

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800

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July 5, 2011

Oil Conservation Division (Via: U.S. Mail)
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Florene Davidson

Case 14481

Via Certified Mail Return Receipt # 91 7108 2133 3938 0388 3462

Re: Order No. R-13288

Mrs. Davidson,

Here are the pooled interest owners under the above described Order. There were no voluntary agreements that were reached with any of the owners. Also, enclosed are the actual completion costs for the Penny Pincher 21 Fed Com #3. Copies of the final costs are also being sent to all the pooled interest owners.

Ben Alexander
DASCO Energy Corporation
Fonay Oil & Gas
Harvey E. Yates Co.
Jalapeno Corp.
Kent Gabel
Larry Scott
Lynx Petroleum Consultants
McVay Drilling Co.
OXY USA
Powder Horn Investments, LLC
TNK, Inc.
Watson Truck & Supply, Inc.
Yates Energy Corporation

If you have any questions, please don't hesitate to call me. Thank you.

A handwritten signature in black ink, appearing to read "Mark Compton".

Mark Compton
Landman

Well Name				State/Country		API #		Objective / Proposed TD		Date					
PENNY PINCHER FEDERAL COM 3H				NM, Eddy		30-015-38296		Sub Pump to Rods ~13,473'		Thu, May 5, 2011					
Contractor		Rpt #	DFS	Present Operation											
Mesa 17		29	150.250	Finish running rods RDMO											
Drilling: MD		TVD		Footage		Daily \$/Ft		Cum \$/Ft		Completion: TOC		PBTQ		ID	HRS WRK
0		0.00		0		0		0		0		0		0	0.00
Sub Ledger Description		Vendor & Description		B.C.P Code	Daily Drig. Cost	Cum Drig. Cost	Variance To Drig. Aft Over/Under	A.C.P Code	Daily Compl. Cost	Cum Compl. Cost	Variance To Compl. Aft Over/Under	Dry Hole Cost	After Casing Point	Compl. Well Cost	
Roads & Location Preparation / Restoration				DIDC.100	-	48,271	-5,366	DICC.100	-	13,368	12,229	53,637	1,139	54,776	
Damages				DIDC.105	-	1,000	-2,000	DICC.105	-	-	-	3,000	-	3,000	
Mud/Fluids Disposal Charges				DIDC.255	-	97,207	-17,084	DICC.235	-	51,397	39,723	114,291	11,674	125,965	
Day Rate				DIDC.115	-	833,250	-3,234	DICC.120	-	148,500	-22,430	836,484	170,930	1,007,414	
Misc Prep Cost (Mouse Hole, Rat Hole,				DIDC.120	-	23,135	-		-	-	-	23,135	-	23,135	
Bits				DIDC.125	-	93,729	-20,479	DICC.125	-	8,000	8,000	114,208	-	114,209	
Fuel				DIDC.135	-	179,256	13,479	DICC.130	-	22,745	22,745	165,777	-	165,777	
Water 009 / Completion Fluids 109				DIDC.140	-	88,959	700	DICC.135	-	2,348	-94,652	88,259	97,000	185,259	
Mud & Additives				DIDC.145	-	165,000	95		-	-	-	164,905	-	164,905	
Surface Rentals		Cavaloz [matting board] / D&L Meter		DIDC.150	-	48,508	-3,738	DICC.140	3,105	193,476	56,781	52,246	136,715	188,961	
Downhole Rentals				DIDC.155	-	128,944	-8,490	DICC.145	-	20,760	8,088	137,434	12,672	150,106	
DSTS, Formation Tests				DIDC.160	-	-	-		-	-	-	-	-	-	
Mud Logging				DIDC.170	-	24,700	-4,946		-	-	-	29,646	-	29,646	
Open Hole Logging				DIDC.180	-	20,045	2,002		-	-	-	18,043	-	18,043	
Cementing, thru Intermediate Casing				DIDC.185	-	133,918	2,834	DICC.155	-	31,463	-1,919	131,084	33,382	164,466	
Tubular Inspections				DIDC.190	-	9,576	887	DICC.160	-	2,500	-2,422	8,689	4,922	13,611	
Casing Crews				DIDC.195	-	56,157	-4,125	DICC.165	-	30,552	2,455	60,282	28,097	88,379	
Extra labor, Welding, etc.				DIDC.200	-	34,478	22,143	DICC.170	-	9,205	3,011	12,335	6,194	18,529	
Trucking				DIDC.205	-	40,568	3,415	DICC.175	-	17,168	-6,544	37,153	23,712	60,865	
Supervision		Ervin Consulting [Hoyt]		DIDC.210	-	72,800	-3,331	DICC.180	300	35,385	4,184	76,131	31,201	107,332	
Trailer, Camp & Catering				DIDC.280	-	51,122	497	DICC.255	-	18,765	18,485	50,625	280	50,905	
Other misc expenses				DIDC.220	-	-	-15,776	DICC.190	-	12,266	12,266	15,776	-	15,776	
Overhead				DIDC.225	-	23,008	11,503	DICC.195	-	4,000	1,042	11,505	2,958	14,463	
Remedial Cementing				DIDC.231	-	66,328	-2,283	DICC.215	-	-	-	68,611	-	68,611	
Mobilize & Demobilize				DIDC.240	-	150,433	-		-	-	-	150,433	-	150,433	
Directional Drilling				DIDC.245	-	205,853	-13,902		-	-	-	219,755	-	219,755	
Dock, Dispatcher, Crane				DIDC.250	-	-	-	DICC.230	-	-	-	-	-	-	
Marine/Air Transportation				DIDC.275	-	-	-	DICC.250	-	-	-	-	-	-	
Solids Control-Equip/Services				DIDC.260	-	70,601	3,630		-	-	-	66,971	-	66,971	
Well Control-Equip/Services		Basic [pump truck]		DIDC.265	-	73,095	-810	DICC.240	200	9,230	-17,877	73,904	27,107	101,011	
Fishing & Sidetrack Services				DIDC.270	-	-	-	DICC.245	-	-	-	-	-	-	
Completion Rig		Mesa [rig]			-	-	-	DICC.115	2,420	64,854	35,854	-	29,000	29,000	
Coil Tubing					-	-	-	DICC.260	-	-	-45,000	-	45,000	45,000	
Completion Logging, Perforating					-	-	-	DICC.200	-	-	-25,000	-	25,000	25,000	
Stimulation					-	-	-	DICC.210	-	706,055	-158,946	-	865,001	865,001	
Legal/Regulatory/Curative				DIDC.300	-	6,500	-	DICC.280	-	-	-	6,500	-	6,500	
Well Control Insurance				DIDC.285	-	5,000	5,000		-	-	-	-	-	-	
Contingency				DIDC.435	-	136,880	136,880	DICC.220	301	69,242	69,242	-	-	-	
Construction For Well Equipment					-	-	-	DWEA.110	-	-	-	-	-	-	
Construction For Lease Equipment					-	-	-	DLEQ.110	-	24,431	24,431	-	-	-	
Construction For Sales P/L					-	-	-	DICC.265	-	-	-	-	-	-	
Intangible					0	2,886,322	97,503		6,326	1,495,711	-56,273	2,790,819	1,551,984	4,342,803	
Drive Pipe				DWEB.150	-	26,878	-		-	-	-	26,878	-	26,878	
Conductor Pipe				DWEB.130	-	-	-		-	-	-	-	-	-	
Water String				DWEB.135	-	-	-62,933		-	-	-	62,933	-	62,933	
Surface Casing				DWEB.140	-	52,655	-89,527		-	-	-	142,182	-	142,182	
Intermediate Casing				DWEB.145	-	300,993	146,510		-	-	-	154,483	-	154,483	
Production Casing Or Liner					-	-	-	DWEA.100	-	367,718	-75,910	-	443,628	443,628	
Tubing					-	-	-	DWEA.105	-	71,468	468	-	71,000	71,000	
N/C Well Equipment					-	-	-	DWEA.115	-	4,060	-53,440	-	57,500	57,500	
Wellhead, Tree, Chokes				DWEB.115	-	38,102	-	DWEA.120	-	4,000	3,000	38,102	1,000	39,102	
Liner Hanger, Isolation Packer				DWEB.100	-	-	-	DWEA.125	-	-	-34,250	-	34,250	34,250	
Packer, Nipples					-	-	-	DWEA.130	-	285,285	-10,391	-	295,676	295,676	
Pumping Unit, Engine					-	-	-	DLEQ.100	-	-	-135,000	-	135,000	135,000	
Lift Equipment (Bhp, Rods, Anchors)		Permian Rod [steel rods] / Productio			-	-	-	DLEQ.105	11,910	67,586	56,086	-	11,500	11,500	
Metering Equipment					-	-	-	DLEQ.220	-	-	-	-	-	-	
Tangible - Well Equipment					0	416,628	-6,950		11,910	800,117	-248,437	424,578	1,049,554	1,474,132	
N/C Lease Equipment					-	-	-	DLEQ.115	-	55,786	-3,714	-	59,500	59,500	
Tanks, Tanks Steps, Stairs					-	-	-	DLEQ.120	-	24,183	-35,567	-	59,750	59,750	
Battery (Heater Treater, Separator,...)					-	-	-	DLEQ.125	-	22,775	-11,475	-	34,250	34,250	
Flow Lines (Line Pipe From Wellhead)					-	-	-	DLEQ.130	-	14,000	10,500	-	3,500	3,500	
Offshore Production Structure For ...					-	-	-	DWEA.135	-	-	-	-	-	-	
Pipeline to Sales					-	-	-	DWEA.140	-	-	-	-	-	-	
Tangible - Lease Equipment					0	0	0		0	116,744	-40,256	0	157,000	157,000	
P&A Costs				DIDC.285	-	-	-150,000	DICC.275	-	-	150,000	150,000	-150,000	-	
P&A					0	0	-150,000		0	0	150,000	150,000	-150,000	0	