

State of New Mexico
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. OF COLORADO 5215 N. O'CONNOR BLVD. IRVING , TX 75039		2. OGRID Number 162683
		3. API Number 30-025-38634
4. Property Code 300523	5. Property Name LAGUNA DEEP UNIT	6. Well No. 021

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	36	19S	33E	C	660	N	1980	W	LEA

8. Pool Information

APACHE RIDGE,BONE SPRING	2260
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3604
14. Multiple N	15. Proposed Depth	16. Formation Bone Spring	17. Contractor	18. Spud Date 1/1/2008
Depth to Ground water 60		Distance from nearest fresh water well		Distance to nearest surface water

Pit: Liner: Synthetic ☐ mils thick Clay ☐ Pit Volume: bbls Drilling Method:
 Closed Loop System ☒ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

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	48	1400	1055	0
Int1	11	8.625	32	3200	962	0
Prod	7.875	5.5	17	10400	1500	3100

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameran

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 ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Zeno Farris	Approved By: Paul Kautz
Title: Manager Operations Administration	Title: Geologist
Email Address: zfarris@magnumhunter.com	Approved Date: 12/12/2007 Expiration Date: 12/12/2008
Date: 12/5/2007 Phone: 972-443-6489	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

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Form C-102
 Permit 65480

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38634	2. Pool Code 2260	3. Pool Name APACHE RIDGE,BONE SPRING
4. Property Code 300523	5. Property Name LAGUNA DEEP UNIT	6. Well No. 021
7. OGRID No. 162683	8. Operator Name CIMAREX ENERGY CO. OF COLORADO	9. Elevation 3604

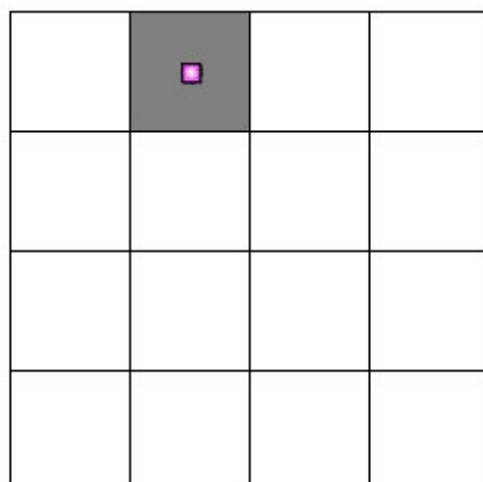
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	36	19S	33E		660	N	1980	W	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
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code Unitization		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: Zeno Farris
 Title: Manager Operations Administration
 Date: 12/5/2007

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 L. Jones
 Date of Survey: 11/28/2007
 Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: LAGUNA DEEP UNIT #021

API: 30-025-38634

Created By	Comment	Comment Date
NKRUEGER	C-144 will be emailed to Donna Mull.	12/5/2007
NKRUEGER	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. does not anticipate that there will be enough H2S from the surface to the Bone Spring formation to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of this test.	12/5/2007
NKRUEGER	There are no Potash leases on this leasehold. Plat will be emailed to Donna Mull.	12/5/2007
DMULL	OCD holding intent to drill. Waiting on response from the BLM & SLO per R-111-P.	12/6/2007
DMULL	OCD has received C-144" Pit Registration and C-102 showing No Potash Lessees.	12/6/2007
DMULL	Received Response from the BLM & SLO.	12/12/2007

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: LAGUNA DEEP UNIT #021

API: 30-025-38634

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
DMULL	Well location in the Potash area. Waiting on response from the Bureau of Land Management and State Land Office per R-111-P.
DMULL	Received respose from the Bureau of Land Mangement and State Land Office.