State of New Mexico

Form C-101 Permit 117268

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 | 2. OGRID Number | | |
|------------------|-------------------------|-----------------|--|--|
| CIMAREX ENER | 162683 | | | |
| 13.50 Table | TH STREET A.OK 74103 | 3. API Number | | |
| 1020. | 1,010,4103 | 30-015-38002 | | |
| 4. Property Code | 5. Property Name | 6. Well No. | | |
| 38146 | CHASER 8 STATE | 004 | | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| G | 8 | 17S | 29E | G | 1650 | N | 1570 | E | EDDY |

8. Pool Information

EMPIRE; GLORIETA-YESO, EAST 96610

Additional Well Information

| | 101 | - | Idditional II CH Intol | muuu | | |
|--|-----------------|----------------|--------------------------------|---|------------------------------------|--|
| 9. Work Type New Well | 10. Wett OIL | | 11. Cable/Rotary | 12. Lesse Type State | 13. Ground Level Elevation 3609 | |
| 14. Multiple 15. Proposed De N 6000 | | | 16. Formation Paddock | 18. Spud Date 8/15/2010 | | |
| Depth to Ground | water | | Distance from nearest fresh wa | iter well | Distance to nearest surface water | |
| Liner: Synthetic Closed Loop Syste | | mils thick Cla | Pit Volume: bi | bls Drilling Method: Fresh Water X Brine I | Diesel/Oil-based Gas/Air | |

19. Proposed Casing and Cement Program

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 16 | 11.75 | 42 | 450 | 400 | 0 |
| Int1 | 11 | 8.625 | 24 | 1100 | 500 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 6000 | 1330 | 900 |

Casing/Cement Program: Additional Comments

All mud, casing, cement, and BOP details will be emailed to Artesia OCD.

Proposed Blowout Prevention Program

| <u> </u> | | | 602 |
|-----------|------------------|---------------|--------------|
| Type | Working Pressure | Test Pressure | Manufacturer |
| DoubleRam | 5000 | 5000 | Cameran |

| of my knowledge and belief. | given above is true and complete to the best pit will be constructed according to | OIL CONSERVATION DIVISION | | | | |
|------------------------------|--|---------------------------------|----------------------------|--|--|--|
| | permit , or an (attached) alternative | Approved By: Randy Dade | | | | |
| Printed Name: Electronically | filed by Zeno Farris | Title: District Supervisor | | | | |
| Title: Manager Operations A | dministration | Approved Date: 7/28/2010 | Expiration Date: 7/28/2012 | | | |
| Email Address: zfarris@magn | umhunter.com | | | | | |
| Date: 7/15/2010 | 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

State of New Mexico

Form C-102 Permit 117268

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number 30-015-38002 | | | . Pool Name ORIETA-YESO, EAST | |
|-------------------------------|------------------|--------------|----------------------------------|--|
| 4. Property Code | 5. Property Name | | 6. Wett No. | |
| 38146 | CHASER 8 STATE | | 004 | |
| 7. OGRID No. | 8. Operato | 9. Elevation | | |
| 162683 | CIMAREX ENERGY C | 3609 | | |

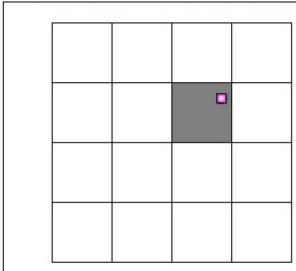
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| G | 8 | 17S | 29E | | 1650 | N | 1570 | E | EDDY |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot | Idn | Feet From | N/S L | ine | Feet From | E/W Line | County |
|---|-------------|----------|-----------------|-----|-----|-------------------|-------|-----|-----------|---------------|--------|
| V. 100 100 100 100 100 100 100 100 100 10 | cated Acres | 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



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: 7/15/2010

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: 5/21/2010 Certificate Number: 7977

Permit Comments

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683 Well: CHASER 8 STATE #004

API: 30-015-38002

| Created By | Comment | Comment Date | | |
|------------|---|--------------|--|--|
| NKRUEGER | C-144 and H2S statement will be emailed to Artesia OCD. | 7/13/2010 | | |
| pkautz | requires NSL | 7/16/2010 | | |

Permit Conditions of Approval Operator: CIMAREX ENERGY CO. OF COLORADO , 162683 Well: CHASER 8 STATE #004

API: 30-015-38002

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| Artesia | Will require administrative order for non-standard location |
| Artesia | Can not produce well untill an admistrative order for NSL is approved |