

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address CIMAREX ENERGY CO. 15 EAST 5TH STREET TULSA , OK 74103		2. OGRID Number 215099
		3. API Number 30-025-37894
4. Property Code 35724	5. Property Name CRESTONE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	12	15S	37E	G	2260	N	1700	E	LEA

8. Pool Information

DENTON-WOLF CAMP	17290
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Additional Well Information

Additional Well Information				
9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3781
14. Multiple N	15. Proposed Depth	16. Formation Wolfcamp	17. Contractor	18. Spud Date 6/15/2006
Depth to Ground water 55		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method:				
Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	450	980	0
Int1	12.25	9.625	40	4750	750	0
Prod	8.75	7	26	10100	825	4500
Liner1	6.125	4.5	11.6		0	

Casing/Cement Program: Additional Comments

PEAK Completions Systems iso-packer, iso-port liner will be used and will not require cementing. KOP for the lateral will be 9095'. Projected TD at BHL is 9300' TVD & 11176' MD.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Sharon LaValley		Approved By: Paul Kautz	
Title: Manager		Approved Date: 5/30/2006	Expiration Date: 5/30/2007
Email Address: slavalley@cimarex.com			
Date: 5/26/2006	Phone: 918-295-1673	Conditions of Approval Attached	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 30800

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37894	2. Pool Code 17290	3. Pool Name DENTON,WOLFCAMP
4. Property Code 35724	5. Property Name CRESTONE	6. Well No. 001
7. OGRID No. 215099	8. Operator Name CIMAREX ENERGY CO.	9. Elevation 3781

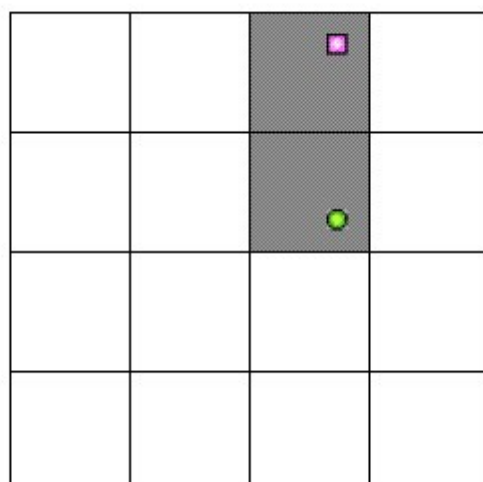
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	12	15S	37E		2260	N	1700	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	12	15S	37E	B	330	N	1700	E	LEA
12. Dedicated Acres 80.00		13. Joint or Infill		14. Consolidation Code		15. 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 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(s) or has a right to drill this well at this 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.

E-Signed By: Sharon LaValley

Title: Manager

Date: 5/26/2006

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.

Surveyed By: Gary Jones

Date of Survey: 5/19/2006

Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. , 215099

Well: CRESTONE #001

API: 30-025-37894

Created By	Comment	Comment Date
ZFARRIS1	C-144 e-mailed to Donna Mull on 5-26-06.	5/26/2006
ZFARRIS1	Cimarex's calculated H2S ROE of 27' at 100 PPM and 12' at 500 PPM does not meet the OCD's minimum requirements for submission of an H2S contingency plan.	5/26/2006
ZFARRIS1	Due to lateral length spacing will be 80 acres or two standup 40 acre spacings.	5/26/2006
ZFARRIS1	Directional plan e-mailed to Donna Mull on 5-26-06.	5/26/2006

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. , 215099

Well: CRESTONE #001

API: 30-025-37894

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104