

OCD Artesia

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. LC-068960
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Cimarex Energy Co. of Colorado		7. If Unit or CA Agreement, Name and No.
3a. Address 600 N. Marienfeld St., Ste. 600; Midland, TX 79701		8. Lease Name and Well No. Bluetail 8 Federal No. 4
3b. Phone No. (include area code) 432-571-7800		9. API Well No. 30-015- 38655
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface 1850 FNL & 330 FWL (E) At proposed prod. Zone 1650 FNL & 330 FWL		10. Field and Pool, or Exploratory Empire; Glorieta-Yeso, East
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area 8-17S-29E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line if any) 330		12. County or Parish Eddy
16. No of acres in lease 40		13. State NM
17. Spacing Unit dedicated to this well SWNW 40		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 310'		20. BLM/BIA Bond No. on File NM-2575
19. Proposed Depth MD 6010, TVD 6000		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3649' GR		23. Estimated duration 20-25 days
22. Approximate date work will start* 02.15.11		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator Certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Zeno Farris</i>	Name (Printed/Typed) Zeno Farris	Date 12.10.10
Title Manager Operations Administration		
Approved By (Signature) <i>JS/ JEANETTE MARTINEZ</i>	Name (Printed/Typed)	Date MAR 2 2 2011
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.

Conditions of approval, if any, are attached.

Title 18 U.S.S. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or bureau of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on page 2)

APPROVAL FOR TWO YEARS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

CONDITIONS OF APPROVAL

Roswell Controlled Water Basin

KZ 04/01/11

Application to Drill
Bluetail 8 Federal No. 4
Cimarex Energy Co. of Colorado
Unit E, Section 8
T17S R29E, Eddy County, NM

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

1 Location: SHL 1850 FNL & 330 FWL
BHL 1650 FNL & 330 FWL

2 Elevation above sea level: 3649' GR

3 Geologic name of surface formation: Quaternary Alluvium Deposits

4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.

5 Proposed drilling depth: MD 6010, TVD 6000

6 Estimated tops of geological markers:

Yates	850'
San Andres	2410'
Glorieta	3820'
Paddock	3900'
Blinebry	4375'
Tubb	5220'

7 Possible mineral bearing formation:

Paddock	Oil
Blinebry	Oil

8 Proposed Mud Circulating System:

Depth	Mud Wt	Visc	Fluid Loss	Type Mud
0' to 210 450'	8.4 - 8.8	40-45	NC	FW
450' to 1100'	9.9 - 10.1	28-32	NC	Brine
1100' to 6010'	9.1	28-32	NC	Cut Brine

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.

8a Drilling Plans:

Set surface and intermediate casing. Kick off for directional at 3500' and drill to TD at 6010.' Set production casing from 0-6010' and cement.

Application to Drill
Bluetail 8 Federal No. 4
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Unit E, Section 8
T17S R29E, Eddy County, NM

9 Casing Plan:

see COA

String	Hole Size	Depth	Casing OD	Weight	Thread	Collar	Grade
Surface	16"	0' to 210' 450'	New 11 3/4"	42#	8-R	STC	H-40
Intermediate	11"	0' to 1100'	New 8 5/8"	24#	8-R	STC	J-55
Production	7 7/8"	0' to 6010'	New 5 1/2"	17#	8-R	LTC	J-55

10 Cementing:

Surface

Lead: 150 sx Class "C" + 4% D020 (Extender) + 2% S001 (CaCl2) + 0.2% D046 (Defoamer) , Mixed at 12.9 ppg, 1.97 cuft/sx, 10.861 gal/sx fresh water

Tail: 200 sx Class C + 1% S001 (wt 14.8, yield 1.34)

TOC Surface

Intermediate

Lead: 200 sx 50:50 Poz: Class "C" + 0.2% Defoamer (D046) + 5% D044 (Salt) +10% D020 (Extender Gel) + 1/8 pps Polyflake (D130) + 2 pps Gilsonite (D042) Mixed at 11.8 ppg, Yeild 2.57 cuft/sx, 15.061 gal/sx fresh water

Tail: 300 sx Class "C" + 1% S001 (CaCl2), Mixed at 14.8 ppg, 1.33 cuft/sx, 6.365 gal/sx fresh water

TOC Surface

Production

Lead: 450 sacks (100 lb per sx of Blend)LiteCrete + 0.2% Defoamer (D046) + 0.3% Dispersant (D065) + 1 lb/sx Extender (D042) + 0.03% gal/sx Retarder (D177) Mixed at 10.2 ppg. Yeild 2.16 cuft/sx, 7.558 gal/sx Fresh Water

Tail: 400 sacks PVL + 1.3% NaCl (D044) + 0.2% Fluid Loss (D167) + 0.2% Cement Retarder (D013) + 0.2% Dispersant (D065). Mixed at 13.0 ppg, Yeild 1.40 cuft/sx, 7.277 gal/sx Fresh Water

TOC 900'

210 According to the State Engineer, average depth to ground water is 75.' Fresh water zones will be protected by setting 11 3/4" casing at 450' and cementing to surface. Hydrocarbon zones will be protected by setting 8 5/8" casing at 1100' and cementing to surface and by setting 5 1/2" casing at 6010' and cementing to 900.'

<u>Collapse Factor</u>	<u>Burst Factor</u>	<u>Tension Factor</u>
1.125	1.125	1.6

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11 Pressure control Equipment:

Exhibit "E-1" - An 11 $\frac{3}{4}$ " 3000 PSI working pressure B.O.P. consisting of a one set of blind rams and one set of pipe rams and a 3000 psi annular-type preventor. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. 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. Below intermediate casing shoe, BOP will be 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 3000 psi BOP system.

Test BOP equipment and choke manifold to 250 psi low and 3000 psi high and annular BOP to 250 psi low and 1500 psi high by an independent service company.

12 Testing, Logging and Coring Program:

- A. Mud logging No mud logging program.
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / CAL / GR
- C. No DSTs or cores are planned at this time.

13 Potential Hazards:

No abnormal pressures or temperatures are expected. The area has a potential H₂S hazard. An H₂S drilling plan is attached. Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

Estimated BHP **2300 psi** Estimated BHT **110°**

- 14 Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved.

Drilling expected to take 20-25 days

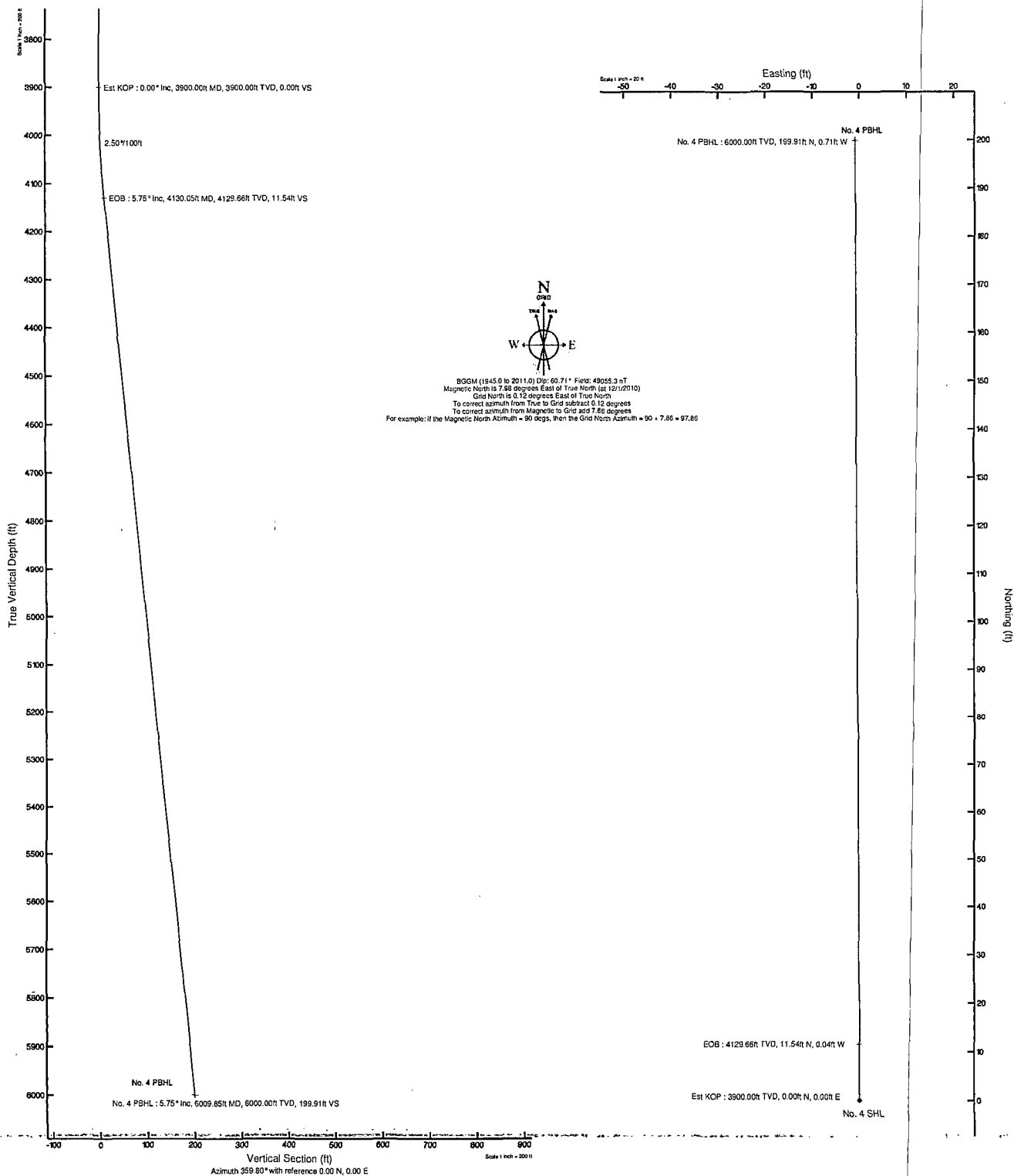
If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15 Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals.

Yeso pay will be perforated and stimulated.

The proposed well will be tested and potentialized as an oil well.





Planned Wellpath Report

Prelim_2
Page 1 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No. 4 SHL
Area	Eddy County, NM	Well	No. 4
Field	(Bluetail) Sec 8,T17S, R29E	Wellbore	No. 4 PWB
Facility	Bluetail 8 Fed No.4		

REPORT SETUP INFORMATION

Projection System	NAD83 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect® 2.0
North Reference	Grid	User	Gomeoscr
Scale	0.999915	Report Generated	12/8/2010 at 10:47:07 AM
Convergence at slot	0.12° East	Database/Source file	WA Midland/No. 4_PWB.xml

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude
Slot Location	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W
Facility Reference Pt			611597.90	673498.90	32°51'04.548"N	104°06'16.342"W
Field Reference Pt			612258.60	673289.20	32°51'02.458"N	104°06'08.602"W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on No. 3 SHL (RT) to Facility Vertical Datum	0.00ft
Horizontal Reference Pt	Slot	Rig on No. 3 SHL (RT) to Mean Sea Level	3649.00ft
Vertical Reference Pt	Rig on No. 3 SHL (RT)	Facility Vertical Datum to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 3 SHL (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	359.80°



Planned Wellpath Report

Prelim 2
Page 2 of 3



INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No. 4 SHL
Area	Eddy County, NM	Well	No. 4
Field	(Bluetail) Sec 8,T17S, R29E	Wellbore	No. 4 PWB
Facility	Bluetail 8 Fed No.4		

WELLPATH DATA (63 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00	0.000	359.796	0.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	Tie On
100.00†	0.000	359.796	100.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
200.00†	0.000	359.796	200.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
300.00†	0.000	359.796	300.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
400.00†	0.000	359.796	400.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
500.00†	0.000	359.796	500.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
600.00†	0.000	359.796	600.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
700.00†	0.000	359.796	700.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
800.00†	0.000	359.796	800.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
900.00†	0.000	359.796	900.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1000.00†	0.000	359.796	1000.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1100.00†	0.000	359.796	1100.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1200.00†	0.000	359.796	1200.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1300.00†	0.000	359.796	1300.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1400.00†	0.000	359.796	1400.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1500.00†	0.000	359.796	1500.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1600.00†	0.000	359.796	1600.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1700.00†	0.000	359.796	1700.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1800.00†	0.000	359.796	1800.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
1900.00†	0.000	359.796	1900.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2000.00†	0.000	359.796	2000.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2100.00†	0.000	359.796	2100.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2200.00†	0.000	359.796	2200.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2300.00†	0.000	359.796	2300.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2400.00†	0.000	359.796	2400.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2500.00†	0.000	359.796	2500.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2600.00†	0.000	359.796	2600.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2700.00†	0.000	359.796	2700.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2800.00†	0.000	359.796	2800.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
2900.00†	0.000	359.796	2900.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3000.00†	0.000	359.796	3000.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3100.00†	0.000	359.796	3100.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3200.00†	0.000	359.796	3200.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3300.00†	0.000	359.796	3300.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3400.00†	0.000	359.796	3400.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3500.00†	0.000	359.796	3500.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3600.00†	0.000	359.796	3600.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3700.00†	0.000	359.796	3700.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3800.00†	0.000	359.796	3800.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	
3900.00	0.000	359.796	3900.00	0.00	0.00	0.00	611597.90	673498.90	32°51'04.548"N	104°06'16.342"W	0.00	Est KOP
4000.00†	2.500	359.796	3999.97	2.18	2.18	-0.01	611597.89	673501.08	32°51'04.569"N	104°06'16.342"W	2.50	
4100.00†	5.000	359.796	4099.75	8.72	8.72	-0.03	611597.87	673507.62	32°51'04.634"N	104°06'16.342"W	2.50	
4130.05	5.751	359.796	4129.66	11.54	11.54	-0.04	611597.86	673510.44	32°51'04.662"N	104°06'16.342"W	2.50	EOB
4200.00†	5.751	359.796	4199.26	18.55	18.55	-0.07	611597.83	673517.44	32°51'04.731"N	104°06'16.342"W	0.00	
4300.00†	5.751	359.796	4298.76	28.57	28.57	-0.10	611597.80	673527.46	32°51'04.830"N	104°06'16.342"W	0.00	



Planned Wellpath Report

Prelim_2
Page 3 of 3



REFERENCE WELLPATH IDENTIFICATION				
Operator	Cimarex Energy Co.	Slot	No. 4 SHL	
Area	Eddy County, NM	Well	No. 4	
Field	(Bluetail) Sec 8,T17S, R29E	Wellbore	No. 4 PWB	
Facility	Bluetail 8 Fed No.4			

WELLPATH DATA (63 stations) † = interpolated/extrapolated station												
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
4400.00†	5.751	359.796	4398.26	38.59	38.59	-0.14	611597.76	673537.48	32°51'04.929"N	104°06'16.342"W	0.00	
4500.00†	5.751	359.796	4497.75	48.61	48.61	-0.17	611597.73	673547.50	32°51'05.028"N	104°06'16.342"W	0.00	
4600.00†	5.751	359.796	4597.25	58.63	58.63	-0.21	611597.69	673557.52	32°51'05.128"N	104°06'16.343"W	0.00	
4700.00†	5.751	359.796	4696.74	68.65	68.65	-0.24	611597.66	673567.54	32°51'05.227"N	104°06'16.343"W	0.00	
4800.00†	5.751	359.796	4796.24	78.67	78.67	-0.28	611597.62	673577.56	32°51'05.326"N	104°06'16.343"W	0.00	
4900.00†	5.751	359.796	4895.74	88.69	88.69	-0.32	611597.58	673587.58	32°51'05.425"N	104°06'16.343"W	0.00	
5000.00†	5.751	359.796	4995.23	98.71	98.71	-0.35	611597.55	673597.60	32°51'05.524"N	104°06'16.343"W	0.00	
5100.00†	5.751	359.796	5094.73	108.73	108.73	-0.39	611597.51	673607.62	32°51'05.623"N	104°06'16.343"W	0.00	
5200.00†	5.751	359.796	5194.23	118.75	118.75	-0.42	611597.48	673617.64	32°51'05.722"N	104°06'16.344"W	0.00	
5300.00†	5.751	359.796	5293.72	128.78	128.77	-0.46	611597.44	673627.66	32°51'05.822"N	104°06'16.344"W	0.00	
5400.00†	5.751	359.796	5393.22	138.80	138.80	-0.49	611597.41	673637.68	32°51'05.921"N	104°06'16.344"W	0.00	
5500.00†	5.751	359.796	5492.72	148.82	148.82	-0.53	611597.37	673647.70	32°51'06.020"N	104°06'16.344"W	0.00	
5600.00†	5.751	359.796	5592.21	158.84	158.84	-0.56	611597.34	673657.72	32°51'06.119"N	104°06'16.344"W	0.00	
5700.00†	5.751	359.796	5691.71	168.86	168.86	-0.60	611597.30	673667.74	32°51'06.218"N	104°06'16.344"W	0.00	
5800.00†	5.751	359.796	5791.21	178.88	178.88	-0.64	611597.26	673677.76	32°51'06.317"N	104°06'16.345"W	0.00	
5900.00†	5.751	359.796	5890.70	188.90	188.90	-0.67	611597.23	673687.78	32°51'06.417"N	104°06'16.345"W	0.00	
6000.00†	5.751	359.796	5990.20	198.92	198.92	-0.71	611597.19	673697.80	32°51'06.516"N	104°06'16.345"W	0.00	
6009.85	5.751	359.796	6000.00†	199.91	199.91	-0.71	611597.19	673698.79	32°51'06.525"N	104°06'16.345"W	0.00	No. 4 PBHL

HOLE & CASING SECTIONS Ref Wellbore: No. 4 PWB Ref Wellpath: Prelim_2									
String/Diameter	Start MD [ft]	End MD [ft]	Interval [ft]	Start TVD [ft]	End TVD [ft]	Start N/S [ft]	Start E/W [ft]	End N/S [ft]	End E/W [ft]
8.625in Casing Intermediate	0.00	1100.00	1100.00	0.00	1100.00	0.00	0.00	0.00	0.00
7.875in Open Hole	1100.00	6009.85	4909.85	1100.00	6000.00	0.00	0.00	199.91	-0.71

TARGETS									
Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Shape
1) No. 4 PBHL	6009.85	6000.00	199.91	-0.71	611597.19	673698.79	32°51'06.525"N	104°06'16.345"W	point

SURVEY PROGRAM Ref Wellbore: No. 4 PWB Ref Wellpath: Prelim_2				
Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
0.00	6009.85	NaviTrak (Standard)		No. 4 PWB

SR & A

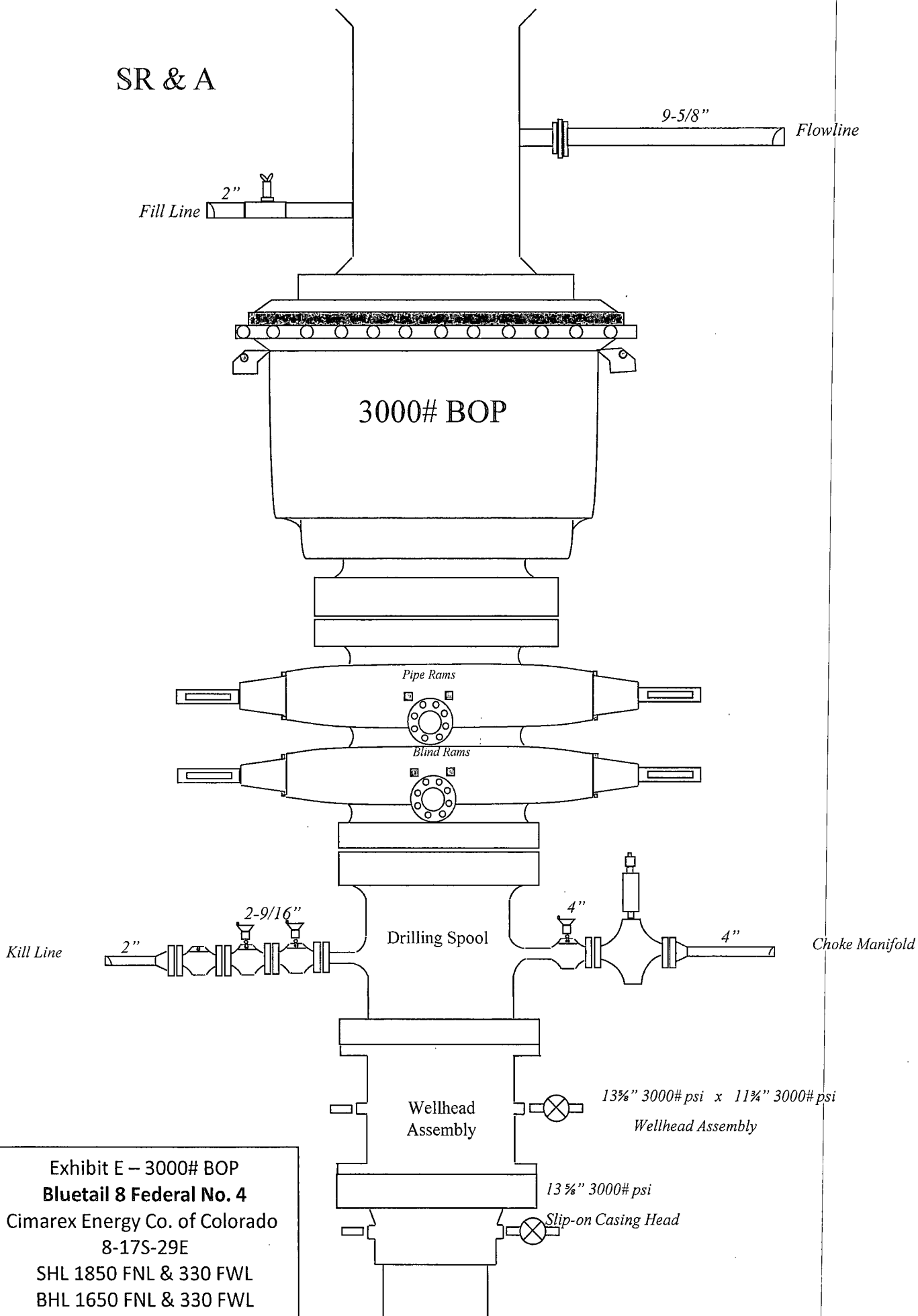


Exhibit E – 3000# BOP
Bluetail 8 Federal No. 4
Cimarex Energy Co. of Colorado
8-17S-29E
SHL 1850 FNL & 330 FWL
BHL 1650 FNL & 330 FWL
Eddy County, NM

Drilling Operations Choke Manifold 3M Service

Exhibit E-1 – Choke Manifold Diagram

Bluetail 8 Federal No. 4

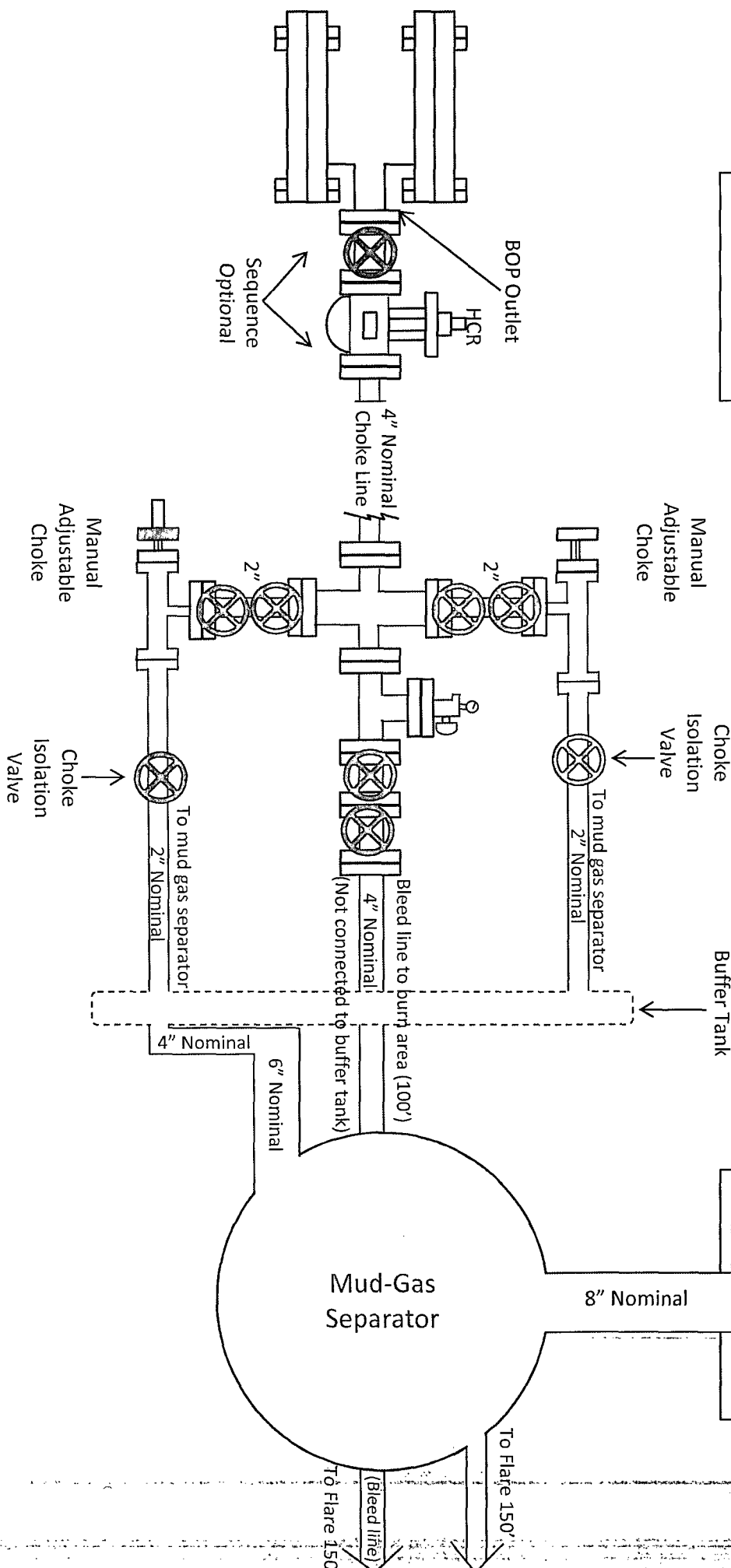
Cimarex Energy Co. of Colorado

8-17S-29E

SHL 1850 FNL & 330 FWL

BHL 1650 FNL & 330 FWL

Eddy County, NM



DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator CIMAREX ENERGY CO. of COLORADO OGRID # 162683
 38549 Well Name & # BLUBTAIL 8 FEDERAL Surface Type (F) (S) (P)
 Location: UL , Sect 8, Township 12 s, RNG 29 e, Sub-surface Type (F) (S) (P)

A. Date C101 rec'd / / C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID X, BONDING FED, PROP CODE X, WELL # , SIGNATURE

2. Inactive Well list as of: 4/1/11 # wells , # Inactive wells

a. District Grant APD but see number of inactive wells:

No letter required X; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 4/1/11

a. District Denial because operator needs addition bonding:

No Letter required X; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required X; Sent Letter to Operator , To Santa Fe

C. C102 YES , NO , Signature

1. Pool EMPIRE, LORIETA, YES, EAST, Code 96610

a. Dedicated acreage 40, What Units F

b. SUR. Location Standard X; Non-Standard Location

c. Well shares acres: Yes X, No , # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes , No X

a. Dedicated acreage , What Units

b. Bottomhole Location Standard , Non-Standard Bottomhole

4. Downhole Commingle: Yes , No X

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No FED

D. Blowout Preventer Yes X, No

E. H2S Yes , No , Part of FED APD

F. C144 Pit Registration Yes , No

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No X, NSL #

2. Non-Standard Proration: Yes , No X, NSP #

3. Simultaneous Dedication: Yes , No X, SD #

Number of wells Plus #

4. Injection order Yes , No X; PMX # or WFX #

5. SWD order Yes , NO X; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date / /

API #30-0 19-38655

8. Reviewers