### State of New Mexico

Form C-101 Permit 126883

## **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

|                           | or Name and Address<br>RGY CO. OF COLORADO | 2. OGRID Number<br>162683     |  |
|---------------------------|--|-------------------------------|--|
|                           | J. Marienfeld St<br>and, TX 79701          | 3. API Number<br>30-025-40040 |  |
| 4. Property Code<br>35401 | 5. Property Name<br>QUAIL RIDGE 32 STATE   | 6. Wett No.<br>003            |  |

#### 7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| I        | 32      | 198      | 34E   | I       | 1650      | S        | 330       | E        | LEA    |

#### 8. Pool Information

| AP | ACHE RIDGE;BONE SPRING | 2260 |
|----|------------------------|------|
|    |                        |      |

#### Additional Well Information

| 9. Work Type<br>New Well                | 10. Well Type<br>OIL |                               |  | 13. Ground Level Elevation<br>3661 |  |
|---|----------------------|-------------------------------|--|------------------------------------|--|
| 14. Multiple<br>N                       | 15. Proposed Dept    | h 16. Formation Bone Spring   |  |                                    |  |
| Depth to Ground                         | water                | Distance from nearest fresh w | ater well                                      | Distance to nearest surface water  |  |
| Pit: Liner: Synthetic Closed Loop Syste | mils the             | ck Clay Pit Volume: 1         | obls Drilling Method:<br>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 | 17.5      | 13.375      | 48               | 1350          | 1080            | 0             |
| Int1 | 12.25     | 9.625       | 40               | 5400          | 1760            | 0             |
| Prod | 8.75      | 7           | 26               | 9600          | 1665            | 5300          |
| Prod | 8.75      | 5.5         | 17               | 15321         | 0               |               |

#### Casing/Cement Program: Additional Comments

Drill 8.75" pilot hole to 11000 and log. Set 191 sx Halcem H cmt plug from 10470-11000. Drill through cement and kick off 8.75" lateral @ 10530 and drill to TD 15321 MD, 10816 TVD. Set dual 7" and 5.5" casing string. 7" from 0-9600 and 5.5" from 9600-15321 Cement liner.

Proposed Blowout Prevention Program

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| D 11 D    | 5000             | 5000          | C            |
| DoubleRam | 2000             | 3000          | Cameran      |

| 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 | OIL CONSERVATION DIVISION                         |  |  |  |
|--|---|--|--|--|
| NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .   | Approved By: Paul Kautz                           |  |  |  |
| Printed Name: Electronically filed by Zeno Farris  | Title: Geologist                                  |  |  |  |
| Title: Manager Operations Administration   | Approved Date: 2/9/2011 Expiration Date: 2/9/2013 |  |  |  |
| Email Address: zfarris@cimarex.com   |   |  |  |  |
| Date: 2/8/2011 Phone: 432-620-1936   | 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 126883

## 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    | 17.7 (T. T. T |  | 3. Pool Name<br>IDGE;BONE SPRING |  |              |
|------------------|--|--|----------------------------------|--|--------------|
| 30-025-40040     |  |  |                                  |  |              |
| 4. Property Code | 5. Property Name                               |  | 6. Wett No.                      |  |              |
| 35401            | QUAIL RIDGE 32 STATE                           |  | 003                              |  |              |
| 7. OGRID No.     | Operator Name     9. Elevation                 |  | 8. Operator Name                 |  | 9. Elevation |
| 162683           | CIMAREX ENERGY CO. OF COLORADO 3661            |  |                                  |  |              |

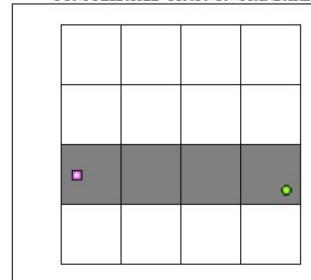
#### 10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn          | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|------------------|-----------|----------|-----------|----------|--------|
| I        | 32      | 198      | 34E   | In the second of | 1650      | S        | 330       | E        | LEA    |

#### 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 |
|---|---------------------|----------|----------------|---------|-----------------|----------|-----------|---------------|--------|
| L                                       | 32                  | 198      | 34E            | L       | 1980            | S        | 330       | W             | LEA    |
| 200000000000000000000000000000000000000 | cated Acres<br>0.00 | 13. J    | oint 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: 2/8/2011

#### 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: 12/22/2010 Certificate Number: 7977

## **Permit Comments**

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683 Well: QUAIL RIDGE 32 STATE #003 API: 30-025-40040

| Created<br>By | Comment   | Comment<br>Date |
|---------------|---|-----------------|
| NKRUEGER      | C-102, C-144, and preliminary directional plan to be emailed to Hobbs OCD.  | 2/8/2011        |
| NKRUEGER      | Cimarex Energy Co. of Colorado does not anticipate that there will be enough H2S from the<br>surface to the Bone Spring formation to meet the OCD's minimum requirements for the<br>submission of a contingency plan for this test. | 2/8/2011        |
| pkautz        | Land S/S  | 2/9/2011        |

# Permit Conditions of Approval

Operator: CIMAREX ENERGY CO. OF COLORADO , 162683 Well: QUAIL RIDGE 32 STATE #003 API: 30-025-40040

| OCD<br>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 |