

OCD Artesia

Form 3160-3
(April 2004)

RECEIVED AUG 16 2012 NM OOD ARTESIA UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT
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FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No NMNM 007752
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name TCS 8/12/02
2. Name of Operator Cimarex Energy Co. of Colorado		7. If Unit or CA Agreement, Name and No
3a Address 600 N. Marienfeld St., Ste. 600; Midland, TX 79701		8. Lease Name and Well No Merak 7 Federal #4 <394104>
3b Phone No (include area code) 432-571-7800		9. API Well No 30-015- 40610
4 Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface 1650 FSL & 990 FEL At proposed prod Zone 1650 FSL & 990 FEL		10. Field and Pool, or Exploratory Loco Hills; Glorieta-Yeso <9678>
14. Distance in miles and direction from nearest town or post office*		11. Sec, T R M or Blk and Survey or Area 7-17S-30E
15 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig unit line if any) 990'		12. County or Parish Eddy
16. No of acres in lease 1154.53		13. State NM
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 630'		17 Spacing Unit dedicated to this well NESE 40.00
19. Proposed Depth MD 5000, TVD 5000		20. BLM/BIA Bond No on File NMB000835 NM-2575
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3665' GR	22. Approximate date work will start* 08.07.12	23 Estimated duration 10-15 days

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form.

- | | |
|---|--|
| 1 Well plat certified by a registered surveyor | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5 Operator Certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the authorized officer |

25. Signature 	Name (Printed/Typed) Tracie J Cherry	Date 06.28.12
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Title Sr. Regulatory Analyst		
Approved By (Signature) Is/ Don Peterson	Name (Printed/Typed) Is/ Don Peterson	Date AUG 11 2012
Title FO FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 18 U.S.S. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction

* (Instructions on page 2)

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR Roswell Controlled Water Basin
CONDITIONS OF APPROVAL

Operator Certification Statement
Merak 7 Federal 4
Cimarex Energy Co. of Colorado
Unit I, Section 7
T17S R30E, Eddy County, NM

Operator's Representative

Cimarex Energy Co. of Colorado
600 N. Marienfeld St., Ste. 600
Midland, TX 79701
Office Phone: (432) 571-7800
Zeno Farris

CERTIFICATION: I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 28 day of June, 2012

NAME:


Tracie J Cherry

TITLE: Sr. Regulatory Analyst

ADDRESS: 600 N. Marienfeld St., Ste. 600
Midland, TX 79701

TELEPHONE: (432) 620-1959

EMAIL: tcherry@cimarex.com

Field Representative: Same as above

DISTRICT I
1826 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
811 S. First St., 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) 478-3480 Fax: (505) 478-3482

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 30-015- 40610	Pool Code 96718	Pool Name Loco Hills; Glorieta-Yeso
Property Code 39404	Property Name MERAK 7 FEDERAL	Well Number 4
OGRI No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3665'

Surface Location

UL or lot No. 1	Section 7	Township 17 S	Range 30 E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 990	East/West line EAST	County EDDY
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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
Dedicated Acres 40	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

	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. Signature: <i>Tracie J Cherry</i> Date: 6/28/2012 Printed Name: Tracie J Cherry Email Address: tcherry@cimarex.com
	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. Date Surveyed: JUL 18 2012 Signature of Professional Surveyor: <i>[Signature]</i> Certificate No.: 7977
	Basin Surveys 26537

Application to Drill
Merak 7 Federal 4
Cimarex Energy Co. of Colorado
Unit I, Section 7
T17S R30E, Eddy County, NM

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

- 1 Location: SHL 1650 FSL & 990 FEL
BHL 1650 FSL & 990 FEL

- 2 Elevation above sea level: 3665' GR

- 3 Geologic name of surface formation: Quaternary Alluvium Deposits

- 4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.

- 5 Proposed drilling depth: MD 5000, TVD 5000

- 6 Estimated tops of geological markers:

Rustler	260'
Top of Salt	500'
Tansill	1075'
Base of Salt	1000'
Yates	1160'
Seven Rivers	1470'
Queen	2080'
Grayburg	2500'
San Andres	2770'
Glorieta	4210'
Paddock	4290'
Blaine	4820'
Tubb	5225'

- 7 Possible mineral bearing formation:

Paddock	Oil
Blaine	Oil

8 Proposed Mud Circulating System:

Depth	Mud Wt	Visc	Fluid Loss	Type Mud
0' to 300' 3 IS	8.4 - 8.8	40-45	NC	FW
300' to 5000'	9.9 - 10.1	28-32	NC	Brine

Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. In order to run DSTs, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs.

SR & A

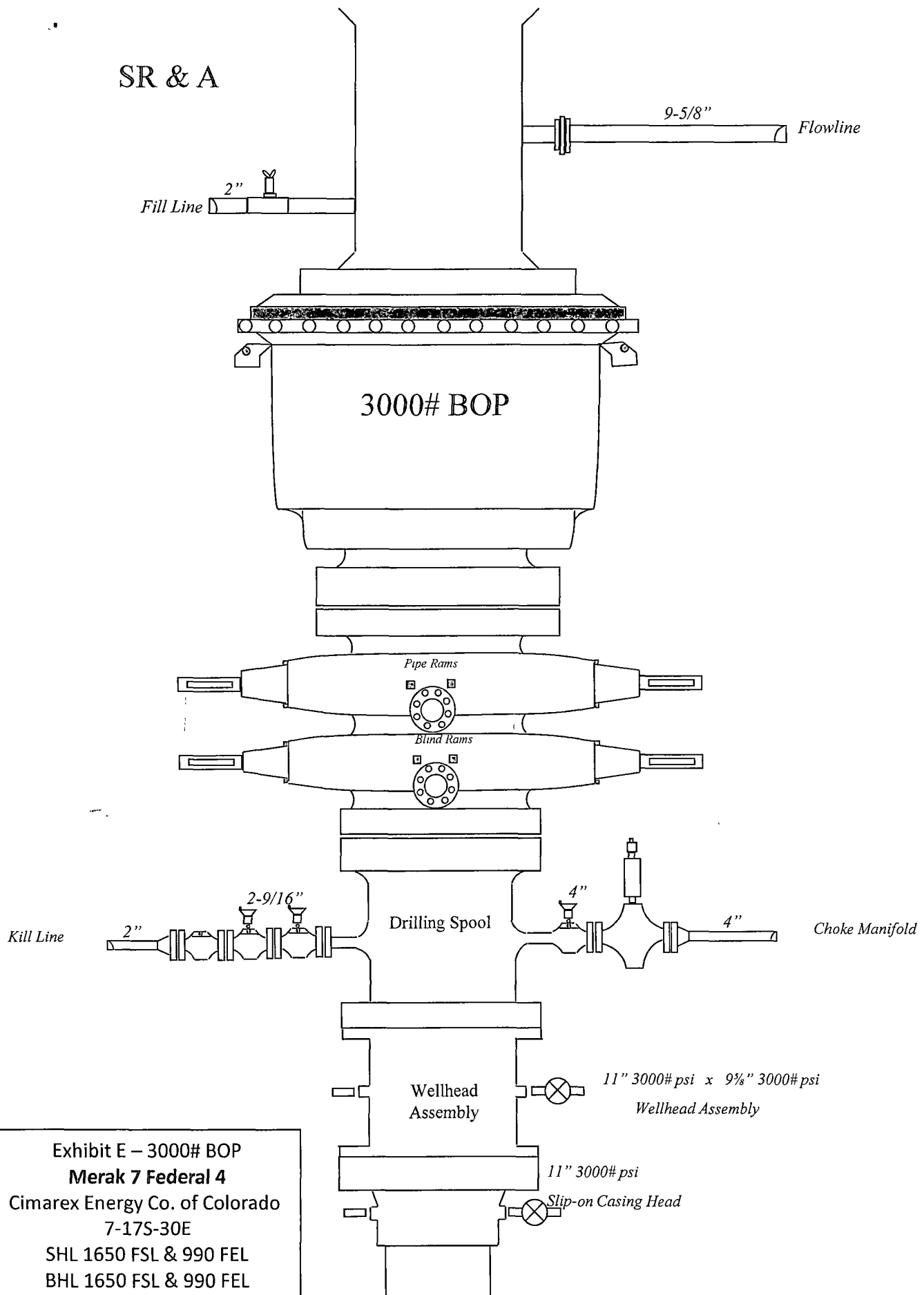


Exhibit E – 3000# BOP
Merak 7 Federal 4
Cimarex Energy Co. of Colorado
7-175-30E
SHL 1650 FSL & 990 FEL
BHL 1650 FSL & 990 FEL
Eddy County, NM

Drilling Operations Choke Manifold 3M Service

Exhibit E-1 – Choke Manifold Diagram

Merak 7 Federal 4

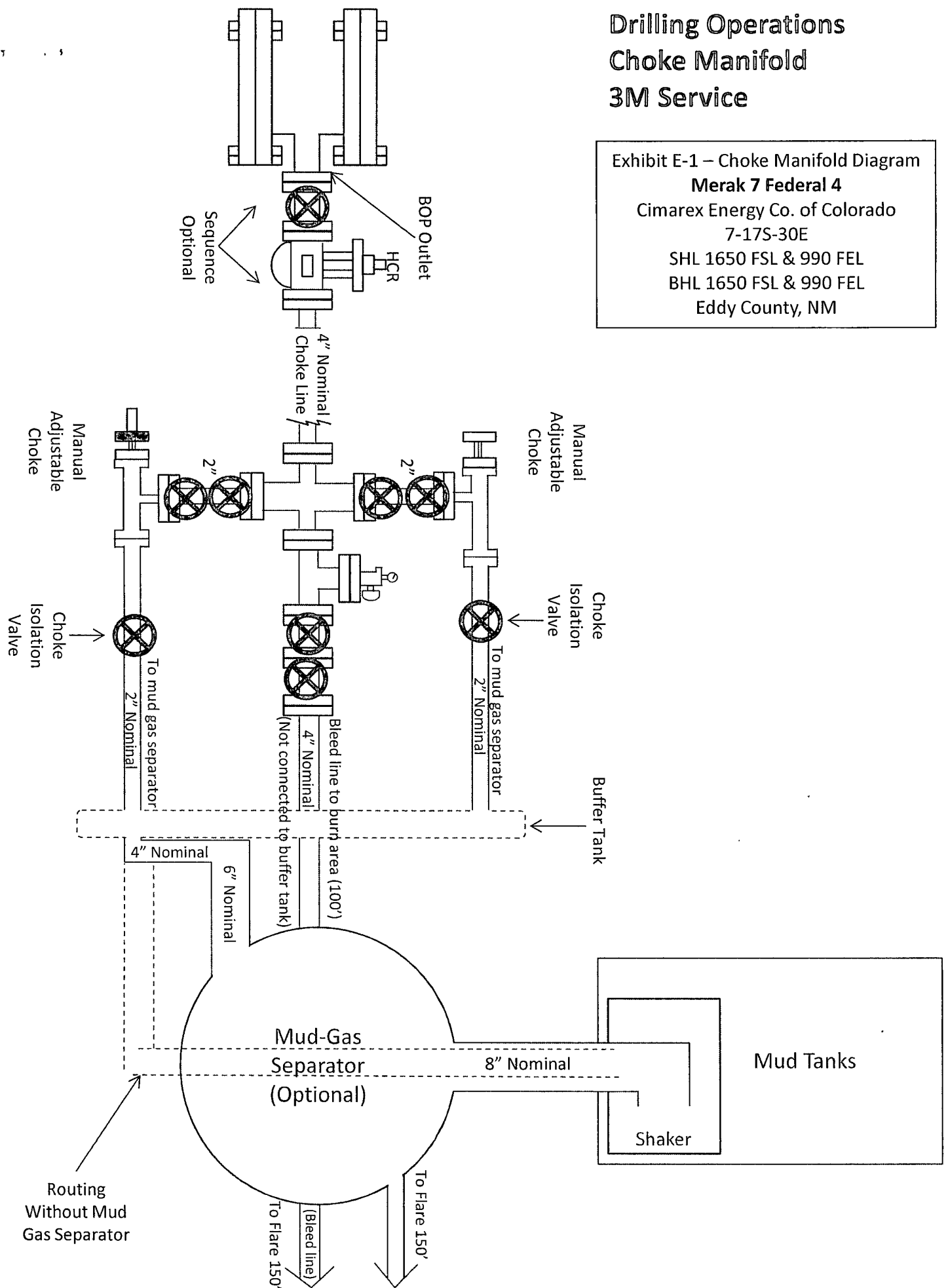
Cimarex Energy Co. of Colorado

7-17S-30E

SHL 1650 FSL & 990 FEL

BHL 1650 FSL & 990 FEL

Eddy County, NM



H₂S Contingency Plan Emergency Contacts

Merak 7 Federal 4

Cimarex Energy Co. of Colorado

Unit I, Section 7

T17S R30E, Eddy County, NM

Company Office

Cimarex Energy Co. of Colorado
Co. Office and After-Hours Menu

800-969-4789

Key Personnel

Name	Title	Office	Mobile
Larry Seigrist	Drilling Manager	432-620-1934	972-333-1407
Scott Lucas	Field Drilling Super		432-894-5572
Jeff Lajoie	Field Drilling Super		432-257-9889
Tommy Herring	Field Drilling Super		432-238-2450

Artesia

Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	575-746-2701
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-887-3798
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

Santa Fe

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
New Mexico Emergency Response Commission (Santa Fe) 24 Hrs	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635

National

National Emergency Response Center (Washington, D.C.)	800-424-8802
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Medical

Flight for Life - 4000 24th St.; Lubbock, TX	806-743-9911
Aerocare - R3, Box 49F; Lubbock, TX	806-747-8923
Med Flight Air Amb - 2301 Yale Blvd S.E., #D3; Albuquerque, NM	505-842-4433
SB Air Med Service - 2505 Clark Carr Loop S.E.; Albuquerque, NM	505-842-4949

Other

Boots & Coots IWC	800-256-9688	or	281-931-8884
Cudd Pressure Control	432-699-0139	or	432-563-3356
Halliburton	575-746-2757		
B.J. Services	575-746-3569		

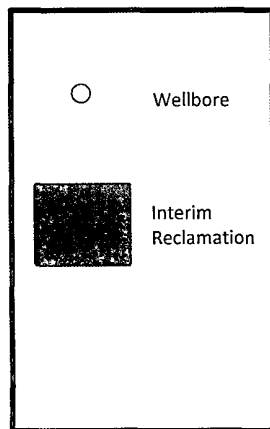
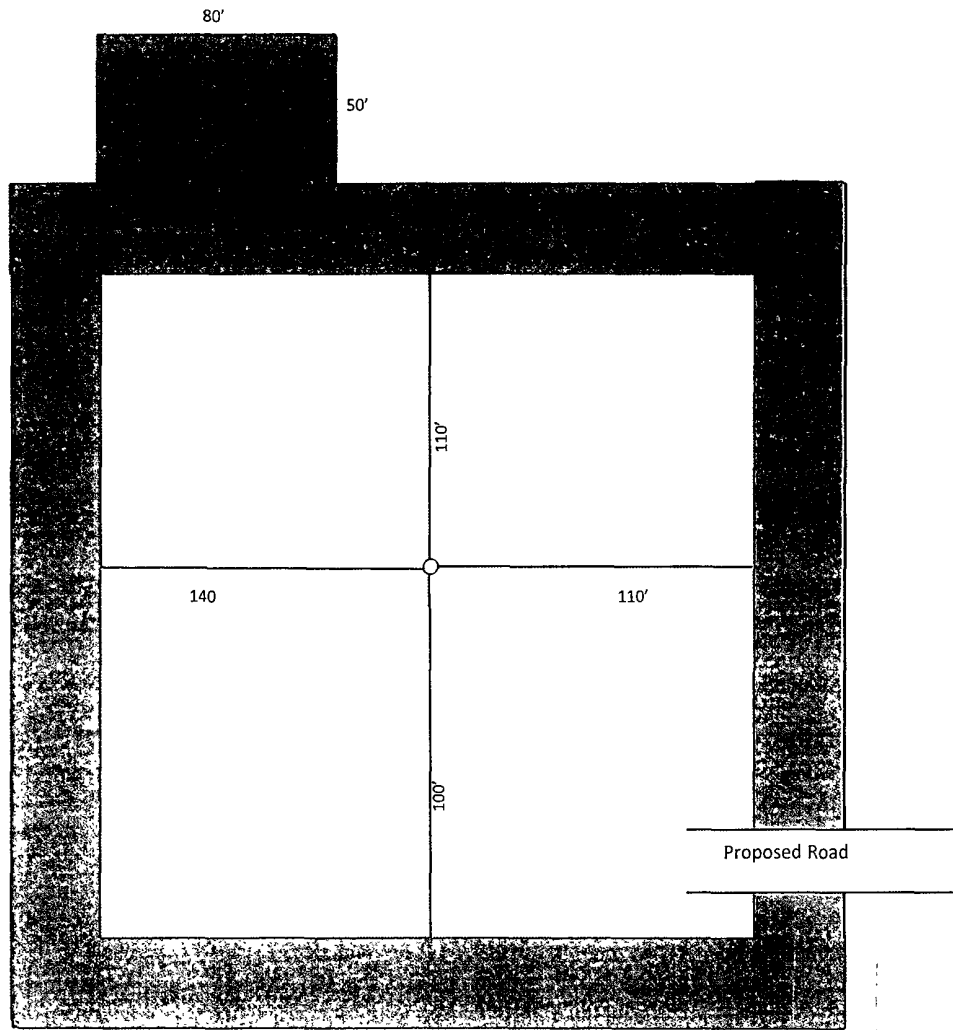


Exhibit D-1
Interim Reclamation Diagram
Merak 7 Federal 4
Cimarex Energy Co. of Colorado
7-17S-30E
SHL 1650 FSL & 990 FEL
BHL 1650 FSL & 990 FEL
Eddy County, NM

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Cimarex Energy Co of Colorado
LEASE NO.:	NM7752
WELL NAME & NO.:	4 Merak 7 Federal
SURFACE HOLE FOOTAGE:	1650' FSL & 990' FEL
BOTTOM HOLE FOOTAGE:	' FL & ' FL
LOCATION:	Section 7, T.17 S., R.30 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Lesser Prairie-Chicken Timing Stipulations
 - Ground-level Abandoned Well Marker
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - H2S Requirements per Onshore Order #6
 - Logging Requirements
 - Waste Material and Fluids
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
 - Electric Lines
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**