1. Geological Formations

TVD of target 12,080
MD at TD 16,365

Pilot Hole TD N/A
Deepest expected fresh water

Formation	Depth (TVD) from KB	Water/Mineral Bearing/Target Zone	Hazards
Rustler	1019	N/A	
Top Salt	1345	N/A	
Castille	2800	N/A	
Base Salt	4159	N/A	
Lamar	4435	N/A	
Bell Canyon	4455	Hydrocarbons	
Cherry Canyon	5411	Hydrocarbons	
Brushy Canyon	6730	Hydrocarbons	
Bone Spring	8436	Hydrocarbons	
Wolfcamp	11679	Hydrocarbons	
Wolfcamp A1 Shale	11870	Hydrocarbons	
Wolfcamp A1 Shale Target	12080	Hydrocarbons	

2. Casing Program

Hole Size	Casing Depth From	Casing Depth To	Casing Size	Weight (lb/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17 1/2	0	1069	13-3/8"	48.00	H-40/J-55 Hybrid	ST&C	1.51	3.54	6.28
12 1/4	0	4435	9-5/8"	40.00	J-55	LT&C	1.20	1.68	2.93
8 3/4	0	11570	7"	32.00	L-80	LT&C	1.59	1.67	1.75
8 3/4	11570	12194	7"	32.00	L-80	BT&C	1.53	1.50	50.50
6	11570	16365	4-1/2"	11.60	HCP-110	BT&C	1.28	1.55	62.04
				BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	N
Is well within the designated 4 string boundary.	N
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	N
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	N
Is 2nd string set 100' to 600' below the base of salt?	N
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	N
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	N
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	N

3. Cementing Program

Casing	# Sks	Wt. lb/gal	Yld ft3/sack	H2O gal/sk	500# Comp. Strength (hours)	Slurry Description
Surface	518	13.50	1.72	9.15	15.5	Lead: Class C + Bentonite
	139	14.80	1.34	6.32	9.5	Tail: Class C + LCM
Intermediate	835	12.90	1.88	9.65	12	Lead: 35:65 (Poz:C) + Salt + Bentonite
	256	14.80	1.36	6.57	9.5	Tail: Class C + Retarder
Production	223	9.20	6.18	28.80		Lead: Class C + Extender + Salt + Strength Enhancement + LCM + Fluid Loss + Retarder
	80	14.20	1.30	5.86	14:30	Tail: 50:50 (Poz:H) + Salt + Bentonite + Fluid Loss + Dispersant + SMS
Completion System	304	14.20	1.30	5.86	14:30	Tail: 50:50 (Poz:H) + Salt + Bentonite + Fluid Loss + Dispersant + SMS

Casing String	TOC	% Excess
Surface	0	45
Intermediate	0	44
Production	4235	24
Completion System	12194	10

4. Pressure Control Equipment

	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size	Min Required WP	Type		Tested To
12 1/4	13 5/8	2M	Annular	X	50% of working pressure
			Blind Ram		2M
			Pipe Ram		
			Double Ram	X	
			Other		
8 3/4	13 5/8	3M	Annular	X	50% of working pressure
			Blind Ram		3M
			Pipe Ram		
			Double Ram	X	
			Other		
6	13 5/8	5M	Annular	X	50% of working pressure
			Blind Ram		5M
			Pipe Ram		
			Double Ram	X	
			Other		

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

X	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.	
X	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.	
	N	Are anchors required by manufacturer?

5. Mud Program

Depth	Type	Weight (ppg)	Viscosity	Water Loss
0' to 1069'	FW Spud Mud	8.30 - 8.80	28	N/C
1069' to 4435'	Brine Water	9.70 - 10.20	30-32	N/C
4435' to 12194'	FW/Cut Brine	8.50 - 9.00	30-32	N/C
12570' to 16365'	Oil Based Mud	10.50 - 11.00	50-70	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing	
X	Will run GR/CNL fromTD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
	No logs are planned based on well control or offset log information.
	Drill stem test?
	Coring?

Additional Logs Planned	Interval

7. Drilling Conditions

Condition	
BH Pressure at deepest TVD	5630 psi
Abnormal Temperature	No

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
X	H2S is present
X	H2S plan is attached

8. Other Facets of Operation

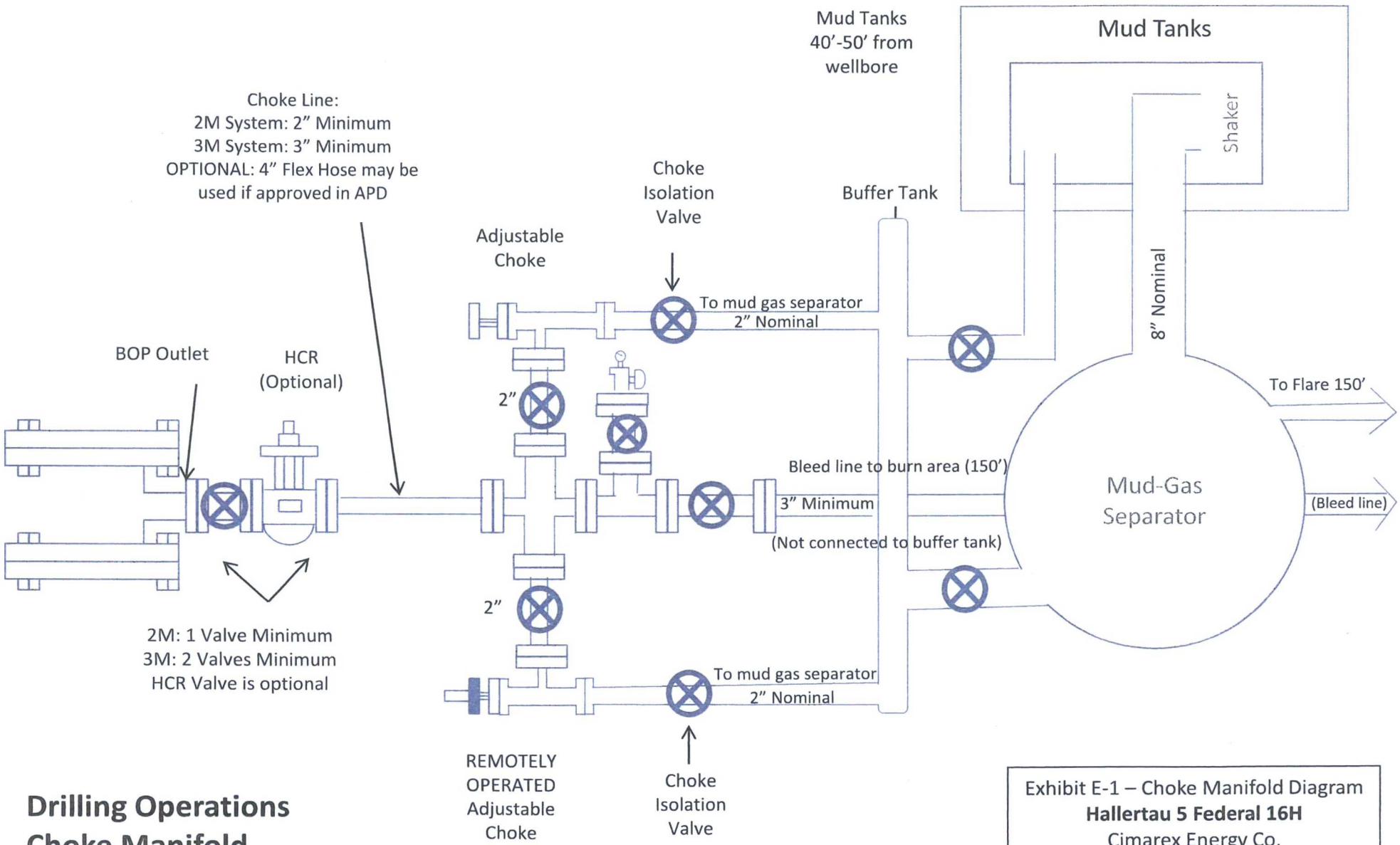
Hallertau 5 Federal 16H

Casing Assumptions

Casing Program

Hole Size	Casing Depth From	Casing Depth To	Casing Size	Weight (lb/ft)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17 1/2	0	1069	13-3/8"	48.00	H-40/J-55 Hybrid	ST&C	1.51	3.54	6.28
12 1/4	0	4435	9-5/8"	40.00	J-55	LT&C	1.20	1.68	2.93
8 3/4	0	11570	7"	32.00	L-80	LT&C	1.59	1.67	1.75
8 3/4	11570	12194	7"	32.00	L-80	BT&C	1.53	1.50	50.50
6	11570	16365	4-1/2"	11.60	HCP-110	BT&C	1.28	1.55	62.04
				BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet

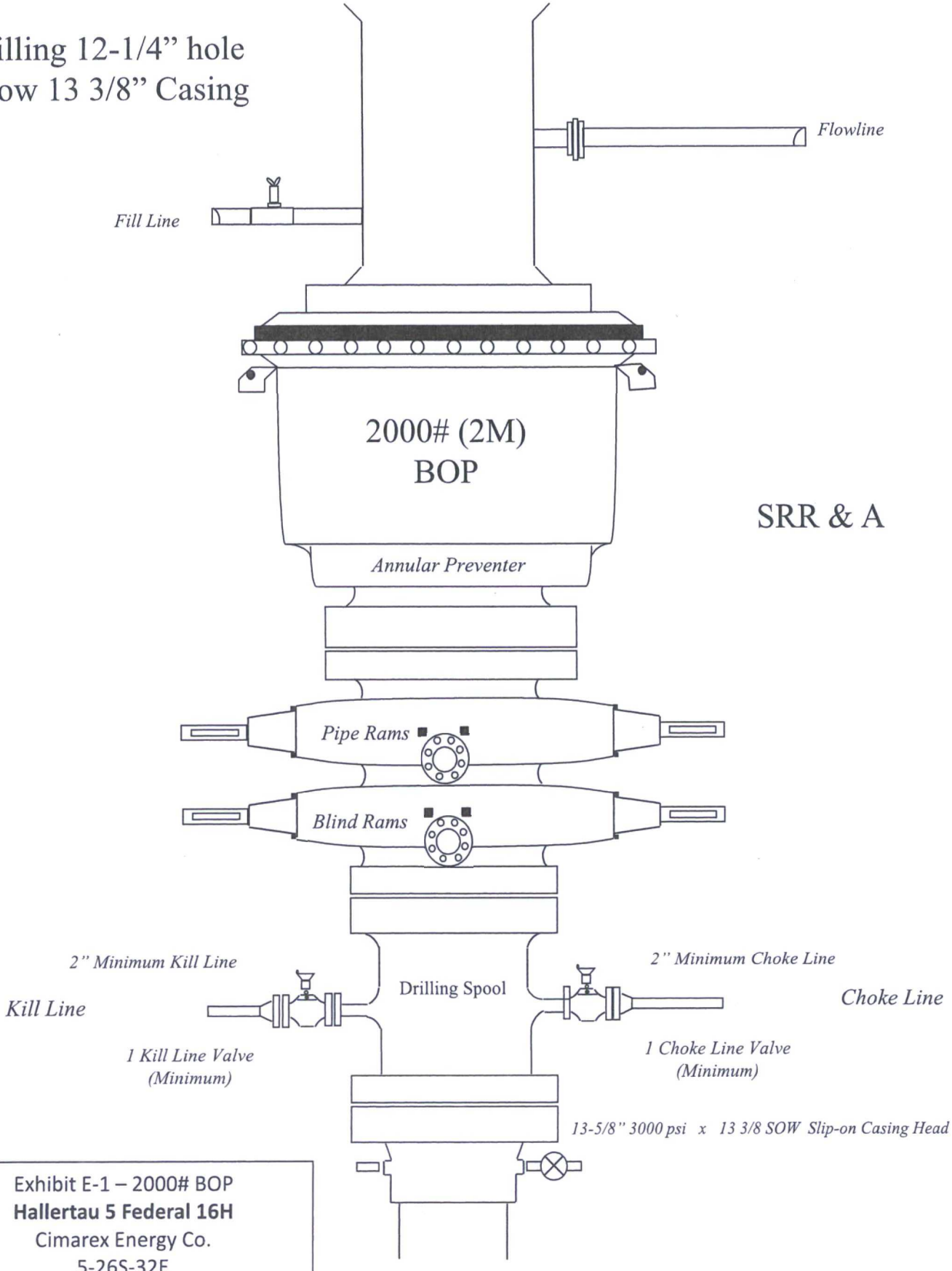
All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h



Drilling Operations
Choke Manifold
2M/3M Service

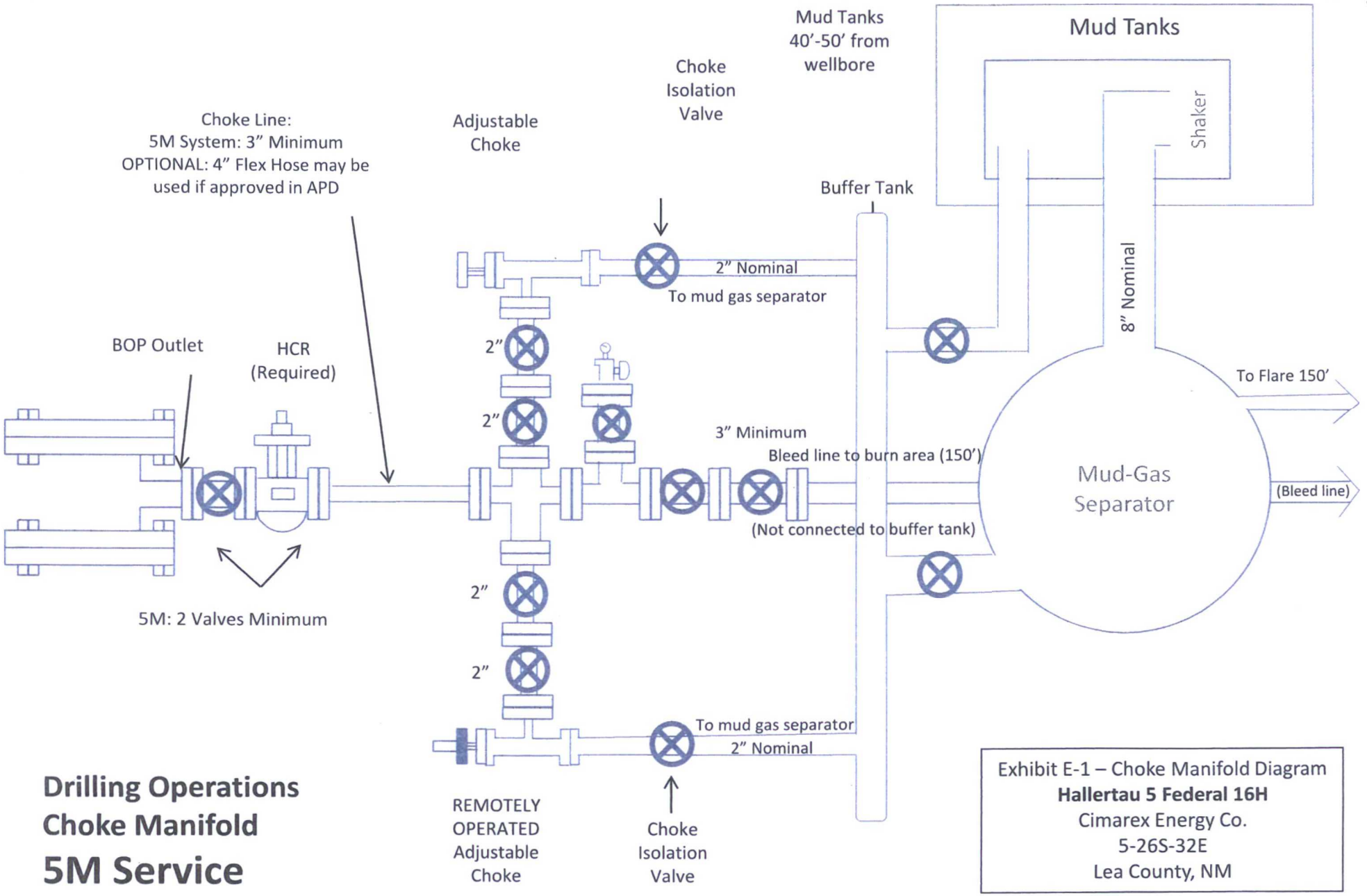
Exhibit E-1 – Choke Manifold Diagram
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM

Drilling 12-1/4" hole
below 13 3/8" Casing



SRR & A

Exhibit E-1 – 2000# BOP
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM



Drilling Operations
Choke Manifold
5M Service

Exhibit E-1 – Choke Manifold Diagram
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM

Drilling below 7" Casing

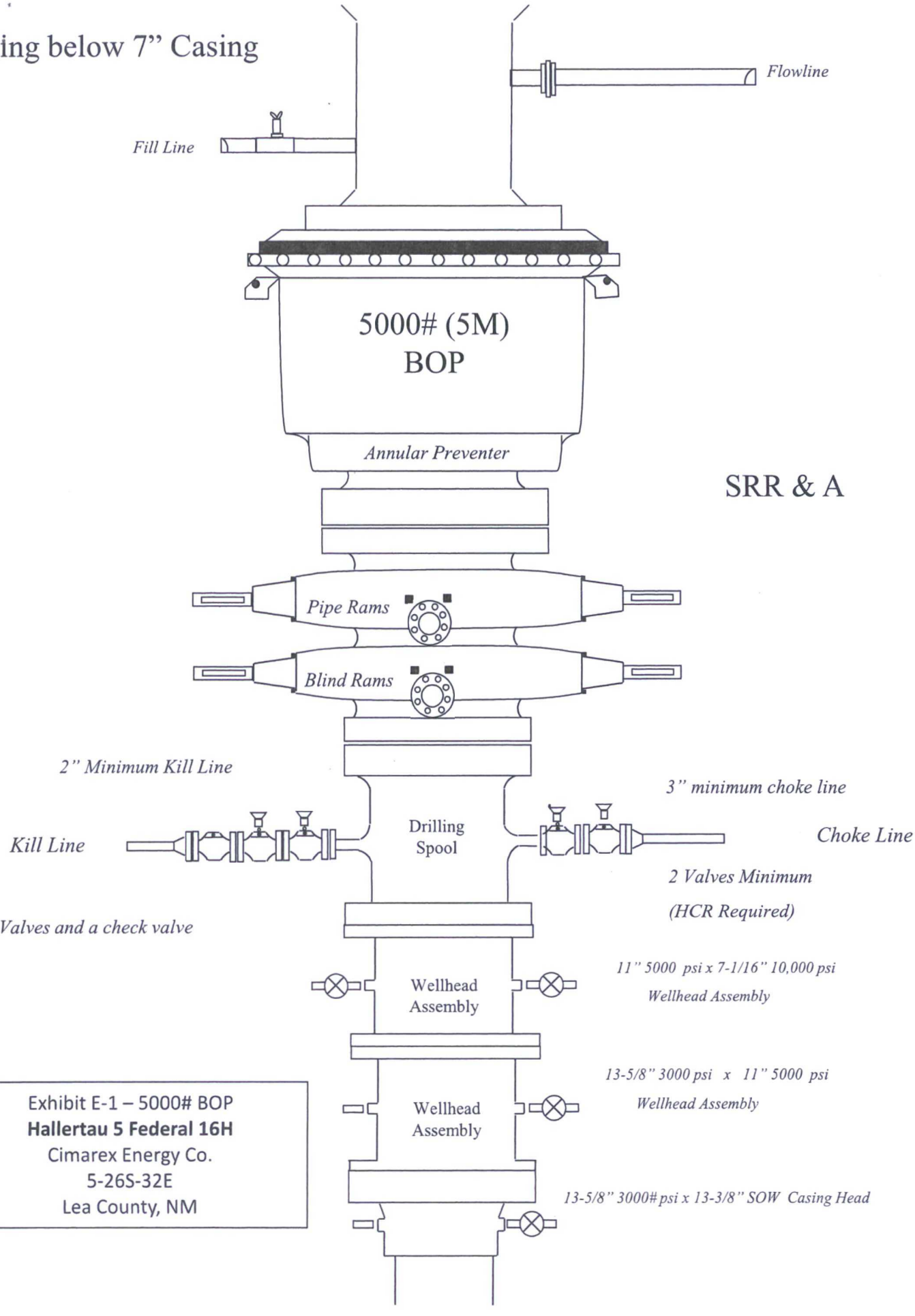


Exhibit E-1 – 5000# BOP
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM

Hydrogen Sulfide Drilling Operations Plan
Hallertau 5 Federal 16H
Cimarex Energy Co. of Colorado
UL: M, Sec. 5, 26S, 32E
Lea Co., 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 H_2S
B. Physical effects and hazards
C. Principal and operation of H2S detectors, warning system and briefing areas.
D. Evacuation procedure, routes and first aid.
E. Proper use of safety equipment & life support systems
F. Essential personnel meeting Medical Evaluation criteria will receive additional training on the proper use of 30 minute pressure demand air packs.

H_2S Detection and Alarm Systems:

A. H2S sensors/detectors to be located on the drilling rig floor, in the base of the sub structure/cellar area, on the mud pits in the shale shaker area. Additional H2S detectors may play placed as deemed necessary.

B. An audio alarm system will be installed on the derrick floor and in the top doghouse.

3 Windsock and/or wind streamers:

A. Windsock at mudpit area should be high enough to be visible.
B. Windsock on the rig floor and / or top doghouse 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 (H_2S present in dangerous concentration). Only H2S trained and certified personnel admitted to location.

5 Well control equipment:

A. See exhibit "E-1"

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 r cores are planned at this time.

8 Drilling contractor supervisor will be required to be familiar with the effects H_2S 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.

H_2S Contingency Plan
Hallertau 5 Federal 16H
Cimarex Energy Co. of Colorado
UL: M, Sec. 5, 26S, 32E
Lea Co., NM

Emergency Procedures

In the event of a release of gas containing H_2S, the first responder(s) must:

« Isolate the area and prevent entry by other persons into the 100 ppm ROE.
« Evacuate any public places encompassed by the 100 ppm ROE.
« Be equipped with H_2S monitors and air packs in order to control the release.
« Use the "buddy system" to ensure no injuries occur during the 432-620-1975
« Take precautions to avoid personal injury during this operation.
« Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
« Have received training in the:
  - Detection of H_2S, and
  - Measures for protection against the gas,
  - Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

Characteristics of H_2S and SO_2

Please see attached International Chemical Safety Cards.

Contacting Authorities

Cimarex Energy Co. of Colorado's personnel must liaise with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. Cimarex Energy Co. of Colorado's response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H_2S Contingency Plan Emergency Contacts

Hallertau 5 Federal 16H

Cimarex Energy Co. of Colorado

UL: M, Sec. 5, 26S, 32E

Lea Co., NM

Company Office	
Cimarex Energy Co. of Colorado	800-969-4789
Co. Office and After-Hours Menu	

Key Personnel

Name	Title	Office	Mobile
Larry Seigrist	Drilling Manager	432-620-1934	580-243-8485
Charlie Pritchard	Drilling Superintendent	432-620-1975	432-238-7084
Roy Shirley	Construction Superintendent		432-634-2136

Artesia	
Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	**575-746-2701**
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad	
Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	**575-887-3798**
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

Santa Fe	
New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
New Mexico Emergency Response Commission (Santa Fe) 24 Hrs	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635

National	
National Emergency Response Center (Washington, D.C.)	800-424-8802

Medical	
Flight for Life - 4000 24th St.; Lubbock, TX	806-743-9911
Aerocare - R3, Box 49F; Lubbock, TX	806-747-8923
Med Flight Air Amb - 2301 Yale Blvd S.E., #D3; Albuquerque, NM	505-842-4433
SB Air Med Service - 2505 Clark Carr Loop S.E.; Albuquerque, NM	505-842-4949

Other			
Boots & Coots IWC	800-256-9688	or	281-931-8884
Cudd Pressure Control	432-699-0139	or	432-563-3356
Halliburton	575-746-2757		
B.J. Services	575-746-3569		

Exhibit F – Co-Flex Hose
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM

Exhibit F-1 – Co-Flex Hose Hydrostatic Test
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM

Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST REPORT

Customer:	P.O. Number:
Oderco Inc	odyd-271

HOSE SPECIFICATIONS

Type:	Hose Length:
Stainless Steel Armor Choke & Kill Hose	45'ft.

I.D.	O.D.
4 INCHES	9 INCHES

WORKING PRESSURE	TEST PRESSURE	BURST PRESSURE
10,000 PSI	15,000 PSI	0 PSI

COUPLINGS

Stem Part No.	Ferrule No.
OKC OKC	OKC OKC
Type of Coupling:	
Swage-It	

PROCEDURE

Hose assembly pressure tested with water at ambient temperature.

TIME HELD AT TEST PRESSURE	ACTUAL BURST PRESSURE:
15 MIN.	0 PSI

Hose Assembly Serial Number:	Hose Serial Number:
79793	OKC

Comments:

Date:	Tested:	Approved:
3/8/2011		

Midwest Hose & Specialty, Inc.

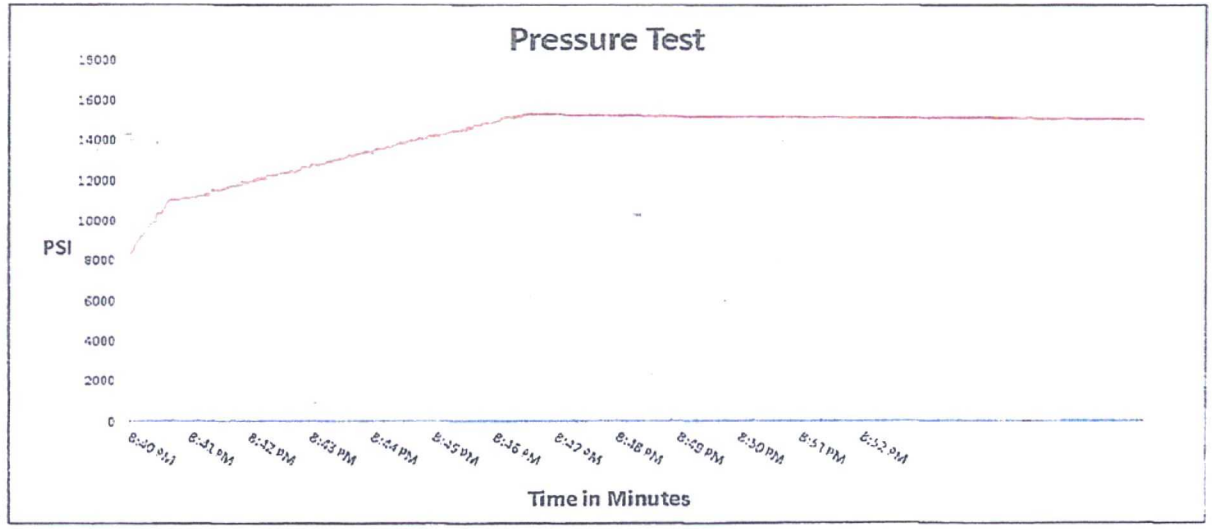
Internal Hydrostatic Test Graph

March 3, 2011

Customer: Houston

Pick Ticket #: 94260

Hose Specifications		Verification	
Hose Type	**Length**	**Type of Fitting**	**Coupling Method**
C & K	45'	4 1/16 10K	Swage
I.D.	**O.D.**	**Die Size**	**Final O.D.**
4"	6.09"	6.38"	6.25"
Working Pressure	**Burst Pressure**	**Hose Serial #**	**Hose Assembly Serial #**
10000 PSI	Standard Safety Multiplier Applies	5544	79793



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
15000 PSI	11 Minutes		15483 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: *Zac Mcconnell*

Approved By: *Kim Thomas*

Exhibit F-1 – Co-Flex Hose Hydrostatic Test
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM

Exhibit F-2 – Co-Flex Hose
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM

Midwest Hose
& Specialty, Inc.

Certificate of Conformity	
Customer: DEM	**PO** ODYD-271
SPECIFICATIONS	
Sales Order 79793	**Dated:** 3/8/2011

We hereby cerify that the material supplied for the referenced purchase order to be true according to the requirements of the purchase order and current industry standards

Supplier:
Midwest Hose & Specialty, Inc.
10640 Tanner Road
Houston, Texas 77041

Comments:	
Approved: Jamal Garcia	**Date:** 3/8/2011

Midwest Hose & Specialty, Inc.

Exhibit F -3– Co-Flex Hose
Hallertau 5 Federal 16H
Cimarex Energy Co.
5-26S-32E
Lea County, NM

Specification Sheet
Choke & Kill Hose

The Midwest Hose & Specialty Choke & Kill hose is manufactured with only premium componets.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 vermculite 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, unibolt 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)

P.O. Box 96558 – 1421 S.E. 29th St. Oklahoma City, OK 73143 * (405) 670-6718 * Fax: (405) 670-6816