

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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 July 18, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|----------------------------------|---|------------------------------------|
| API Number 30-015-3803 | Pool Code 96210 | Pool Name Empire; Glorieta-Yeso |
| Property Code 38306 | Property Name PONDHAWK "32" STATE | Well Number 9 |
| GRID No. 162683 | Operator Name CIMAREX ENERGY CO. OF COLORADO | Elevation 3649' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 32 | 16 S | 29 E | | 1650 | SOUTH | 330 | 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 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

| | |
|--|--|
| | <p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Zeno Farris</i> 8/31/2010 Signature Date</p> <p>Zeno Farris Printed Name zfarris@cimarex.com Email Address</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p> Date Surveyed Signature Professional Surveyor No. 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS 23127</p> |
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Mud, Casing, Cementing, and BOP Attachment
Pondhawk 32 State No. 9
Cimarex Energy Co. of Colorado
Unit L, Section 32
T16S-R29E, Eddy County, NM

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

Location: 1650 FSL & 330 FWL

Elevation above sea level: 3649' GR

Proposed drilling depth: 6000'

Proposed Mud Circulating System:

| Depth | | Mud Wt | Visc | Fluid Loss | Type Mud |
|-------|----------|-----------|-------|------------|-------------|
| 0' | to 450' | 8.4 - 8.6 | 28 | NC | FW |
| 0' | to 1100' | 10.0 | 30-32 | NC | Brine water |
| 0' | to 6000' | 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.

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Casing & Cementing Plan:

| String | Hole Size | Depth | | Casing OD | | Weight | Collar | Grade |
|---------------------|-----------|-------|----------|-----------|------|--------|--------|-------|
| <i>Surface</i> | 16" | 0' | to 450' | New | 11¼" | 42# | STC | H-40 |
| <i>Intermediate</i> | 11" | 0' | to 1100' | New | 8⅝" | 24# | STC | J-55 |
| <i>Production</i> | 7⅞" | 0' | to 6000' | New | 5½" | 17# | LTC | P-110 |

Cementing Plan:

Surface 530 sx Class H + 2% CaCl₂ (wt 14.8, yld 1.34)
TOC Surface

Intermediate Lead: 300 sx Class C Lite + 6# Salt + 1/4# CF (wt 12.7, yld 1.99)
Tail: 200 sx Class C + 2% CaCl₂ (wt 14.8, yld 1.34)
TOC Surface

Production **Stage 1**
 580 sx 50/50/2 Class C + 1% FL25 + 0.3% FL52 + 5% Salt + 0.5% SMS (wt 13, yld 1.68)
Stage 2
Lead: 550 sx Class H Lite + 6# Salt + 1/4# CF (wt 12.7, yld 1.92)
Tail: 200 sx Class H + 2% CaCl₂ (wt 13, yld 1.68)
TOC 900'

Fresh water zones will be protected by setting 11¼" casing at 450' and cementing to surface. Hydrocarbon zones will be protected by setting 8⅝" casing at 1100' and cementing to surface, and by setting 5½" casing at 6000' and cementing to 900'.

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

Pressure control Equipment:

An 11¼" 3000 PSI working pressure B.O.P. consisting of a one set of blind rams and one set of pipe rams and a 3000 psi annular-type preventor. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. 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. Test BOP equipment and choke manifold to 250 psi low and 3000 psi high and annular BOP to 250 psi low and 1500 psi high by an independent service company.

BOP unit will be hydraulically operated. Below intermediate casing shoe, BOP 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 3000 psi BOP system.

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.