

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, Texas 79701
PHONE 432.571.7800

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February 18, 2009

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

**RE: Cimarex Energy Co.'s Pyramid #1 Well
Case No. 13925, Order No. R-12795**

Ladies and Gentlemen:

Please be advised that Cimarex Energy Co.'s Pyramid #1 well has been completed. Pursuant to paragraph 10 of the above-mentioned order, please find enclosed an itemized copy of the actual well costs for this well. The actual well costs for this well are \$5,770,772.55.

Please contact me if you have any questions at the phone number below.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Meador", written over a horizontal line.

Todd Meador
Landman, Permian Basin Region
Cimarex Energy Co.
(432) 571-7858

enc: Summary of Well Cost



Billed Item Property Txn Detail

Pyramid 1

Bill Category	Type of Expense	Total Expense
DICC.100	Misc. Site Preparation	\$6,806.12
DICC.110	Location Restoration	\$2,064.36
DICC.115	Completion Rig	\$12,749.22
DICC.120	Drilling Rig	\$110,618.09
DICC.125	Bits	\$0.00
DICC.130	Fuel	\$9,453.87
DICC.135	Water, Mud and Fluids	\$7,661.09
DICC.140	Surface Rentals	\$56,162.91
DICC.145	Downhole Rentals	\$4,503.65
DICC.155	Cementing Production CSG	\$34,564.84
DICC.160	Tubular Inspections	\$5,961.13
DICC.165	Casing Crews	\$18,569.17
DICC.170	Extra Labor, Welding, etc	\$1,494.55
DICC.175	Trucking	\$14,697.05
DICC.180	Supervision	\$8,036.98
DICC.190	Other Misc. Expenses	\$1,019.47
DICC.195	Overhead	\$2,600.00
DICC.200	Logging, Perforating, WL Unit	\$17,791.77
DICC.205	Acidize, Breakdown	\$0.00
DICC.210	Fracturing, Stimulation	\$202,627.61
DICC.235	Mud/Fluids Disposal	\$5,910.05
DICC.240	Well Control-Equipment/Services	\$1,770.30
DICC.245	Fishing and Sidetrack Services	\$14,758.01
DICC.255	Trailer, Camp and Catering	\$167.07
DICC.260	Coil Tubing Services	\$32,128.01
DICC.280	Legal/Regulatory/Curative	\$0.00
DIDC.100	Roads and Location	\$82,781.24
DIDC.105	Damages	\$40,748.63
DIDC.110	Location Restoration	\$0.00
DIDC.115	Drilling Rig	\$1,231,529.65
DIDC.120	Misc. Preparation Costs	\$16,486.57
DIDC.125	Bits	\$144,949.31
DIDC.135	Fuel	\$168,288.70
DIDC.140	Water	\$15,164.22
DIDC.145	Mud and Additives	\$216,457.83
DIDC.150	Surface Rentals	\$86,700.79
DIDC.155	Downhole Rentals	\$403,501.97
DIDC.170	Mud Logging	\$41,004.56
DIDC.180	Open Hole Logging	\$12,927.50
DIDC.185	Cementing, Thru Intermed CSG	\$49,725.81

DIDC.190	Tubular Inspections	\$81,188.03
DIDC.195	Casing Crews	\$14,354.14
DIDC.200	Extra Labor, Welding, etc	\$69,394.15
DIDC.205	Trucking	\$21,002.14
DIDC.210	Supervision	\$142,589.59
DIDC.220	Other Misc Expenses	\$62,928.67
DIDC.225	Overhead	\$17,896.77
DIDC.240	Mobilize and Demobilize	\$154,067.94
DIDC.245	Directional Drilling	\$246,888.90
DIDC.255	Mud Disposal	\$139,236.79
DIDC.260	Solids Control-Equipment/Service	\$306,459.19
DIDC.265	Well Control-Equipment/Service	\$123,666.26
DIDC.270	Fishing and Sidetrack Services	\$227,412.44
DIDC.280	Trailer, Camp and Catering	\$77,461.80
DIDC.285	Blowout Insurance	\$2,950.44
DIDC.300	Legal/Regulatory/Curative	\$49,058.26
DLEQ.100	Pumping Unit, Engine	\$87,689.94
DLEQ.105	Lift Equipment (BHP, Rods, Anchors)	\$46,033.88
DLEQ.110	Construction for Lease Equipment	\$153,780.21
DLEQ.115	N/C Lease Equipment	\$35,477.05
DLEQ.120	Tanks	\$28,675.17
DLEQ.125	Battery (HTR TRTR, Separ, Gas T)	\$9,560.09
DLEQ.130	Flow Lines, Line Pipe	\$32,762.86
DLEQ.220	Metering Equipment	\$0.00
DWEA.100	Production CSG/Tie Back	\$171,039.53
DWEA.105	Tubing	\$63,048.69
DWEA.110	Construction for Well Equipment	\$73.42
DWEA.115	N/C Well Equipment	\$35,868.98
DWEA.120	Wellhead, Tree, Chokes	\$15,190.07
DWEA.130	Packer, Nipples	\$65,864.75
DWEA.140	Pipelines to Sale	\$4,183.30
DWEB.110	N/C Well Equipment	\$4,164.07
DWEB.115	Wellhead, Tree, Chokes	\$16,622.63
DWEB.135	Water String	-\$137.28
DWEB.140	Surface Casing	\$39,089.79
DWEB.145	Intermediate Casing	\$70,093.34
LOE.100	Labor - Pumper/Foreman Company	\$2,871.69
LOE.105	Labor - Roustabout Company	\$0.00
LOE.115	Supervision	\$142.09
LOE.125	Auto Use	\$361.96
LOE.130	Contract Pumper	\$2,017.03
LOE.135	Surface W/H Equipment & Maintance	\$6,663.56
LOE.140	Tank Battery/Process Equipment & Maintance	\$2,879.17

LOE.145	Subsurface Equipment Repairs	\$0.00
LOE.160	Roads and Location	\$203.18
LOE.165	Salt Water Disposal Cost	\$13,225.23
LOE.200	Electricity	\$21,884.52
LOE.205	Fuel-Lease Operations	\$0.07
LOE.220	Compressor Rental	\$1,013.53
LOE.230	Rental Equipment	\$1.78
LOE.235	Well Servicing	\$0.00
LOE.245	Supplies	\$15.37
LOE.250	Other LOE	\$11.36
LOE.260	Trucking and Forklift	\$0.00
LOE.275	Legal Costs	\$2,004.55
LOE.280	Environmental/SPCC	\$10.08
LOE.290	Division Order Title Opinion	\$8,707.36
LOE.295	Communications	\$153.55
LOE.305	COPAS Producing Overhead	\$8,815.80
LOE.335	District Expense	\$191.02
LOE.350	Chemicals and Treating	\$1,580.63
LOE.415	Offshore Other LOE	\$0.92

Report Total: \$5,770,772.55