



Cimarex Energy Co. of Colorado

5215 North O'Connor Blvd. ♦ Suite 1500 ♦ Irving, TX 75039 ♦ (972) 401-3111 ♦ Fax (972) 443-6486

Mailing Address: P.O. Box 140907 ♦ Irving, TX 75014-0907

A subsidiary of Cimarex Energy Co. • A NYSE Listed Company • "XEC"

November 20, 2006

Oil Conservation Division
District II Office
1301 W. Grand Ave.
Artesia, New Mexico 88210
Attn: Mr. Bryan Arrant

30.015.35237

Re: Statewide Rule 118
Hydrogen Sulfide Gas Contingency Plan
Proposed Leatherstocking 18 State Com No. **2** Well

Dear Mr. Arrant:

In accordance with NMAC 19.15.3.118 C. (1) governing the determination of the hydrogen sulfide concentration in gaseous mixtures in each of its operations, Cimarex Energy Co. of Colorado does not anticipate that there will be enough H₂S from the surface to the Morrow formation to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of the following test(s):

Leatherstocking 18 State Com No. **2**
Section 18-T18S-R28E
810' FSL & 660' FWL
Eddy County, NM

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact the undersigned at 972-443-6489.

Yours truly,

Zeno Farris
Manager, Operations Administration

Cementing and Mud Details
Cimarex Energy Co. of Colorado
Leatherstocking 18 State Com No. 1
Unit Letter M Section 18
T18S - R28E Eddy County, NM

1. Cementing & Setting Depth:

13 3/8" Surface

Set 450' of 13-3/8" H-40 48# ST&C casing. Cement with 400 Sx. Of Class "C" cement + additives, circulate cement to surface.

9 5/8" Intermediate

Set 2600' of 9-5/8" J-55 40# LT&C casing. Cement lead with 800 sx Class POZ/C Cement + additives and tail with 200 sx Class "C" + additives, circulate cement to surface.

5 1/2" Production

Set 10900' of 4-1/2" P-110 11.6# LT&C casing. Cement lead with 550 Sx. of Class POZ/C Cement + additives and tail with 500 Sx of Class "C". Estimated top of cement 9100'.

2. Pressure control Equipment:

A 13-3/8" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000# annular type preventor. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 6000'. 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 on the 9 5/8" casing and will be 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.

3. Proposed Mud Circulating System:

Depth 0-450'

Mud Wt: 8.4-8.6

Viscosity: 30-32

Fluid Loss: May lose Circ

Type: Mud Fresh water spud mud add paper to control seepage and high viscosity sweeps to clean hole.

Depth: 450' - 2600'

Mud Wt: 9.7 - 10.0

Viscosity: 28 - 29

Fluid Loss: May lose circ.

Type: Brine water. Add paper as needed to control seepage and add lime to control pH (9-10). Use high viscosity sweeps to clean hole.

Cementing and Mud Details
Cimarex Energy Co. of Colorado
Leatherstocking 18 State Com No. 1
Unit Letter M Section 18
T18S - R28E Eddy County, NM

Depth: 2600' - 8300'
Mud Weight: 8.4 - 9.9
Viscosity: 28 - 29
Fluid Loss: NC
Type: Fresh water. Paper for seepage. Lime for pH (9 - 9.5)

Depth: 8300' - 10000'
Mud Wt: 8.45 - 8.9
Viscosity: 28 - 29
Fluid Loss: NC
Type: Cut brine. Caustic for pH control.

Depth: 10000' - 10900'
Mud Wt: 8.9 - 9.7
Viscosity: 29 - 45
Fluid Loss: NC
Type: XCD Polymer mud system.

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. Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until production casing is run and cemented.

Cimarex Energy Co.
508 W. Wall Street
Suite 600
Midland, Texas 79701
PHONE 432.571.7800
FAX 432.571.7832



November 17, 2006

VIA E-MAIL

ConocoPhillips Company
550 Westlake Park Blvd.
Houston, Texas 77079

Attention: Mr. Greg Fuzzell
WL3 Room 14058

Re: Cimarex Energy Co.
Leatherstocking "18" State Com No. 2
W/2 Section 18-18S-28E
Eddy County, New Mexico

Gentlemen:

This letter agreement is entered into by and between ConocoPhillips Company ("COPC") and Magnum Hunter Production, Inc., and Cimarex Energy Co., of Colorado (collectively "MHPI"), both of which are wholly owned subsidiaries of Cimarex Energy Co., and when properly executed in the spaces provided below, shall evidence and confirm our agreement as the same pertains to the drilling, completion and equipping of the captioned well in Eddy County, New Mexico.

Reference is here made for all purposes to that certain Joint Operating Agreement dated February 1, 2002, by and between Southwestern Energy Production Company, as Operator, and Magnum Hunter Production, Inc., et al, as Non-Operators, (the "JOA") covering and pertaining to the West Half (W/2) of Section 18-18S-28E, Eddy County, New Mexico, and under which the Leatherstocking "18" State Com No. 1 well was drilled and completed as a commercial producer of oil and gas. Subsequent to the completion of the Leatherstocking "18" State Com No. 1, COPC was designated as Operator under the JOA.

Whereas it has been determined by the parties hereto that a second well, the Leatherstocking "18" State Com No. 2 (the "Second Well") is necessary to protect from drainage both parties respective equities in field reserves, and whereas MHPI currently has drilling equipment in the general area that is both capable of and available to drill the Second Well.

Whereas it is now the desire of COPC and MHPI to temporarily designate MHPI as a secondary operator in order to allow MHPI to timely drill and complete the Second Well.

For and in consideration of the premises, the mutual covenants and obligations set forth herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, COPC and MHPI agree to designate MHPI, or its affiliates, as a secondary operator of the West Half (W/2) of Section 18-18S-28E, Eddy County, New Mexico, for the express purpose of drilling and completing of the Second Well with a spud date of no later than December 31, 2006. COPC shall assume Operatorship prior to the setting of production equipment and facilities beyond the wellhead and shall operate all subsequent production phases.

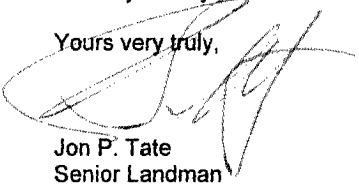
Except as modified and amended by this Letter Agreement, the JOA remains in full force and effect as to all of its remaining terms and provisions.

If the foregoing correctly sets forth our understanding and agreement, kindly indicate your acceptance and approval by signing in the space provided below and returning one (1) copy to the undersigned at the above letterhead address.

If there is anything further that you should require in regard to this matter, please do not hesitate to call upon us.

Thank you very much.

Yours very truly,

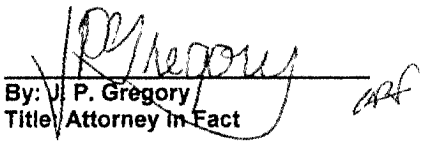


Jon P. Tate
Senior Landman

JPT/tbm

The foregoing correctly sets forth our understanding and agreement and is hereby approved and accepted this 17th day of NOVEMBER, 2006.

ConocoPhillips Company



By: J. P. Gregory
Title: Attorney in Fact