

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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-101
August 1, 2011
Permit 181030

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

| | | |
|--|--|-------------------------------|
| 1. Operator Name and Address CIMAREX ENERGY CO. OF COLORADO 202 S. Cheyenne Ave, Ste 1000 Tulsa, OK 74103 | | 2. OGRID Number 162683 |
| 4. Property Code 300545 | | 3. API Number 30-025-41662 |
| 5. Property Name RED HILLS UNIT | | 6. Well No. 013H |

7. Surface Location

| | | | | | | | | | |
|----------------------|----------------------|------------------------|---------------------|---------|-------------------------|----------------------|--------------------------|----------------------|----------------------|
| UL - Lot B | Section 32 | Township 25S | Range 33E | Lot Idn | Feet From 160 | N/S Line N | Feet From 2200 | E/W Line E | County Lea |
|----------------------|----------------------|------------------------|---------------------|---------|-------------------------|----------------------|--------------------------|----------------------|----------------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|----------------------|----------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|
| UL - Lot O | Section 32 | Township 25S | Range 33E | Lot Idn O | Feet From 330 | N/S Line S | Feet From 2200 | E/W Line E | County Lea |
|----------------------|----------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|

9. Pool Information

| | |
|-------------------------------------|-------|
| WC-025 G-06 S253329D;UPPER BONE SPR | 97994 |
|-------------------------------------|-------|

Additional Well Information

| | | | | |
|----------------------------------|------------------------------------|--|--------------------------------|---|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3403 |
| 16. Multiple N | 17. Proposed Depth 13835 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 5/1/2014 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 1045 | 800 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 4925 | 1430 | 0 |
| Prod | 8.75 | 5.5 | 17 | 13835 | 1887 | 4725 |

Casing/Cement Program: Additional Comments

Drill pilot hole to 10300' and log. Set OH whipstock w/ 1470' of 2-7/8" tbg & pump 30 bbls Mudpush @ 12 ppg, followed by 680 sx of Class H cmt, dispersant 0.080 gals/sk, retarder 0.045 gals/sk @ 17.5 ppg, 0.94 cu ft/sk & 0% excess from pilot hole TD to KOP @ 8773'. KO lateral & drill through the curve to TD @ 13835 MD, 9250 TVD. Run 5-1/2" csg to TD and cement.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 2000 | 2000 | Cameran |
| Double Ram | 3000 | 3000 | Cameran |

| | |
|--|---|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: _____ Printed Name: Electronically filed by TERRI STATHEM Title: Coord. Regulatory Compl Email Address: tstatthem@cmarex.com Date: 2/5/2014 | OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 2/14/2014 Expiration Date: 2/14/2016 Conditions of Approval Attached |
| Phone: 918-295-1763 | |

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Phone (505) 476-3450 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | | | |
|------------------------------|--|-----------|---|--|
| API Number 30-025- | | Pool Code | Pool Name Bone Spring Wildcat | |
| Property Code | Property Name RED HILLS UNIT | | Well Number 10H | |
| GRID No. 162683 | Operator Name CIMAREX ENERGY CO. | | Elevation 3403' | |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| D | 32 | 25 S | 33 E | | 160 | NORTH | 1300 | WEST | LEA |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| M | 32 | 25 S | 33 E | | 330 | SOUTH | 440 | WEST | LEA |

| | | | |
|-------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | 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

| | | |
|--|---|--|
| <p>Surface Location Lat - N 32°05'37.99" Long - W 103°35'55.20" NAD83 - N 398865.2 E 768849.1 (NAD-83)</p> <p>Proposed Bottom Hole Location Lat - N 32°04'50.56" Long - W 103°36'05.21" NAD83 - N 393866.4 E 768020.5 (NAD-83)</p> | <p>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 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.</p> <p><i>Paula Brunson</i> 1/22/2014 Signature Date Paula Brunson Printed Name pbrunson@cimarex.com Email Address</p> | |
| | <p>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.</p> <p>November 12, 2013 Date Surveyed Signature & Seal of Professional Surveyor </p> | |
| | <p>Certificate No. 7977 Basin Surveys</p> | |
| | <p>Scale: 1" = 1000' WO Num.: 29683</p> | |

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Form APD Comments

 Permit 181030

PERMIT COMMENTS

| | | |
|---|----------|-------------------------------|
| Operator Name and Address: CIMAREX ENERGY CO. OF COLORADO [162683] 202 S. Cheyenne Ave, Ste 1000 Tulsa, OK 74103 | | API Number: 30-025-41662 |
| | | Well: RED HILLS UNIT #013H |
| Created By | Comment | Comment Date |
| pkautz | Land s/S | 2/5/2014 |

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Form APD Conditions

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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PERMIT CONDITIONS OF APPROVAL

| | |
|---|-------------------------------|
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| | Well: RED HILLS UNIT #013H |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | Will require a directional survey with the C-104 |
| 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 |
| 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 |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |