State of New Mexico

Form C-101 Permit 117844

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

| CIMAREX ENER | r Name and Address GY CO. OF COLORADO | 2. OGRID Number 162683 | |
|------------------|--|---------------------------|--|
| 15 E 5TH STREET | | 3. API Number | |
| TULSA , OK 74103 | | 30-015-38039 | |
| 4. Property Code | 5. Property Name | 6. Well No. | |
| 38256 | PARKWAY 17 STATE | 004H | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M | 17 | 198 | 29E | M | 660 | S | 375 | W | EDDY |

8. Pool Information

| SCANLON DRAW:BONE SPRING | 55510 |
|--------------------------|-------|
| out in Edit of Didition | |

Additional Well Information

| 9. Work Type New Well | 10. Wet OI | CO. 55100 | | 11. Cable/Rotary | | 12. Lesse Type State | 13. Ground Level Elevation 3367 | |
|---|---------------|------------|-----------------------------|------------------------|-----------------|---------------------------------|------------------------------------|--|
| 14. Multiple N | 2000 | osed Depth | h 16. Formation Bone Spring | | | 17. Contractor | 18. Spud Date 8/15/2010 | |
| Depth to Ground | water | | D | istance from nearest t | fesh water well | | Distance to nearest surface water | |
| Pit: Liner: Synthetic Closed Loop Syste | m [| mils thick | Clay | Pit Volume: | | ling Method: h Water X 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 | 250 | 310 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 2500 | 700 | 0 |
| Prod | 8.75 | 7 | 26 | 7546 | 700 | 2300 |
| Liner1 | 6.125 | 4.5 | 11.6 | 12329 | 0 | |
| Prod | 8.75 | 2.875 | 2.18 | 8100 | 0 | |

Casing/Cement Program: Additional Comments

Drill pilot hole to 8100. Set 7" to 7546 and then fiberglass tubing from 7546 to 8100. Cement to 2300' and kick off 6.125" hole @ 7606. Drill to TD @ 12329 and put in PEAK completion liner from TOL @ 7446 to TD. No cement required on PEAK liner.

Proposed Blowout Prevention Program

| | Type | Working Pressure | Test Pressure | Manufacturer |
|---|-----------|------------------|---------------|--------------|
| Ī | DoubleRam | 5000 | 5000 | Cameran |

| I hereby certify that the information give of my knowledge and belief. I further certify that the drilling pit | en above is true and complete to the best will be constructed according to | OIL CONSERVATION DIVISION | | | | |
|--|---|---------------------------------|----------------------------|--|--|--|
| NMOCD guidelines , a general per OCD-approved plan . | | Approved By: Randy Dade | | | | |
| Printed Name: Electronically file | d by Zeno Farris | Title: District Supervisor | | | | |
| Title: Manager Operations Adm | inistration | Approved Date: 7/29/2010 | Expiration Date: 7/29/2012 | | | |
| Email Address: zfarris@magnun | hunter.com | | | | | |
| Date: 7/23/2010 | 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

State of New Mexico

Form C-102

Permit 117844

Energy, Minerals and Natural Resources Oil Conservation Division

1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number | 2. Pool Code 3. | | Pool Name | |
|------------------|------------------|----------------|-------------|--|
| 30-015-38039 | 55510 | AW;BONE SPRING | | |
| 4. Property Code | 5. Property Name | | 6. Well No. | |
| 38256 | PARKWAY | 17 STATE | 004H | |
| 7. OGRID No. | 8. Operato | 9. Elevation | | |
| 162683 | CIMAREX ENERGY C | 3367 | | |

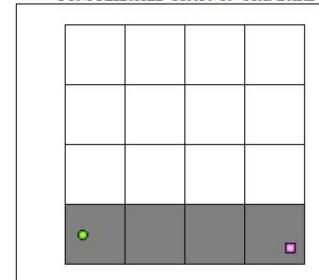
10. Surface Location

| UL - Lo | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M | 17 | 198 | 29E | | 660 | S | 375 | W | EDDY |

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 |
|----------|---------------------|----------|----------------|---------|-----------------------------|----------|-----------|---------------|--------|
| | 17 | 198 | 29E | P | 375 | S | 330 | E | EDDY |
| V | cated Acres 0.00 | 13. J | oint or Infill | | Consolidation Communitizati | 12 400 R | | 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: 7/23/2010

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: 4/7/2010 Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683 Well: PARKWAY 17 STATE #004H

API: 30-015-38039

| Created By | Comment | Comment Date |
|---------------|--|-----------------|
| NKRUEGER | C-102, C-144, H2S statement, and preliminary directional survey to be emailed to Artesia OCD. | 7/23/2010 |

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683 Well: PARKWAY 17 STATE #004H

API: 30-015-38039

| OCD Reviewer | Condition |
|-----------------|--|
| Artesia | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |