

30 015-36822



**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 subsidiary of Cimarex Energy Co. • A NYSE Listed Company • "XEC"*

October 23, 2008

Oil Conservation Division  
District II Office  
1301 W. Grand Ave.  
Artesia, New Mexico 88210  
Attn: Ms. Kimberly Wilson

OCT 31 2008  
OCD-ARTESIA

Re: Statewide Rule 118  
Hydrogen Sulfide Gas Contingency Plan  
Proposed Poseidon 3 Federal No. 1 Well

Dear Ms. Wilson:

In accordance with NMAC 19.15.3.118 C. (1) governing the determination of the hydrogen sulfide concentration in gaseous mixtures in each of its operations, Cimarex Energy Co. of Colorado does not anticipate that there will be enough H<sub>2</sub>S from the surface to the Paddock formations to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of the following test(s):

Poseidon 3 Federal No. 1  
3-17S-30E  
SHL 311 FSL & 104 FWL  
BHL 349 FSL & 558 FWL  
Eddy County, NM

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact the undersigned at 972-443-6489.

Yours truly,

A handwritten signature in cursive script, reading "Natalie Krueger".

Natalie Krueger  
Regulatory Analyst



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OCT 31 2008

OCD-ARTESIA

October 22, 2008

Oil Conservation Division  
District II Office  
1301 W. Grand Ave.  
Artesia, New Mexico 88210  
Attn: Ms. Kimberly Wilson

Re: Statewide Rule 118  
Hydrogen Sulfide Gas Contingency Plan  
Proposed Poseidon 3 Federal No. 3 Well


Dear Ms. Wilson:

In accordance with NMAC 19.15.3.118 C. (1) governing the determination of the hydrogen sulfide concentration in gaseous mixtures in each of its operations, Cimarex Energy Co. of Colorado does not anticipate that there will be enough H<sub>2</sub>S from the surface to the Paddock formations to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of the following test(s):

Poseidon 3 Federal No. 3  
3-17S-30E  
330 FSL & 1980 FWL  
Eddy County, NM

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact the undersigned at 972-443-6489.

Yours truly,

  
Natalie Krueger  
Regulatory Analyst

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

NOV - 6 2008

**OCD-ARTESIA** Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BIG RED STATE</b>	Well Number 16H
OGRID No.	Operator Name <b>CHI OPERATING</b>	Elevation 3399'

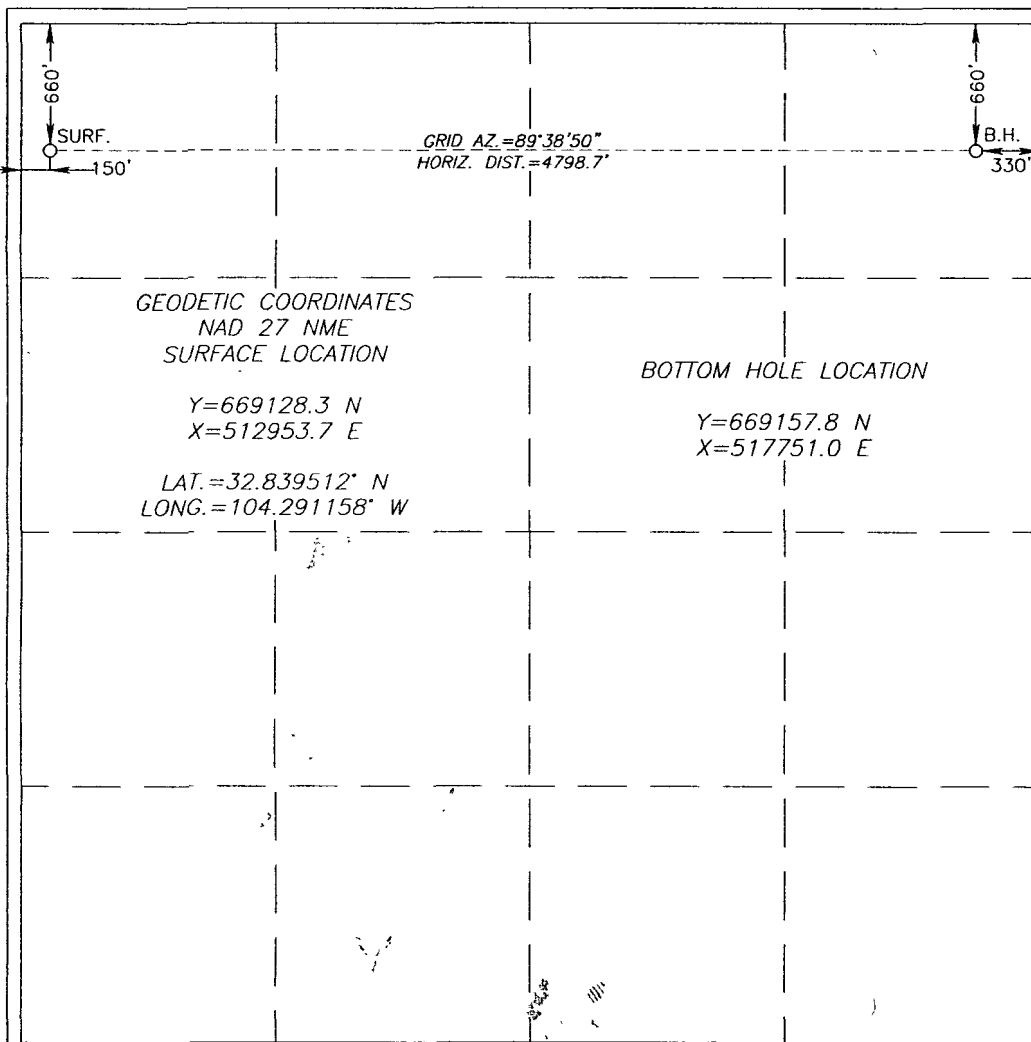
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	17-S	27-E		660	NORTH	150	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
A	16	17-S	27-E		660	NORTH	330	EAST	EDDY
Dedicated Acres	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



**OPERATOR CERTIFICATION**

I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Date

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.

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No. GARY EIDSON

12641

RONALD J. EIDSON

3239

DISTRICT I  
1625 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.  
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OCD-ARTESIA Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name BIG RED STATE		Well Number 16H
OGRID No.	Operator Name CHI OPERATING		Elevation 3399'

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	16	17-S	27-E		660	NORTH	150	WEST	EDDY

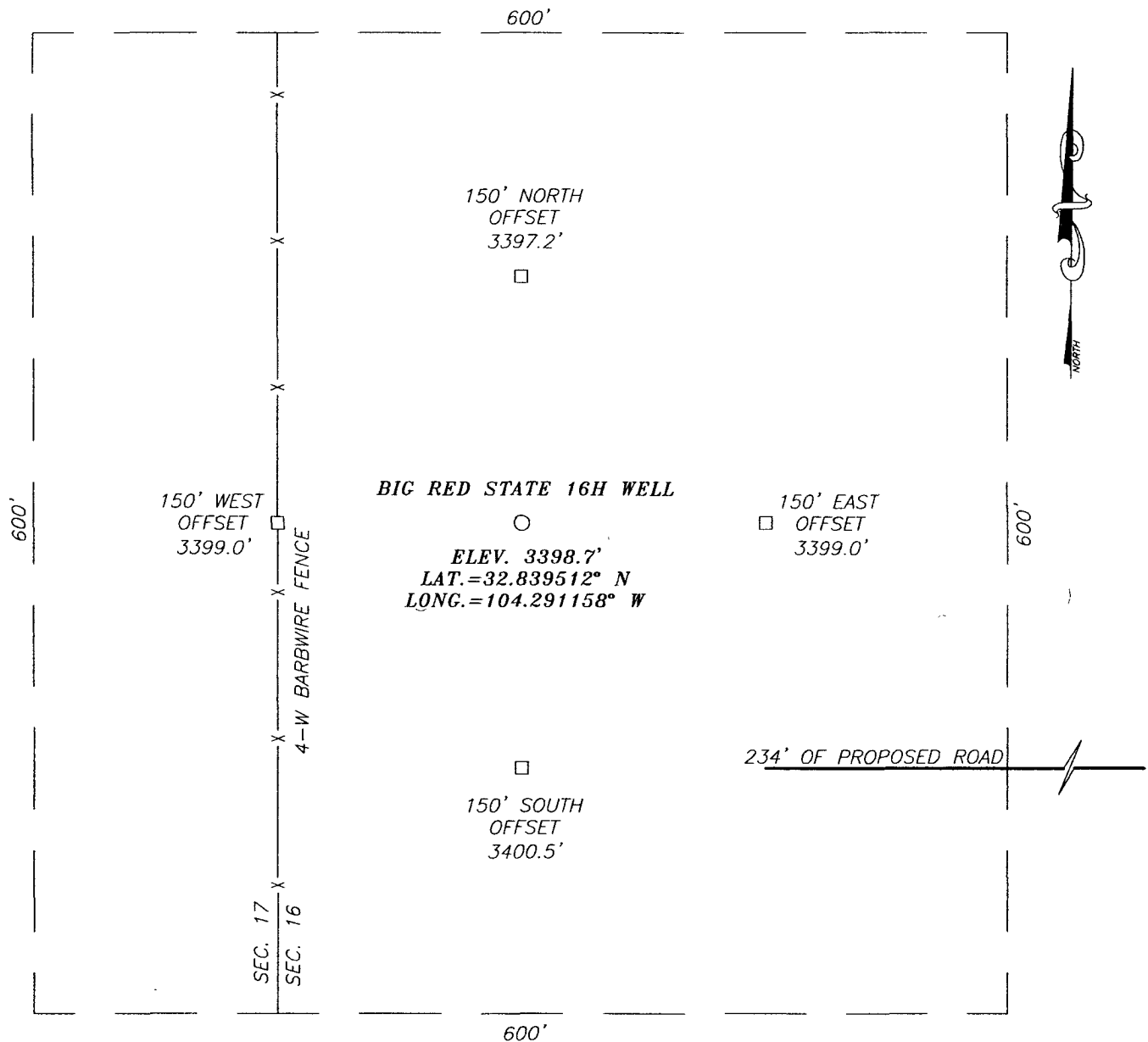
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	17-S	27-E		660	NORTH	330	EAST	EDDY
Dedicated Acres		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

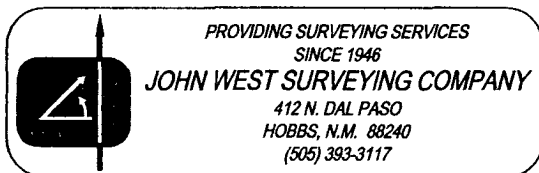
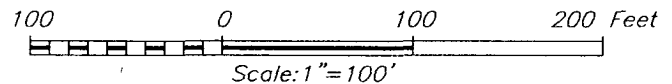
<p>660'</p> <p>SURF.</p> <p>150'</p>	<p>GRID AZ.=89°38'50"</p> <p>HORIZ DIST.=4798.7'</p>	<p>660'</p> <p>B.H.</p> <p>330'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
<p><b>GEODETIC COORDINATES</b></p> <p>NAD 27 NME</p> <p>SURFACE LOCATION</p> <p>Y=669128.3 N</p> <p>X=512953.7 E</p> <p>LAT.=32.839512° N</p> <p>LONG.=104.291158° W</p>	<p><b>BOTTOM HOLE LOCATION</b></p> <p>Y=669157.8 N</p> <p>X=517751.0 E</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>OCTOBER 25/2008</p> <p>Date Surveyed _____</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p>3239</p> <p>Certificate No. GARY EDSON 12641</p> <p>RONALD J. EIDSON 3239</p>	

**SECTION 16, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,**  
 EDDY COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. 82 AND CO. RD. #200 (KARR RANCH ROAD), GO SOUTHEAST ON U.S. HWY. 82 APPROX. 2.3 MILES. TURN LEFT AND GO NORTHEAST APPROX. 1.6 MILES. TURN LEFT AND GO WEST APPROX. 1.2 MILES. TURN LEFT AND GO SOUTH APPROX. 0.5 MILES TO A PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY WEST APPROX. 234 FEET TO THIS LOCATION.

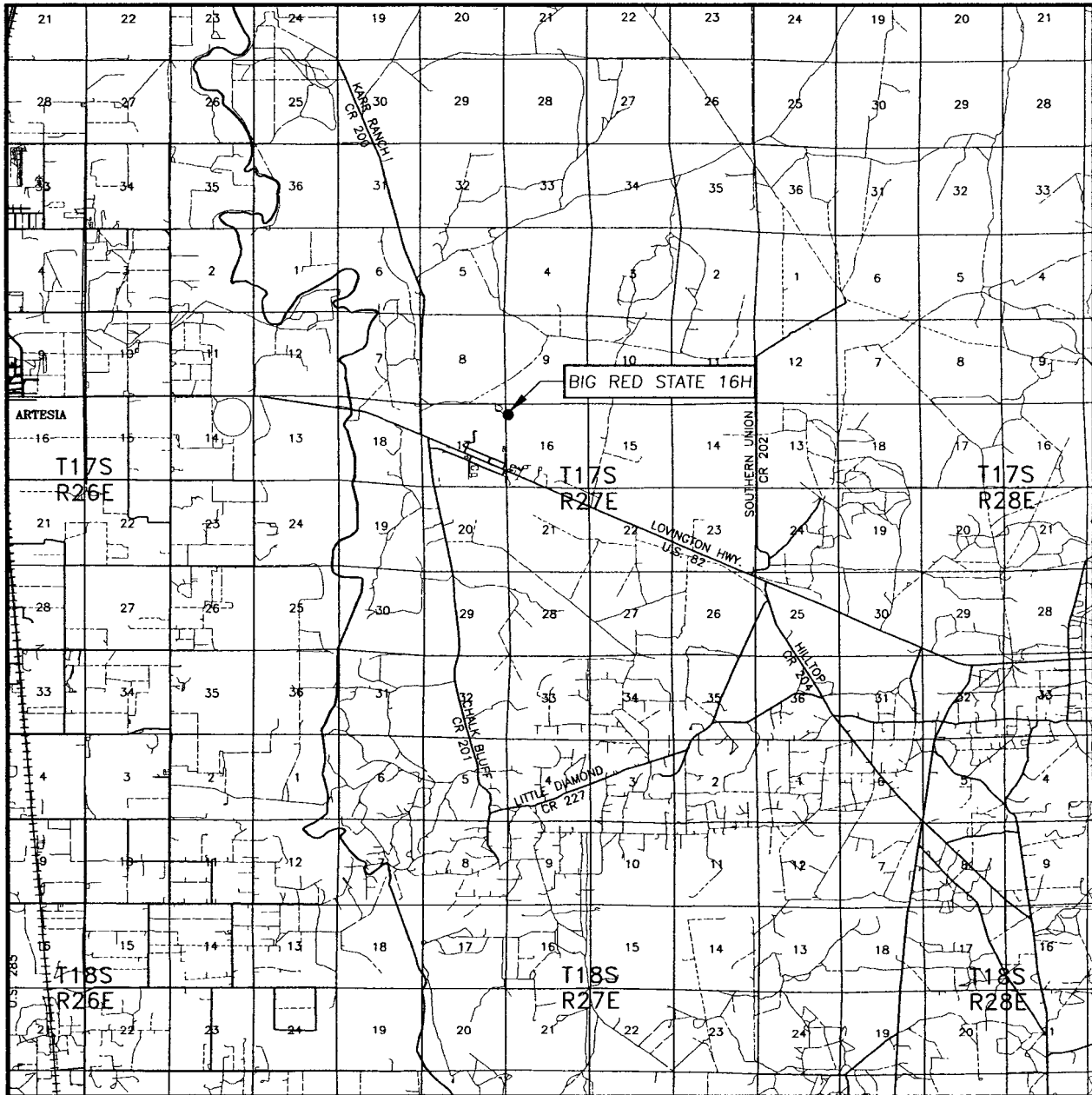


**CHI OPERATING**

BIG RED STATE 16H WELL  
 LOCATED 660 FEET FROM THE NORTH LINE  
 AND 150 FEET FROM THE WEST LINE OF SECTION 16,  
 TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 10/20/08	Sheet 1 of 1 Sheets
W.O. Number: 08.11.1787	Dr By: AR
Date: 10/21/08	Disk: 08111787
	Rev 1: N/A
	Scale: 1"=100'

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 16 TWP. 17-S RGE. 27-E

SURVEY N.M.P.M.

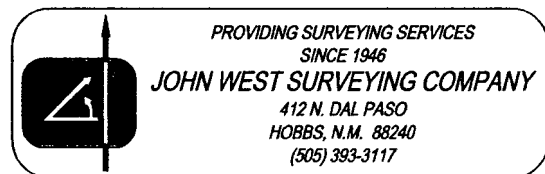
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 660' FNL & 150' FWL

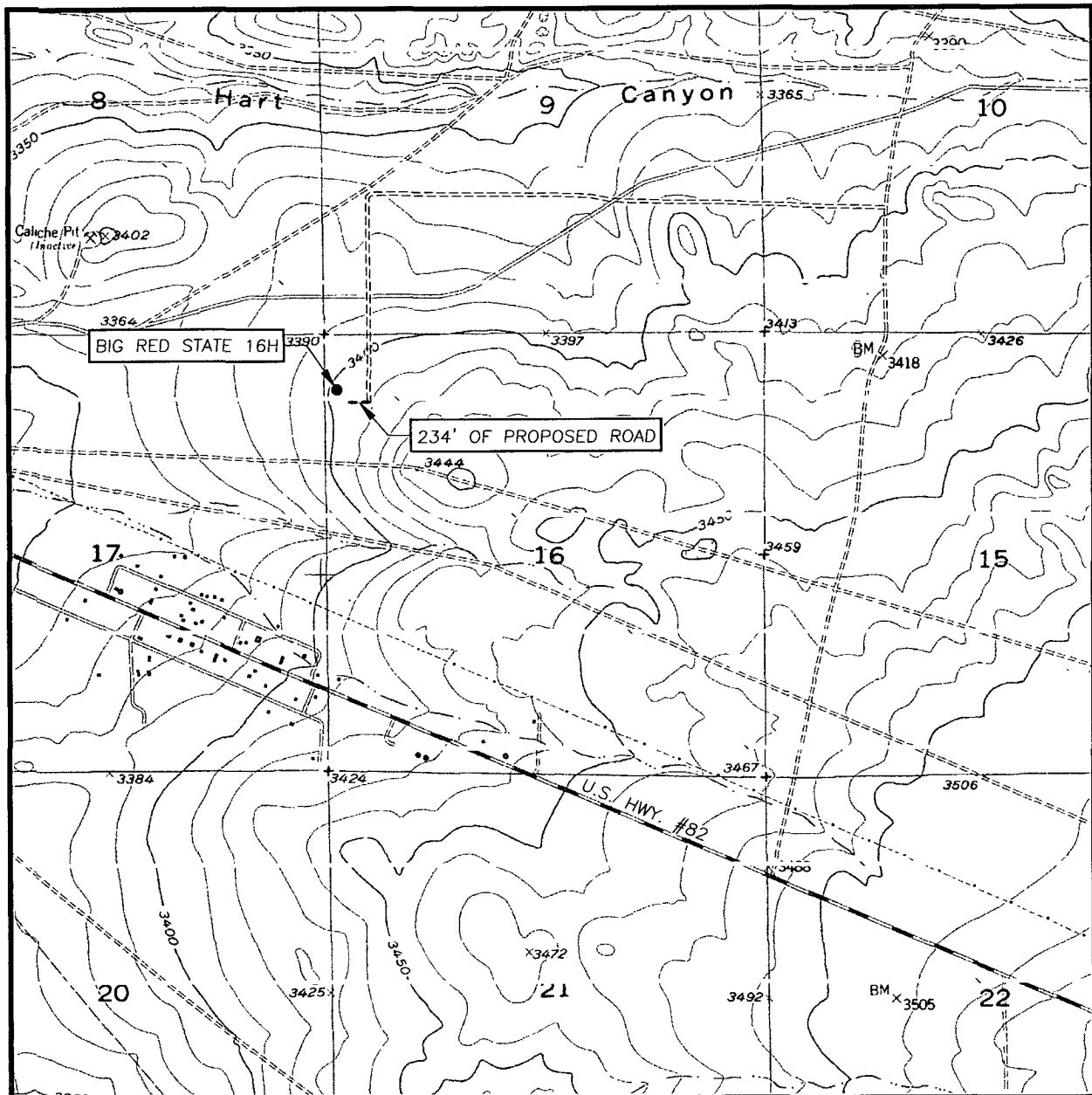
ELEVATION 3399'

OPERATOR CHI OPERATING

LEASE BIG RED STATE



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
SPRING LAKE, N.M. - 10'

SEC. 16 TWP. 17-S RGE. 27-E

SURVEY                      N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 660' FNL & 150' FWL

ELEVATION                      3399'

OPERATOR CHI OPERATING

LEASE BIG RED STATE

U.S.G.S. TOPOGRAPHIC MAP  
SPRING LAKE, N.M.

