State of New Mexico

Form C-101 Permit 66402

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

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|------------------|--|---------------------------|--|--|
| 1 | . Operator Name and Address | 2. OGRID Number | | |
| C | 215099 | | | |
| | 15 EAST 5TH STREET TULSA , OK 74103 | 3. API Number | | |
| | 10L3A, OK /4103 | | | |
| 4. Property Code | 5. Property Name | 6. Well No. | | |
| 36897 | PYRAMID 31 FEE | 002 | | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D | 31 | 14S | 38E | D | 430 | И | 430 | W | LEA |

8. Pool Information

| DENTON; WOLFCAMP 1729 |
|-----------------------|
|-----------------------|

Additional Well Information

| 1 | 9. Work Type New Well | 10. We | ll Type IL | 11. Cable/Rotary | | 12. Lease Type Private | 13. Ground Level Elevation 3794 |
|------|--|----------|---------------|---------------------------|------------------|---------------------------------|------------------------------------|
| | 14. Montriple N | 15. Prop | osed Depth | 16. Formation Wolfcamp | | 17. Contractor | 18. Spud Date 1/5/2008 |
| | Depth to Ground v | vater | | Distance from nearest | fresh water well | | Distance to nearest surface water |
| Pit: | Liner: Synthetic Closed Loop System | × | mils thick | Clay Pit Volume: | | ling Method: h Water Brine | Diesel/Oil-based Gas/Air |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|--------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 600 | 510 | 0 |
| Int1 | 11 | 8.625 | 32 | 4500 | 1390 | 0 |
| Prod | 7.875 | 5.5 | 17 | 9800 | 565 | 4100 |
| Liner1 | 4.75 | 2.875 | 6.5 | 11204 | 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 9213.' Projected TD at BHL is MD 112045,' TVD 9404.'

Proposed Blowout Prevention Program

| Туре | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 5000 | 5000 | Cameran |

| I hereby certify that the information given above is true and co of my knowledge and belief. I further certify that the drilling pit will be constructed ac | OIL COMBERVATION DIVISION |
|---|---|
| NMOCD guidelines, a general permit, or an (attache OCD-approved plan | Approved By: Paul Kautz |
| Printed Name: Electronically filed by Sharon LaVall | Title: Geologist |
| Title: Manager | Approved Date: 12/20/2007 Expiration Date: 12/20/2008 |
| Email Address: slavalley@cimarex.com | |
| Date: 12/19/2007 Phone: 918-295-1 | 3 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

1000 Rio Brazos Rd., Azzec, 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

Form C-102 Permit 66402

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| YV. | ELL LOCATION AND AC | REAGE DEDICATION I | LAI | | |
|------------------|---------------------|--------------------|--------------|--|--|
| 1. API Number | 2. Pool Code | 3. | Pool Name | | |
| 30-025-38644 | 17290 | DENTON;WOLFCAMP | | | |
| 4. Property Code | 5. Prope | rty Name | 6. Well No. | | |
| 36897 | PYRAMID 31 FEE | | 002 | | |
| 7. OGRID No. | 8. Opers | tor Name | 9. Elevation | | |
| 215099 | CIMAREX I | ENERGY CO. | 3794 | | |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D | 31 | 14S | 38E | | 430 | N | 430 | W | LEA |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot Idin | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|-------------|----------|----------------|----------|-----------------|----------|-----------|---------------|--------|
| E | 31 | 14S | 38E | E | 2310 | N | 430 | W | LEA |
| 0.500 | cated Acres | 13. J | oint 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

| | 0 | | |
|---|---|--|--|
| | | | |
| | | | |
| 9 | | | |

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: 12/19/2007

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: 11/20/2007 Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. , 215099 Well: PYRAMID 31 FEE #002

API: 30-025-38644

| Created By | Comment | Comment Date |
|---------------|--|-----------------|
| ZFARRIS1 | C-102, C-144, and Preliminary Directional Survey will be emailed to Donna Mull. | 12/19/2007 |
| ZFARRIS1 | Well has proposed SHL in UL D and BHL in UL E. Therefore, it will require an 80-acre stand-up spacing unit. | 12/19/2007 |
| ZFARRIS1 | Cimarex Energy Co. does not anticipate that there will be enough H2S from the surface to the Wolfcamp formation to meet the OCD's minimum requirements for the submission of a contingency plan for this test. | 12/19/2007 |

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. , 215099 Well: PYRAMID 31 FEE #002

API: 30-025-38644

| OCD Reviewer | Condition |
|-----------------|---|
| IDKAUTZ | 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 |