

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.



OCD-ARTESIA

ATS07-477

Form 3160-3
(April 2004)

899

RESUBMITTAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 20 2007
OCD-ARTESIA

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 LC-029342-B
1b Type of Well <input type="checkbox"/> Oil Well <input checked="" 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
2 Name of Operator Cimarex Energy Co. of Colorado		7 If Unit or CA Agreement, Name and No Pending
3a Address 1700 Lincoln Street Denver, CO 80203		8 Lease Name and Well No Stewart 9 Federal Com No. 1
3b Phone No (include area code) 303-295-3995		9 API Well No 30-015- 35823
4 Location of Well (Report location clearly and in accordance with any State requirements *) At Surface 805' FSL & 1980' FWL At proposed prod Zone 805' FSL & 1980' FWL		10 Field and Pool, or Exploratory Undes. Loco Hills; Morrow (Gas)
14 Distance in miles and direction from nearest town or post office* 2 miles Northeast of Loco Hills		11 Sec , T R M or Blk and Survey or Area 9-17S-30E
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line if any) 805'	16 No of acres in lease 320	17 Spacing Unit dedicated to this well W2 320
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft n/a	19 Proposed Depth 11650'	20 BLM/BIA Bond No on File NM-2575
21 Elevations (Show whether DF, KDB, RT, GL, etc) 3693' GR	22 Approximate date work will start* 8/1/2007	23 Estimated duration 35-45 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 06.05.07
------------------------------------	-------------------------------------	------------------

Title Manager Operations Administration		
Approved By (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed) <i>/s/ Don Peterson</i>	Date SEP 18 2007
Title 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

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)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Roswell Controlled Water Basin

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT I

1625 N. FRENCH DR., ROBBE, NM 86240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 86210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 80320	Pool Name Undes. Loco Hills; Morrow (Gas)
Property Code 35794	Property Name STEWART 9 FEDERAL COM	Well Number 1
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3693'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	17-S	30-E		805	SOUTH	1980	WEST	EDDY

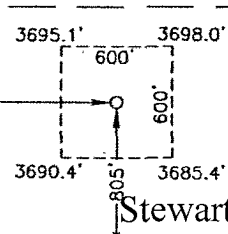
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill N	Consolidation Code C	Order No.
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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

LC-065024	LC-029342-D	GEODETIC COORDINATES NAD 27 NME $Y=670900.6$ N $X=608944.2$ E $LAT.=32^{\circ}50'38.00''$ N $LONG.=103^{\circ}58'42.99''$ W	OPERATOR CERTIFICATION <i>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <u>Zeno Farris</u> 06-05-07 Signature Date <u>Zeno Farris</u> Printed Name
LC-056551-A	LC-029342-B		



Stewart 9 Fed Com #1



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 wholly-owned subsidiary of Cimarex Energy Co., a NYSE Listed Company, "XEC"

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220
Attn: Ms. Linda Denniston

Cimarex Energy Co. of Colorado accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land, or portion thereof, as described below:

Lease No.: LC-029342-B: E2SW 9-17S-30E 80 acres
LC-056551-A: W2SW 9-17S-30E 80 acres
LC-065024: W2NW 9-17S-30E 80 acres
LC-029342-D: E2NW 9-17S-30E 80 acres

County: Eddy County, NM

Formation(s): Morrow

Bond Coverage: Statewide BLM Bond

BLM Bond File No.: NM-2575

Authorized Signature:

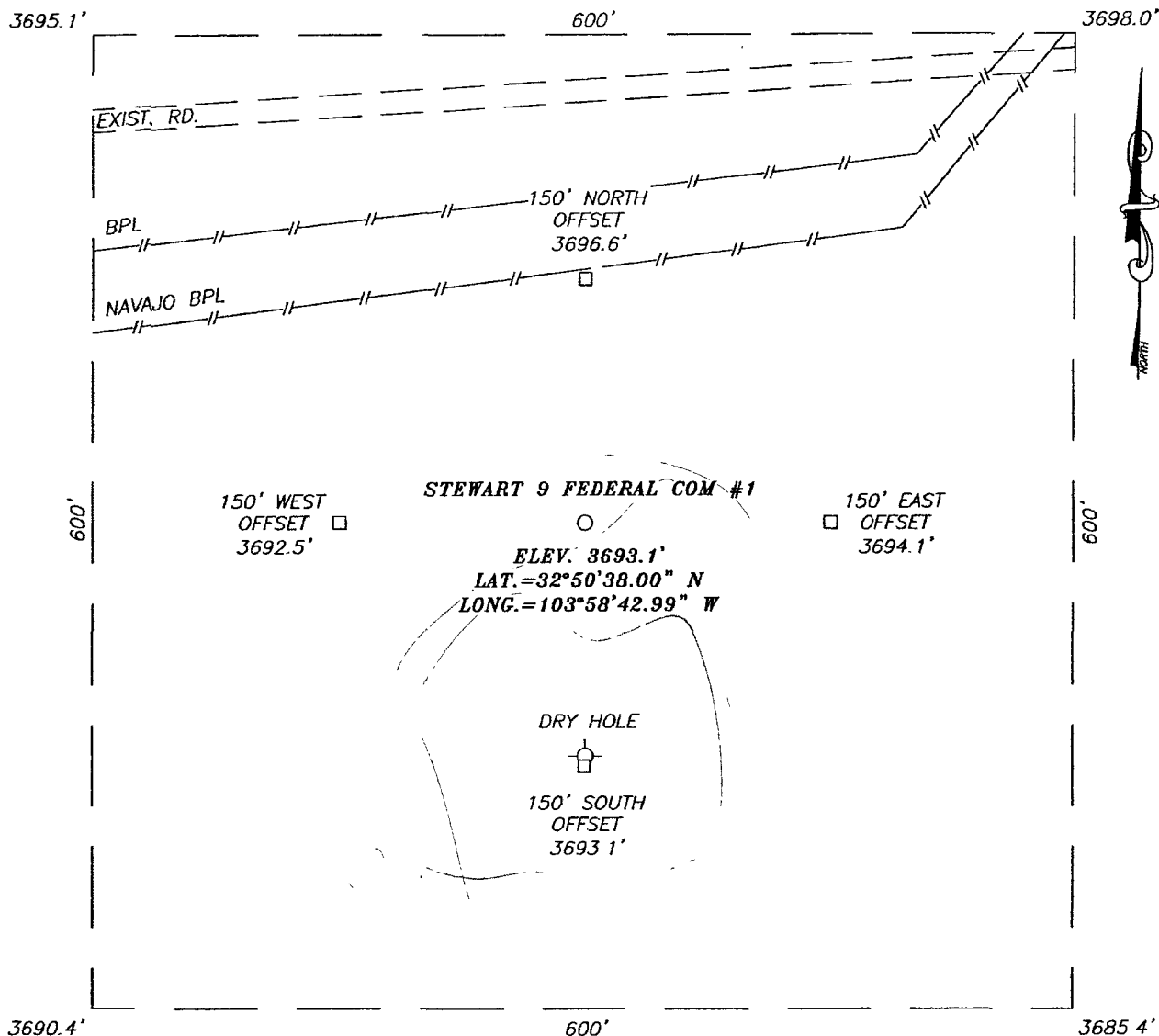
Zeno Farris
Representing Cimarex Energy Co. of Colorado

Name: Zeno Farris

Title: Manager Operations Administration

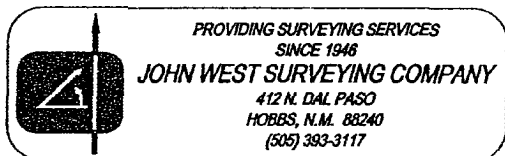
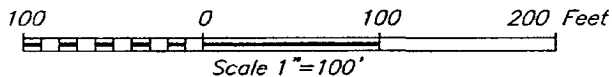
Date: June 5, 2007

SECTION 9, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 CO. RD. #217 (HAGERMAN CUTOFF), GO NORTH ON CO. RD. #217 APPROX. 4.2 MILES. TURN RIGHT AND GO EAST APPROX. 0.4 MILES. THIS LOCATION IS APPROX. 250 FEET SOUTH.



CIMAREX ENERGY CO. OF COLORADO

STEWART 9 FEDERAL COM #1
 LOCATED 805 FEET FROM THE SOUTH LINE
 AND 1980 FEET FROM THE WEST LINE OF SECTION 9,
 TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

Survey Date: 04/18/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0663	Dr By: M.R
Date: 04/21/06	Disk: CD#6
06110663	Scale 1"=100'

Application to Drill

Cimarex Energy Co. of Colorado
Stewart 9 Federal Com No 1
Unit N Section 9
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: 805' FSL & 1980' FWL
- 2 Elevation above sea level: 3693' 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: 11650'

- 6 Estimated tops of geological markers:

San Andres	2840	Strawn LS	10240
Yeso	4275	Atoka Clastics	10520
Abo Shale	6400	Morrow Clastics	11030
Wolfcamp	7720	Miss Unconformi	11260

- 7 Possible mineral bearing formation:

Yeso	Oil	Tertiary
Atoka SS	Gas	Secondary
Morrow sands	Gas	Primary

- 8 Casing program:

Hole Size	Interval	Casing OD	Weight	Thread	Collar	Grade
17-1/2"	0-400'	13-3/8"	48	8-R	ST&C	H-40
11"	0-4700'	8-5/8"	32	8-R	LT&C	J-55
7-7/8"	0-11650'	5-1/2"	17	8-R	LT&C	P-110

Application to Drill

Cimarex Energy Co. of Colorado
Stewart 9 Federal Com No. 1
Unit N Section 9
T17S R30E Eddy County, NM

9 Cementing & Setting Depth.

13-3/8"	Surface	Set 400' of 13-3/8" H-40 48 # ST&C casing. <u>Lead</u> 200 sx Halliburton Light Prem Plus + 1% CaCl + 0.125# Poly-E-Flake (wt 12.5, yld 1.97) <u>Tail</u> 220 sx Prem Plus + 2% CaCl (wt 14 8, yld 1.35)
8-5/8"	Intermediate	Set 4700' 8-5/8" 32# J-55 LTC casing. <u>Lead</u> 1500 sx Interfill C + 0 125# Poly-E-Flake (wt 11 9, yld 2.45) <u>Tail</u> 200 sx Prem Plus + 1% CaCl (wt 14.8, yld 1.33)
5-1/2"	Production	Set 11650' of 5-1/2" P-110 17# LT&C casing. <u>Lead</u> 650 sx Interfill H + 0.125# Poly-E-Flake (wt 11.5, yld 2.76) <u>Tail</u> 600 sx Super H + 0 5% Halad + 0.4% CFR-3 + 1# Salt + 5# Gilsonite + 0.125# Poly-E + 0.35% HR-7 (wt 13.0, yld 1 68) TOC 3775'

10 Pressure control Equipment:

Exhibit "E". 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 preventer. 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. From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 psi BOP system.

We are requesting a variance for the 13-3/8" surface casing and BOP testing from Onshore Order No. 2, which states that all casing strings below the conductor shall be pressure tested to 0.22 psi per foot or 1500 psi, whichever is greater, but not to exceed 70% of the manufacturer's stated maximum internal yield. We are requesting a variance to test the 13-3/8" casing to 1000 psi using rig pumps. The BOP will be tested to 5000 PSI by an independent service company.

11 Proposed Mud Circulating System:

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0 - 400'	8.4 - 8.6	30 - 32	May lose circ	Fresh water spud mud
400' - 4700'	10.0	28 - 29	May lose circ	Brine Water
4700' - 11650'	8.4-10.0	28 - 29	NC	Fresh water and brine, use hi-vis sweeps to keep hole clean

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.

Application to Drill

Cimarex Energy Co of Colorado
Stewart 9 Federal Com No. 1
Unit N Section 9
T17S R30E Eddy County, NM

12 Testing, Logging and Coring Program:

- A. Mud logging program: Two-man unit from 4700' 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. The area has a potential H₂S hazard. An H₂S drilling plan is attached. 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 4000 PSI, estimated BHT 175.

14 Anticipated Starting Date and Duration of Operations:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 35-45 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. The Morrow pay will be perforated and stimulated. The well will be tested and potentialized as a gas well.

SR & A

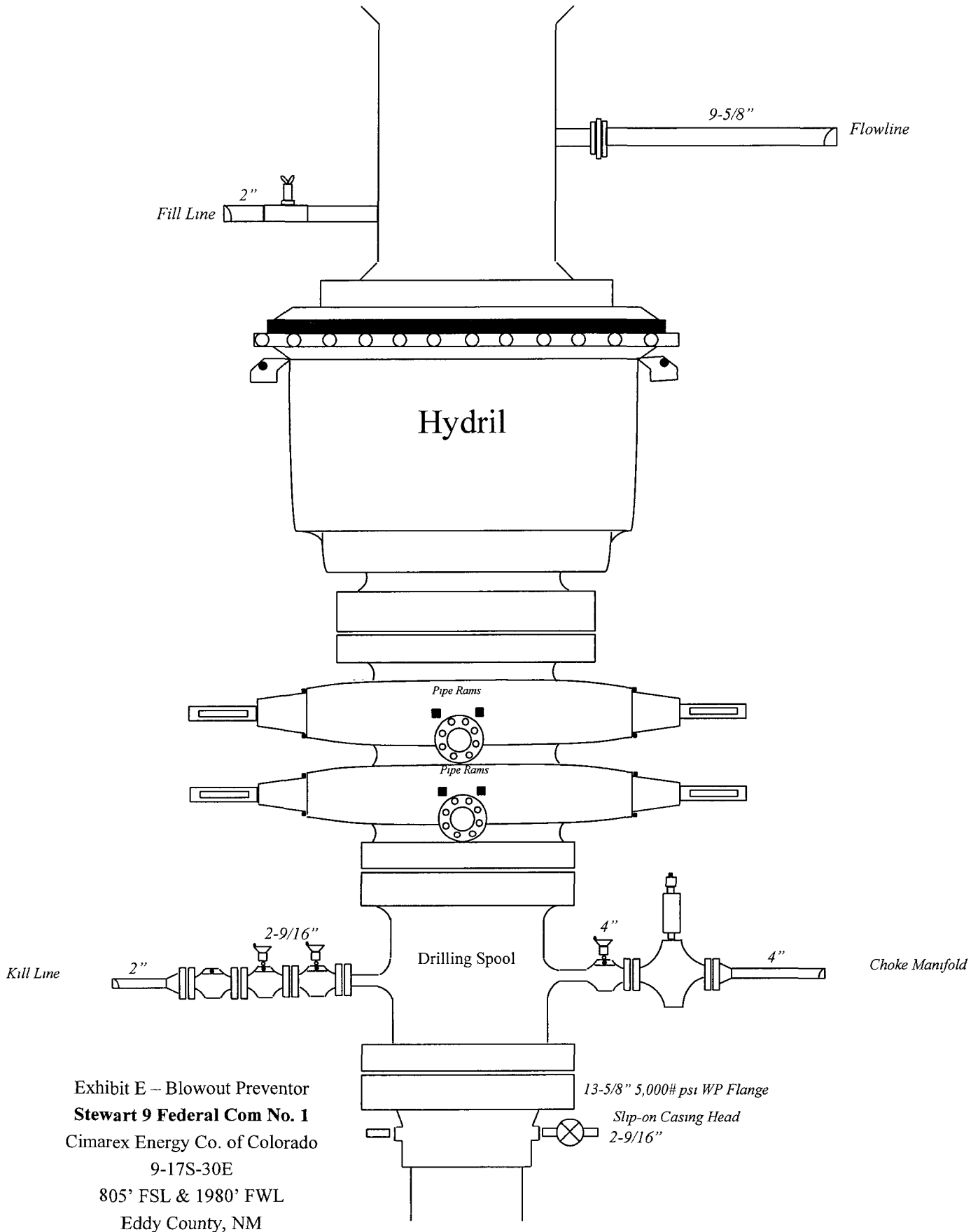


Exhibit E – Blowout Preventor
Stewart 9 Federal Com No. 1
 Cimarex Energy Co. of Colorado
 9-17S-30E
 805' FSL & 1980' FWL
 Eddy County, NM

**DRILLING OPERATIONS
CHOKE MANIFOLD
5M SERVICE**

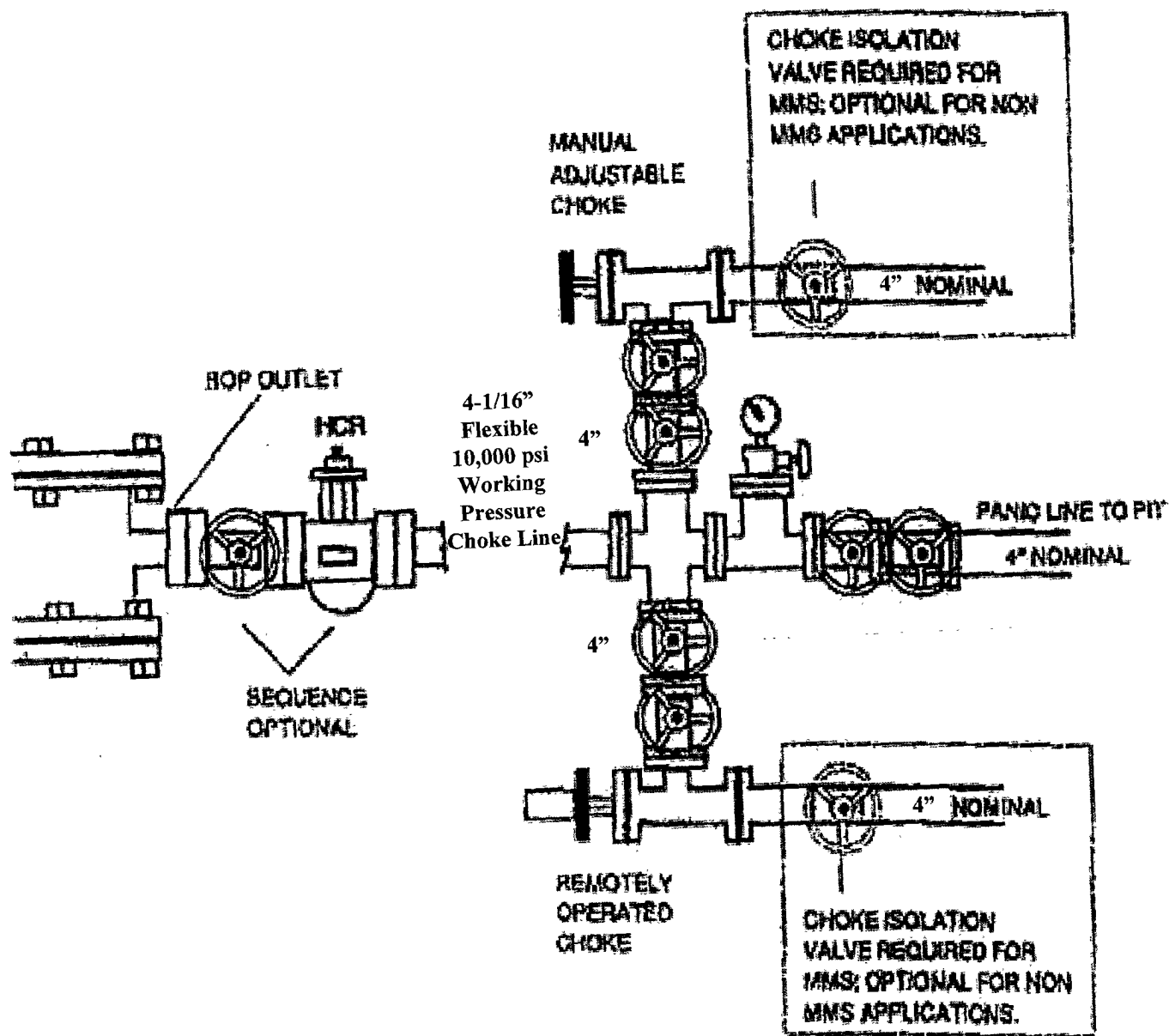


Exhibit E-1 – Choke Manifold
Stewart 9 Federal Com No. 1
Cimarex Energy Co. of Colorado
9-17S-30E
805' FSL & 1980' FWL
Eddy County, NM



Midwest Hose
& Specialty, Inc.

Specification Sheet Choke & Kill Hose

The Midwest Hose & Specialty Choke & Kill hose is manufactured with only premium components. The reinforcement cables, inner liner and cover are made of the highest quality material to handle the tough drilling applications of today's industry. The end connections are available with API flanges, API male threads, hubs, hammer unions or other special fittings upon request. Hose assembly is manufactured to API 7K. This assembly is wrapped with fire resistant vermiculite coated fiberglass insulation, rated at 2000 degrees with stainless steel armor cover.

Working Pressure:	5,000 or 10,000 psi working pressure
Test Pressure:	10,000 or 15,000 psi test pressure
Reinforcement:	Multiple steel cables
Cover:	Stainless Steel Armor
Inner Tube:	Petroleum resistant, Abrasion resistant
End Fitting:	API flanges, API male threads, threaded or butt weld hammer unions, unbolt and other special connections
Maximum Length:	110 Feet
ID:	2-1/2", 3", 3-1/2", 4"
Operating Temperature:	-22 deg F to +180 deg F (-30 deg C to +82 deg C)



"Natalie Krueger"
<nkrueger@cimarex.com>
08/06/2007 04:42 PM

To: <Kurt_Simmons@nm.blm.gov>
cc
bcc

Subject: Stewart 9 Fed Com 1 - Missing Info from APD

Hi Kurt,

Regarding the missing info from the Resubmittal APD for the Stewart 9 Fed Com 1, please see the following items:

1. Plan to protect fresh water and hydrocarbon zones:
 - Fresh water will be protected by setting 13-3/8" casing at 400' and cementing to surface. Hydrocarbon zones will be protected by setting 8-5/8" casing cemented to surface and 5-1/2" casing cemented to 3775'
2. Flex Line Variance.
 - We are also requesting a variance from Onshore Order No. 2 to use flexible choke line instead of hard choke line due to rig design. Line is approximately 20' long and has a 10000 psi working pressure with 15000 psi test pressure per attached spec sheet.
3. New or used casing:
 - All casing strings will be new casing.
4. Burst Ratings:
 - Cimarex uses the following minimum safety factors:

Burst	Collapse	Tension
1.125	1.0	1.80
5. Surface and intermediate casing string TOCs will be 0'

Natalie Krueger
phone 469-420-2723
fax 972-443-6486
nkrueger@cimarex.com

Hydrogen Sulfide Drilling Operations Plan

Cimarex Energy Co of Colorado
Stewart 9 Federal Com No 1
Unit N Section 9
T17S R30E Eddy County, NM

- 1 All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following.

- A Characteristics of H2S
- B Physical effects and hazards
- C Proper use of safety equipment and life support systems.
- D Principle and operation of H2S detectors, warning system and briefing areas.
- E Evacuation procedure, routes and first aid
- F Proper use of 30 minute pressure demand air pack.

- 2 H2S Detection and Alarm Systems

- A H2S detectors and audio alarm system to be located at bell nipple, end of flow line (mud pit) and on derrick floor or doghouse.

- 3 Windsock and/or wind streamers

- A Windsock at mudpit area should be high enough to be visible.
- B Windsock at briefing area should be high enough to be visible.

- 4 Condition Flags and Signs

- A Warning sign on access road to location.
- B Flags to be displayed on sign at entrance to location. Green flag indicates normal safe condition. Yellow flag indicates potential pressure and danger. Red flag indicates danger (H2S present in dangerous concentration). Only emergency personnel admitted to location.

- 5 Well control equipment

- A See exhibit "E"

- 6 Communication

- A While working under masks chalkboards will be used for communication.
- B Hand signals will be used where chalk board is inappropriate.
- C Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.

- 7 Drillstem Testing

No DSTs are planned.

Hydrogen Sulfide Drilling Operations Plan

Cimarex Energy Co. of Colorado

Stewart 9 Federal Com No. 1

Unit N Section 9

T17S R30E Eddy County, NM

- 8 Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 9 If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

Surface Use Plan

Cimarex Energy Co of Colorado
Stewart 9 Federal Com No 1
Unit N Section 9
T17S R30E Eddy County, NM

- 1 Existing Roads Area maps, Exhibit "B" is a reproduction of Lea Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
 - A. Exhibit "A" shows the proposed well site as staked.
 - B. From the intersection of US Hwy #82 and Co Rd #217 (Hagerman Cutoff), go North on Co Rd #217 approx 4.2 miles. Turn Right and go East approx 0.4 miles. This location is approx 250' South
- 2 PLANNED ACCESS ROADS: No new access roads will be constructed.
- 3 LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A"
 - A. Water wells - None known
 - B. Disposal wells - None known
 - C. Drilling wells - None known
 - D. Producing wells - As shown on Exhibit "A"
 - E. Abandoned wells - As shown on Exhibit "A"

Surface Use Plan

Cimarex Energy Co. of Colorado
Stewart 9 Federal Com No. 1
Unit N Section 9
T17S R30E Eddy County, NM

- 4 If on completion this well is a producer Cimarex Energy Co. of Colorado will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied by a Sundry Notice.

5 LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

6 SOURCE OF CONSTRUCTION MATERIAL:

If possible, construction will be obtained from the excavation of drill site. If additional material is needed, it will be purchased from a local source and transported over the access route as shown on Exhibit "C".

7 METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be separated by a series of solids removal equipment and hauled to the cuttings drying area and then disposed of in the cuttings burial cell.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. Sewage from living quarters will drain into holding tanks and be cleaned out periodically. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Drilling fluids will be contained in steel pits in a closed circulating system. Fluids will be cleaned and reused. Water produced during testing will be contained in the steel pits and disposed of at a state approved disposal facility. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8 ANCILLARY FACILITIES:

- A. No camps or airstrips to be constructed.

Surface Use Plan

Cimarex Energy Co. of Colorado
Stewart 9 Federal Com No. 1
Unit N Section 9
T17S R30E Eddy County, NM

9 WELL SITE LAYOUT

- A. Exhibit "D" shows location and rig layout.
- B. This exhibit indicates proposed location of the 100' X 100' cuttings drying area.
- C. Mud pits in the closed circulating system will be steel pits and the cuttings drying area will be surrounded by a 2' X 2' ring levee and a 2' earthen berm. A 12 mil liner will cover the cuttings drying area and extend a minimum of 2' over the earthen berm where it will be anchored down. A pump off system will pump any accumulated fluids in the ring levee to the rig holding tanks to be cleaned and reused.
- D. After drying cuttings will be disposed of in a 50' X 50' cuttings burial cell. The bottom will be lined with a 12 mil liner. Drill cuttings will be hauled from the cuttings drying area and encapsulated in a 12 mil liner. The 12 mil liner will be folded over the cuttings and capped with a 20 mil membrane cap. The cell will be filled with 3' to 4' of top soil and leveled and contoured to conform to the original surrounding area.
- E. If the well is a producer, the cuttings burial area and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10 PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and cuttings burial cell will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the drill cuttings will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The cuttings burial area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recountoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

Surface Use Plan

Cimarex Energy Co. of Colorado
Stewart 9 Federal Com No. 1
Unit N Section 9
T17S R30E Eddy County, NM

11 OTHER INFORMATION:

- A. Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- B. The wellsite is on surface owned by US Department of the Interior's Bureau of Land Management. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
- C. An Archaeological survey has been conducted on the location and proposed roads, and this report has been filed with the Bureau of Land Management in the Carlsbad BLM office (NMCRIS #99676).
- D. There are no know dwellings within 1 1/2 miles of this location.

12 OPERATOR'S REPRESENTATIVE:

Cimarex Energy Co. of Colorado
P.O. Box 140907
Irving, TX 75014
Office Phone: (972) 443-6489
Zeno Farris

- 13 CERTIFICATION: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Cimarex Energy Co. of Colorado and/or its contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME: _____

DATE: June 5, 2007

TITLE: Manager Operations Administration

Operator Certification Statement
Cimarex Energy Co. of Colorado
Stewart 9 Federal Com No. 1
Unit N Section 9
T17S R30E Eddy County, NM

Operator's Representative

Cimarex Energy Co. of Colorado
P.O. Box 140907
Irving, TX 75014
Office Phone: (972) 443-6489
Zeno Farris

CERTIFICATION: I hereby certify that the statements and plans made in this APD are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Cimarex Energy Co. of Colorado and/or its contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME: Zeno Farris
Zeno Farris
DATE: September 17, 2007
TITLE: Manager Operations Administration

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests.

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(505) 361-2822

1. **Although Hydrogen Sulfide has not been reported in this section, it has been reported in sections 12 and 15 measuring 500-1800 ppm in the gas stream. If Hydrogen Sulfide is encountered, please provide concentration figures to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. When floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

1. The 13-3/8 inch surface casing shall be set **a minimum of 25 feet into the Rustler Anhydrite at approximately 400 feet** and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).

- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial action will be done prior to drilling out that string.

Possible lost circulation in the Grayburg and San Andres formations.

Possible water flows in the Salado and Artesia Groups.

Possible high pressure air pockets in shallow formations and high pressure gas bursts in the Wolfcamp formation. Pennsylvanian section may be over pressured.

- 2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a-d above.

- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. **Operator estimating top of cement at 3775'.**

- 4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

Variance approved to use flexible choke line with the following conditions:

- 1. Run to be as straight as possible.
- 2. Condition of line to show no frays or unusual wear.

The recommendation for anchoring this assembly is to attach a safety clamp on the mid-section of the hose and anchor to the sub-floor on the rig.

- 2. The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.

- c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
- e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation **if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days**. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
- f. A variance to test **only the surface casing** to the reduced pressure of 1000 psi with the rig pumps is approved.

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

Engineer on call phone (after hours): Carlsbad - 505-706-2779

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