

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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-101
August 1, 2011
Permit 135824

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

1. Operator Name and Address CIMAREX ENERGY CO. 600 N MARIENFELD STREET MIDLAND, TX 79701		2. OGRID Number 215099
		3. API Number 30-025-40229
4. Property Code 309304	5. Property Name MERCHANT LIVESTOCK 19 22 33 STATE COM	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	19	22S	33E	4	660	S	330	W	LEA

8. Pool Information

RED TANK;BONE SPRING, EAST	51687
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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 3719
14. Multiple N	15. Proposed Depth 15305	16. Formation Bone Spring	17. Contractor	18. Spud Date 10/1/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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	1240	920	0
Int1	12.25	9.625	40	4860	1855	0
Prod	8.75	5.5	17	15305	2800	4660

Casing/Cement Program: Additional Comments

After setting surface and intermediate casing, drill 8.75" hole to KOP @ 10634 and kick off 8.75" lateral. Drill to TD @ 15305 MD, 10900 TVD and run 5.5" casing from 0-TD and cement.

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"/> . Printed Name: Electronically filed by GENE A HOLLOWAY Title: Email Address: gholloway@cimarex.com Date: 8/11/2011	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 8/11/2011	Expiration Date: 8/11/2013
	Conditions of Approval Attached	

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Form C-102
August 1, 2011
Permit 135824

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40229	2. Pool Code 51687	3. Pool Name RED TANK;BONE SPRING, EAST
4. Property Code 309304	5. Property Name MERCHANT LIVESTOCK 19 22 33 STATE COM	6. Well No. 002
7. OGRID No. 215099	8. Operator Name CIMAREX ENERGY CO.	9. Elevation 3719

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	19	22S	33E		660	S	330	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
P	19	22S	33E	P	660	S	330	E	LEA
12. Dedicated Acres 156.62	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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr style="background-color: #cccccc;"><td style="height: 40px; text-align: center; vertical-align: middle;">●</td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: center; vertical-align: middle;">■</td></tr> </table>													●			■	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: GENE A HOLLOWAY Title: Date: 8/11/2011</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Gary L. Jones Date of Survey: 7/30/2011 Certificate Number: 7977</p>
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Permit Comments

Operator: CIMAREX ENERGY CO. , 215099

Well: MERCHANT LIVESTOCK 19 22 33 STATE COM #002

API: 30-025-40229

Created By	Comment	Comment Date
ZFARRIS1	C-102, C-144, and preliminary directional survey to be emailed to OCD.	8/10/2011
DMULL	OCD Hobbs office has received the C-144CLEZ. Permit Number is P1-03588.	8/11/2011

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. , 215099

Well: MERCHANT LIVESTOCK 19 22 33 STATE COM #002

API: 30-025-40229

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