

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800

Brooks

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2010 NOV 22 P 1:31



November 10, 2010

Via: U.S. Mail

Oil Conservation Division
Attn: Florene Davidson
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 14484; Order No. R-13295

Dear Florene:

Enclosed herewith is an itemized schedule of actual well costs associated with the drilling and completion of the Saratoga 30 State Com No. 2 Well. The well costs are also being furnished to the Edward L. Shea Trust and Sigyn Lund.

Please be advised that voluntary agreements were reached with the Peter L. Shea Estate/Trust, O'Neill Properties, Ltd., Mitchell Minerals, LLC, J.A. Vickers Testamentary Trusts, and J.A. Vickers Trust Estates, et al.

If there is any additional information that you should require in regard to this matter, please do not hesitate to contact the undersigned. Thank you.

Sincerely,

Cimarex Energy Co.

A handwritten signature in black ink, appearing to read "Hayden P. Tresner".

Hayden P. Tresner
Landman

CC: James Bruce via e-mail

Cimarex Energy Co.

Daily Cost Sheet

Well Name		AFE #		St. Well ID #		API #		Objective / Proposed TD		Date				
SARATOGA 30 STATE COM 2		250080		309742-051		30-005-29052		L Abo ~13,300'		Sat, Sep 25, 2010				
Contractor		Rpt #	DFS	Present Operation										
Viva 26		29	99.250	Turn Well Over to Production										
Drilling: MD		TVD		Footage		Daily \$/Ft		Cum \$/Ft		Completion: TOC		PBD	TD	HRS WRK
0		0.00		0		0		0		0		13,193		5.50
Sub Ledger Description		Vendor & Description		B.C.P Code	Daily Drig. Cost	Cum Drig. Cost	Variance To Drig. Afe Over/Under	A.C.P Code	Daily Compl. Cost	Cum Compl. Cost	Variance To Compl. Afe Over/Under	Dry Hole Cost	After Casing Point	Compl. Well Cost
Roads & Location Preparation / Restoration				DIDC.100		39,500	4,500	DIDC.100		3,000		35,000	3,000	38,000
Damages				DIDC.105		6,000		DIDC.105				6,000		6,000
Mud/Fluids Disposal Charges		Rockin 8 [Disposal]		DIDC.255		20,550	-25,450	DIDC.235	485	37,577	-9,298	46,000	46,875	92,875
Day Rate				DIDC.115		588,371	-9,629	DIDC.120		120,125	58,125	598,000	62,000	660,000
Misc Prep Cost (Mouse Hole, Rat Hole, Bits				DIDC.120			-6,500					6,500		6,500
Fuel				DIDC.125		10,700	-54,300	DIDC.125		5,200	4,200	65,000	1,000	66,000
Water 009 / Completion Fluids 109				DIDC.135		17,244	17,244	DIDC.130						
				DIDC.140		10,322	-12,928	DIDC.135		5,070	-91,130	23,250	96,200	119,450
Mud & Additives				DIDC.145		47,408	-7,592					55,000		55,000
Surface Rentals		Key [Frac Tanks] / Pro Well Testing		DIDC.150		5,550	-24,450	DIDC.140	3,960	101,925	40,925	30,000	61,000	91,000
Downhole Rentals				DIDC.155		16,256	-51,744	DIDC.145		4,598	-7,402	68,000	12,000	80,000
DSTS, Formation Tests				DIDC.160										
Mud Logging				DIDC.170		31,620	10,620					21,000		21,000
Open Hole Logging				DIDC.180		17,212	-7,788					25,000		25,000
Cementing, thru Intermediate Casing				DIDC.185		36,862	6,862	DIDC.155		56,646	6,646	30,000	50,000	80,000
Tubular Inspections		[]		DIDC.190		3,461	-1,539	DIDC.160	3,000	3,000		5,000	3,000	8,000
Casing Crews				DIDC.195		2,000		DIDC.165		27,932	13,932	2,000	14,000	16,000
Extra labor, Welding, etc.				DIDC.200		750	-10,250	DIDC.170		7,947	2,947	11,000	5,000	16,000
Trucking				DIDC.205		6,220	-14,780	DIDC.175		5,214	2,214	21,000	3,000	24,000
Supervision		Royce Eades [Supervision]		DIDC.210		59,600	14,600	DIDC.180	1,150	45,050	33,050	45,000	12,000	57,000
Trailer, Camp & Catering				DIDC.280		15,294	-4,706	DIDC.255		4,135	135	20,000	4,000	24,000
Other misc expenses				DIDC.220		265	-1,735	DIDC.190		12,100	5,100	2,000	7,000	9,000
Overhead				DIDC.225		12,000		DIDC.195		3,000		12,000	3,000	15,000
Remedial Cementing				DIDC.231				DIDC.215						
Mobilize & Demobilize				DIDC.240										
Directional Drilling				DIDC.245		168,000	26,000					142,000		142,000
Dock, Dispatcher, Crane				DIDC.250				DIDC.230						
Marine/Air Transportation				DIDC.275				DIDC.250						
Solids Control-Equip/Services				DIDC.280		65,204	19,204					46,000		46,000
Well Control-Equip/Services		R&H [BOP]		DIDC.265		10,704	-1,296	DIDC.240	350	1,864	-6,136	12,000	8,000	20,000
Fishing & Sidetrack Services				DIDC.270				DIDC.245						
Completion Rig		Viva 26 [Completion Rig]							2,500	13,200	-15,800		29,000	29,000
Coil Tubing								DIDC.260		141,986	108,986		33,000	33,000
Completion Logging, Perforating								DIDC.200			-8,000		8,000	8,000
Stimulation								DIDC.210		1,401,543	698,543		703,000	703,000
Legal/Regulatory/Curative				DIDC.300		13,000		DIDC.280				13,000		13,000
Well Control Insurance				DIDC.285		5,000						5,000		5,000
Contingency				DIDC.435		57,658	-9,342	DIDC.220	2,172	101,656	43,656	67,000	58,000	125,000
Construction For Well Equipment		[]						DWEA.110	27,500	27,500			27,500	27,500
Construction For Lease Equipment		Gandy, MWI []						DLEQ.110	4,500	36,955	-28,045		65,000	65,000
Construction For Sales P/L		[]						DIDC.265			-100,000		100,000	100,000
Intangible					0	1,266,751	-144,999		45,617	2,167,222	762,647	1,411,750	1,414,575	2,826,325
Drive Pipe				DWEB.150		6,000						6,000		6,000
Conductor Pipe				DWEB.130										
Water String				DWEB.135										
Surface Casing				DWEB.140		13,079	-8,921					22,000		22,000
Intermediate Casing				DWEB.145										
Production Casing Or Liner								DWEA.100		374,720	38,354		336,366	336,366
Tubing		[246 jts. 2-7/8" 6.5# L80]						DWEA.105	63,478	63,478	2,478		61,000	61,000
N/C Well Equipment		[]						DWEA.115	5,500	5,500			5,500	5,500
Wellhead, Tree, Chokes		Quick Connector [Submersible Hang		DWEB.115		42,126	27,126	DWEA.120	4,365	17,345	7,345	15,000	10,000	25,000
Liner Hanger, Isolation Packer				DWEB.100				DWEA.125						
Packer, Nipples								DWEA.130		155,494	-12,506		168,000	168,000
Pumping Unit, Engine		[]						DLEQ.100	210,000	210,000			210,000	210,000
Lift Equipment (Bhp, Rods, Anchors)		[]						DLEQ.105	59,500	59,500			59,500	59,500
Metering Equipment								DLEQ.220						
Tangible - Well Equipment					0	61,205	18,205		342,843	886,037	35,671	43,000	850,366	893,366
N/C Lease Equipment		[]						DLEQ.115	65,500	65,500			65,500	65,500
Tanks, Tanks Steps, Stairs								DLEQ.120		50,302	-27,948		78,250	78,250
Battery (Heater Treater, Separator,...)								DLEQ.125		86,100	53,600		32,500	32,500
Flow Lines (Line Pipe From Wellhead)		[]						DLEQ.130	5,500	5,500			5,500	5,500
Offshore Production Structure For ...								DWEA.135						
Pipeline to Sales								DWEA.140						
Tangible - Lease Equipment					0	0	0		71,000	207,402	25,652	0	181,750	181,750
P&A Costs				DIDC.295			-150,000	DIDC.275			150,000	150,000	-150,000	
P&A					0	0	-150,000		0	0	150,000	150,000	-150,000	0
Total Costs					0	1,327,956	-276,794		459,460	3,260,661	963,970	1,604,750	2,296,691	3,901,441