2324		ATS-0	7-147
orm 3160-3 April 2004)	OCD-HOBBS		M APPROVED
	TATES 56	- I	No. 1004-0137 s March 31, 2007
DERAKTMENT OF	THE INTERIOR 50	NM-26394	
2 EZ ZILLE BEAU OF LAND	MANAGEMENT	6. If Indian, Allotee	or Tribe Name
APPLICATION FOR PERMIT	TO DRILL OR REENTER		
Type of Work: X DRILL	EENTER	7. If Unit or CA Agr	eement, Name and No.
		Pending	1. 5
b. Type of Well: Oil Well X Gas Well Other	X Single Zone Multiple	8. Lease Name and V	1-1-51-7
Name of Operator		9. API Well No.	deral Com No. 1
Cimarex Energy Co. of Colorado	Linger	30-025- 34	1417
a. Address	3b. Phone No. (include area code)	10. Field and Pool, o	Exploratory 83600
PO Box 140907; Irving, TX 75014-0907	972-401-3111	Red Hills; Wolf	camp (Gas)
4. Location of Well (Report location clearly and in accordance	with any State requirements *)	11. Sec., T. R. M. or Bl	k. and Survey or Area
At Surface 660' FSL & 660' FEL	Unit r	ASTN	
At proposed prod. Zone 660' FSL & 660' FEL	BAD CONTROLLED WATER B	29-25S-33E	
14. Distance in miles and direction from nearest town or post of	ffice*	12. County or Parish	13. State
22 miles West of Jal, NM	1	Lea	NM
5 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line if	16. No of acres in lease	<ol> <li>Spacing Unit dedicated to this v</li> </ol>	
any) 660' <sup>8</sup> Distance from proposed location*	2560 19. Proposed Depth	640 act 20. BLM/BIA Bond No. on File	res
to nearest well, drilling, completed, applied for, on this lease, ft. NA	15400'	NM-25	75
1. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration	15
			5 days
3390' GR	6/15/2007	35-4	Juays
	24. Attachments		
he following, completed in accordance with the requirements of ( . Well plat certified by a registered surveyor . A Drilling Plan	24. Attachments         Onshore Oil and Gas Order No. 1, shall be at         4. Bond to cover th         Item 20 above).         5. Operator Certific	tached to this form: e operations unless covered by an ex ration pecific information and/or plans as m	isting bond on file (see
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DISTRICT I 1625 H. Presch Dr., Hobbs, Hd 66240 DISTRICT II 1301 V. Grund Avenue, Artesia, HH 66216

DISTRICT III 1000 Rio Brazze Rd., Astac, MM 87419 DISTRICT IV

1880 S. M. Francis Sr., Santa Fa, HM 87506

#### State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 12, 2005

State Lease - 4 Copies Fee Lease - 3 Copies

ait to Appropriate District Office

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

CI AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Paol Name 836DU 30.025.3845 Red Hills; Wolfcamp (Gas) Property Code Well Number Property Name RED HILLS "29" FEDERAL COM 36513 1 Operator Name Elevation OGRED NA. 3390' 162683 CIMAREX ENERGY CO. OF COLORADO Surface Location North/South line III. or lot No. Section Township Lot. Ida Feet from the Yest from the Reat /West line Ranna Committee Ρ 29 25 S 33 E 660 SOUTH 660 EAST LEA Bottom Hole Location If Different From Surface Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line UL or lot No. County Dedicated Acres/ Joint or Infill Consolidation Code Order No. 640 Ν Ρ 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** An built of the second at of my i 6. d that a working internet in the lation hale and the proper .... t er we -aus <u>03-08-07</u> M Data -Zeno Farris Printed Nas SURVEYOR CERTIFICATION **NM-43562 NM-26394** I hereby sertify that the wall h on this plut was plotted from field notes of artual surveys made by me or under my supervises, and that the sume is true and correct to the best of my belief. DECEMBER 19, 2006 Red Hills 29 Fed Com #1 Data 1 3392.1'\_\_\_3385.3' Lat - N32\*05'46.0\* Long - W103\*35'16.5" MSPCE-N 399495.811 E 772174.455 660' 1 (NAD-83) Certificate N 7977 8 3387.6 Gan L. Jones 3393.6 BASIN SURVEYS

٢	Form 3160-5 (November 1994)	UNITED S DEPARTMENT OF T BUREAU OF LAND	HE INTERIOR	ОСД-Н		FORM APPROVED OMB No. 1004-0135 Expires July 31, 1996 rtial No.	
	~	SUNDRY NOTICES AND I Do not use this form for propos abandoned well. Use form 3160	als to drill or to re-en	ter an		94 Allottee or Tribe Name CA/Agreement, Name and/or No.	
	SUBMIT	IN TRIPLICATE - Other instructio					
	1. Type of Well Oil Well Gas Well	pe of Well			Pending 8. Well Name and No.		
	2. Name of Operator Cimarex Energy Co. of C	olorado		Red Hills 29 Federal Com No. 1 9. API Well No.			
	3a. Address		3b. Phone No. (include	area code)	30-015		
	PO Box 140907; Irving, 7	ГХ 75014-0907	972-401-3111			Pool, or Exploratory Area	
	4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FSL & 660' FEL 29-25S-33E			11. County o	s; Wolfcamp (Gas) r Parish, State nty, NM		
		APPROPRIATE BOX(ES) T		- William	E, REPORT,	OR OTHER DATA	
	TYPE OF SUBMISSION	l	TY	PE OF ACTION			
	X Notice of Intent       Acidize       Deepen       Production (Start         Alter Casing       Fracture Treat       Reclamation         Subsequent Report       Casing Repair       New Construction       Recomplete					Water Shut-Off Well Integrity Other	
	Final Abandonment Notice	Final Abandonment Notice					
	following completion of the involve testing has been completed. Fina determined that the site is ready f Cimarex is requesting varia Line is approximately 20' le instead of 5000 PSI system We are also requesting a va 1500 PSI whichever is grea	vork will be performed or provide the Bond N ed operations. If the operation results in a m al Abandonment Notices shall be filed only al for final inspection.) ance from onshore order 2 to use fle ong and has a 10000 psi working pr a previously submitted. See attached ariance from onshore order 2 to test ater. BOP system will be tested to 5 and 2nd intermediate string at 13000 <sup>4</sup>	ultiple completion or recomp fter all requirements, includin xible choke and kill lin essure with 15000 psi t d BOP diagram and cho surface casing with rig 5000 PSI after setting su	letion in a new interval, g reclamation, have be the due to rig design test pressure. BOP oke and kill line spo pumps to 1000 PS	a Form 3160-4 sha en completed, and instead of hard system will be ecs.	Il be filed once the operator has choke line. 10000 PSI system PSI per foot or	
	<ol> <li>I hereby certify that the foregoing Name (Printed/Typed)</li> </ol>	is true and correct	Title				
	Zeno Farris		Manager On	erations Adminis	tration		
	Signature Zeno	Fanis	Date March 27, 20				
		THIS SPACE FO	R FEDERAL OR STAT	E OFFICE USE			
	Approved by	/s/ Don Pet	erson	FIELD MA	NAGER	Date MAY 1 8 2007	
ſ	11	ttached. Approval of this notice does not or equitable title to those rights in the sub	warrant or	Office		ELD OFFICE	
U	Title 18 U.S.C. Section 1001, makes 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.						



Exhibit E – Blowout Preventor **Red Hills 29 Federal Com No. 1** Cimarex Energy Co. of Colorado 29-25S-33E 660' FSL & 660' FEL Lea County, NM.









## **Application to Drill**

Cimarex Energy Co. of Colorado Red Hills 29 Federal Com No. 1 Unit P Section 29 T25S-R33E Lea 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: 660' FSL & 660' FEL			
2	Elevation above sea level:	<u>3390' GR</u>		
3	Geologic name of surface formation:		Quaternery Alluvium Deposits	
4	Drilling tools and associated equipmer	<u>)t:</u>	Conventional rotary drilling rig	using fluid as a circulating medium for solids removal.
5	Proposed drilling depth:	15400'		
6	Estimated tops of geological markers:			
	Rustler Base Salt Delaware Bone Spring 1st Bone Spring Ss 3rd Bone Spring Ss	973 3377 4919 9053 10041 11732	Wolfcamp L. Wolfcamp Lobe Strawn Atoka Morrow	12167 13427 14247 14418 15071
	Describle as to contract on Associations			

7 Possible mineral bearing formation:

Wolfcamp	Gas
Atoka	Gas
Strawn	Gas

#### 8 Casing program:

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	Hole Size	Interval	Casing OD	Weight	Thread	Collar	Grade
_	17-1/2"	0-1000'	13-3/8"	48	8-R	ST&C	H-40
	12-1/4"	0-5000'	9-5/8"	40	8-R	LT&C	N-80
	8-3/4"	0-13000'	7"	29	8-R	LT&C	P-110
	6"	12300'-15400'	4-1/2"	15	8-R	ST&L	HCP-110

#### **Application to Drill**

Cimarex Energy Co. of Colorado Red Hills 29 Federal Com No. 1 Unit P Section 29 T25S-R33E Lea County, NM

#### 9 Cementing & Setting Depth:

13-3/8"	Surface	Set 1000' of 13-3/8" H-40 48 # ST&C casing. Cement with 1026 Sx. Of Premium Plus cement + additives, circulate cement to surface.
9-5/8"	Intermediate	Set 5000' of 9-5/8" N-80 40# LT&C casing. Cement with 1131 sx Int C/Prem Plus + additives, circulate cement to surface.
7"	Production	Set 13000' of 7" P-110 29# LT&C casing. Cement with 3425 Sx. Super H + additives. TOC 7000.'
4-1/2"	Liner	Set 4-1/2" 15# HCP-110 ST&L liner. Top of Liner 12300,' bottom of Liner 15400.' Cement with 625 Sx. Super H + additives.

### 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 nippled 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 500 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. During the running of surface pipe and the drilling of the intermediate hole, we do not anticipate any pressures greater than 1000 psi and are requesting a variance to test the 13-3/8" casing and BOP to 1000 psi and to use rig pumps instead of an independent service company.

#### 11 Proposed Mud Circulating System:

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0 - 1000'	8.4 - 8.6	30 - 32	May lose circ.	Fresh water spud mud. Add paper to control seepage and high viscosity sweeps to clean hole.
1000' - 5000'	9.7 - 10.0	28 - 29	May lose circ.	Brine water. Add paper as needed to control seepage and add lime to control pH (9-10). Use high viscosity sweeps to clean hole.
5000' - 13000'	8.4 - 10.0	28 - 29	NC	Brine water. Paper for seepage. Lime for PH (9 - 9.5).
13000' - 15400'	15 - 16	29 - 45	NC	Water based mud.

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. of Colorado Red Hills 29 Federal Com No. 1 Unit P Section 29 T25S-R33E Lea County, NM

## 12 <u>Testing, Logging and Coring Program:</u>

- A. Mud logging program: Two-man unit from 4960' 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 potiential 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 <u>4000</u> PSI, estimated BHT <u>175</u>.

## 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 <u>35-45</u> 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 <u>Wolfcamp</u> pay will be perforated and stimulated. The well will be tested and potentialed as a gas well.

### Hydrogen Sulfide Drilling Operations Plan

Cimarex Energy Co. of Colorado Red Hills 29 Federal Com No. 1 Unit P Section 29 T25S-R33E Lea 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 not anticipated.

# Hydrogen Sulfide Drilling Operations Plan

Cimarex Energy Co. of Colorado Red Hills 29 Federal Com No. 1 Unit P Section 29 T25S-R33E Lea 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 seperator will be brought into service along with H2S scavengers if necessary.

## State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For drilling and production facilities, submit to appropriate NMOCD District Office. For downstream facilities, submit to Santa Fe office

# Pit or Below-Grade Tank Registration or Closure Is pit or below-grade tank covered by a "general plan"? Yes $\Box$ No $\boxtimes$ Type of action: Registration of a pit or below-grade tank $\boxtimes$ Closure of a pit or below-grade tank $\Box$

Operator: Cimarex Energy Co. of Colorado Telephone	e:972-401-3111e-mail address:	zfarris@cimarex.com				
Address:PO Box 140907; Irving, IX 75014-0907						
Facility or well name: Red Hills 29 Federal Com No. 1 API #:	<u>30-025-<b>38417</b></u> U/L or Qtr/Qtr_P	Sec29T258R33E				
County: Lea Latitude	<u>320546.0 N</u> Longitude <u>1033516.</u>	5 W NAD: 1927 🗖 1983 🖾				
Surface Owner: Federal 🛛 State 🗔 Private 🔲 Indian 🗔						
Pit	Below-grade tank					
<u>Iype:</u> Drilling 🛛 Production 🗋 Disposal 🗌	Volume:bbl Type of fluid:					
Workover 🔲 Emergency 🗌	Construction material:					
Lined 🛛 Unlined 🗋	Double-walled, with leak detection? Yes 🗌 If not,	explain why not				
Liner type: Synthetic 🛛 Thickness <u>12</u> mil Clay 🗖	·					
Pit Volumebbl closed system, cuttings buried						
Depth to ground water (vertical distance from bottom of pit to seasonal	Less than 50 feet	(20 points)				
high water elevation of ground water) 200'	50 feet or more, but less than 100 feet	(10 points)				
	(0 points)					
	Yes	(20 points)				
Wellhead protection area: (Less than 200 feet from a private domestic	(No )	(0 points)				
water source, or less than 1000 feet from all other water sources )						
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)				
	200 feet or more, but less than 1000 feet	(10 points)				
irrigation canals, ditches, and perennial and ephemeral watercourses )	1000 feet or more	( 0 points)				
	Ranking Score (Total Points)	0				

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite \_\_\_\_\_\_ offsite \_\_\_\_\_\_ If offsite, name of facility\_\_\_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No \_\_\_\_Yes \_\_\_\_ If yes, show depth below ground surface\_\_\_\_\_\_\_ ft and attach sample results

(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines 🛛, a general permit 🗌, or an (attached) alternative OCD-approved plan 🗍.

Date: 03.08.07

Printed Name/Title Zeno Farris - Manager Operations Administration Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: Printed Name/Title	CHRIS WILLI Anns / Prs T SUPV Signature_	Chis William	
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# **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"

March 8, 2007

Oil Conservation Division District I Office 1625 N. French Dr. Hobbs, New Mexico 88240 Attn: Ms. Donna Mull

Re: Statewide Rule 118 Hydrogen Sulfide Gas Contingency Plan Proposed Red Hills 29 Federal Com No. 1 Well

Dear Ms. Mull:

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 Wolfcamp 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):

Red Hills 29 Federal Com No. 1 29-25S-33E 660' FSL & 660' FEL Lea 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 Farm

Zeno Farris Manager, Operations Administration