

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 144228

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 30-025-40445 |
| 4. Property Code 38499 | 5. Property Name QUERECHO 36 STATE COM | 6. Well No. 004 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A | 36 | 18S | 32E | A | 330 | N | 660 | E | LEA |

8. Pool Information

| | |
|-----------------------------------|-------|
| QUERECHO PLAINS;UPPER BONE SPRING | 50600 |
|-----------------------------------|-------|

Additional Well Information

| | | | | |
|--------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3731 |
| 14. Multiple N | 15. Proposed Depth 14102 | 16. Formation Bone Spring | 17. Contractor | 18. Spud Date 4/10/2012 |
| 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 | 1250 | 550 | 0 |
| Int1 | 12.25 | 9.625 | 36 | 4600 | 810 | 0 |
| Prod | 8.75 | 5.5 | 17 | 14102 | 1600 | 4400 |

Casing/Cement Program: Additional Comments

| |
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| |
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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"/> . | 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: 2/15/2012 | Expiration Date: 2/15/2014 |
| Date: 2/13/2012 | Phone: 432-620-1936 | Conditions of Approval Attached |

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|------------------------|---|---|
| API Number | Pool Code 50600 | Pool Name Querecho Plains; Upper Bone Spring |
| Property Code 38499 | Property Name QUERECHO 36 STATE COM | Well Number 4 |
| OGRID No. 162683 | Operator Name CIMAREX ENERGY CO. OF COLORADO | Elevation 3731' |

Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot No. A | Section 36 | Township 18 S | Range 32 E | Lot Idn | Feet from the 330 | North/South line NORTH | Feet from the 660 | East/West line EAST | County LEA |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|

Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot No. P | Section 36 | Township 18 S | Range 32 E | Lot Idn | Feet from the 330 | North/South line SOUTH | Feet from the 660 | East/West line EAST | County LEA |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | 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

| | | |
|--|---|--|
| <p>SURFACE LOCATION Lat - N 32°42'36.704" Long - W 103°42'48.165" NMSPC- N 622667.2 E 732021.4 (NAD-83)</p> | <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°41'51.038" Long - W 103°42'48.125" NMSPC- N 618043.07 E 732051.77 (NAD-83)</p> | <p>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 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.</p> <p>Signature: <u>[Signature]</u> Date: <u>2/13/12</u> Printed Name: <u>Terri Stathem</u> Email Address: <u>tstathem@cimarex.com</u></p> <p>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.</p> <p>Date Surveyed: <u>JANUARY 14, 2011</u> Signature & Seal of Professional Surveyor: <u>[Signature]</u> Certificate No. Gary L. Jones 7977 BASIN SURVEYS 24013</p> |
|--|---|--|

Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: QUERECHO 36 STATE COM #004

API: 30-025-40445

| Created By | Comment | Comment Date |
|------------|---|--------------|
| pkautz | Land s/S | 2/13/2012 |
| CHERRERA | OCD RECIEVED FORM 144 CLEZ. OCD PERMIT # P1-04198 | 2/15/2012 |

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: QUERECHO 36 STATE COM #004

API: 30-025-40445

| 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 |