQ 120 DLEQ 120	7,500 5,000 135,000 61,500 269,982 52,500 58,500 29,500 5,500	60,992 7,500 19,272 163,139 135,000 61,500 799,832 52,500 58,500 29,500	-6 9,272 4,861 -7,534	131,000 - - - 15,000 - - -	364,366 61,000 7,500 10,000 135,000 61,500 807,368 52,500 29,500	131,0 364,3 61,0 7,5 25,0 168,0 61,5 974,3 52,5 58,5 29,5		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unit, Engine Lift Equipment (Brip, Rods, Anchors) Metering Equipment Tanglible - W. N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery (Heater Treater, Separator,) Flow Lines (Line Pipe From Wellhead Offshore Production Structure For Pipeline to Sales	Quick Con	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		13,000	-131,000 -2,000	DWEA 100 DWEA 105 DWEA 115 DWEA 120 DWEA 125 DWEA 130 DLEQ 100 DLEQ 115 DLEQ 120 DLEQ 125 DLEQ 130 DWEA 136 DWEA 140	7,500 5,000 135,000 61,500 269,992 52,500 58,500 29,500	60,992 7,500 19,272 163,139 135,000 61,500 799,832 52,500 58,500 29,500	9,272 -4,861 -7,534	131,000	364,366 61,000 7,500 10,000 168,000 61,500 61,500 52,500 58,500 29,500	131,0 364,3 61,0 7,5 25,0 168,0 135,0 61,5 974, 52,5 58,5 29,5		
Conductor Pipe Water String Surface Casing Intermediate Casing Production Casing Or Liner Tubing N/C Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unit, Engine Lift Equipment (Bhp, Rods, Anchors) Metering Equipment Tanglible - W. N/C Lease Equipment Tanks, Tanks Steps, Stairs Battery (Heater Treater, Separator,) Flow Lines (Line Pipe From Wellhead) Offshore Production Structure For	Quick Con	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		13,000	-131,000 -2,000	DWEA 100 DWEA 105 DWEA 115 DWEA 120 DWEA 125 DWEA 130 DLEQ 100 DLEQ 115 DLEQ 120 DLEQ 125 DLEQ 130 DWEA 136 DWEA 140	7,500 5,000 135,000 61,500 269,982 52,500 58,500 29,500 5,500	60,992 7,500 19,272 163,139 135,000 61,500 799,832 52,500 58,500 29,500	9,272 -4,861 -7,534	131,000	364,366 61,000 7,500 10,000 168,000 61,500 61,500 52,500 58,500 29,500	131,0 364,3 61,0 7,5 25,0 168,0 135,0 61,5 974,5 52,5 58,5 29,5		
Conductor Pipe Valet Stiring Surface Casing Intermediate Casing Production Casing Or Liner Tubing VIC Well Equipment Wellhead, Tree, Chokes Liner Hanger, Isolation Packer Packer, Nipples Pumping Unit, Engline Lift Equipment (Bhp, Rods, Anchors) Metering Equipment Tanglible – W.  NIC Lease Equipment Tanks, Tanks Steps, Stairs Battery (Heater Treater, Separator,) Fipe Units (Line Pipe From Wellhead) Offshore Production Structure For Pipeline to Sales Tanglible – Lea	Quick Con	nectors [Hanger]	DWEB.131 DWEB.141 DWEB.145 DWEB.145		17,701	-131,000 -2,000 -136,256	DWEA 100 DWEA 105 DWEA 115 DWEA 125 DWEA 125 DWEA 125 DWEA 130 DLEO 105 DLEO 105 DLEO 120 DLEO 120 DLEO 130 DWEA 135 DWEA 140 DICC 275	7,500 5,000 135,000 61,500 269,992 52,500 58,500 29,500	60,992 7,500 19,272 163,139 135,000 61,500 799,832 52,500 58,500 29,500	9,272 4,881 -7,594	131,000	364,366 61,000 7,500 10,000 168,000 61,500 61,500 52,500 58,500 29,500	131,0 364,3 61,0 7,5 25,0 138,0 61,5 974,3 52,5 58,5 52,5 5,5		