

ATS-07-296

Form 3160-3
(April 2004)

OCD-HOBBS
SECRETARY'S POTASH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. NM-056376
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.
3a. Address 1700 Lincoln Street Denver, CO 80203		8. Lease Name and Well No. <i><29032></i> Mescalero 30 Federal No. 5
3b. Phone No. (include area code) 303-295-3995		9. API Well No. 30-025- <i>38425</i>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface 820' FNL & 1280' FWL At proposed prod. Zone 820' FNL & 1280' FWL <i>Unit D</i>		10. Field and Pool, or Exploratory <i><83280></i> Quail Ridge; Morrow (Gas)
14. Distance in miles and direction from nearest town or post office* 32 miles West of Hobbs, NM		11. Sec., T. R. M. or Blk. and Survey or Area 30-19S-34E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line if any) 820'	16. No of acres in lease 1281.8	12. County or Parish Lea
17. Spacing Unit dedicated to this well N2 320.55	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. n/a	13. State NM
19. Proposed Depth 14025'	20. BLM/BIA Bond No. on File NM-2575	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3661' GR	22. Approximate date work will start* 5/1/2007	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 04.26.07
Title Manager Operations Administration		
Approved By (Signature) <i>/s/ Jesse J. Juen</i>	Name (Printed/Typed)	Date <i>MAY 17 2007</i>
Title STATE DIRECTOR	Office NM STATE 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.C. 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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS

DISTRICT I

1025 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Ed., Artesia, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources DepartmentOIL 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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Quail Ridge; Morrow (Gas)
Property Code 29032	Property Name MESCALERO "30" FEDERAL	Well Number 5
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3661'

Surface Location

UL or lot No. D	Section 30	Township 19 S	Range 34 E	Lot Idn	Feet from the 820	North/South line NORTH	Feet from the 1280	East/West line WEST	County LEA
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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 320.55	Joint or Infill N	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>Mescalero 30 Fed #5</p> <p>Lat - N32°38'10.2" Long - W103°36'14.3" NMSPCE - N 595936.826 E 765862.206 (NAD-83)</p>	<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 undivided mineral interest in the land including the proposed bottom hole 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> 02-28-07 Signature Date</p> <p>Zeno Farris Printed Name</p>
<p>NM-056376</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>FEBRUARY 2007 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature of Professional Surveyor</p> <p>77719 W.C. Jones</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.*

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Cimarex Energy Co. of Colorado

3a. Address
PO Box 140907; Irving, TX 75014-0907

3b. Phone No. (include area code)
972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
820' FNL & 1280' FWL
30-19S-34E

5. Lease Serial No.

NM-056376

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Mescalero 30 Federal No. 5

9. API Well No.

30-025- 38425

10. Field and Pool, or Exploratory Area

Quail Ridge; Morrow (Gas)

11. County or Parish, State

Lea County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Revised C-102
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The C-102 in the APD for the Mescalero 30 Federal No. 5 well contained an incorrect acreage dedication. The spacing unit should comprise the 320.55 acre N2 of 30-19S-34E.

Please see attached revised C-102.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Natalie Krueger

Signature

Natalie Krueger

Title

Reg Analyst 1

Date

May 31, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Chris Williams

Title

Date

Conditions of Approval, if any, are attached. Approval of this notice 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.

Office

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.

(Instructions on reverse)

DISTRICT I

1686 W. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1600 Elko Branch Rd., Aztec, NM 87410

DISTRICT IV

1280 S. St. Francis Dr., Santa Fe, NM 87504

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

☒ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-38425	Pool Code 83280	Pool Name Quail Ridge; Morrow (Gas)
Property Code 29032	Property Name MESCALERO "30" FEDERAL	Well Number 5
OGRIID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3661'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	30	19 S	34 E		820	NORTH	1280	WEST	LEA

Bottom Hole Location if Different From Surface

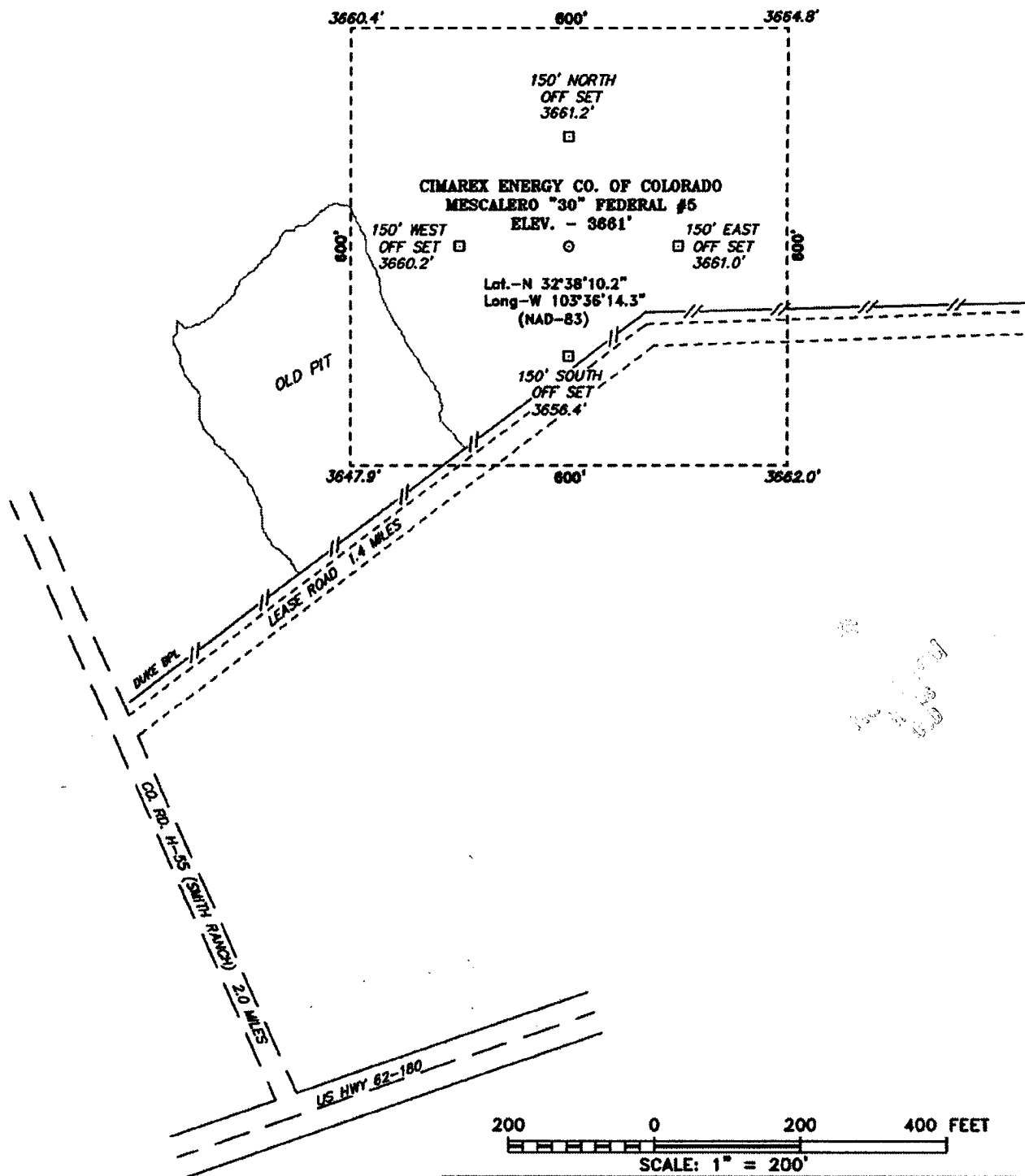
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320.55	Joint or Infill Y	Consolidation Code	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**

<p align="center">NM-056376</p> <p>Mescalero 30 Fed #5</p> <p>Lat - N32°38'10.2" Long - W103°36'14.3" NMSPCE - N 595936.828 E 765862.208 (NAD-83)</p> <p>Mescalero 30 Fed #4</p>	OPERATOR CERTIFICATION <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 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> 05-31-07 Signature Date</p> <p>Zeno Farris Printed Name</p>
	SURVEYOR CERTIFICATION <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 align="right">FEBRUARY 04 2007</p> <p>Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p align="right">7719</p> <p>Certificate No. Gary L. Jones 7977</p> <p align="right">BASIN SURVEYS</p>

SECTION 30, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 62-180 AND CO.
RD. H-55 (SMITH RANCH ROAD), PROCEED NORTH
ON CO. RD. H-55 FOR 2.0 MILES TO LEASE ROAD,
ON LEASE ROAD GO APPROX 1.4 MILES EAST TO
PROPOSED LOCATION.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 17719

Drawn By: J. M. SMALL

Date: 02-12-2007 Disk: JMS 17719W

200 0 200 400 FEET
SCALE: 1" = 200'

CIMAREX ENERGY CO. OF COLORADO

REF: Mescalero "30" FEDERAL #5/ WELL PAD TOPO

THE Mescalero "30" FEDERAL No. 5 LOCATED 820' FROM

THE NORTH LINE AND 1280' FROM THE WEST LINE OF

SECTION 30, TOWNSHIP 19 SOUTH, RANGE 34 EAST,

N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 02-09-2007

Sheet 1 of 1 Sheets

SR & A

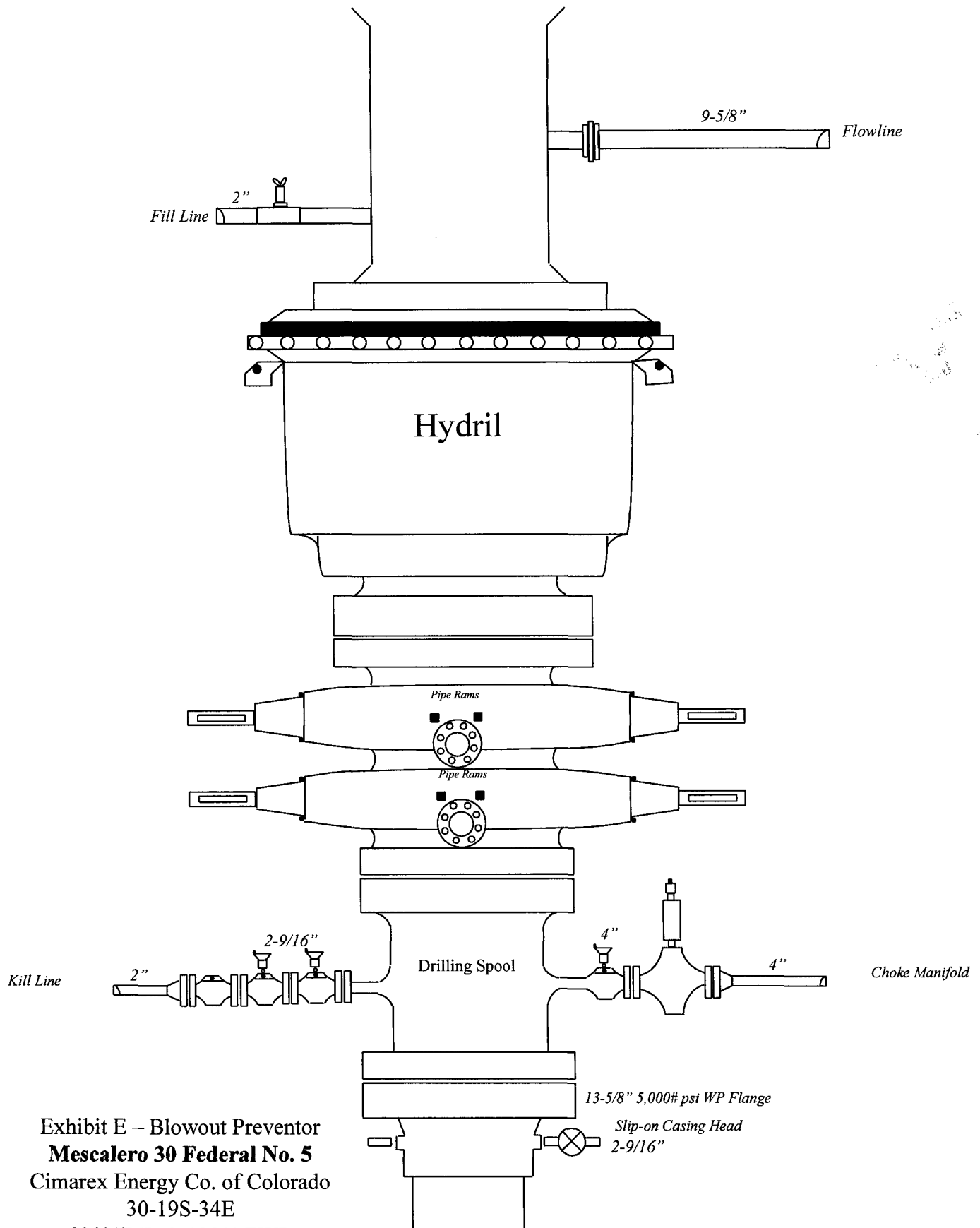


Exhibit E – Blowout Preventor
Mescalero 30 Federal No. 5
 Cimarex Energy Co. of Colorado
 30-19S-34E
 820' FNL & 1280' FWL
 Lea County, NM

DRILLING OPERATIONS
CHOKE MANIFOLD
5M SERVICE

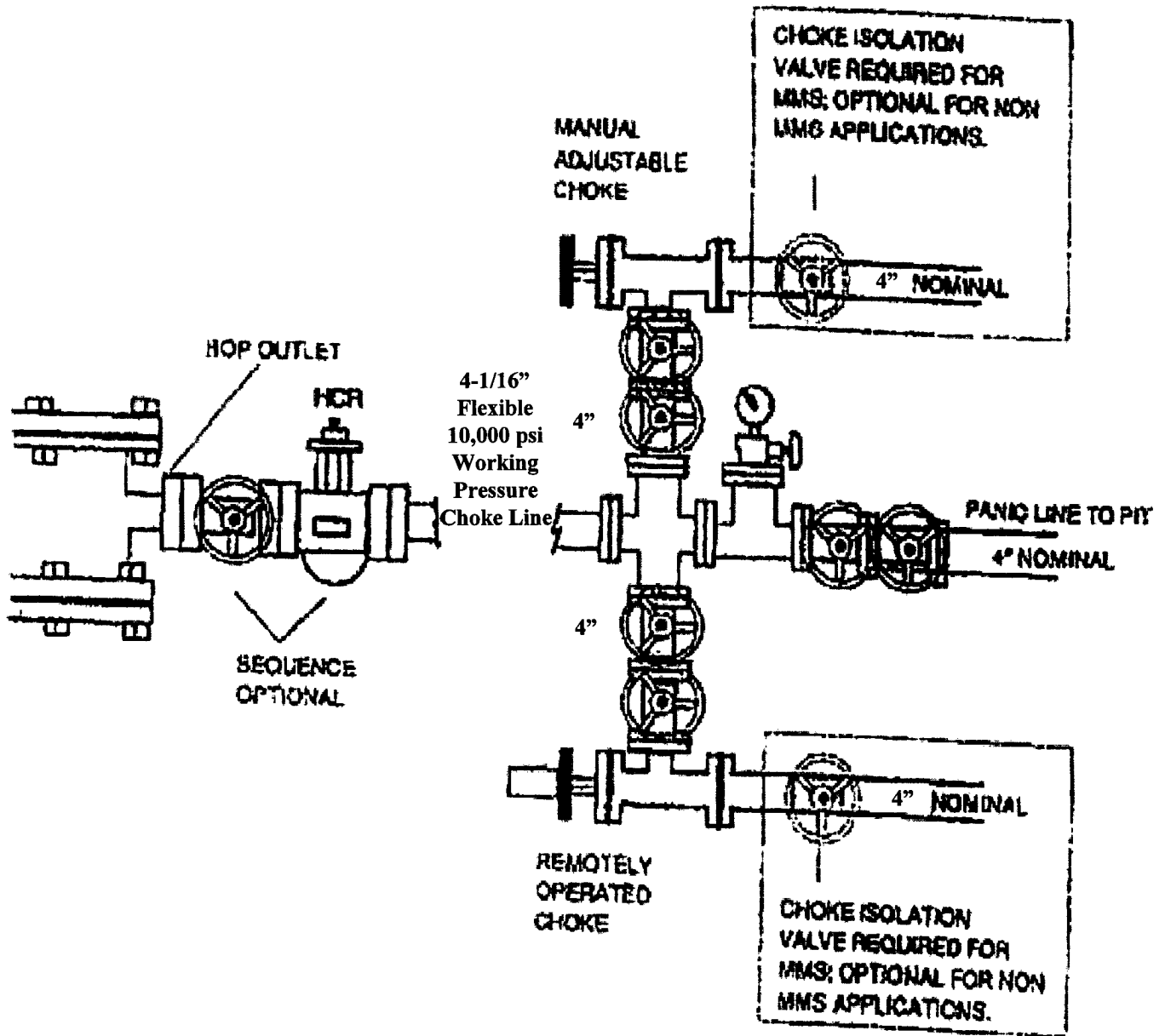


Exhibit E1 – Choke Manifold
Mescalero 30 Federal No. 5
 Cimarex Energy Co. of Colorado
 30-19S-34E
 820' FNL & 1280' FWL
 Lea County, NM



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)

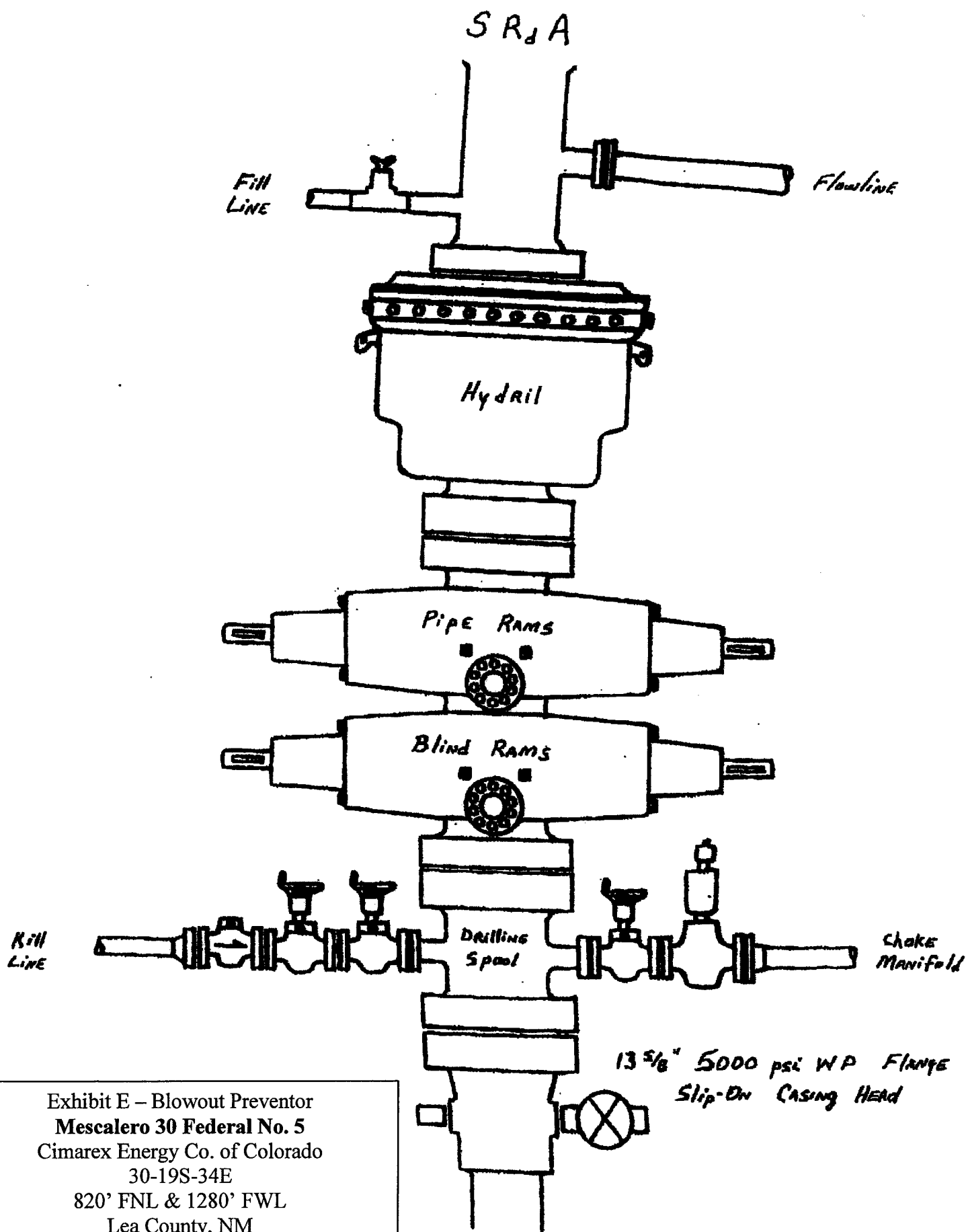


Exhibit E – Blowout Preventor
Mescalero 30 Federal No. 5
 Cimarex Energy Co. of Colorado
 30-19S-34E
 820' FNL & 1280' FWL
 Lea County, NM

DRILLING OPERATIONS
CHOKE MANIFOLD
5M SERVICE

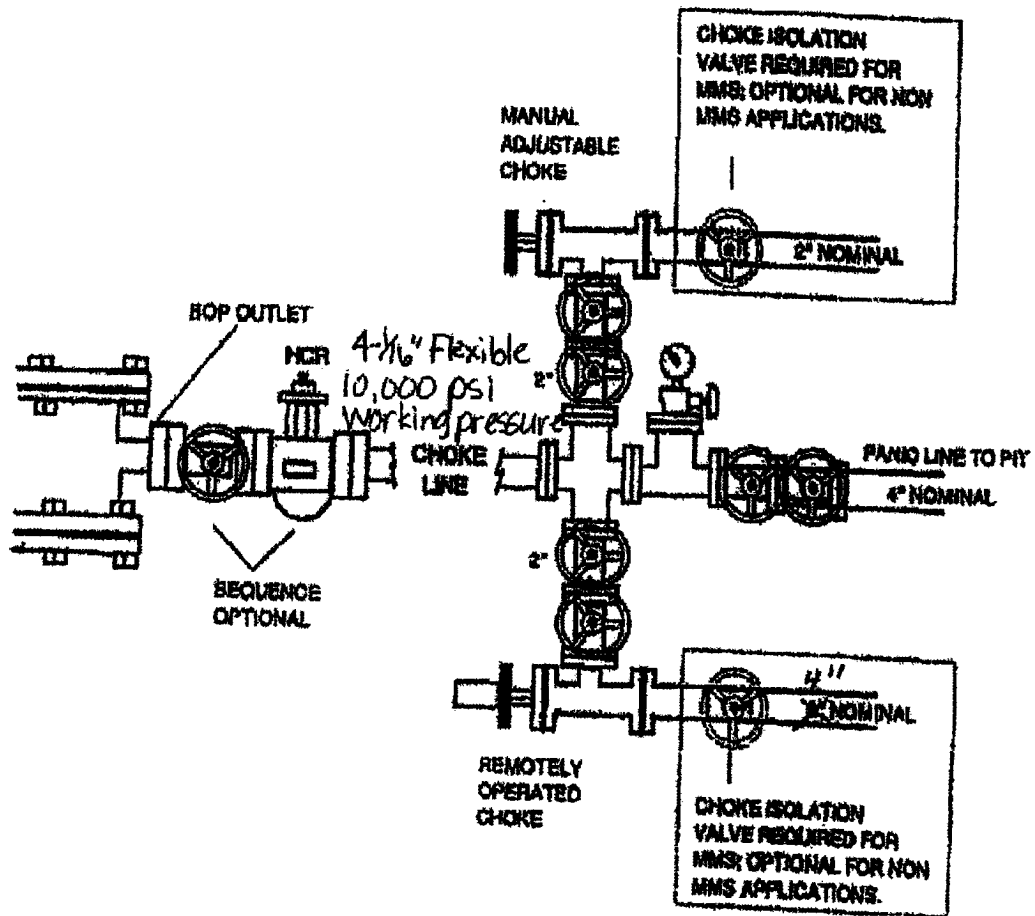


Exhibit E-1 – Choke Manifold Diagram
Mescalero 30 Federal No. 5
 Cimarex Energy Co. of Colorado
 30-19S-34E
 820' FNL & 1280' FWL
 Lea County, NM

Hydrogen Sulfide Drilling Operations Plan

Cimarex Energy Co. of Colorado
Mescalero 30 Federal No. 5
Unit D Section 30
T19S-R34E 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
 - 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, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, 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.

100

T19S-R34E Lea County, NM

- Page 3-B

District I
1625 N. French Dr , Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St. Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

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 ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: <u>Cimarex Energy Co. of Colorado</u> Telephone: <u>972-401-3111</u> e-mail address: <u>zfarris@cimarex.com</u>		
Address: <u>PO Box 140907, Irving, TX 75014-0907</u>		
Facility or well name: <u>Mescalero 30 Federal No. 5</u> API #: <u>30-025-38425</u> U/L or Qtr/Qtr <u>D</u> Sec <u>30</u> T <u>19S</u> R <u>34E</u>		
County: <u>Lea</u> Latitude <u>323810.2 N</u> Longitude <u>1033614.3 W</u> NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/>		
Surface Owner: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u> </u> bbl closed system, cuttings buried	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not <u> </u>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) <u>148'</u>	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	<u>100 feet or more</u>	<u>(0 points)</u>
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes	(20 points)
	<u>No</u>	<u>(0 points)</u>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	<u>1000 feet or more</u>	<u>(0 points)</u>
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 you 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: 02.27.07

Printed Name/Title Zeno Farris - Mgr Operations Admin

Signature

Zeno Farris

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 WILLIAMS / DIST. SUPV

Signature

Chris Williams

Date:

2/6/07