

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

1. Operator Name and Address CIMAREX ENERGY CO. OF COLORADO 600 N. Marienfeld St Midland, TX 79701		2. OGRID Number 162683
		3. API Number 30-025-40009
4. Property Code 38448	5. Property Name STATE HH COM	6. Well No. 005

7. Surface Location

UL - Lot B	Section 36	Township 19S	Range 32E	Lot Idn B	Feet From 330	N/S Line N	Feet From 1700	E/W Line E	County LEA
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	-------------------	---------------	---------------

8. Pool Information

GEM:BONE SPRING	27220
-----------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3570
14. Multiple N	15. Proposed Depth 13495	16. Formation Bone Spring	17. Contractor	18. Spud Date 2/15/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" 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	48	1350	1080	0
Int1	12.25	9.625	40	4500	1195	0
Prod	8.75	5.5	17	13495	1635	4300

Casing/Cement Program: Additional Comments

Drill 8.75" pilot hole to 10150. Set 191 sx Halcem-H cement plug from 8680-10150. Using 8.75" bit, drill through cement and kick off 8.75" lateral @ 8740 and drill to lateral TD @ 13495 MD, 9000 TVD. Set 5.5" from 0 to lateral TD. Cement liner.

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 <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 Zeno Farris		Approved By: Paul Kautz	
Title: Manager Operations Administration		Title: Geologist	
Email Address: zfarris@cimarex.com		Approved Date: 1/13/2011 Expiration Date: 1/13/2013	
Date: 1/6/2011	Phone: 432-620-1936	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 125408

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40009	2. Pool Code 27220	3. Pool Name GEM,BONE SPRING
4. Property Code 38448	5. Property Name STATE HH COM	6. Well No. 005
7. OGRID No. 162683	8. Operator Name CIMAREX ENERGY CO. OF COLORADO	9. Elevation 3570

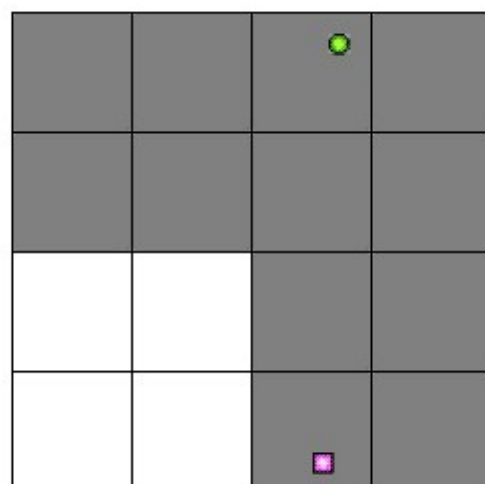
10. Surface Location

UL - Lot B	Section 36	Township 19S	Range 32E	Lot Idn	Feet From 330	N/S Line N	Feet From 1700	E/W Line E	County LEA
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-------------------	---------------	---------------

11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot O	Section 36	Township 19S	Range 32E	Lot Idn 3	Feet From 330	N/S Line S	Feet From 1880	E/W Line E	County LEA
12. Dedicated Acres 479.35		13. Joint or Infill		14. Consolidation Code Communitization		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: 1/6/2011

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: 5/15/2010
 Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: STATE HH COM #005

API: 30-025-40009

Created By	Comment	Comment Date
NKRUEGER	C-102, C-144, and preliminary directional plan to be emailed to Hobbs OCD.	1/6/2011
NKRUEGER	Cimarex Energy Co. of Colorado 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 this test.	1/6/2011
pkautz	Land S/S	1/7/2011
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-02781.	1/13/2011

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: STATE HH COM #005

API: 30-025-40009

OCD Reviewer	Condition
pkautz	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