

Operator Copy

Form 3160-3
(April 2004)

SECRETARY'S POTASH

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		7. If Unit or CA Agreement, Name and No. Pending	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		8. Lease Name and Well No. Crescent Hale 1 Federal Com No. 2 38064	
2. Name of Operator Cimarex Energy Co. of Colorado 162 683		9. API Well No. 30-015- 38524	
3a. Address 600 N. Marlenfeld St., Ste. 600; Midland, TX 79701	3b. Phone No. (include area code) 432-571-7800	10. Field and Pool, or Exploratory Benson; Bone Spring (5200)	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface 330 FNL & 2310 FWL At proposed prod. Zone 330 FSL & 1980 FWL <i>Horizontal Bone Spring test</i>		11. Sec., T. R. M. or Blk. and Survey or Area 1-19S-30E	
14. Distance in miles and direction from nearest town or post office*		12. County or Parish Eddy	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line if any) 330'	16. No of acres in lease NM-0560353 - 2160.32 acres LC-063613 - 280.4 acres	17. Spacing Unit dedicated to this well E2W2 160.22 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth Pilot Hole 8950' MD 13319' TVD 8719'	20. BLM/BIA Bond No. on File NM-2575	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3515' GR	22. Approximate date work will start* 08.20.10	23. Estimated duration 25-30 days	

24. Attachments

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 <i>Zeno Farris</i>	Name (Printed/Typed) Zeno Farris	Date 11.16.10
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Title

Manager Operations Administration

Approved By (Signature) <i>Jesse J. Juarez</i>	Name (Printed/Typed) Jesse J. Juarez	Date 3/1/2004
Title Acting STATE DIRECTOR	Office NM STATE 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.C. 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)

Capitan Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

KZ 03/03/11

Approval Subject to General Requirements
& Special Stipulations Attached

Application to Drill
Crescent Hale 1 Federal Com No. 2
Cimarex Energy Co. of Colorado
Unit C, Section 1
T19S-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 330 FNL & 2310 FWL
BHL 330 FSL & 1980 FWL
- 2 Elevation above sea level: 3,515 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: Pilot Hole 9100 MD 13319 TVD 8719
- 6 Estimated tops of geological markers:

Anhydrite	464	Cherry Canyon	4080
Yates	2256	Brushy Canyon	5136
7 Rivers	2470	Bone Spring	6175
Queen	3082	FBSS	7650
Delaware Sands	3950	SBSS	8400
- 7 Possible mineral bearing formation:

Delaware	Oil
Bone Spring	Oil

8 Proposed Mud Circulating System:

Depth	Mud Wt	Visc	Fluid Loss	Type Mud
0' to 515'	8.4 - 8.6	28	NC	FW
515' to 4000'	10.0	30-32	NC	Brine water
4000' to 13319'	8.4 - 9.5	30-32	NC	FW, 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.

Proposed drilling Plan

After drilling and setting surface casing, drill to vertical TD 9100' and log. Pump 390 sks HalCem-H 0.5% CFR-3 0.1% HR-60116.5 ppg yield 1.06 0% Excess cement plug from 8500-9100 and drill through cement with 8 3/4" bit to KOP @ 8570. Drill to lateral TD (13319' MD, 8719' TVD). Run 5 1/2" 17# P110 LTC from 0-13319 and cement.

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9 Casing & Cementing Program:

String	Hole Size	Depth	Casing OD	Weight	Collar	Grade
Surface	17½"	0' to 515'	New 13½"	48#	STC	H-40
Intermediate	12½"	0' to 4000'	New 9½"	40#	LTC	J/K-55
Production	8¾"	0' to 13319'	New 5½"	26#	LTC	P-110

10 Cementing:

Surface Lead: 255SKS Halcem C + 4% Bentomite + 2% CaCl 13.5ppg 1.75 yield 100% Excess
 Tail: 185SKS Halcem C + 2% CaCl 14.2ppg 1.34 yield 50% Excess
 TOC Surface

Intermediate Lead: 1420SKS EconoCem + 5% salt + 5 lbm gilsonite 14.6ppg 1.54 yield 70% Excess
 Tail: 200SKS HalCem + 1% CaCl 14.8ppg 1.34 yield 25% Excess
 TOC Surface

Production Lead: 860SKS EconoCem - H + 0.2 % HR-601 2.44 11.9ppg 2.44 yield 50% Excess
 Tail: 1460SKS Versacem - H + 0.5% Halad(R)-344 + 0.4% CFR-3 + 1 lbm/sk salt + 0.1% HR-601 14.5ppg
 TOC 3500'

Fresh water zones will be protected by setting 13½" casing at 500' and cementing to surface. Hydrocarbon zones will be protected by setting 9½" casing at 4000' and cementing to surface, and by setting 5½" casing at 13319' and cementing to 3500'.

<u>Collapse Factor</u>	<u>Burst Factor</u>	<u>Tension Factor</u>
1.125	1.125	1.6

11 Pressure control Equipment:

Exhibit "E". A 13½" 5000 PSI working pressure BOP tested to 3000 psi consisting of one set of blind rams and one set of pipe rams and a 5000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head as needed. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor.

BOP unit will be hydraulically operated. BOP will be nipped up and operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling. From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 psi BOP system tested to 3000 psi.

BOPS will be tested by an independent service company to 250 psi low and 3000 psi high. Hydril will be tested to 250 psi low and 1500 psi high.

Cimarex Energy Co. of Colorado (operator) requests a variance if Cactus 101 (rig name) is used to drill this well to use a co-flex line between the BOP and choke manifold.

Manufacturer: Midwest Hose & Specialty

Serial Number: 59473

Length: 35' Size: 4-1/16" Ends: flanges/clamps

WP rating: 10,000 psi Anchors required by manufacturer - Yes/No

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12 Testing, Logging and Coring Program: *See COA*

- A. Mud logging program: 2 man unit from 4000' to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / CAL / GR
- C. No DSTs or cores are planned at this time.

13 Potential Hazards:

No abnormal pressures or temperatures are expected. In accordance with Onshore Order 6, Cimarex does not anticipate that there will be enough H₂S from the surface to the Bone Spring formations to meet the BLM's minimum requirements for the submission of an "H₂S Drilling Operation Plan" or "Public Protection Plan" for the drilling and completion of this well. Since we have an H₂S Safety package on all wells, attached is an "H₂S Drilling Operations Plan." Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used.

Estimated BHP 3000 psi Estimated BHT 130°

14 Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved.

Drilling expected to take 30-35 days

If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15 Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals.

Bone Spring pay will be perforated and stimulated.

The proposed well will be tested and potentialized as an oil well.



Cimarex Energy Co.

Location: Eddy County, NM
Field: (Crescent) Sec 1, T19S, R30E
Facility: Crescent Hale 1 No. 2H

Slot: No. 2H SHL
Well: No. 2H
Wellbore: No. 2H PWB



Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	0.00	0.000	183.873	0.00	0.00	0.00	0.00	0.00
EST. KOP	8570.00	0.000	183.873	8570.00	0.00	0.00	0.00	0.00
END OF CURVE	8871.80	90.541	183.873	8760.98	-192.35	-13.02	30.00	182.79
No. 2H PBHL	13318.55	90.541	183.873	8719.00	-4628.74	-313.33	0.00	4639.33

Plot reference wellpath is Prelim. 4

True vertical depths are referenced to Rig on No. 2H SHL (GL)

Measured depths are referenced to Rig on No. 2H SHL (GL)

Rig on No. 2H SHL (GL) to Mean Sea Level: 3515 feet

Mean Sea Level to Mud Line (Facility: Crescent Hale 1 No. 2H): -3515 feet

Coordinates are in feet referenced to SL

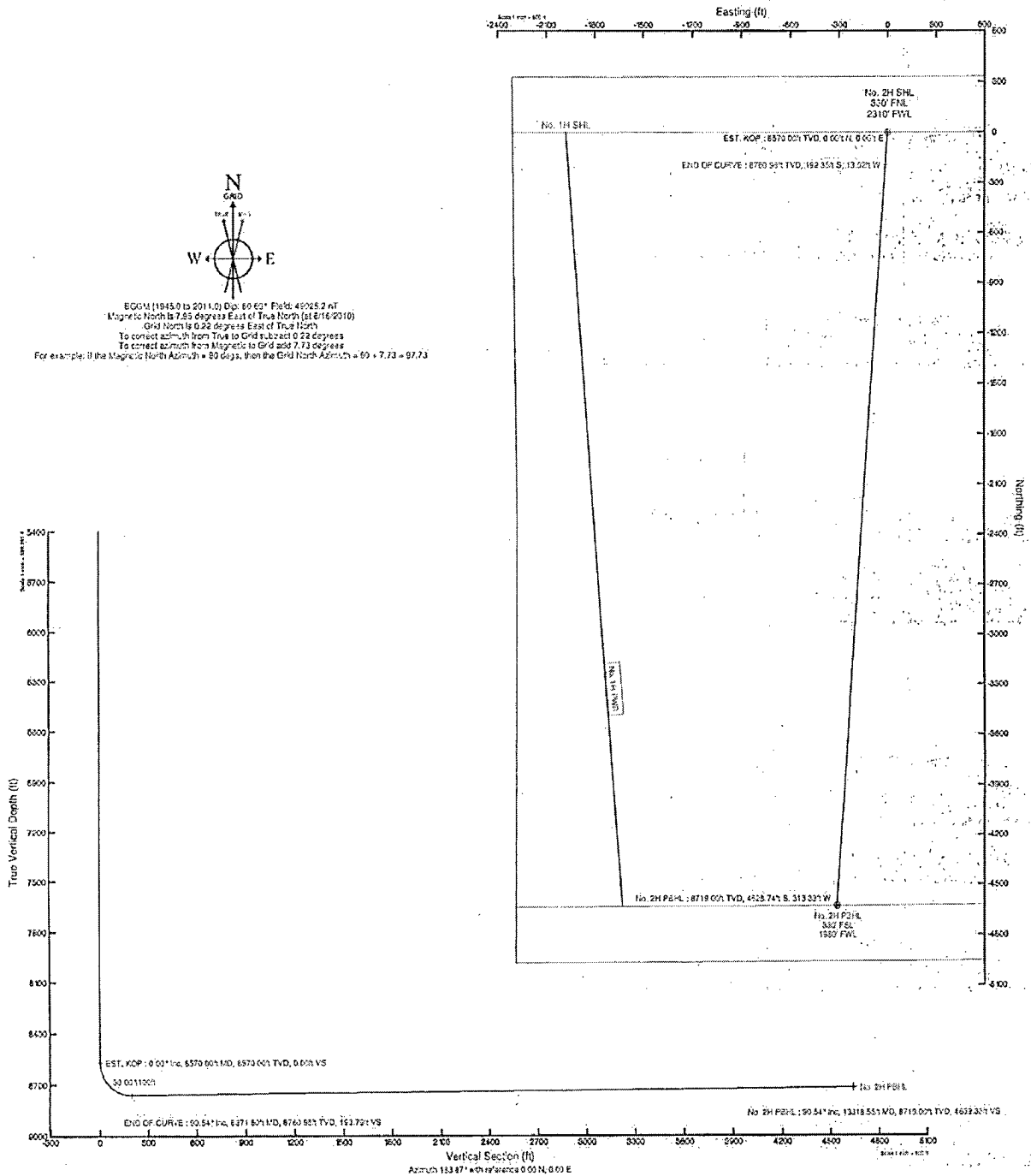
Grid System: NAD83 / TM New Mexico State Planes, Easton Zone (3001), US feet

North Reference: Grid north

Scale: True distance

Depths are in feet

Created by: Victor Hernandez on 6/16/2010





Planned Wellpath Report

Prelim 4
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REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	(Crescent) Sec 1, T19S, R30E	Wellbore	No. 2H PWB
Facility	Crescent Hale 1 No. 2H		

REPORT SETUP INFORMATION

Projection System	NAD83 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect® 2.0
North Reference	Grid	User	Victor Hernandez
Scale	0.999927	Report Generated	6/16/2010 at 3:33:13 PM
Convergence at slot	0.22° East	Database/Source file	WA_Midland/No. 2H_PWB.xml

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude
Slot Location	0.00	0.00	666473.20	617077.80	32°41'44.628"N	103°55'35.595"W
Facility Reference Pt			666473.20	617077.80	32°41'44.628"N	103°55'35.595"W
Field Reference Pt			664708.10	613101.90	32°41'05.353"N	103°55'56.426"W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on No. 2H SHL (GL) to GL	0.00ft
Horizontal Reference Pt	SL	Rig on No. 2H SHL (GL) to Mean Sea Level	3515.00ft
Vertical Reference Pt	Rig on No. 2H SHL (GL)	GL to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 2H SHL (GL)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	183.87°



Planned Wellpath Report

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REFERENCE WELLPATH IDENTIFICATION			
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Field	(Crescent) Sec 1, T19S, R30E	Wellbore	No. 2H PWB
Facility	Crescent Hale 1 No. 2H		

WELLPATH DATA (51 stations) † = interpolated/extrapolated station												
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00	0.000	183.873	0.00	0.00	0.00	0.00	666473.20	617077.80	32°41'44.628"N	103°55'35.595"W	0.00	Tie On
8570.00	0.000	183.873	8570.00	0.00	0.00	0.00	666473.20	617077.80	32°41'44.628"N	103°55'35.595"W	0.00	EST. KOP
8670.00†	30.000	183.873	8665.49	25.59	-25.53	-1.73	666471.47	617052.27	32°41'44.376"N	103°55'35.616"W	30.00	
8770.00†	60.000	183.873	8735.40	95.49	-95.27	-6.45	666466.75	616982.53	32°41'43.686"N	103°55'35.675"W	30.00	
8870.00†	90.000	183.873	8760.99	190.99	-190.55	-12.90	666460.30	616887.26	32°41'42.743"N	103°55'35.754"W	30.00	
8871.80	90.541	183.873	8760.98	192.79	-192.35	-13.02	666460.18	616885.47	32°41'42.725"N	103°55'35.756"W	30.00	END OF CURVE
8970.00†	90.541	183.873	8760.05	290.98	-290.32	-19.65	666453.55	616787.50	32°41'41.756"N	103°55'35.838"W	0.00	
9070.00†	90.541	183.873	8759.11	390.98	-390.08	-26.41	666446.80	616687.74	32°41'40.769"N	103°55'35.921"W	0.00	
9170.00†	90.541	183.873	8758.16	490.97	-489.85	-33.16	666440.04	616587.99	32°41'39.783"N	103°55'36.005"W	0.00	
9270.00†	90.541	183.873	8757.22	590.97	-589.62	-39.91	666433.29	616488.23	32°41'38.796"N	103°55'36.088"W	0.00	
9370.00†	90.541	183.873	8756.27	690.96	-689.39	-46.67	666426.54	616388.47	32°41'37.809"N	103°55'36.172"W	0.00	
9470.00†	90.541	183.873	8755.33	790.96	-789.15	-53.42	666419.78	616288.71	32°41'36.822"N	103°55'36.255"W	0.00	
9570.00†	90.541	183.873	8754.39	890.95	-888.92	-60.17	666413.03	616188.95	32°41'35.835"N	103°55'36.339"W	0.00	
9670.00†	90.541	183.873	8753.44	990.95	-988.69	-66.93	666406.28	616089.19	32°41'34.848"N	103°55'36.422"W	0.00	
9770.00†	90.541	183.873	8752.50	1090.95	-1088.45	-73.68	666399.53	615989.43	32°41'33.861"N	103°55'36.506"W	0.00	
9870.00†	90.541	183.873	8751.55	1190.94	-1188.22	-80.43	666392.77	615889.67	32°41'32.874"N	103°55'36.589"W	0.00	
9970.00†	90.541	183.873	8750.61	1290.94	-1287.99	-87.19	666386.02	615789.91	32°41'31.888"N	103°55'36.673"W	0.00	
10070.00†	90.541	183.873	8749.67	1390.93	-1387.76	-93.94	666379.27	615690.15	32°41'30.901"N	103°55'36.756"W	0.00	
10170.00†	90.541	183.873	8748.72	1490.93	-1487.52	-100.69	666372.51	615590.39	32°41'29.914"N	103°55'36.840"W	0.00	
10270.00†	90.541	183.873	8747.78	1590.92	-1587.29	-107.45	666365.76	615490.63	32°41'28.927"N	103°55'36.923"W	0.00	
10370.00†	90.541	183.873	8746.83	1690.92	-1687.06	-114.20	666359.01	615390.87	32°41'27.940"N	103°55'37.007"W	0.00	
10470.00†	90.541	183.873	8745.89	1790.91	-1786.83	-120.95	666352.26	615291.11	32°41'26.953"N	103°55'37.090"W	0.00	
10570.00†	90.541	183.873	8744.95	1890.91	-1886.59	-127.71	666345.50	615191.35	32°41'25.966"N	103°55'37.174"W	0.00	
10670.00†	90.541	183.873	8744.00	1990.91	-1986.36	-134.46	666338.75	615091.59	32°41'24.979"N	103°55'37.257"W	0.00	
10770.00†	90.541	183.873	8743.06	2090.90	-2086.13	-141.21	666332.00	614991.83	32°41'23.993"N	103°55'37.341"W	0.00	
10870.00†	90.541	183.873	8742.11	2190.90	-2185.89	-147.97	666325.24	614892.07	32°41'23.006"N	103°55'37.424"W	0.00	
10970.00†	90.541	183.873	8741.17	2290.89	-2285.66	-154.72	666318.49	614792.31	32°41'22.019"N	103°55'37.508"W	0.00	
11070.00†	90.541	183.873	8740.23	2390.89	-2385.43	-161.47	666311.74	614692.55	32°41'21.032"N	103°55'37.591"W	0.00	
11170.00†	90.541	183.873	8739.28	2490.88	-2485.20	-168.23	666304.99	614592.79	32°41'20.045"N	103°55'37.675"W	0.00	
11270.00†	90.541	183.873	8738.34	2590.88	-2584.96	-174.98	666298.23	614493.03	32°41'19.058"N	103°55'37.758"W	0.00	



Planned Wellpath Report

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REFERENCE WELLPATH IDENTIFICATION			
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Area	Eddy County, NM	Well	No. 2H
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Facility	Crescent Hale 1 No. 2H		

WELLPATH DATA (51 stations) † = interpolated/extrapolated station												
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS [°/100ft]	Comments
11370.00†	90.541	183.873	8737.39	2690.87	-2684.73	-181.73	666291.48	614393.27	32°41'18.071"N	103°55'37.842"W	0.00	
11470.00†	90.541	183.873	8736.45	2790.87	-2784.50	-188.49	666284.73	614293.51	32°41'17.084"N	103°55'37.925"W	0.00	
11570.00†	90.541	183.873	8735.51	2890.87	-2884.27	-195.24	666277.97	614193.75	32°41'16.098"N	103°55'38.009"W	0.00	
11670.00†	90.541	183.873	8734.56	2990.86	-2984.03	-201.99	666271.22	614093.99	32°41'15.111"N	103°55'38.092"W	0.00	
11770.00†	90.541	183.873	8733.62	3090.86	-3083.80	-208.75	666264.47	613994.23	32°41'14.124"N	103°55'38.176"W	0.00	
11870.00†	90.541	183.873	8732.67	3190.85	-3183.57	-215.50	666257.72	613894.47	32°41'13.137"N	103°55'38.259"W	0.00	
11970.00†	90.541	183.873	8731.73	3290.85	-3283.33	-222.25	666250.96	613794.71	32°41'12.150"N	103°55'38.343"W	0.00	
12070.00†	90.541	183.873	8730.79	3390.84	-3383.10	-229.01	666244.21	613694.95	32°41'11.163"N	103°55'38.426"W	0.00	
12170.00†	90.541	183.873	8729.84	3490.84	-3482.87	-235.76	666237.46	613595.19	32°41'10.176"N	103°55'38.510"W	0.00	
12270.00†	90.541	183.873	8728.90	3590.83	-3582.64	-242.51	666230.70	613495.43	32°41'09.189"N	103°55'38.593"W	0.00	
12370.00†	90.541	183.873	8727.95	3690.83	-3682.40	-249.27	666223.95	613395.67	32°41'08.203"N	103°55'38.676"W	0.00	
12470.00†	90.541	183.873	8727.01	3790.83	-3782.17	-256.02	666217.20	613295.91	32°41'07.216"N	103°55'38.760"W	0.00	
12570.00†	90.541	183.873	8726.07	3890.82	-3881.94	-262.78	666210.44	613196.15	32°41'06.229"N	103°55'38.843"W	0.00	
12670.00†	90.541	183.873	8725.12	3990.82	-3981.70	-269.53	666203.69	613096.39	32°41'05.242"N	103°55'38.927"W	0.00	
12770.00†	90.541	183.873	8724.18	4090.81	-4081.47	-276.28	666196.94	612996.63	32°41'04.255"N	103°55'39.010"W	0.00	
12870.00†	90.541	183.873	8723.23	4190.81	-4181.24	-283.04	666190.19	612896.87	32°41'03.268"N	103°55'39.094"W	0.00	
12970.00†	90.541	183.873	8722.29	4290.80	-4281.01	-289.79	666183.43	612797.11	32°41'02.281"N	103°55'39.177"W	0.00	
13070.00†	90.541	183.873	8721.35	4390.80	-4380.77	-296.54	666176.68	612697.35	32°41'01.294"N	103°55'39.261"W	0.00	
13170.00†	90.541	183.873	8720.40	4490.79	-4480.54	-303.30	666169.93	612597.60	32°41'00.308"N	103°55'39.344"W	0.00	
13270.00†	90.541	183.873	8719.46	4590.79	-4580.31	-310.05	666163.17	612497.84	32°40'59.321"N	103°55'39.428"W	0.00	
13318.55	90.541	183.873	8719.00†	4639.33	-4628.74	-313.33	666159.90	612449.41	32°40'58.842"N	103°55'39.468"W	0.00	No. 2H PBHL

HOLE & CASING SECTIONS Ref Wellbore: No. 2H PWB Ref Wellpath: Prelim_4									
String/Diameter	Start MD [ft]	End MD [ft]	Interval [ft]	Start TVD [ft]	End TVD [ft]	Start N/S [ft]	Start E/W [ft]	End N/S [ft]	End E/W [ft]
6.125in Open Hole	8570.00	13318.55	4748.55	8570.00	8719.00	0.00	0.00	-4628.74	-313.33



Planned Wellpath Report

Prelim_4
Page 4 of 4



REFERENCE WELLPATH IDENTIFICATION			
Operator	Cimarex Energy Co.	Slot	No. 2H SHL
Area	Eddy County, NM	Well	No. 2H
Field	(Crescent) Sec 1, T19S, R30E	Wellbore	No. 2H PWB
Facility	Crescent Hale 1 No. 2H		

TARGETS									
Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Shape
1) No. 2H PBHL		8719.00	-4628.74	-313.32	666159.90	612449.41	32°40'58.842"N	103°55'39.468"W	point

SURVEY PROGRAM Ref Wellbore: No. 2H PWB Ref Wellpath: Prelim_4				
Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
0.00	13318.55	NaviTrak (Standard)		No. 2H PWB

SR & A

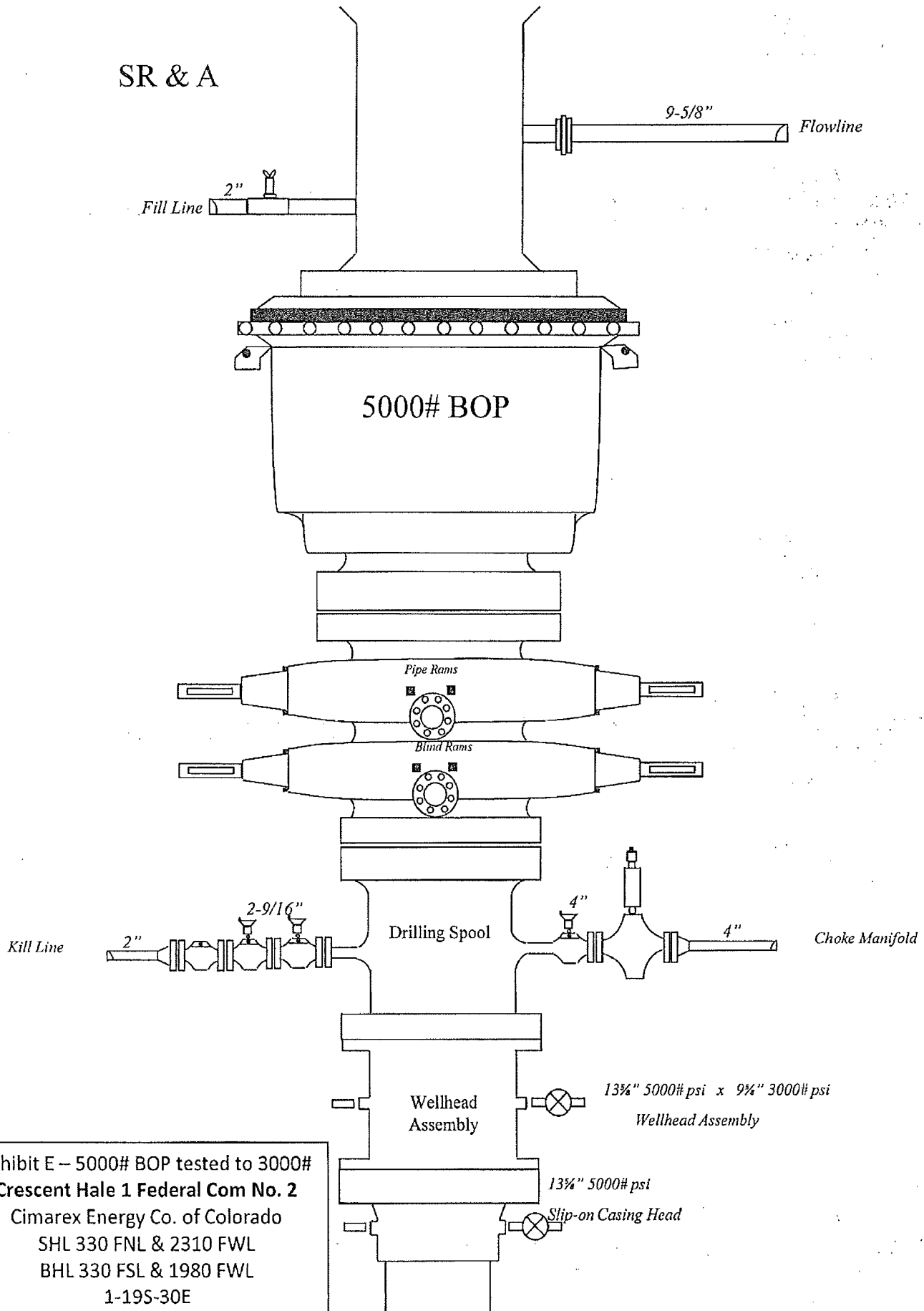
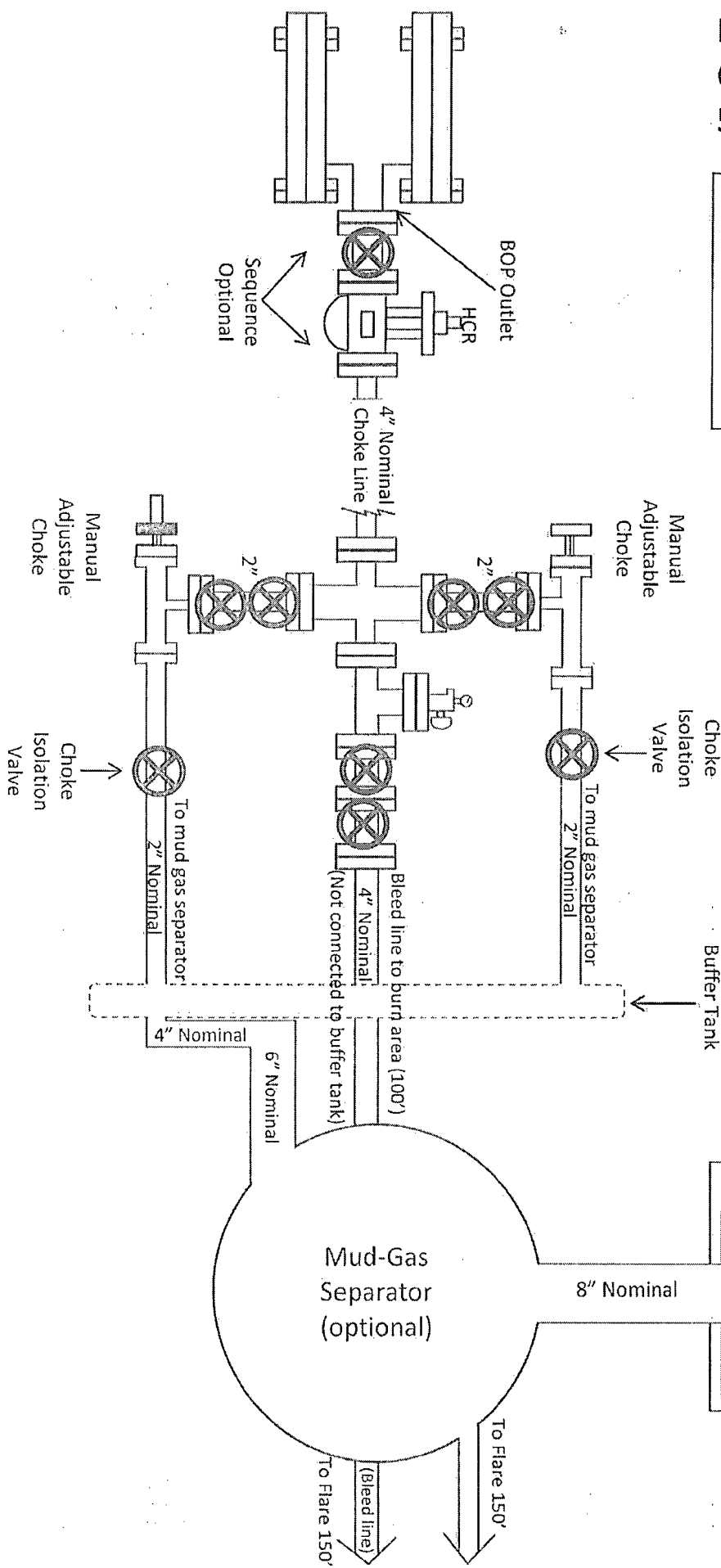


Exhibit E – 5000# BOP tested to 3000#
Crescent Hale 1 Federal Com No. 2
Cimarex Energy Co. of Colorado
SHL 330 FNL & 2310 FWL
BHL 330 FSL & 1980 FWL
1-19S-30E
Eddy County, NM

**Drilling Operations
Choke Manifold
5M Service (tested to 3M)**

Exhibit E-1 – Choke Manifold Diagram
Crescent Hale 1 Federal Com No. 2
Cimarex Energy Co. of Colorado
SHL 330 FNL & 2310 FWL
BHL 330 FSL & 1980 FWL
1-19S-30E
Eddy County, NM



DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

Operator CIMAREX ENERGY CO. of COLORADO OGRID # 162683
 38064 Well Name & # CRESCENT HALE 1 F22 COM #2 Surface Type (F) (S) (P)
 Location: UL C, Sect 1, Twnship 19 s, RNG 30 e, Sub-surface Type (F) (S) (P)

A. Date C101 rec'd / / C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID ☒ BONDING FED PROP CODE ☒ WELL # ☒ SIGNATURE [Signature]

2. Inactive Well list as of: 03/03/11 # wells 1149 # Inactive wells 8

a. District Grant APD but see number of inactive wells:

No letter required ☒; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 03/03/11

a. District Denial because operator needs addition bonding:

No Letter required ☒; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required ☒; Sent Letter to Operator , To Santa Fe

C. C102 YES ☒ NO , Signature

1. Pool BENSON BONE SPRING, Code 5200

a. Dedicated acreage 160, What Units CPKN

b. SUR. Location Standard ☒; Non-Standard Location

c. Well shares acres: Yes , No ☒ # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes ☒ No

a. Dedicated acreage 160, What Units CPKN

b. Bottomhole Location Standard ☒ Non-Standard Bottomhole

4. Downhole Commingle: Yes , No ☒

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes FED, No

D. Blowout Preventer Yes ☒ No

E. H2S Yes ☒ No

F. C144 Pit Registration Yes ☒ No

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No ☒ NSL #

2. Non-Standard Proration: Yes , No ☒ NSP #

3. Simultaneous Dedication: Yes , No ☒ SD #

Number of wells Plus #

4. Injection order Yes , No ☒; PMX # or WFX #

5. SWD order Yes , NO ☒; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date 03/03/11

API #30-015--38524

8. Reviewers [Signature]