

JUN 04 2012

DISTRICT 1

1626 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, MS 08210

DISTRICT III

1000 N. Brazos Rd., Aztec, NM 87410

DISTRICT IV

1820 B St. Francis Dr., Santa Fe, NM 07603

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 16, 2000

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

~~1~~ AMENDED REPORT

API Number 30-025-40300	Pool Code 41442	Pool Name Lusk; Bone Spring, East
Property Code 38371	Property Name EAST LUSK "15" FEDERAL COM	Well Number 1Y
OGRIID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3618'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	19 S	32 E		660	SOUTH	380	EAST	LEA

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
M	15	19 S	32 E		614	SOUTH	388	WEST	LEA

Dedicated Acres 320	Joint or Infill	Consolidation Code P	Order No. NSL-6374 Amendment Pending
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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

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.

Zeno Farris 8/21/2012
 Signature Date

Zeno Farris
 Printed Name

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.

SEPTEMBER 22, 2012
 Date Surveyed

[Signature]
 Signature & Seal
 Professional Surveyor

W. O. [unclear] 25375
 Certificate No. Gary [unclear] 7977

PROPOSED BOTTOM HOLE LOCATION

Lol - N 32°39'17.04"
 Long - W 103°45'41.65"
 HNSPCE- N 602477.76
 E 717306.98
 (HAD-B3)

SURFACE LOCATION

Lol - N 32°39'17.01"
 Long - W 103°44'48.05"
 HNSPCE- N 602499.9
 E 721889.5
 (HAD-B3)

John H. Hendrix Corp.
 Jennings A Fed 4
 1650 FSL & 1980 FEL

388
 614
 NM-063530

380
 3612.8
 3617.7
 362
 3612.0
 3617.0

4583.0'

NM-025497

Amended

JUN 07 2012

TERM ASSIGNMENT OF OIL & GAS LEASE
And Reservation of Overriding RoyaltySTATE OF NEW MEXICO §
 §
COUNTY OF LEA §

FOR CONSIDERATION PAID, the receipt and sufficiency of which is hereby acknowledged, **John H. Hendrix Corporation**, whose address is 110 N. Marienfeld, suite # 400, Midland, TX 79701-4461 (hereinafter referred to as "**Assignor**") does hereby grant, sell, assign and convey unto **Cimarex Energy Co.**, a Delaware corporation, whose address is 600 N. Marienfeld, Suite 600, Midland, Texas 79701, (hereinafter referred to as "**Assignee**"), all of Assignor's right, title and interest in and to the oil and gas operating rights and working interest production in and to the leases set forth on Exhibit "A" attached hereto (hereinafter referred to as the "**Lease Acreage**").

This assignment is made subject to the following terms and conditions:

1. **Term:** Subject to the further provisions of this Paragraph 1, the rights and interests assigned hereby shall be for a term of two (2) years from the effective date set forth below ("**Primary Term**") and thereafter so long as (a) a well drilled or re-entered by Assignee on the Lease Acreage is capable of commercially producing oil and/or gas, (b) the Lease Acreage is partially or completely included in a proration unit prescribed by lawful authority ("**Spacing Unit**") which contains a well capable of commercially producing oil and/or gas and the Spacing Unit must be communitized under a Communitization Agreement approved by the State of New Mexico prior to expiration of the Primary Term, or (c) any lease saving operation permitted under said oil and gas lease or applicable Communitization Agreement is being diligently conducted on the Lease Acreage or on acreage included in the Spacing Unit with no cessation of more than 60 consecutive days. In addition, if Assignee (i) has completed a well as a commercial producer or abandoned as a dry hole within 30 days prior to the expiration of the Primary Term or (ii) is engaged in actual drilling or reworking operations on a well on the Lease Acreage or in a Spacing Unit including the Lease Acreage at the expiration of the Primary Term which reworking operations subsequently result in completion as a producer or abandonment as a dry hole, Assignee shall have the option, but not the obligation, to conduct a continuous development program on the Lease Acreage or lands communitized therewith. If Assignee elects to conduct such program it shall then commence, at its sole cost, risk and expense, the drilling of a well at a location of its choice on the Lease Acreage or on lands included in a Spacing Unit assigned to the well, within 180 days from completion or abandonment of said well drilled or reworked and completed prior to or over expiration of the Primary Term. Thereafter, not more than 180 days shall have

elapsed between completion of one well and the commencement of actual drilling operations (i.e. "turning to the right") on the next succeeding well. For purposes of this assignment, completion shall be deemed to be the date of drilling rig release. Assignee shall act in accordance with good oilfield practices in its drilling, testing and completion operations.

At the end of the Primary Term hereof or the expiration of the continuous development program as described in this Paragraph 1, whichever is later, this assignment shall automatically terminate as to (i) all of the lease acreage not then included in a Spacing Unit assigned to a producing well or well then capable of commercially producing oil and/or gas and (ii) all depths below 100 feet below the stratigraphic equivalent of the base of the deepest formation in the Spacing Unit for each said producible well then capable of commercially producing oil and/or gas. This assignment shall also automatically terminate as to the Lease Acreage within each retained Spacing Unit and depths retained in connection therewith when commercial production and/or operations cease as provided above without restoration of commercial production. Despite the automatic termination of this assignment in the above specified situations Assignee shall in each instance promptly execute and deliver to Assignor a reassignment of the terminated Lease Acreage free and clear of all burdens and liens created or incurred by Assignee or which may have become a burden or lien on the operating rights assigned hereby as a consequence of ownership thereof by Assignee. Said reassignment to be delivered to Assignor within thirty (30) days after written notice by Assignor to Assignee. The rights of reverter and the rights of reassignment retained herein by Assignor shall be superior to all liens, encumbrances, debts, judgments, claims, overriding royalty and production payment interests and other obligations created or incurred by Assignee as asserted against the rights and interests assigned hereby.

2. **Ingress and Egress:** Assignee shall have the rights of ingress and egress to the Lease Acreage as permitted by said oil and gas lease and applicable law to the extent it may deem necessary in conducting drilling and other operations thereon.

3. **Compliance with Lease, Laws and Regulations:** While this assignment is in force and effect, Assignee will promptly, and as a prudent operator, comply with all covenants and conditions applicable to said oil and gas lease, the terms of this assignment and with all applicable laws, rules and regulations affecting drilling, completing and other petroleum operations on the lease acreage or on lands communitized therewith.

6. **Assignor's Override:** Assignor hereby reserves an overriding royalty equal to the positive difference between 25% and existing royalty, if any, on the lease and other overriding royalty interests and other non-expense bearing interests burdening the rights and interests assigned hereby. Said reserved override shall be subject to proportionate reduction in the event Assignor assigns less than 100% of its rights and

interests in the Lease Acreage to Assignee in this assignment. The override reserved herein to Assignor shall be free and clear of all costs and expenses, except applicable taxes and except as otherwise expressly provided herein, said overriding royalty shall be computed and paid in the same fashion and in the same manner as royalty payable under the applicable leases is computed and paid, and Assignor shall be responsible for its proportionate part of all applicable taxes from the production of oil and/or gas. Assignor's override may be committed by Assignee to one or more Communitization Agreements for the purpose of forming a well Spacing Unit without necessity of joinder or consent by Assignor.

8. **Reservation:** Notwithstanding anything in this agreement to the contrary, it is expressly understood and agreed that this agreement shall not cover, and shall not be deemed to have conveyed, or have any obligation to convey (i) any well located within the Lease Acreage (as defined) that as of the effective date of this Assignment is producing or capable of producing oil and/or gas, including all personal property associated with, or used in connection with any such well, including, but not limited to, casing, tubing, surface equipment, tanks pipelines compressors and all other associated personal property, (ii) any rights to production from any such well, and (iii) any leasehold interest in the spacing or proration unit allocated to any such well by applicable governmental authority. This paragraph also applies to any well that has been temporarily abandoned and any type of injection or saltwater disposal well.

9. **Well Information:** Upon written request, Assignee shall furnish Assignor with copies of drilling reports, logs, test results and all other information obtained by Assignee relative to any well that may be drilled hereunder by Assignee on the Lease Acreage or on lands pooled therewith.

10. **Abandonment of wells:** Prior to the abandonment of any well drilled hereunder on the Lease Acreage, Assignor shall have the right within forty-eight (48) hours after receipt of notice of Assignee's intention so to abandon, to take over the well or wells for additional testing by any method, with Assignor being solely responsible for all costs and expenses in connection therewith, including standby rig time and plugging costs, if required. If the well is taken over by Assignor for the limited purposes expressed hereinabove, and such work results in a completion attempt wherein a well capable of commercial production is encountered, all of Assignee's rights in such well and unit established for such well shall automatically cease, provided that Assignor agrees to pay Assignee the reasonable salvage value of any salvageable material in the hole which Assignee has contributed, less the cost of salvaging same.

11. **Relationship of the Parties:** This assignment is not intended to create, and nothing herein shall be construed to create, an association, trust, joint venture, mining partnership or other partnership or entity of any kind.

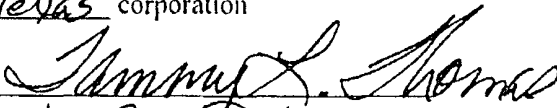
12. **Special Warranty of Title:** Assignor agrees to warrant and defend title to the rights and interests herein assigned to Assignee against the claims and demands of all persons claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise.

13. **Counterparts:** This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes, and for the purpose of filing this instrument of record each original counterpart may be combined to form a single instrument.

Dated and executed this 15th day of March 2010, but effective the 1st day of March 2010.

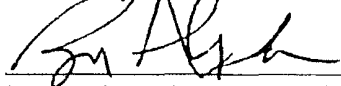
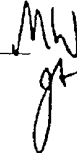
ASSIGNOR:

John H. Hendrix Corporation,
a Texas corporation

By: 
Title: Vice-President, Finance

ASSIGNEE:

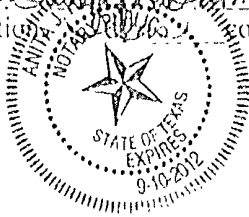
Cimarex Energy Co.,
a Delaware corporation

By:  
Roger Alexander, Attorney-in-Fact

ACKNOWLEDGEMENTS

STATE OF TEXAS)
) ss.
COUNTY OF Midland)

The foregoing instrument was acknowledged before me this 23 day of May 2010, by James S. Brown as V.P. - Finance of John H. Hendrix Corporation, John H. Hendrix Corporation, on behalf of said corporation.



Anita J Henderson
Notary Public

[illegible]

The foregoing instrument was acknowledged before me this 8th day of April, 2010, by Roger Alexander, as Attorney-in-Fact., of Cimarex Energy Co., a Delaware corporation, on behalf of said corporation.



Karel Mayo
Notary Public

Exhibit "A"

Attached to and made part of that certain Term Assignment dated March 15th, 2010, by and between John H. Hendrix Corporation, as Assignor, and Cimarex Energy Co., a Delaware corporation, as Assignee.

LEASE DATE: 09/01/1956
LESSOR: United States of America
LESSEE: Howard W. Jennings
LEASE NUMBER: NM-025497
DESCRIPTION: Insofar and only insofar as lease covers:

E/2. E/2 W/2 of Section 15. Township 19 South, Range 32 East, N.M.P.M.

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

MAY 04 2010

at 2:08 P M
and recorded in Book 1677
Page 863
Pat. Chappell, Lea County Clerk
by [Signature] Deputy



16958

1000

RECEIVED
CONSUL OF NEW
MEXICO

APR 10 1908
MEXICO CITY

