

|                                                                                                       |                                      |                               |
|-------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>CIMAREX ENERGY CO. OF COLORADO<br>15 E 5TH STREET<br>TULSA , OK 74103 |                                      | 2. OGRID Number<br>162683     |
|                                                                                                       |                                      | 3. API Number<br>30-015-38042 |
| 4. Property Code<br>38247                                                                             | 5. Property Name<br>CLUBTAIL 5 STATE | 6. Well No.<br>003            |

|               |              |                 |              |              |                   |               |                  |               |                |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>I | Section<br>5 | Township<br>17S | Range<br>29E | Lot Idn<br>I | Feet From<br>1750 | N/S Line<br>S | Feet From<br>660 | E/W Line<br>E | County<br>EDDY |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|

|                             |       |
|-----------------------------|-------|
| EMPIRE: GLORIETA-YESO, EAST | 96610 |
|-----------------------------|-------|

|                                                                                                                                                                                                                                                                                                                                                |                            |                                        |                         |                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 9. Work Type<br>New Well                                                                                                                                                                                                                                                                                                                       | 10. Well Type<br>OIL       | 11. Cable/Rotary                       | 12. Lease Type<br>State | 13. Ground Level Elevation<br>3609 |
| 14. Multiple<br>N                                                                                                                                                                                                                                                                                                                              | 15. Proposed Depth<br>6000 | 16. Formation<br>Paddock               | 17. Contractor          | 18. Spud Date<br>8/15/2010         |
| Depth to Ground water                                                                                                                                                                                                                                                                                                                          |                            | Distance from nearest fresh water well |                         | Distance to nearest surface water  |
| Pit: Liner: Synthetic <input type="checkbox"/> miles thick    Clay <input type="checkbox"/> Pit Volume:      bbls    Drilling Method:<br>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"/> |                            |                                        |                         |                                    |

| 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           |

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

|           |                  |               |              |
|-----------|------------------|---------------|--------------|
| Type      | Working Pressure | Test Pressure | Manufacturer |
| DoubleRam | 5000             | 5000          | Cameran      |

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

Form C-102  
 Permit 117839

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                                    |                                             |
|-------------------------------|----------------------------------------------------|---------------------------------------------|
| 1. API Number<br>30-015-38042 | 2. Pool Code<br>96610                              | 3. Pool Name<br>EMPIRE; GLORIETA-YESO, EAST |
| 4. Property Code<br>38247     | 5. Property Name<br>CLUBTAIL 5 STATE               | 6. Well No.<br>003                          |
| 7. OGRID No.<br>162683        | 8. Operator Name<br>CIMAREX ENERGY CO. OF COLORADO | 9. Elevation<br>3609                        |

**10. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| I        | 5       | 17S      | 29E   |         | 1750      | S        | 660       | E        | 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<br>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**

|  |  |  |  |
|--|--|--|--|
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|  |  |  |  |
|  |  |  |  |

**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: 7/23/2010

**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: 6/28/2010  
 Certificate Number: 7977

## Permit Comments

**Operator:** CIMAREX ENERGY CO. OF COLORADO , 162683

**Well:** CLUBTAIL 5 STATE #003

**API:** 30-015-38042

| Created By | Comment                                                       | Comment Date |
|------------|---------------------------------------------------------------|--------------|
| NKRUEGER   | C-102, C-144, and H2S statement to be emailed to Artesia OCD. | 7/23/2010    |

# Permit Conditions of Approval

**Operator:** CIMAREX ENERGY CO. OF COLORADO , 162683

**Well:** CLUBTAIL 5 STATE #003

**API:** 30-015-38042

| OCD<br>Reviewer | Condition                                                                                                                                                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Artesia         | 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 |