

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address CIMAREX ENERGY CO. OF COLORADO 5215 N. O'CONNOR BLVD. IRVING, TX 75039		2. OGRID Number 162683
		3. API Number 30-025-38300
4. Property Code 35758	5. Property Name PENNZOIL B 36 STATE	6. Well No. 002

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	36	19S	33E	J	2310	S	1980	E	LEA

**8. Pool Information**

APACHE RIDGE, BONE SPRING	2260
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3605
14. Multiple N	15. Proposed Depth 11000	16. Formation Bone Spring	17. Contractor	18. Spud Date 4/15/2007
Depth to Ground water 50		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 12000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	1400	650	0
Int1	11	8.625	32	3500	875	0
Prod	7.875	5.5	17	11000	1425	0

**Casing/Cement Program: Additional Comments**

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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. <b>I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>.</b>	<b>OIL CONSERVATION DIVISION</b>
	Approved By: Chris Williams
Printed Name: Electronically filed by Zeno Farris	Title: District Supervisor
Title: Manager Operations Administration	Approved Date: 3/22/2007   Expiration Date: 3/22/2008
Email Address: zfarris@magnumhunter.com	
Date: 2/14/2007   Phone: 972-443-6489	Conditions of Approval Attached

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102  
 Permit 46319

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38300	2. Pool Code 2260	3. Pool Name APACHE RIDGE,BONE SPRING
4. Property Code 35758	5. Property Name PENNZOIL B 36 STATE	6. Well No. 002
7. OGRID No. 162683	8. Operator Name CIMAREX ENERGY CO. OF COLORADO	9. Elevation 3605

**10. Surface Location**

UL - Lot J	Section 36	Township 19S	Range 33E	Lot Idn	Feet From 2310	N/S Line S	Feet From 1980	E/W Line E	County LEA
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

	<b>OPERATOR CERTIFICATION</b>
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Zeno Farris          Title: Manager Operations Administration          Date: 2/14/2007</p>
	<b>SURVEYOR CERTIFICATION</b>
	<p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By: Gary Jones          Date of Survey: 2/5/2007          Certificate Number: 7977</p>

## Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: PENNZOIL B 36 STATE #002

API: 30-025-38300

Created By	Comment	Comment Date
NKRUEGER	C-144 will be emailed to Donna Mull.	2/8/2007
NKRUEGER	Cimarex's calculated H2S ROE of 27' at 100 ppm and 12' at 500 ppm does not meet the OCD's minimum requirements for submission of an H2S contingency plan.	2/8/2007
DMULL	Well location is in the Potash area. Plat showing Potash lessees, letter to Potash lessees and certified receipt are required.	3/8/2007

# Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: PENNZOIL B 36 STATE #002

API: 30-025-38300

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
DMULL	Will requires Potash sign-off from the Bureau of Land Management and the State Land Office before the API can be assigned.
DMULL	Will requires Potash Lessees plat of the area showing the potash lessees.
DMULL	Will requires letter from operator to Potash Lessees and certified mail receipt.
DMULL	OCD has received sign-off from the Bureau of Land Management and the State Land Office.