

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 13 2009
OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

Rm

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | |
|--|--|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NM-19423 |
| 2. Name of Operator Cimarex Energy Co. of Colorado | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 5215 N. O'Connor Blvd., Ste. 1500; Irving, TX 75039 | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3b. Phone No. (include area code) 972-401-3111 | | 8. Well Name and No. White City 14 Federal No. 7 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL 330 FNL & 660 FEL 14-25S-26E BHL 330 FSL & 990 FEL | | 9. API Well No. 30-015-36919 |
| | | 10. Field and Pool, or Exploratory Area Cottonwood Draw; Delaware, North |
| | | 11. County or Parish, State Eddy County, NM |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input checked="" type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)
- Cimarex has changed some aspects of the casing and BOP plans for the proposed White City 14 Federal No. 7 as shown on the attached pages.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

| | | |
|---|--------|---|
| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Natalie Krueger | | Title Regulatory Analyst |
| Signature <i>Natalie Krueger</i> | | Date April 6, 2009 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | |
| Approved by | Title | APPROVED APR 10 2009 WESLEY W. INGRAM PETROLEUM ENGINEER |
| Conditions of Approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office | |

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NR

Revised Drilling Plan - New Well Location
White City 14 Federal No. 7
 Cimarex Energy Co. of Colorado
 SHL 330 FNL & 660 FEL BHL 330 FSL & 990 FEL
 14-25S-26E
 Eddy County, NM

Proposed drilling Plan

In 12¼" hole, set 9⅝" casing @ 430' and cement to surface. In 8¾" hole, drill to 3400.' Run open hole logs. Set 7" casing to 2725' and cross over to 2⅝" 2000 psi IJ fiberglass tubing to 3400.' Cement to surface. The fiberglass tubing will effectively circulate cement to surface and plugs back the open hole.

Drill out of the bottom of the 7" casing with a 6⅝" bit and through cement and fiberglass tubing to KOP @ 2786' and kick off to drill the lateral. Run 4½" open-hole packer liner system in lateral portion with liner hanger @ 2686' (100' above KOP in vertical hole).

Mud Circulating System:

| Depth | Mud Wt | Visc | Fluid Loss | Type Mud |
|------------------|------------|-------|------------|---|
| 0' to 430' | 8.4 - 8.6 | 30-32 | NC | FW spud mud. Add FW to control weight & viscosity and paper to prevent seepage. |
| 430' to 3,400' | 9.9 - 10.0 | 28-29 | NC | Saturated Brine. Sweep as needed to clean hole. |
| 2,786' to 7,562' | 9.5 - 9.8 | 28-30 | NC | Cut brine. Sweep as needed to clean hole. |

Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. In order to run DSTs, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs.

Casing Program:

| | Hole Size | Depth | Casing OD | Weight | Collar | Grade |
|----------------|-----------|--------------|-----------|------------|--------|-------|
| Surface | 12¼" | 0 to 430 | New 9⅝" | 36# | LTC | J-55 |
| Production | 8¾" | 0 to 2725 | New 7" | 26# | LTC | J-55 |
| Fiberglass tbg | 8¾" | 2725 to 3400 | New 2⅝" | Fiberglass | | IJ |
| Lateral | 6⅝" | 2686 to 7562 | New 4½" | 11.6# | LTC | J-55 |

Cementing Program:

| | |
|---|--|
| Surface Casing | <u>Lead:</u> 200 sx Class C + 4% Extender + 0.2% Defoamer + 4# D-24 + 2% CaCl ₂ (wt 12.9, yld 1.97) <u>Tail:</u> 150 sx Premium C + 2% CaCl ₂ (wt 14.8, yld 1.34) TOC Surface |
| Production casing and Fiberglass tubing | <u>Lead:</u> 163 sx 50/50 POZ Mix / Class C + 5% NaCl + 10% Extender + 0.2% Defoamer + 0.125# LC Agent (at 11.9, yld 2.4) <u>Tail:</u> 220 sx Class C + 1.33% CaCl ₂ (wt 14.8, yld 1.35) TOC Surface |
| Lateral | Open-hole packer liner completion assembly will be used, so no cement is required. |

Fresh water zones will be protected by setting 9⅝" casing at 430' and cementing to surface. Hydrocarbon zones will be protected by setting 7" casing at 2725' and 2⅝" fiberglass tubing at 3400' and cementing to surface.

Collapse Factor
1.125

Burst Factor
1.125

Tension Factor
1.6

Revised Drilling Plan - New Well Location
White City 14 Federal No. 7
Cimarex Energy Co. of Colorado
SHL 330 FNL & 660 FEL BHL 330 FSL & 990 FEL
14-25S-26E
Eddy County, NM

Pressure control Equipment:

Exhibit "E". A 11" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000 # annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 430.' A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

BOP unit will be hydraulically operated. BOP will be nipped up and operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling. From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 psi BOP system.

We are requesting a variance for testing the 9 $\frac{5}{8}$ " surface casing from Onshore Order No. 2, which states that all casing strings below the conductor shall be pressure tested to 0.22 psi per foot or 1500 psi, whichever is greater, but not to exceed 70% of the manufacturer's stated maximum internal yield. We are requesting to test the 9 $\frac{5}{8}$ " casing to 1000 psi using rig pumps. The BOP will be tested to 3000 psi by an independent service company.

ALL INVOICES ARE TO SHOW **CIMAREX ENERGY** AS OPERATOR AND USE CIMAREX ACCOUNTING CODES. Cement volumes for production csg include a 25% excess in the open hole section. Adjust volumes after caliper + 25% excess.

**White City 14 Federal No. 7
30-015-36919
Cimarex Energy Co. of Colorado
April 10, 2009
Conditions of Approval**

- 1. HIGH CAVE/KARST – CONTINGENCY CASING WILL BE REQUIRED IF LOST CIRCULATION OCCURS WHILE DRILLING THE SURFACE HOLE. THE SURFACE HOLE WILL HAVE TO BE REAMED AND A LARGER CASING INSTALLED. IF LOST CIRCULATION OCCURS WHILE DRILLING THE 8-3/4" HOLE AND THE CONTINGENCY CASING HAS NOT BEEN SET, THE CEMENT PROGRAM FOR THE 7" CASING WILL NEED TO BE MODIFIED AND THE BLM IS TO BE CONTACTED. A MINIMUM OF TWO CASING STRINGS CEMENTED TO SURFACE ARE REQUIRED IN HIGH CAVE/KARST AREAS.**
- 2. Effective November 1, 2008, no variances will be granted on reduced pressure tests on the surface casing and BOP/BOPE. Onshore Order 2 requirements will be in effect.**
- 3. The excess cement for the 7" and fiberglass tubing calculates to 34%. Operator may want to increase excess due to high cave/karst area.**

WWI 041009