Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800

Brooks

RECEIVED OCD

2012 AUG -8 P 12: 3



August 2, 2012

Via: U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 8973 Oil Conservation Division Attn: Florenc Devides:

Oil Conservation Division Attn: Florene Davidson 1220 South St. Frances Drive Santa Fe, New Mexico 87505

RE: Well Proposal under Force Pooling Orders

Louisiana 1 Fee No. 1, 2, 5 and 6

Dear Ms. Davidson,

Pursuant to the orders of the Division, R-13588, enclosed are the well proposals sent to Yates Petroleum Corporation. These orders pertain to the W/2SE/4, E/2SW/4 of Section 1, Township 19 South, Range 25 East, Eddy County, New Mexico, N.M.P.M.

Sincerely,

Hilary R. Coder Petroleum Landman

Direct line: 432-571-7887

Cimarex Energy Co.

600 N. Marienfeld St.

Suite 600

Midland, Texas 79701

PHONE 432,571,7800



August 2, 2012

U.S. Certified Mail-Return Receipt No. 91 7108 2133 3938 9332 8997

And Facsimile: (575) 748-4572

Yates Petroleum Corporation Abo Petroleum Corporation MYCO Industries, Inc. Attn: Land Manager 105 S 4th Street

Artesia, New Mexico 88210

Re: Well Proposal under Force Pooling Orders - Louisiana 1 Fee No. 1, 2, 5 and 6

Township 19 South, Range 25 East, N.M.P.M.

Section 1: W/2SE/4, E/2SW/4 Eddy County, New Mexico

To Whom it May Concern,

Enclosed herewith is an itemized schedule of estimated costs to drill, complete and equip the above captioned wells (the "Wells"). If Yates Petroleum Corporation ("Yates") would like to participate in the Well as a pooled working interest owner, send a check for Yates's share of well costs to the undersigned within 30 days of your receipt of this letter. Failure to pay your share of estimated well costs will results in Yates being a non-consenting working interest owner in the Well.

A copy of the Compulsory Pooling Order No. R-13588 is enclosed for your reference.

Regards,

Cimarex Energy Co.

Hilary R. Code Petroleum Landman

> Cc: Oil Conservation Division Attn: Florene Davidson

1220 South St. Frances Drive Sante Fe. New Mexico 87505

James Bruce



Company Entity Cimarex Energy C						Date Prepared		y 8, 2012	
Region	Well Name	Walling	Prospect or Field	Nama	Property Number		rillind	AFE No.	100
Permian	Louisiana 1 Fee	1	Paddock Extension We		in operty Number	10.5 a. s.o. taWaa aas	7110115	AI L NO.	
1 01111011					<u></u>			-14	
Location'	The second of th		Côunty'.	BUAL	State 🦈 🔑		Access to the same of	Well -	5,5000
			Eddy		NM	Oil Gas	X	Expl Prod	Х
	2 S 2014/3 Sc	Rolling Control						Ttl Méasu	
Estimate Type Original Estimate			st.Start Date	i de la	st. Comp Date, San A	Penasco Draw			000, Lete belottiss
Revised Estimate						Andres-Yes Associated P	l l		al Depth
Supplemental Est	imate O					Associated P	001	j: 5,0	
Project Description	e a 3000' Blinebry/Paddock vertice			1	The state of the s			*	
Drill and Complet	e a 3000 Billebi y/Faddock Vertic	ai Well						1	
					•				
	,				_				
Intonsibles			Dry Holo Cor		After Casing P	oint	Com	pleted Wel	I Cost
Intangibles Drilling Costs			Dry Hole Cos \$427,000		After Casing P	OIIIL	Com	\$427,000	i cust
Completion Costs					\$1,646,000			\$1,646,000	
Total Intangible	Costs		\$427,000		\$1,646,000			\$2,073,000)
Tangibles									
Well Equipment Lease Equipment	**************************************		\$31,000	76778877778	\$204,000 \$20,000	·····	_	\$235,000	
Total Tangible W			<i>\$8,000,000,000,000,000,000,000,000,000,0</i>		\$224,000		-	\$255,000	
Plug and Abando	on Cost		\$30,000		-\$30,000		-	\$0	
Total Well Cost			\$488,000		\$1,840,00	0		\$2,328,000)
Comments on W	/ell Costs	er for	nsangg propagnika						
	vell or lease equipment is priced b	y COPAS an	A. C. C. T. V. C. S. S. S. S.	the Histori	Price Multiplier.				133
					•				
					with 12 th 1			******************************	
Well Control Inst	urance A A A Stock A Stock	****		elegation of the					·
Unless otherwise	indicated below, you, as a non-o						- 0		
	conducts operations hereunder a nust provide a certificate of such in						- 11	•	,
1	encement of drilling operations.								
insurance procui	red by Operator.							,	
I elect to purc	hase my own well control insurance policy.								
1	rance procured by Operator, prov				•	-	age for	well contro	ol and
related redrilling	and clean-up/pollution expense o	overing drii	lling (through completio	n) with a \$:	1,000,000 (100% W.I.) c	deductible.			
					,				
Marketing Electi	gas under arm's-length contracts	with third n	arty nurchasers. Such co	ntracts ma	y include fees. In addit	ion penalties ma	y he ir	curred for i	nsufficient
1	ed over time. Should you choose t						- 11	•	· · · · · · · · · · · · · · · · · · ·
request to Cimar	rex's Marketing Department, we w	vill share wit	th you the terms and co	nditions pu	rsuant to which gas wil	ll be sold.			
☐ I elect to take	e my gas in kind					•			
	i ket my gas with Cimarex pursuant to the te	erms and condi	itions of its contracts.						
	(;						
								:	
The above costs	FE are estimates only and anticipate	trouble free	operations without an	y foreseen	de change in plans. Th	P AT A STATE OF THE STATE OF TH		ed the estin	nated costs
without affecting	g the authorization for expenditur	e herein gra	inted. By approval of th	is AFE, the	working interest owner	r agrees to pay it	s propo	orționate sh	are of
actual legal, cura	tive, regulatory and well costs und	der term of	the joint operating agre	ement, reg	ulatory order or other	applicable agreei	ment c	overing this	well.
					·	:			
,			O:		1	//////////////////////////////////////			
Prepared by		Drilliag	Cimarex Energy d Completion Manager		**************************************	Managar	السير		
Steve Heitzman		Doug Park		PARKETERS.				·	
Occas Heitzillali	1	Doug Park	·	······································	Roger Ale	nanuel			
			Joint Interest	Approva	1 .				
Company	and the state of t	By**		MANAGE AND A	े.४. े. ॉर्स Date ∴े			Contract	



.ease Name: Louisiana 1 Fee

N/C Lease Equipment

Pipeline to Sales

Total Tangibles

P&A Costs

Total Cost

Tanks, Tanks Steps, Stairs

Battery (Heater Treater, Separator, Gas Treating Equipment)

Flow Lines (Line Pipe from wellhead to central facility)

Offshore Production Structure for Facilities

Well No.:

ntangibles , Point, Cost Codes Roads & Location Preparation / Restoration DIDC.100 \$60,000 DICC.100 \$5,000 \$65,000 \$5,000 \$5,000 DIDC.105 DICC.105 \$0 Damages Mud / Fluids Disposal Charges \$30,000 \$100,000 \$130,000 DIDC.255 DICC.235 ACP Days 15:000 Per Day \$53.000 \$15,000 \$68,000 Day Rate DIDC.115 DICC.120 \$16,000 Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.) DIDC.120 \$16,000 \$15,000 \$0 \$15,000 Bits DIDC.125 DICC.125 800 Gallons Per Day 1\$3.50 Per Gallon \$18,000 DIDC.135 \$15,000 \$3,000 Fuel \$230,000 \$255,000 Water / Completion Fluids Per Day \$25,000 DIDC.140 \$10,000 \$10,000 Mud & Additives DIDC.145 Surface Rentals 2,000 Per Day DIDC.150 \$7,000 DICC.140 \$125,000 \$132,000 \$20,000 DICC 145 \$2,000 \$22,000 Downhole Rentals DIDC.155 Formation Evaluation (DST, Coring including evaluation, G&G Services) sol \$0 DIDC.160 \$8,000 .3 Days @ \$8,000 1,500 Per Day Mud Logging DIDC.170 Open Hole Logging DIDC.180 \$0 \$0 Cementing & Float Equipment DIDC.185 \$22,000 DICC.155 \$25,000 \$47,000 \$3,000 DIDC.190 \$2,000 DICC.160 \$1,000 Tubular Inspections \$5,000 \$8,000 \$13,000 DICC.165 Casina Crews DIDC.195 \$9,000 \$5,000 \$14,000 Extra Labor, Welding, Etc. DIDC.200 DICC.170 \$5,000 Land Transporation (Trucking) DIDC 205 \$3,000 DICC.175 \$8,000 1,700 Per Day \$11,000 \$15,000 \$26,000 Supervision DIDC.210 DICC.180 Trailer House / Camp / Catering 700 Per Day DIDC.280 \$5,000 DICC.255 \$0 \$5,000 Other Misc Expenses DIDC.220 \$1,000 DICC.190 \$10,000 \$11,000 300 Per Dav \$1,000 \$2,000 \$3,000 Overhead DIDC.225 DICC.195 Remedial Cementing DIDC 231 SO DICC 215 \$0 \$0 \$50,000 \$50,000 MOB/DEMOB DIDC.240 Directional Drilling Services 0 Days @ 0 Per Day \$0 DIDC.245 \$0 Dock, Dispatcher, Crane \$0 DIDC.250 DICC.230 \$0 Marine & Air Transportation DIDC.275 \$0 DICC.250 \$0 \$0 \$16,000 Solids Control 3,500 Per Day \$16,000 DIDC.260 Well Control Equip (Snubbing Svcs.) DIDC.265 ,000 \$14,000 \$21,000 DICC.240 Fishing & Sidetrack Operations \$0 \$0 \$0 DICC.245 12 19 Days @ \$12,000 Completion Rig DICC.115 \$12,000 Days @ Coil Tubing Per Day DICC.260 \$0 \$0 Completion Logging, Perforating, WL Units, WL Surveys \$30,000 \$30,000 DICC.200 \$900,000 Stimulation DICC.210 \$900,000 Legal / Regulatory / Curative \$10,000 \$10,000 DIDC.300 S0.35 Per Foot \$1,000 \$1,000 Well Control Insurance DIDC.285 5% of Drilling Intangibles Contingency DIDC 435 \$20,000 DICC.220 \$75,000 \$95,000 Construction For Well Equipment \$15,000 \$15,000 DWEA.110 Construction For Lease Equipment \$49,000 \$49,000 DLEQ.110 Construction For Sales P/L \$0 DICC.265 \$0 \$1,646,000 \$2,073,000 Total Intangible Cost \$427,000 Tangible - Well Equip Casing Size Feet DWEB.150 Drive Pipe \$0 Conductor Pipe \$0 \$0 DWEB.130 Water String DWEB.135 \$0 \$C 8.5/8 \$29.00 Surface Casing *950:00 \$28,000 \$28,000 'DWEB.140 Intermediate Casing **DWEB.145** \$0 \$0 Drilling Liner DWEB.145 ŚO \$0 Drilling Liner \$0 Production Casing or Liner 51/2 3000.00 *\$21.00 \$63,000 \$63,000 DWEA.100 Production Tie-Back \$0 DWEA.100 \$0 DWEA.105 Tubing 247/8 2900.00 \$8.00 ~¹\$23,000 \$23,000 N/C Well Equipment DWEA.115 \$35,000 \$35,000 Wellhead, Tree, Chokes \$8,000 \$11,000 \$3,000 DWEB.115 DWEA.120 Liner Hanger, Isolation Packer \$0 \$0 \$0 DWEA.125 Packer, Nipples DWEA.130 \$0 \$0 Pumping Unit, Engine DLEQ.100 \$50,000 \$50,000 Lift Equipment (BHP) Rods, Anchors) DLEQ.105 \$25,000 \$25,000 Tangible - Lease Equipment

\$0

\$0

\$0

\$0

\$20,000

\$224,000

-\$30,000

\$1,840,000

DLEQ.115

DLEQ.120

DLEO.125

DLEQ.130

DWEA.135

DWEA.140

\$31,000

\$488,000

\$30,000 DICC.275

DIDC.295

\$0

\$0

\$0

\$0

\$0

\$0

\$20,000

\$255,000

\$2,328,000



		ไฟส์รับสีรีซ์					ruary 8, 2012		
Cimarex Energy									
Region	Well Name	Well No.			Property Number 4	Dri	ling AFE No.		
Permian	Louisiana 1 Fee	2 ,	Paddock Extension Wes	st (EDDY)					
Location	୍ର ପ୍ରତ୍ତିକ୍ତିକ୍ତିକ୍ତିକ୍ତିକ୍ତିକ୍ତିକ୍ତିକ୍ତିକ୍ତି		County State			221 10 1 10 1	Type Well		
Location	ga i et eestil so so di listoor i as malifiakaansa Meesti mi	gamildid karalli maktimist pera i tik	Eddy	AR british tollowness .	NM	Oil x	Expl X		
		:				Gas	Prod		
Estimate Type	The State of the State of		st Start Date	Est.	. Comp Date	Formation			
Original Estimat Revised Estimat						Penasco Draw S Andres-Yeso	an 3,000' Ttl.Vertical Depth		
Supplemental E.						Associated Poo			
Project Descript	ion with a large to 1908		4 4 7 1 1 2 2 2 2 2 2 3 3 3 3 3 3 3 3 3 3 3 3	DEST. DA	The state of the s				
	te a 3000' Blinebry/Paddock vertica		all tank battery.	e o de la la desta de la companya d	Phillips of actions is all the sec	de La Caración de			
	·						,		
					,				
<u></u>									
Intangibles		· · · · · · · · · · · · · · · · · · ·	Dry Hole Cost	: 1	After Casing P	oint	Completed Well Cost		
Drilling Costs			\$427,000				\$427,000		
Completion Cos Total Intangible	<u> </u>		\$427,000		\$1,847,000 \$1,847,00 0		\$1,847,000 \$2,274,000		
Total intaligible	COSCS		3427,000		31,047,000		1 32,274,000		
Tangibles									
Well Equipment			\$31,000		\$204,000 \$463,800		\$235,000		
Total Tangible	·		\$31,000	AURUSANION.	\$667,800		\$698,800		
			±20.000	1	420,000		40		
Plug and Aband	lon Cost		\$30,000		-\$30,000		\$0		
Total Well Cost			\$488,000		\$2,484,800		\$2,972,800		
Comments on V	Vell Costs	- Telegraph	ner and a	STATE OF THE	and and Alegans and	30, 38 40 5 18 10 Y			
	well or lease equipment is priced by						3,53,53,53,53,53,53,53,53,53,53,53,53,53		
				,					
Well Control In	surance, see the second			Etype Land	SASTA VIETNIAS	hard light the said of the			
Unless otherwi	e indicated below, you, as a non-op								
	or conducts operations hereunder ar must provide a certificate of such in:		•		•		ir '		
1	nencement of drilling operations. Ye						1		
insurance proci	red by Operator.								
☐ I elect to put	chase my own well control insurance policy.			•					
1	urance procured by Operator, provi					-	e for well control and		
related redrilling	g and clean-up/pollution expense co	overing dril	ling (through completion	n) with a \$1,	,000,000 (100% W.I.) d	leductible.			
	tion		esiyaten		e some a longer				
	s gas under arm's-length contracts w red over time. Should you choose to								
	rex's Marketing Department, we wi								
	1								
	ke my gas in kind. - irket my gas with Cimarex pursuant to the ter	rms and condi	tions of its contracts						
	gustant canalex pursuant to the ter	inis and condi	toris or its conduces.						
	AFE / A Stimatos only and anticipate t			100		EX. Contract to the contract t			
without affecti	s are estimates only and anticipate t g the authorization for expenditure	herein gra	inted. By approval of this	roreseeables AFE, the w	e cnange in plans. The vorking interest owner	e actual costs may of agrees to pay its p	exceed the estimated costs proportionate share of		
actual legal, cu	rative, regulatory and well costs und	er term of	the joint operating agree	ement, regu	latory order or other	applicable agreeme	ent covering this well.		
							1		
			Cimarex Energy C				:		
Prepared by			d Completion Manager	地域潮	Regional I				
Steve Heitzmar		Doug Park			Roger Alex	kander			
			laint lut	Λnn='					
Company		Βύ	Joint Interest	Abbroval	Date ***				
A STATE OF THE STA				A	, Date:	Court Block of Control of			
		<u> </u>							



Lease Name:	Louisiana 1 Fee							Well	No.:	. 2
			ก. ก็ได้เลี้ยง เมื่อได้เลี้ยง		STATE OF THE STATE		Davidalo Cost	St. St.	After Casing	Completed Well
Intangibles	and the state of the state of the state of	The Alexander	Sand of	in the same	1	Codes	Dry Hole Cost	, Codes	Point	Cost,
Roads & Location	Preparation / Restoration			·····		DIDC.100	\$60,000		\$5,000	\$65,000
Damages		······································			,	DIDC.105	\$5,000		\$0	\$5,000
Mud / Fluids Disp						DIDC.255	\$30,000		\$100,000	\$130,000
Day Rate	3:5 DH Days - 11	ACP Days @		15,000	Per Day	DIDC.115	\$53,000	מתלעת מושוע שונו או מושול או	\$15,000	\$68,000
Misc Preparation	i Cost (mouse hole, rat hole, pads, p	ile clusters, r	nisc.) .			DIDC.120	\$16,000	*****		\$16,000
Bits						DIDC.125	\$15,000		\$0	\$15,000
Fuel	\$3.50 Per Gallon		- 4800	Gallons Per Do		DIDC.135	\$15,000	 	\$3,000	\$18,000
Water / Complet	ion Fluids				Per Day	DIDC.140	\$25,000	-DICC.135	\$230,000	\$255,000
Mud & Additives						DIDC.145	\$10,000			\$10,000
Surface Rentals		,		2,000	Per Day	DIDC.150	\$7,000	DICC.140	\$125,000	\$132,000
Downhole Renta	Is i .	,				DIDC.155	\$20,000	DICC.145	\$2,000	\$22,000
Formation Evalu	ation (DST, Coring including evalua	tion, G&G Se	rvices)			DIDC.160	\$0			\$0
Mud Logging		. 3	Days @	1,500	Per Day	DIDC.170	\$8,000			\$8,000
Open Hole Loggi	ng					DIDC.180	\$0			\$0
Cementing & Flo	at Équipment					DIDC.185	\$22,000	DICC.155	\$25,000	\$47,000
Tubular Inspection			·.			DIDC.190	\$2,000	DICC.160	\$1,000	\$3,000
Casing Crews				***************************************		DIDC.195	\$5,000	DICC.165	\$8,000	\$13,000
Extra Labor, Wei	ldina. Etc.		***************************************	***************************************	······································	DIDC.200	\$9,000		\$5,000	\$14,000
Land Transporat					,	DIDC.205	\$3,000	·	\$5,000	\$8,000
Supervision			· · · · · · · · · · · · · · · · · · ·	1,700	Per Day	DIDC.210	\$11,000		\$15,000	\$26,000
Trailer House / C	amn / Caterina	 			Per Day	DIDC.280	\$5,000		\$0	\$5,000
Other Misc Expe				1	r cr buy	DIDC.220	\$1,000		\$10,000	\$11,000
Overhead	7/300			300	Per Day	DIDC.225	\$1,000	·	\$2,000	\$3,000
Remedial Cemer	ating			300	rerbay	DIDC.231	\$2,000	·	\$0	\$0
MOB/DEMOB	rung					DIDC.240	\$50,000	יו על שניים יישועו או או או שישועו שי		\$50,000
Directional Drilli	ing Carvices	0	Days @	.0	Per Day	DIDC.245		~ <i>\\$615</i> 555666		\$0,000
Dock, Dispatche			Duys @	-,0	rei buy		\$0	DICC.230	\$0	
Marine & Air Tro		······································				DIDC.250	\$0		\$0	
Solids Control	insportation			3,500	Dar Day	DIDC.275	<u> </u>			\$16,000
	uip (Snubbing Svcs.)	·····		7, 7, 3,300	Per Day	DIDC.260	\$10,000		\$14,000	
			·····			DIDC.265	\$7,000	-	\$14,000	
Fishing & Sidetro	sick Operations	33	D (S)	1. 1.1.4	0	DIDC.270	7 <i>777777777777</i>	d		
Completion Rig		5 -2 -3	Days @	4,000	Per Day			DICC.115	\$12,000	\$12,000
Coil Tubing	10.6		Days @		Per Day	GOOD STATE		DICC.260	\$0	
	ging, Perforating, WL Units, WL Sur	veys						DICC.200	\$30,000	
Stimulation				·····	· · · · · · · · · · · · · · · · · · ·		<i>Maddilladd</i>	DICC.210	\$900,000	· · · · · · · · · · · · · · · · · · ·
Legal / Regulato						DIDC.300	\$10,000	ביוביש ובניש וביוביש בניוביש בניובים	\$0 \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$	······
Well Control Ins		Per Foot				DIDC.285	\$1,000		BABBBBBBBBB	\$1,000
Contingency	5% of Drilling I	ntangibles				DIDC.435	\$20,000	21	\$75,000	
	r Well Equipment			· · · · · · · · · · · · · · · · · · ·				DWEA.110	\$15,000	
	r Lease Equipment							DLEQ.110	\$192,000	
Construction For						MAMA		DICC.265	\$58,000	
Total Intangible	Cost						\$427,000)	\$1,847,000	\$2,274,000
Tangible - Well	Equipment	Lagrance of the		MAY WINE		"""大学"		F 1 7.	y (4 1 1 1)	
Casing			Size	Feet	\$/Foot					

							i	
Tangible - Well Equipment								
Casing	Size	Feet	\$/Foot					
Drive Pipe		1		DWEB.150	\$0		Million .	\$0
Conductor Pipe	A 1.5 []			DWEB.130	\$0			\$0
Water String			1 1 1 7 7 7	DWEB.135	\$0			\$0
Surface Casing	¥8 [:] 5/8"	950.00	\$29.00	DWE8.140	\$28,000			\$28,000
Intermediate Casing		5.000 . 1 7 7 80	† 7. ÷.	DWEB.145	\$0			\$0
Drilling Liner	\$ A	Mr. 184. J.M.	gen contract	DWEB.145	\$0			\$0
Drilling Liner	14			DWEB.145	\$0			\$0
Production Casing or Liner	5-1/2	3000.00	\$21:00			DWEA.100	\$63,000	\$63,000
Production Tie-Back	2 10 11 1	11.				DWEA.100	\$0	\$0
Tubing	27/8"	2900.00	\$8:00			DWEA.105	\$23,000	\$23,000
N/C Well Equipment						DWEA.115	\$35,000	\$35,000
Wellhead, Tree, Chokes	ļ	÷		DWEB.115	\$3,000	DWEA.120	\$8,000	\$11,000
Liner Hanger, Isolation Packer				DWEB.100	\$0	DWEA.125	\$0	\$0
Packer, Nipples						DWEA.130	\$0	. \$0
Pumping Unit, Engine						DLEQ.100	\$50,000	\$50,000
Lift Equipment (BHP, Røds, Anchors)						DLEQ.105	\$25,000	\$25,000
Tangible - Lease Equipment			1.10	() () () () () () () () () ()	The same			
N/C Lease Equipment						DLEQ.115	\$176,000	\$176,000
Tanks, Tanks Steps, Stairs						DLEQ.120	\$178,000	\$178,000
Battery (Heater Treater, Separator, Gas Treating Equipment)			٠,			DLEQ.125	\$92,000	\$92,000
Flow Lines (Line Pipė from wellhead to central facility)						DLEQ.130	\$12,000	\$12,000
Offshore Production Structure for Facilities		4				DWEA.135	\$0	\$0
Pipeline to Sales						DWEA.140	\$5,800	\$5,800
Total Tangibles					\$31,000		\$667,800	\$698,800
							1	
P&A Costs	······································	· · · · · · · · · · · · · · · · · · ·		DIDC.295	\$30,000	DICC.275	-\$30,000	\$0
Total Cost					\$488,000		\$2,484,800	\$2,972,800
,					7400,000		72,404,000	72,972,800



Company Entity Cimarex Energy Co).			,		uary 8, 2012
Region	Well Name	.Well No.;	Prospect of Field Name	Property Number.	Dril	ing AFE No.
Permian	Louisiana 1 Fee	5	Paddock Extension West (EDDY)			:
				1		
Location	A representation of the second	an head took	County	State		ype Well X
			Eddy	NM	Oil x Gas	Prod
		P 42.		- 1 - 2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1		
Estimate Type : Original Estimate	•		Est:Start Date	st. Comp Date	Formation Penasco Draw Sa	n 3,000'
Revised Estimate	0				Andres-Yeso	, Ttl Vertical Depth
Supplemental Esti	mate O				Associated Poo	3,000'
Project Description	n sa				性"。2005年6月11	
the same of the later of the la	a 3000' Blinebry/Paddock vertica	al well				1
i			•			
L					,	1
Intangibles			Dry Hole Cost	After Casing P	oint (ompleted Well Cost
Drilling Costs			\$427,000	61.646.000	,	\$427,000
Completion Cost's Total Intangible C	Costs		\$427,000	\$1,646,000 \$1,646,00 0		\$1,646,000 \$2,073,000
Tangibles			1			4005.000
Well Equipment Lease Equipment			j \$31,000	\$204,000 \$20,000		\$235,000
Total Tangible We	ell Cost		\$31,000	\$224,000		\$255,000
Plug and Abandor	n Cost		\$30,000	-\$30,000		\$0
Total Well Cost		ر	\$488,000	\$1,840,00	0	\$2,328,000
		***************************************				1
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Well Control Insu			and the standard of the standa	and the state of t	23.25.25.25.25.25.25.25.25.25.25.25.25.25.	74. 11. 11. 11.
1			rking interest owner, agree to be on our prorated share of the premiun			g ,
			ceptable to Operator, as to form a			
later than comme	encement of drilling operations. Y		nat failure to provide the certificate			
insurance procure	ed by Operator.					
☐ I elect to purch	ase my own well control insurance policy.		•			
			g other terms, for \$20,000,000 (10			for well control and
related redrilling	and clean-up/pollution expense co	overing dri	ling (through completion) with a \$	1,000,000 (100% W.I.) c	leductible.	
-						1
Marketing Election			maringa and the control of the contr			
volumes delivered	d over time. Should you choose to	market yo	arty purchasers. Such contracts ma ou share of gas with Cimarex, you w th you the terms and conditions pu	vill be subject to all of th	ne terms of such cor	
☐ I alact to take			•			
I elect to take	thy gas in kind. et my gas with Cimarex pursuant to the te		Mines of the seasons at			
	et my gas with clinarex pursuant to the te	erms and cond	uons or us contracts,			
Comments on AF					S. Herita	to the first of th
The above costs a	are estimates only and anticipate to	trouble free	e operations without any foreseea inted. By approval of this AFE, the	ble change in plans. Th	e actual costs may e	xceed the estimated costs
actual legal, curat	ive, regulatory and well costs und	der term of	the joint operating agreement, re	gulatory order or other	applicable agreeme	nt covering this well.
			5 5 1, 2,	,		
L						
	•		Cimarex Energy Co. Appro	oval		
Prepared by	The Control of the Control	Drilling an	d Completion Manager		Vlanager, 🚉 🐎 🔀	Marshay Marshay 1 ve
Steve Heitzman		Doug Park		Roger Ale		
		1-2-8.01		luoge: Ale	narius)	
			Joint Interest Approva	.I		
Company.		By Section	SANAGON PLACES	Date 👬 -		
		<u> </u>				I



Lease Name: Louisiana 1 Fee

Well No.:

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Intangibles		Dry Hole Cost	,	After Casing	Completed Well
to the second	7		Codes	\$5,000	Cost
Roads & Location Preparation / Restoration	DIDC.100	\$60,000 \$5,000	DICC.100	\$0	\$65,000 \$5,000
Damages Characteristic Characteristics Characteristic Characteri	DIDC.105	\$30,000	DICC.235	\$100,000	\$130,000
Mud / Fluids Disposal Charges Day Rate 3.5 DH Days A ACP Days @ 15,000 Per Day	DIDC.255	\$53,000	DICC.120	\$15,000	\$68,000
	DIDC.115	\$16,000	o er io iorum provincia pri		\$16,000
Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc.)	DIDC.120	\$15,000	DICC.125	\$0	
Bits Fuel \$\$3:50 Per Gallon \$800 Gallons Per Day	DIDC.125	· \$15,000	DICC.125	\$3,000	\$18,000
Fuel \$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$\\$	DIDC.135	\$15,000	DICC.135	\$230,000	\$255,000
Mud & Additives	DIDC.145	\$10,000	יו על שיע ע ערוויווע ערעיי		\$10,000
Surface Rentals 2,000 Per Day	DIDC.150	\$10,000	DICC.140	\$125,000	\$132,000
Downhole Rentals	DIDC.155	\$20,000	DICC.145	\$2,000	\$22,000
		\$20,000	WWW.145	32,000	\$22,000
Formation Evaluation (DST, Coring including evaluation, G&G Services) Mud Logaing 3 Days @ 1,500 Per Day	DIDC.160	\$8,000			\$8,000
Mud Logging 3 Days @ 1500 Per Day Open Hole Logging	DIDC.170	\$8,000	7.65 P. P. P. P. S. P.		38,000 \$0
Cementing & Float Equipment	+	\$22,000	DICC.155	\$25,000	\$47,000
Tubular Inspections	DIDC.185	\$2,000	DICC.160	\$1,000	\$3,000
	DIDC.190	\$5,000	DICC.165	\$8,000	\$13,000
Casing Crews Extra Labor, Welding, Etc.		\$9,000	DICC.165	\$5,000	\$14,000
Land Transporation (Trucking)	DIDC.200	\$3,000	DICC.176	\$5,000	
Supervision 1,700 Per Day	DIDC.205	\$11,000	DICC.175	\$15,000	
Trailer House / Camp / Catering 700 Per Day	DIDC.210	\$5,000		\$15,000	
Other Misc Expenses	DIDC.280	\$1,000	DICC.255	\$10,000	
Overhead 300 Per Day	DIDC.225	\$1,000	DICC.195	\$2,000	
Remedial Cementing		\$1,000		\$2,000	
MOB/DEMOB	DIDC.231	\$50,000	PROPERTY AND PROPERTY AND PROPERTY.		\$50,000
Directional Drilling Services O Per Day	DIDC.240	ļ	*****		\$30,000
Dock, Dispatcher, Crane		\$0	DICC.230	\$0	4
Marine & Air Transportation	DIDC.250	\$0		\$0	
Solids Control 3,500 Per Day	DIDC.260		WWW.		\$16,000
Well Control Equip (Snubbing Svcs.)	DIDC.265	\$7,000	THE REAL PROPERTY.	\$14,000	
Fishing & Sidetrack Operations	DIDC.265	\$7,000		\$14,000	
Completion Rig Days @ 4,000 Per Day	DIUC.270	30 30	DICC.245	\$12,000	
Coil Tubing Days @ Per Day			DICC.260	\$12,000	
Completion Logging, Perforating, WL Units, WL Surveys			DICC.200	\$30,000	T-
Stimulation			DICC.210	\$900,000	·
Legal / Regulatory / Curative	DIDC.300	\$10.000		\$900,000	
Well Control Insurance	DIDC.300	\$1,000	PRINCER WARRIES		\$1,000
Contingency \$ 750.55 per Pool		\$20,000	************	\$75,000	N
Construction For Well Equipment	DIDC.435] \$20,000 [] \$40,000	DICC.220		
			DWEA.110	\$15,000	
Construction For Calca P.//			DLEQ.110	\$49,000	ļ
Construction For Sales P/L Tatal Internetible Cost	YARASARIA.		DICC.265	\$0	
Total Intangible Cost		\$427,000		\$1,646,000	\$2,073,000

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Tangible - Well Equipment				3 1777				
Casing	Size	Feet	\$/Foot					
Drive Pipe	ji ya	The State of	4	DWEB.150	. \$0			\$0
Conductor Pipe	W. 7 7 7 1 2 4 4	3-24-6-46	أعراكها أورث	DWEB.130	\$0			\$0
Water String	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	秦天成人,为为为		DWEB.135	\$0			\$0
Surface Casing	.::8!5/8! [!]	* ⇔ ∷950.00	£\$29:00	DWEB.140	\$28,000			\$28,000
Intermediate Casing	S. C. Asset	海外公司	Volency (C.)	DWEB.145	\$0			\$0
Drilling Liner	March 1980	数据2000年20 ₀ 9月	SERVICE S	DWEB.145	\$0			\$0
Drilling Liner	\$** \$ * * * ()	Sur -	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	DWEB.145	\$0			\$0
Production Casing or Liner	≨∜ ∮5;1/2¦¦	3000!00	\$21.00			DWEA.100	\$63,000	\$63,000
Production Tie-Back	\$4.5 TX	\$187 VB	·产文生制的			DWEA.100	\$0	\$0
Tubing	²⁰ √2.7/8"	2900.00	\$8.00			DWEA.105	\$23,000	\$23,000
N/C Well Equipment						DWEA.115	\$35,000	\$35,000
Wellhead, Tree, Chokes				DWEB.115	\$3,000	DWEA.120	\$8,000	\$11,000
Liner Hanger, Isolation Packer				DWEB.100	\$0	DWEA.125	\$0	\$0
Packer, Nipples						DWEA.130	\$0	\$0
Pumping Unit, Engine						DLEQ.100	\$50,000	\$50,000
Lift Equipment (BHP, Rods, Anchors)						DLEQ.105	\$25,000	\$25,000
Tangible - Lease Equipment								
N/C Lease Equipment						DLEQ.115	\$0	\$0
Tanks, Tanks Steps, Stairs						DLEQ.120	\$0	\$0
Battery (Heater Treater, Separator, Gas Treating Equi	ipment)					DLEQ.125	\$0	\$0
Flow Lines (Line Pipe from wellhead to central facility	')					DLEQ.130	\$20,000	\$20,000
Offshore Production Structure for Facilities						DWEA.135	\$0	\$0
Pipeline to Sales						DWEA.140	\$0	\$0
Total Tangibles					\$31,000		\$224,000	\$255,000
P&A Costs				DIDC.295	\$30,000	DICC.275	-\$30,000	. \$0
Total Cost					\$488,000		\$1,840,000	\$2,328,000



Company Entity Cimarex Energy Co						Date Prepared. Febr	uary 8, 2012		
		100000000000000000000000000000000000000		er Production					
Region			Prospect on Field		. Property Number.	e:- Dril	ling AFE No.		
Permian	Louisiana 1 Fee	6	Paddock Extension We	est (EDDY)		<u> </u>			
Lastina	en jeda samanan pergebah banda	ning Ostgard	County	23. miles	State State	in the state of	voo Well		
Location	en kalendar <u>og til ar til flestiftet s</u> amma 128	La Breiter	The second secon	المام موادات الماليسان	Selection returned by the selection of	Oil x	Expl X		
			Eddy		NM 	Gas	Prod		
Estimate Type			Est.Start Date		st. Comp Date	Formation	Ttl Measured Depth.		
Original Estimate	0	3.46.6	escistari Date	<u> </u>	ecircollib pare: 100 miles	Penasco Draw Sa			
Revised Estimate	0	<u> </u>				Andres-Yeso	Ttl Vertical Depth 🐪		
Supplemental Esti	imate O					Associated Poo	3,000'		
Project Description Drill and complete	on e a 3000' Blinebry/Paddock vertica		Dry Hole Cos	st	After Casing P	Point	Completed Well Cost		
Drilling Costs			\$427,000		Aite: casing :	` .	\$427,000		
Completion Costs	· · · · · · · · · · · · · · · · · · ·				\$1,646,000		\$1,646,000		
Total Intangible C	Costs	······································	\$427,000		\$1,646,000	0	\$2,073,000		
Tangibles	,								
Well Equipment	•		\$31,000		\$204,000		\$235,000		
Lease Equipment					\$20,000		\$20,000		
Total Tangible W	ell Cost	×	\$31,000		\$224,000	3370370	\$255,000		
Plug and Abando	n Cost		\$30,000		-\$30,000		\$0		
T. 1. 1.115-11 Co		•	¢400.000			¢2 220 000			
Total Well Cost	the same of the sa	······································	\$488,000		\$1,840,00	<u> </u>	\$2,328,000		
Unless otherwise long as Operator insurance, you mater than comme insurance procur. I elect to purch Well control insu	indicated below, you, as a non-op- conducts operations hereunder a just provide a certificate of such in encement of drilling operations. Need by Operator. hase my own well control insurance policy. rance procured by Operator, proviand clean-up/pollution expense of	ind to pay y nsurance ac You agree to vides, amon	our prorated share of the ceptable to Operator, as hat failure to provide the gother terms, for \$20,0	ne premium s to form ar e certificate	is therefore. If you ele and limits, at the time the of insurance, as provi	ct to purchase your is AFE is returned, if ded herein, will resu single Limit coverage	own well control available, but in no event it in your being covered by		
	gas under arm's-length contracts	with third p							
request to Cimar	Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficien volumes delivered over time. Should you choose to market you share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. I elect to take my gas in kind. I elect to market my gas with Cimarex pursuant to the terms and conditions of its contracts.								
without affecting	are estimates only and anticipate the authorization for expenditur tive, regulatory and well costs un	e herein gra	anted. By approval of th	nis AFE, the eement, reg	working interest owne ulatory order or other	r agrees to pay its p	roportionate share of		
Prepared by	Service Control of the Control of th	Drilling ar	nd Completion Manager			Manager			
Steve Heitzman		Doug Parl			· Roger Ale				
		1	Joint Interest	Approva					
Company .		By .	,	- Chhinna	Date	e : , !! 4 :			
		1					1 .		



Lease Name: Louisiana 1 Fee Weil No.:

intangibles **Dry Hole Cost** Cost Point \$5,000 Roads & Location Preparation / Restoration \$60,000 DICC.100 \$65,000 DIDC.100 \$0 \$5,000 \$5,000 Damages DIDC.105 DICC.105 Mud / Fluids Disposal Charges DIDC.255 \$30,000 DICC.235 \$100,000 \$130,000 ACP Days ACP Days @ 15,000 Per Day DICC.120 \$15,000 \$68,000 Day Rate DIDC.115 \$53,000 Misc Preparation Cost (mouse hole, rat hole, pads, pile clusters, misc., DIDC.120 \$16,000 \$16,000 \$15,000 \$15,000 Bits DICC.125 \$0 DIDC.125 \$3:50 Per Gallon 800 Gallons Per Day \$3,000 \$18,000 Fuel DIDC.135 \$15,000 DICC.130 Water / Completion Fluids Per Day DIDC.140 \$25,000 DICC 135 \$230,000 \$255,000 Mud & Additives DIDC.145 \$10,000 \$10,000 Surface Rentals *2,000 Per Day DIDC.150 \$7,000 DICC.140 \$125,000 \$132,000 DICC.145 \$22,000 \$20,000 Downhole Rentals DIDC.155 Formation Evaluation (DST, Coring including evaluation, G&G Services) SO \$0 DIDC.160 ি কি বুৱ Days @ া কি বা,500 Per Day \$8,000 DIDC.170 \$8,000 Mud Logging \$0 \$0 Open Hole Logging DIDC.180 Cementing & Float Equipment \$22,000 \$25,000 \$47,000 DIDC.185 DICC.155 \$1,000 \$3,000 Tubular Inspections \$2,000 DIDC.190 DICC.160 Casing Crews DIDC.195 \$5,000 DICC.165 \$8.000 \$13,000 Extra Labor, Welding, Etc. \$9,000 \$5,000 \$14,000 DIDC.200 DICC.170 Land Transporation (Trucking) \$3,000 DICC.175 \$5,000 \$8,000 DIDC.205 \$15,000 Supervision 1.700 Per Day \$11,000 \$26,000 DIDC.210 DICC.180 Trailer House / Camp / Catering - ₹700 Per Day DIDC.280 \$5,000 DICC.255 \$0 \$5,000 Other Misc Expense's DIDC.220 \$1,000 DICC.190 \$10,000 \$11,000 ::300 Per Day \$1,000 \$2,000 \$3,000 Overhead DIDC.225 DIDC.231 \$0 Remedial Cementing \$0 DICC.215 \$0 \$50,000 \$50,000 MOB/DEMOB DIDC.240 0 Days @ Per Day SO WINDS Directional Drilling Services DIDC.245 \$0 Dock, Dispatcher, Crane DIDC.250 sol DICC.230 \$0 \$0 Marine & Air Transportation DIDC.275 \$0 DICC 250 \$0 \$0 Solids Control 3,500 Per Day DIDC.260 \$16,000 \$16,000 Well Control Equip (Snubbing Svcs.) \$7,000 \$21,000 DIDC.265 DICC.240 \$14,000 Fishing & Sidetrack Operations DIDC 270 \$0 DICC.245 \$0 \$0 🙀 🚉 3 Days @ 🔯 🔯 4,000 Per Day Completion Rig DICC.115 \$12,000 \$12,000 Days @ Per Day DICC.260 \$0 Coil Tubing \$30,000 \$30,000 Completion Logging, Perforating, WL Units, WL Surveys DICC.200 \$900,000 \$900,000 Stimulation DICC.210 Legal / Regulatory / Curative \$10,000 \$10,000 DIDC.300 \$\$\$0.35 Per Foot \$1,000 \$1,000 Well Control Insurance 5% of Drilling Intangibles \$20,000 \$75,000 \$95,000 DICC.220 Contingency \$15,000 \$15,000 Construction For Well Equipment DWEA.110 Construction For Lease Equipment **DLEQ.110** \$49,000 \$49,000 Construction For Sales P/L DICC.265 \$0 \$0 \$1,646,000 \$2,073,000 Total Intangible Cost \$427,000 Tangible - Well Equipment Casing Size Feet \$ / Foot \$0 Drive Pipe DWEB.150 \$0 \$0 \$0 Conductor Pipe 127 4 DWEB.130 Water String \$1.00 mm 1. DWEB.135 \$0 \$0 े 18.5/8∜ 950:00 \$28,000 \$28,000 Surface Casing ·**:\$29:00 DWEB.140 Intermediate Casing \$0 DWEB.145 \$0 Drilling Liner DWEB.145 \$0 \$0 Drilling Liner DWFR 145 Production Casing or Liner 51/2 93000.00 \$21.00 DWEA.100 \$63,000 \$63,000 在 10000 不配置 100000 \$0 Production Tie-Back DWEA.100 \$0 Tubing \$23,000 \$23,000 DWEA.105 N/C Well Equipment \$35,000 \$35,000 DWEA.115 Wellhead, Tree, Chokes DWEB.115 \$3,000 DWEA.120 \$8,000 \$11,000 Liner Hanger, Isolation Packer SO \$0 DWFB.100 DWEA.125 \$0 \$0 \$0 Packer, Nipples DWEA.130 Pumping Unit, Engine \$50,000 \$50,000 DLEQ.100 Lift Equipment (BHP, Rods, Anchors) \$25,000 \$25,000 DLEQ.105 Tangible - Lease Equipment N/C Lease Equipment \$0 DLEO.115 \$0 Tanks, Tanks Steps, Stairs DLEQ.120 \$0 \$0 Battery (Heater Treater, Separator, Gas Treating Equipment) \$0 **DLEQ.125** \$0 Flow Lines (Line Pipe from wellhead to central facility) \$20,000 \$20,000 DLEQ.130 Offshore Production Structure for Facilities \$0 DWEA.135 \$0 Pipeline to Sales DWFA.140 \$0 SO **Total Tangibles** \$31,000 \$224,000 \$255,000 P&A Costs DIDC.295 \$30,000 DICC.275 -\$30,000 \$0 **Total Cost** \$488,000 \$1,840,000 \$2,328,000