

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTEŠIA

SUBMIT IN TRIPLICATE\*

(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

LC-028936-D

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Full Tank 33 Federal No. 3Y

9. API WELL NO.

30-015-

10. FIELD AND POOL, OR WILDCAT

Wildcat, 40 IF camp

11. SEC. T., R., M., BLOCK AND SURVEY

OR AREA

Sec. 33 T17S R30E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

1b. TYPE OF WELL

OIL ☒ GAS ☐

SINGLE ☒

MULTIPLE ☐

WELL WELL

OTHER ZONE

ZONE

2. NAME OF OPERATOR

Cimarex Energy Co. of Colorado

3. ADDRESS AND TELEPHONE NO.

P.O. Box 140907 Irving TX 75014 972-401-3111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

760' FNL & 1960' FWL

ROSWELL CONTROLLED WATER BASIN

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

2 Miles South of Loco Hills

15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, T.O.  
(Also to nearest dirg. unit line, if any)

760'

16. NO. OF ACRES IN LEASE

835.32

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3609' GR

22. APPROX. DATE WORK WILL START\*

10-01-06

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13 3/8"	48 #	500' *	490 sx circulate
12-1/4"	J-55 9 5/8"	40 #	4000'	1200 sx circulate
7-7/8"	P-110 5 1/2"	17 #	8500'	1400 sx TOC 2700'

The Full Tank 33 Fed No. 3 well was drilled to a depth of 383' at the original permitted location (760' FNL & 1910' FWL) but was plugged on 10-23-06 due to lost circulation. Well was skidded 50' due East to redrill.

Well will be drilled to a depth of 8500' to test the Bone Spring.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 psi BOP system.

We are requesting a variance to test 13 3/8" casing and BOP system to 1000 # with rig pumps instead of an independent service company.

\*Set surface casing 25' into the top of the Rustler, which is estimated to be between 350' and 500'.

IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone.  
If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

Zeno Farris

TITLE

Mgr. Ops. Admin

DATE

10-23-06

(This space for Federal or State office use)

PERMIT No.

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Queen

TITLE

FIELD MANAGER

DATE

NOV 24 2006

Title 18 U.S.C. Section 100  
United States any false, fic

If earthen pits are used in  
association with the drilling of this  
well, an OCD pit permit must be  
obtained prior to pit construction.

le  
to make to any department or agency of the  
matter within its jurisdiction.

APPROVAL FOR 1 YEAR

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Nov-20-2006 12:10  
(November 1994)

From-CIMAREX ENERGY CO.  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

9724436487

T-534 P.002/002 F-018

OMB No. 1004-0135  
Expires July 31, 1996

**OCD-ARTECIA**

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Cimarex Energy Co. of Colorado

3a. Address

PO Box 140907; Irving, TX 75014-0907

3b. Phone No. (include area code)

972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

760' FNL & 1960' FWL  
33-17S-30E

5. Lease Serial No.

LC-028936-D

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Full Tank 33 Federal No. 3Y

9. API Well No.

30-015-

10. Field and Pool, or Exploratory Area

Walters Lake; Bone Spring

11. County or Parish, State

Eddy County, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Alter TD</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof.

If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones.

Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

In order to test a possible lower Wolfcamp interval, Cimarex is changing its TD for this well to 9300'.

*Engineering OK  
11/22/2006*

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Natalie Krueger

Signature

Title

Reg Analyst 1

Date

October 24, 2006

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**ACTING**

Title **FIELD MANAGER**

Date

**NOV 24 2006**

Conditions of Approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

**CARLSBAD FIELD OFFICE**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

DISTRICT I  
1626 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

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

Form C-102  
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97489	Pool Name W. Wildcat, Wolfcamp
Property Code	Property Name FULL TANK FEDERAL "33"	Well Number 3 Y BA
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3609'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	33	17 S	30 E		760	NORTH	1960	WEST	EDDY

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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

1960'	760'		
Full Tank 33 Fed #3			

OPERATOR CERTIFICATION

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 unleased 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.

Zeno Farris, 10-23-06  
Signature Date

Zeno Farris  
Printed Name

SURVEYOR CERTIFICATION

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.

AUGUST 23, 2006  
Date Surveyed  
NEW MEXICO  
Professional Surveyor  
7977  
Certificate No. Gury L. Jones 7977

BASIN SURVEYS



## Cimarex Energy Co. of Colorado

5215 North O'Connor Blvd. □ Suite 1500 □ Irving, TX 75039 □ (972) 401-3111 □ Fax (972) 443-6486

Mailing Address: P.O. Box 140907 □ Irving, TX 75014-0907

*A wholly-owned subsidiary of Cimarex Energy Co., a NYSE Listed Company, "XEC"*

### STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Bureau of Land Management  
620 E. Greene St.  
Carlsbad, New Mexico 88220  
Attn: Ms. Linda Denniston

Cimarex Energy Co. of Colorado accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease No.: LC-028936-D – NE4NW4 33-17S-30E

County: Eddy County, New Mexico

Formation (S): Bone Spring

Bond Coverage: Statewide BLM Bond

BLM Bond File No.: NM 2575

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

*Zeno Farris*

Representing Cimarex Energy Co. of Colorado

Name: Zeno Farris

Title: Manager, Operations Administration

Date: October 31, 2006

## Application to Drill

Cimarex Energy Co. of Colorado  
Full Tank 33 Federal No. 3Y  
Unit C      Section 33  
T17S - R30E      Eddy County, NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

- 1 Location:      760' FNL & 1960' FWL
- 2 Elevation above sea level:      GR 3609'
- 3 Geologic name of surface formation:      Quaternary Alluvium Deposits
- 4 Drilling tools and associated equipment:      Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
- 5 Proposed drilling depth:      8500'
- 6 Estimated tops of geological markers:  

San Andres	3050'
Bone Spring	5300'
3rd Bone Spring Dolomite	7350'
Wolfcamp Detrital	8050'
- 7 Possible mineral bearing formation:  

Bone Spring	Oil
Wolfcamp	Oil

8 Casing program:

Hole Size	Interval	Casing OD	Weight	Thread	Collar	Grade
17 1/2"	0-500'	13 3/8"	48#	8-R	ST&C	H-40
12 1/4"	0-4000'	9 5/8"	40#	8-R	LT&C	J-55
7 7/8"	0-8500'	5 1/2"	17#	8-R	LT&C	P-110

## Application to Drill

Cimarex Energy Co. of Colorado  
Full Tank 33 Federal No. 3Y  
Unit C Section 33  
T17S - R30E Eddy County, NM

### 9 Cementing & Setting Depth:

13 3/8"	Surface	Set 500' of 13 3/8" J-55 48# ST&C casing to a depth of 25' into the Rustler. Cement with 490 Sx. Of Class "C" cement + additives, circulate cement to surface.
9 5/8"	Intermediate	Set 4000' of 9 5/8" J-55 40# LT&C casing. Cement lead with 1000 Sx. Of Class POZ/C Cement + additives, tail with 200 Sx. Of Class "C" + additives, circulate cement to surface.
5 1/2"	Production	Set 8500' of 5 1/2" P-110 17# LT&C casing. Cement in two stages, first stage cement with 1000 Sx. of Class POZ/C Cement + additives. Second stage cement with 400 Sx of Class "C" Estimated top of cement 2700'.

### 10 Pressure control Equipment:

Exhibit "E". A 13 3/8" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000 # annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 6000'. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor. BOP unit will be hydraulically operated. BOP will be nipped up on the 9 5/8" casing and will be operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling.

### 11 Proposed Mud Circulating System:

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0 - 500'	8.4 - 8.6	30 - 32	May lose circ.	Fresh water spud mud add paper to control seepage and high viscosity sweeps to clean hole.
500' - 4000'	9.7 - 10.0	28 - 29	May lose circ.	Brine water. Add paper as needed to control seepage and add lime to control pH (9-10). Use high viscosity sweeps to clean hole.
4000' - 8300'	8.4 - 9.9	28 - 29	NC	Brine water. Paper for seepage. Lime for PH (9 - 9.5)
8300' - 8500'	8.45 - 8.9	28 - 29	NC	Cut brine. Caustic for pH control.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DSTs, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs. Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until production casing is run and cemented.

## Application to Drill

Cimarex Energy Co. of Colorado  
Full Tank 33 Federal No. 3Y  
Unit C      Section 33  
T17S - R30E      Eddy County, NM

### 12 Testing, Logging and Coring Program:

- A. Mud logging program: One-man unit from 4000' to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / CAL / GR
- C. No DSTs or cores are planned at this time.

### 13 Potential Hazards:

No abnormal pressures or temperatures are expected. The area has a potential H2S hazard. An H2S drilling plan is attached. Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 4000 PSI, estimated BHT 175.

### 14 Anticipated Starting Date and Duration of Operations:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 35-45 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

### 15 Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Bone Spring pay will be perforated and stimulated. The well will be tested and potentialized as an oil well.

## Hydrogen Sulfide Drilling Operations Plan

- 1 All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
- 2 H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of flow line (mud pit) and on derrick floor or doghouse.
- 3 Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
- 4 Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag indicates normal safe condition. Yellow flag indicates potential pressure and danger. Red flag indicates danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
- 5 Well control equipment
  - A. See exhibit "E"
- 6 Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
- 7 Drillstem Testing not anticipated.



## **Hydrogen Sulfide Drilling Operations Plan**

- 8 Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
- 9 If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers if necessary.

## Surface Use Plan

Cimarex Energy Co. of Colorado  
Full Tank 33 Federal No. 3Y  
Unit C      Section 33  
T17S - R30E      Eddy County, NM

1 Existing Roads: Area maps, Exhibit "B" is a reproduction of Eddy Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

A. Exhibit "A" shows the proposed well site as staked.

B. From the junction of US Hwy 82 and Co Rd 217 (Hagerman Cutoff), proceed South approx 0.4 miles to proposed lease road.

2 PLANNED ACCESS ROADS: 554' of proposed road will be constructed on lease.

3 LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A"

- |                      |                         |
|----------------------|-------------------------|
| A. Water wells -     | None known              |
| B. Disposal wells -  | None known              |
| C. Drilling wells -  | None known              |
| D. Producing wells - | As shown on Exhibit "A" |
| E. Abandoned wells - | As shown on Exhibit "A" |

## Surface Use Plan

Cimarex Energy Co. of Colorado  
Full Tank 33 Federal No. 3Y  
Unit C      Section 33  
T17S - R30E      Eddy County, NM

- 4 If, on completion this well is a producer Cimarex Energy Co. of Colorado will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied by a Sundry Notice.

5 LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

6 SOURCE OF CONSTRUCTION MATERIAL:

If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and transported over the access route as shown on Exhibit "C".

7 METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pit.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. Sewage from living quarters will drain into holding tanks and be cleaned out periodically. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8 ANCILLARY FACILITIES:

- A. No camps or airstrips to be constructed.

## Surface Use Plan

Cimarex Energy Co. of Colorado  
Full Tank 33 Federal No. 3Y  
Unit C      Section 33  
T17S - R30E      Eddy County, NM

### 9 WELL SITE LAYOUT

- A. Exhibit "D" shows location and rig layout.
- B. This exhibit indicates proposed location of the 100' X 100' cuttings drying area.
- C. Mud pits in the closed circulating system will be steel pits and the cuttings drying area will be surrounded by a 2' X 2' ring levee and a 2' earthen berm. A 12 mil liner will cover the cuttings drying area and extend a minimum of 2' over the earthen berm where it will be anchored down. A pump off system will pump any
- D. After drying cuttings will be disposed of in a 50' X 50' cuttings burial cell. The bottom will be lined with a 12 mil liner. Drill cuttings will be hauled from the cuttings drying area and encapsulated in a 12 mil liner. The 12 mil liner will be folded over the cuttings and capped with a 20 mil membrane cap. The cell will be filled with 3' to
- E. If the well is a producer, the cuttings burial area and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

### 10 PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and cuttings burial cell will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the drill cuttings will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The cuttings burial area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recountoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

## Surface Use Plan

Cimarex Energy Co. of Colorado  
Full Tank 33 Federal No. 3Y  
Unit C      Section 33  
T17S - R30E      Eddy County, NM

### 11 OTHER INFORMATION:

- A. Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- B. The wellsite is on surface owned by The United States Department of the Interior, Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
- C. An Archaeological survey will be conducted on the location and proposed roads, and this report will be filed with the Bureau of Land Management in the Carlsbad BLM office.

### 12 OPERATORS REPRESENTATIVE:

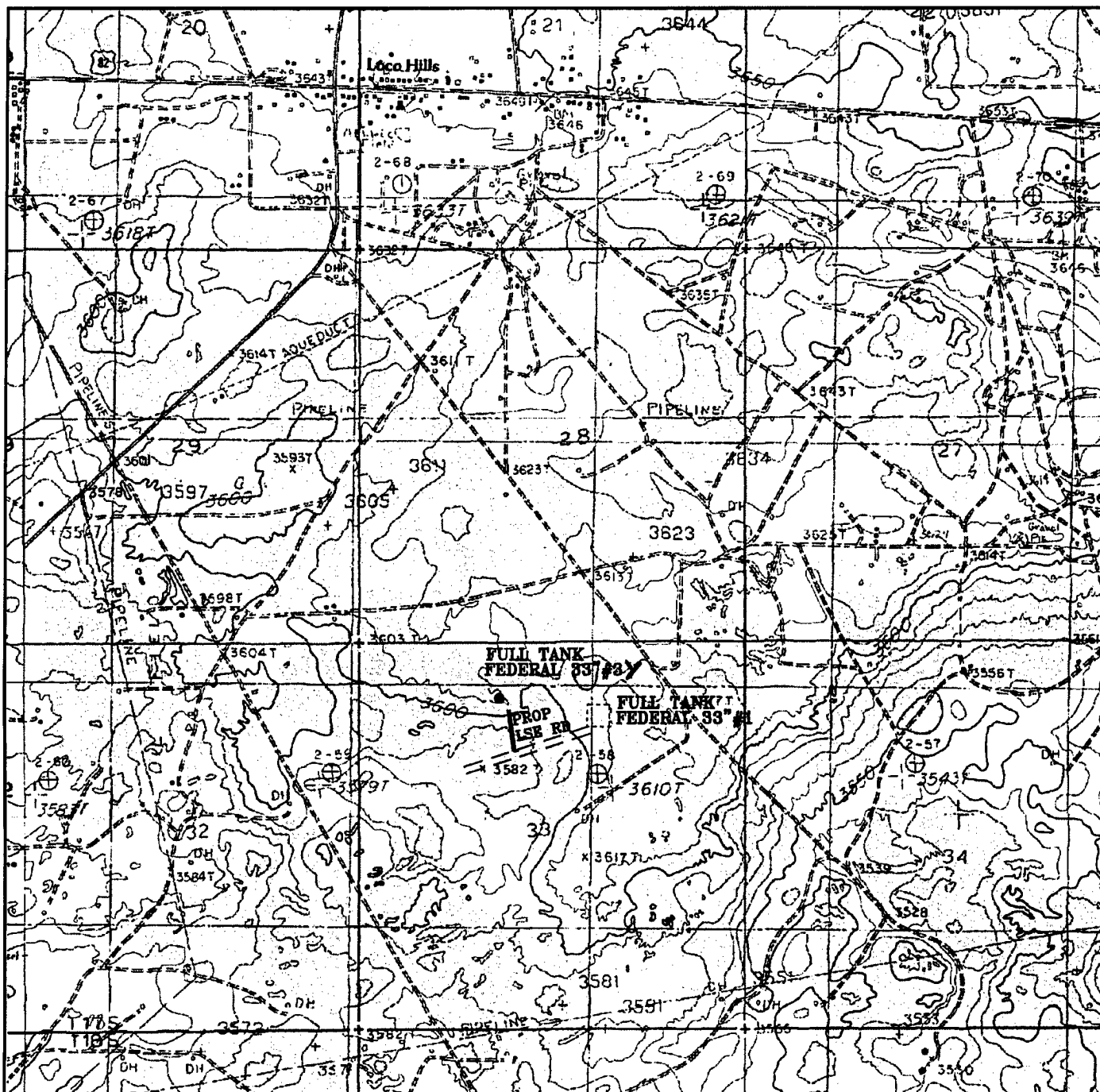
Cimarex Energy Co. of Colorado  
P.O. Box 140907  
Irving, TX 75014  
Office Phone: (972) 443-6489  
Zeno Farris

- 13 **CERTIFICATION:** I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Cimarex Energy Co. of Colorado and/or its contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME: Zeno Farris

DATE: October 31, 2006

TITLE: Manager, Operations Administration



FULL TANK FEDERAL "33" #3Y  
 Located 760' FNL and 1960 FWL  
 Section 33, Township 17 South, Range 30 East,  
 N.M.P.M., EDDY County, New Mexico.

**basin**  
**surveys**

focused on excellence  
 in the oilfield

P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
[basinsurveys.com](http://basinsurveys.com)

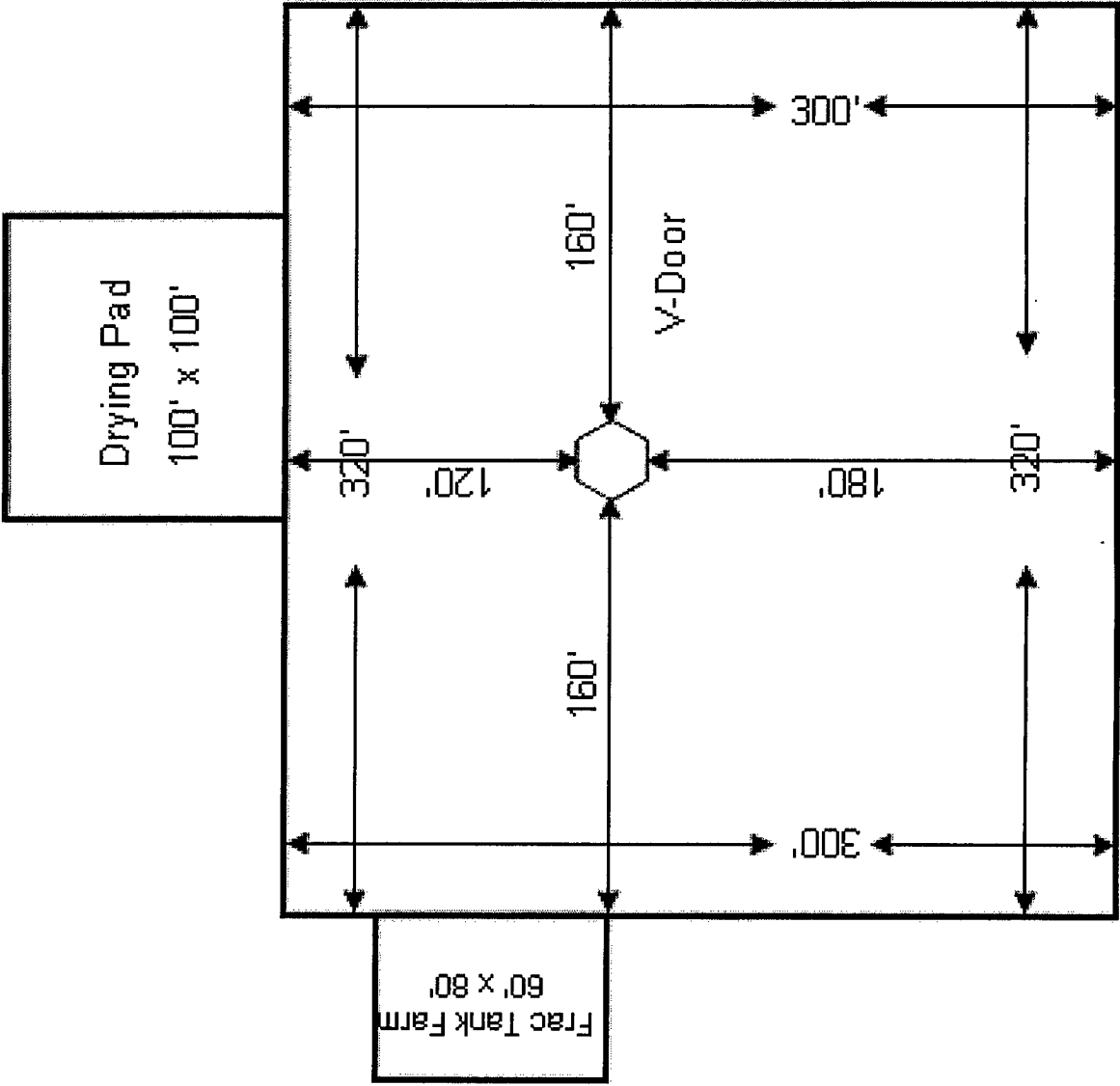
W.O. Number: 7120T JMS

Survey Date: 09-06-2006

Scale: 1" = 2000'

Date: 09-06-2006

**CIMAREX**  
**ENERGY CO.**  
**OF COLORADO**



**Rig 46**

Cimarex Energy Co.  
of Colorado

Exhibit D – Rig Layout  
**Full Tank 33 Federal No. 3Y**  
Cimarex Energy Co. of Colorado  
760' FNL & 1960' FWL  
Section 33-T17S-R30E  
Eddy County, NM

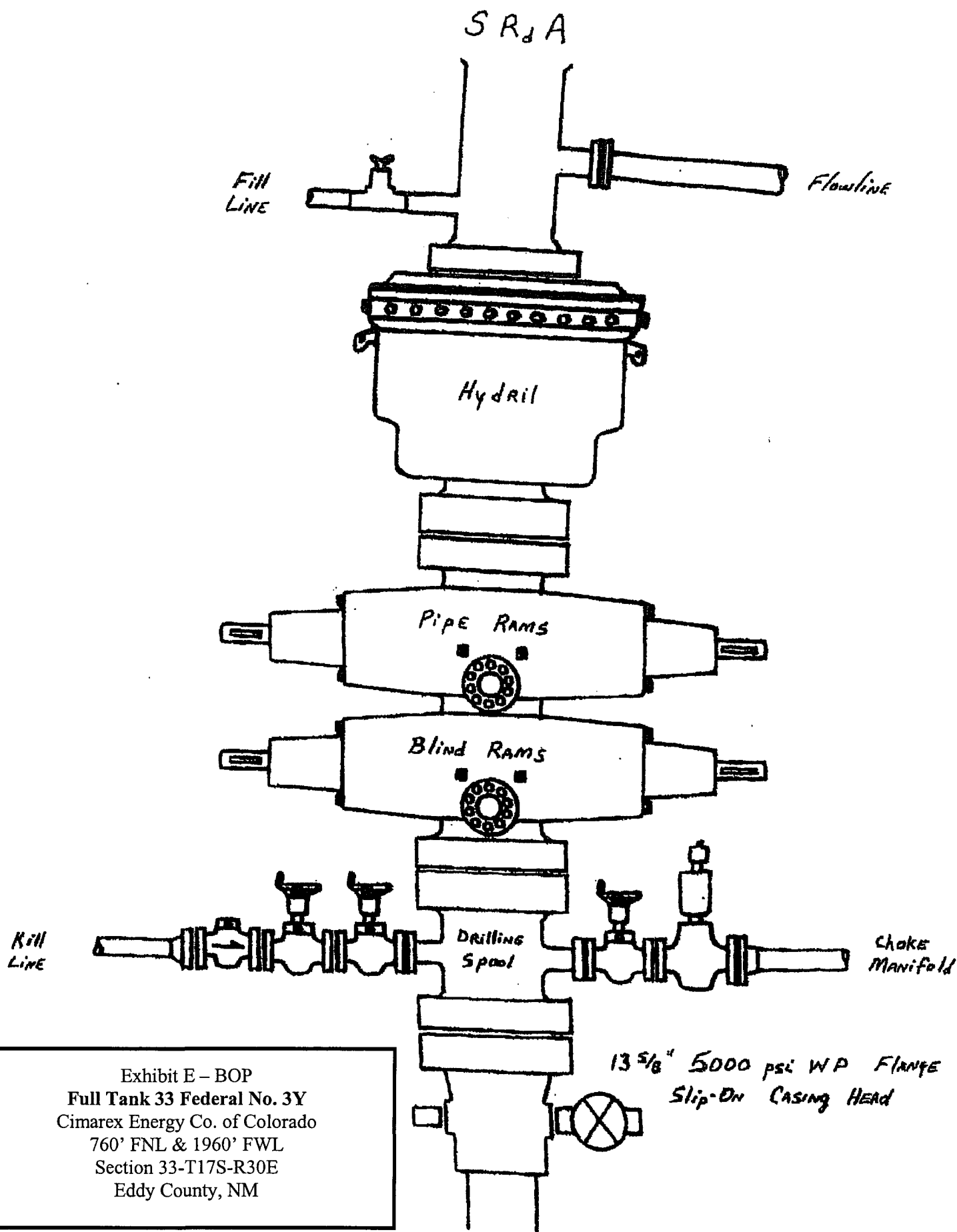


Exhibit E - BOP  
 Full Tank 33 Federal No. 3Y  
 Cimarex Energy Co. of Colorado  
 760' FNL & 1960' FWL  
 Section 33-T17S-R30E  
 Eddy County, NM



DRILLING OPERATIONS  
CHOKE MANIFOLD  
5M SERVICE

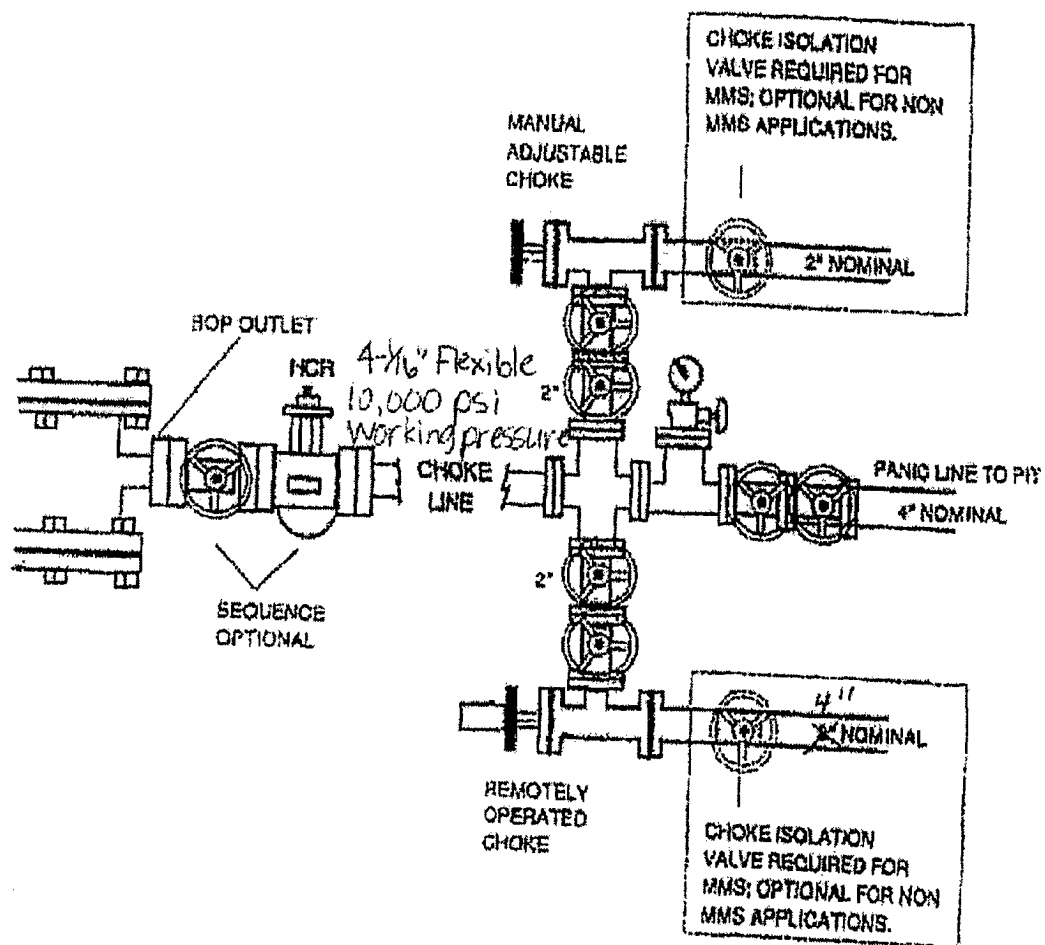


Exhibit E-1 – Choke Manifold Diagram  
Full Tank 33 Federal No. 3Y  
Cimarex Energy Co. of Colorado  
760' FNL & 1960' FWL  
Section 33-T17S-R30E  
Eddy County, NM

## CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 3Y-Full Tank 33 Federal  
Operator's Name: Cimarex Energy Co. of Colorado  
Location: 0760FNL, 1960FWL, Section 33, T-17-S, R-30-E  
Lease: LC-028936-D

### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 13-3/8 inch 9-5/8 inch 5-1/2 inch

C. BOP tests

2. A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan should be activated prior to drilling into the Delaware Formation. A copy of the plan shall be posted at the drilling site. **Several reports of H<sub>2</sub>S in Sections 17, 20, and 21 ranging from 1600-10000 ppm in gas streams.**

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

### II. CASING:

1. The 13-3/8 inch surface casing shall be set at 500 feet, a minimum of 25' into the Rustler Anhydrite or in the case that salt occurs at a shallower depth above the top of the salt, below usable water and cement circulated to the surface. The surface casing shoe shall be set in the anhydrite to ensure adequate sealing. If cement does not circulate to the surface the operator may then use ready-mix cement to fill the remaining annulus. The operator is required to use an excess of 100% cement volume to fill the annulus.

**Possible lost circulation in the Grayburg and San Andres formations.  
Possible water flows in the Salado and Artesia groups.**

2. The minimum required fill of cement behind the 9-5/8 inch salt protection casing is circulate cement to the surface. Set intermediate in the lower part of the San Andres above the Bone Spring, approximately 4000 feet.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is cement shall extend upward to 2700 feet.

### **III. PRESSURE CONTROL:**

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
2. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the 9-5/8 inch casing shall be 5M psi.
3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
  - A variance to test the BOP, BOPE, and 13-3/8 inch casing to the reduced pressure of 1000 psi with the rig pumps is approved.
  - The tests shall be done by an independent service company.
  - The results of the test shall be reported to the appropriate BLM office.
  - Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
  - Testing must be done in a safe workman-like manner. Hard line connections shall be required.
  - BOPE must be tested prior to drilling into the Wolfcamp Formation by an independent service company.

### **IV. DRILLING MUD:**

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp Formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well.

**Engineer on call phone: 505-706-2779**

**WWI 112106**