

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 30-015-35924
4. Property Code 36829	5. Property Name HAYSTACK 32 STATE COM	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	32	16S	29E	N	990	S	1650	W	EDDY

8. Pool Information

EMPIRE; MORROW, SOUTH (GAS)	76400
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3637
14. Multiple N	15. Proposed Depth 10800	16. Formation Morrow	17. Contractor	18. Spud Date 1/1/2008
Depth to Ground water 62		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 type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	220	340	0
Int1	11	8.625	24	2650	575	0
Prod	7.875	5.5	17	10800	1020	1300

Casing/Cement Program: Additional Comments

Complete mud, casing, cement, and BOP details will be emailed to Bryan Arrant.

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. 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"/>.	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Zeno Farris	Approved By: Bryan Arrant
Title: Manager Operations Administration	Title: Geologist
Email Address: zfarris@magnnumhunter.com	Approved Date: 11/13/2007 Expiration Date: 11/13/2008
Date: 11/12/2007 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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Santa Fe, NM 87505

Form C-102
 Permit 63970

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35924	2. Pool Code 76400	3. Pool Name EMPIRE; MORROW, SOUTH (GAS)
4. Property Code 36829	5. Property Name HAYSTACK 32 STATE COM	6. Well No. 001
7. OGRID No. 162683	8. Operator Name CIMAREX ENERGY CO. OF COLORADO	9. Elevation 3637

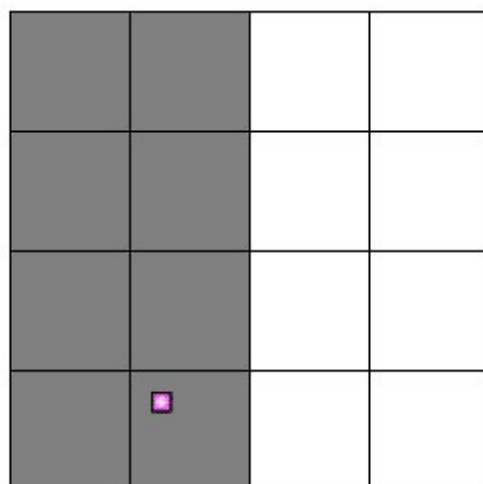
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	32	16S	29E		990	S	1650	W	EDDY

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 320.00		13. Joint or Infill		14. Consolidation Code Communitization		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



OPERATOR CERTIFICATION

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.

E-Signed By: Zeno Farris
 Title: Manager Operations Administration
 Date: 11/12/2007

SURVEYOR CERTIFICATION

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.

Surveyed By: Gary L. Jones
 Date of Survey: 11/2/2007
 Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: HAYSTACK 32 STATE COM #001

API: 30-015-35924

Created By	Comment	Comment Date
NKRUEGER	C-144 and H2S statement will be emailed to Bryan Arrant.	11/12/2007

Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683

Well: HAYSTACK 32 STATE COM #001

API: 30-015-35924

OCD Reviewer	Condition
BArrant	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
BArrant	Operator to set surface casing above the Salado. Please refer to offset geology for more information.
BArrant	As noted, operator to drill surface hole w/fresh water mud.