DISTRICT I
P O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O Box Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd , Aztec, NM 87410
DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-101
Revised February 10,199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 6 Copie
Fee Lease - 5 Copie
☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address	2 OGRID Number
CHEVRON USA INC 15 SMITH RD, MIDLAND, TX 79705	4323 3 API Number 30-025-30483

4 Property Code	5 Property Name	6 Well No
~~11060~~ 29995	R.R. SIMS 'A'	1

7 Surface Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
N	4	23S	37E		330	S	2308	W	Lea

8 Proposed 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

9 Proposed Pool 1	10 Proposed Pool 2
LANGLIE MATTIX 7 RIVERS QUEEN GRAYBURG	

11 Work Type Code	12 WellType Code	13 Rotary or C T	14 Lease Type Code	15 Ground Level Elevation
P	O	Rotary	P	3317' GR
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
No	10,254'	GRAYBURG		

21 Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST TOP
No Change					

Received
AUG 21 2007
Hobbs OCD

22 Describe the proposed program If this application is to DEEPEN or PLUG BACK give the data on the present productive zoneand proposed new productive zone
Describe the blowout prevention program, if any. Use additional sheets if necessary

CHEVRON U.S.A. INC.INTENDS TO RECOMPLETE THE SUBJECT WELL FROM THE BLINEBRY RESERVOIR TO THE GRAYBURG POOL.

A PIT WILL NOT BE USED FOR THIS PLUGBACK. A STEEL FRAC TANK WILL BE UTILIZED.

THE INTENDED PROCEDURE AND CURRENT AND PROPOSED WELLBORE DIAGRAMS ARE ATTACHED FOR YOUR APPROVAL.

Permit Expires 1 Year From Approval
Date Unless ~~Drilling~~ Underway
Plugback

23 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my ~~knowledge~~ and belief.

Signature Denise Pinkerton

Printed Name Denise Pinkerton

Title Regulatory Specialist

Date 8/14/2007 Telephone 432-687-7375

OIL CONSERVATION DIVISION

Approved By: Chris Williams

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date: SEP 26 2007 Expiration Date:

Conditions of Approval:
Attached ☐

DeSoto/Nichols 3-94 ver 1 10

R. R. Sims A # 1
Langlie Mattix Field
T23S, R37E, Section 4
Job: PB To Grayburg Formation, Acidize, And Frac

Procedure:

1. ***This procedure is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of 5/24/2007. Verify what is in the hole with the well file in the Eunice Field office. Discuss w/ WEO Engineer, Workover Rep, OS, ALS, and FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the well.***

2. Displace flowline with fresh water. Have field specialist close valve at header. Pressure line according to the type of line. Buried fiberglass lines will be tested with 300 psi. All polypipe (SDR7 and SDR11) will be tested w/100 psi. All steel lines will be tested w/500 psi. If a leak is found, contact Donnie Ives for repair/replacement. If test is good, bleed off pressure and **open valve** at header. Document this process in the morning report.

3. MI & RU workover unit. Bleed pressure from well, if any. Pump down csg with 8.6 PPG cut brine water, if necessary to kill well. POH with rods and pump. Remove WH. Install BOP's and test as required. Release TAC. POH with 2 7/8" tbg string and TAC.

4. PU and GIH with 6 ¼" MT bit and 2 7/8" work string to approximately 5550'. Reverse circulate well clean from 5550' using 8.6 PPG cut brine water. POH with work string and bit. LD bit.

5. PU and GIH with tbg-set CIBP on 2 7/8" work string to 5500'. Set CIBP at 5500'. Pressure test CIBP and 7" casing to 500 psi. POH with 2 7/8" work string and setting tool. LD setting tool.

6. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct GR/CBL/CCL from 5500' up to 100' above top of cement. Run log with with 500 psi on casing. POH. Inspect logs for good cement bond from approximately 4100' up to 3400'. If bond does not appear to be good across proposed completion interval, discuss with Engineering before proceeding. GIH with 3 1/8" slick casing guns and perforate from 3719-28', 3735-39', 3745-55', 3786-96', 3819-26', 3832-36', 3844-51', 3857-61', 3867-73', 3877-84', and 3900-10' with 4 JSPF at 120 degree phasing, using 23 gram premium charges. POH. GIH and dump-bail 35' of cement on top of CIBP at 5500'. POH. RD & release electric line unit. **Note: Use Western Atlas CNL Log dated 12/12/1988 for depth correlation.**

7. PU and GIH w/ 7" PPI pkr (with 12' element spacing) and SCV on 2 7/8" work string to approximately 3700'. Test tbg to 5500 psi while GIH.

8. MI & RU DS Services. Acidize perfs 3719-3910' with 2,200 gals anti-sludge 15% HCl acid * at a maximum rate **as shown below** and a maximum surface pressure of **3500 psi**. Spot acid across perfs at beginning of each stage and let soak to lower breakdown pressure and prevent communication. Pump job as follows:

Interval	**Amt. Acid**	**Max Rate**	**PPI Setting**
3900-10'	200 gals	½ BPM	3899-3911'
3877-84'	200 gals	½ BPM	3875-87'
3867-73'	200 gals	½ BPM	3864-76'
3857-61'	200 gals	½ BPM	3852-64'
3844-51'	200 gals	½ BPM	3840-52'
3832-36'	200 gals	½ BPM	3830-42'
3819-26'	200 gals	½ BPM	3815-27'
3786-96'	200 gals	½ BPM	3785-97'
3745-55'	200 gals	½ BPM	3744-56'
3735-39'	200 gals	½ BPM	3730-42'
3719-28'	200 gals	½ BPM	3718-30'

Displace acid with 8.6 PPG cut brine water -- do not overdisplace. Use a SCV to control displacement fluid. Record ISIP, 5 & 10 minute SIP's. RD and release DS services. **Note: Pickle tubing in 1 run of 500 gals acid, prior to acidizing perfs. Pickle acid is to contain only 1/2 gal A264 and 1 gal W53. Also, if communication occurs during treatment of any interval, monitor casing pressure and attempt to complete stage w/o exceeding 500 psi csg pressure. If cannot, then move PPI to next setting depth and combine treatment volumes of the intervals.**

* Acid system is to contain:	1 GPT A264	Corrosion Inhibitor
	8 GPT L63	Iron Control Agent
	2 PPT A179	Iron Control Aid
	20 GPT U66	Mutual Solvent
	2 GPT W53	Non-Emulsifier

9. Release PPI pkr and PUH to approximately 3675'. Set pkr at 3675'. Fish SCV. Swab back all intervals together. Recover 100% of treatment and load volumes before shutting well in for night, if possible. Report recovered fluid volumes, pressures, and/or swabbing fluid levels. **Note: Selectively swab perfs as directed by Engineering if excessive water is produced.**

10. Open well. Release PPI pkr. Lower PPI pkr to 3950'. Set PPI pkr at 3950'. Pressure test casing from 3950-5465' to 2000 psi. POH with tbg and PPI packer. LD PPI tool.

11. PU and GIH w/ 7" Arrow-Set 10K pkr & On-Off tool w/ 2.25" "F" profile and 117 jts. of 3 ½" EUE 8R L-80 work string, testing to 8500 psi. Set pkr at approximately 3600'. Install frac head. Pressure annulus to 500 psi to test csg and pkr. Leave pressure on csg during frac job to observe for communication.

12. MI & RU DS Services and Tracer-Tech Services (Mike Mathis (866) 595-3115). Frac well down 3 ½" tubing at **40 BPM** with 88,000 gals of YF125, 176,000 lbs. 16/30 mesh Jordan Sand, and 30,000 lbs **resin-coated** 16/30 mesh CR1630 proppant. Observe a maximum surface treating pressure of **8000 psi**. Tag frac with 2 radioactive isotopes (1 in regular sand stages, and 1 in resin-coated proppant stage). Pump job as follows:

    Pump 2,000 gals 2% KCL water containing 55 gals Baker RE 4777-SCW Scale Inhibitor at **6 BPM**
    Pump 1,000 gals 2% KCL water spacer at **20 BPM**
    Pump 14,000 gals YF125 pad containing 5 GPT J451 Fluid Loss Additive at **40 BPM**
    Pump 14,000 gals YF125 containing 0.5 PPG 16/30 mesh Jordan Sand & 5 GPT J451 FL Additive
    Pump 12,000 gals YF125 containing 1.5 PPG 16/30 mesh Jordan Sand
    Pump 12,000 gals YF125 containing 2.5 PPG 16/30 mesh Jordan Sand
    Pump 14,000 gals YF125 containing 3.5 PPG 16/30 mesh Jordan Sand
    Pump 16,000 gals YF125 containing 4.5 PPG 16/30 mesh Jordan Sand
    Pump 6,000 gals YF125 containing 5 PPG **resin-coated** 16/30 mesh CR1630 proppant.

    Flush to 3600' with 1,315 gals WF125. **Do not overflush.** Shut well in. Record ISIP, 5, 10, and 15 minute SI tbg pressures. SWI. RD & Release DS Services and Tracer-Tech Services. **Leave well SI overnight.**

13. Open well. Bleed pressure from well, if any. Release pkr. POH LD 3 ½" work string, on-off tool, and pkr.

14. PU and GIH with 7" MT bit on 2 7/8" work string to approximately 4300'. If fill is tagged above 4300', cleanout to 4300' using 8.6 PPG cut brine water and air unit if necessary. POH with 2 7/8" work string and bit. LD bit.

15. PU & GIH with 7" pkr on 2 7/8" work string to 3600'. Set pkr at 3600'. Open well. GIH and swab well until there is no sand inflow. Swab well for at least 3 hours before logging. MI & RU Baker Atlas electric line unit. Install lubricator and test to 1000 psi. GIH and conduct after-frac PRISM GR/Temp/CCL log from 4300' up to 3300'. POH. RD & release electric line unit. **Note: Correlate logs and run flat with Baker Atlas GR/CBL/CCL Log conducted in Step # 6.**

16. Release pkr. POH LD 2 7/8" work string and pkr.

17. PU and GIH w/ BP mud anchor jt of 2 7/8" tbg, 2 7/8" x 4' perforated sub, SN, 1 jt 2 7/8" EUE 8R J-55 IPC tbg, 14 jts 2 7/8" EUE 8R J-55 tbg, TAC, and 116 jts 2 7/8" EUE 8R J-55 tbg, testing to 5000 psi. Set TAC at 3650', with EOT at 4110' and SN at 4075'.

18. Remove BOP's and install WH. GIH with rods, weight bars, and pump per ALS recommended design. RD & release pulling unit.

19. Turn well over to production. Report producing rates, choke sizes, flowing pressures and/or fluid levels.

AMH
8/13/2007

Well: **R.R. Simms A#1**

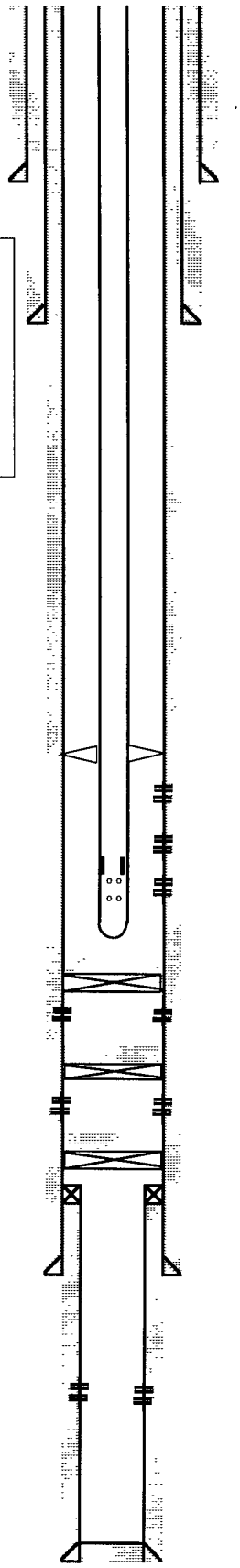
Reservoir: **Blinebry**

Location:	
330' FSL and 2308' FWL	
Section	4
Township	23S
Range	37E
County	Lea, NM

Elevations:	
GL	3317'
DF	
KB	19'

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the

Current
Wellbore Diagram



CIBP @ 7200' w/ 35' cmt

CIBP @ 7450' w/35' cmt

CIBP @ 8300' w/35' cmt

Top of Liner @ 8362'

COTD:	7165'
PBTD:	7165'
TD:	10254'
Updated:	5/24/2007
By:	lgek

Well ID Info:	
Refno	IR2463
API No	30-025-30483
L5/L6	UCU820800
Spud Date	11/26/1988
Compl Date	1/20/1989

Surf Csg:	13-3/8", 54 5 #, K-55	
Set: @	1180' w/1400sks	
Hole Size:	17-1/2"	
Circ:	yes	TOC: Surface
TOC By:	Circulation	

Interm Csg:	9-5/8", 40 #, S-80	
Set: @	3800' w/1750 sks	
Hole Size:	12-1/4"	
Circ:	yes	TOC: Surface
TOC By:	Circulation	

Tubing Detail

# jts	size	Footage
	KB Correction	19
173	2 7/8", 6 5 #, J-55 EUE	5394 8
1	TAC	2
17	2 7/8", 6 5 #, J-55 EUE	530 6
12	2 7/8", 6 5 #, J-55 EUE	373 08
1	2 7/8", 6 5 #, J-55 EUE	32
1	SN	1
1	2 7/8" perforated tubing sub	4
1	2 7/8" bull plug mud anchor	31 7
	Bottom of string -->	6388 18

Perfs	Perfs	Status
5542-5546	5724-5738'	Blinbry- open
5560-5562'	5764-5768'	Blinbry- open
5604-5614'	5796-5802'	Blinbry- open
5686-5688'	5806-5808'	Blinbry- open
5704-5710'		Blinbry- open

Perfs	Status
7246-7312'	Wolfcamp-below CIBP

Perfs	Status
7466-7495'	Devonian- below CIBP

Prod Csg:	7", 26 #, I-80 & K-55	
Set: @	8690' w/1050 sks	
Hole Size:	8-3/4"	
Circ:	yes	TOC: Surface
TOC By:	Circulation	

Perfs	Status
10186-10238'	Ellenberger- below CIBP

Liner:	5", 15 #, K-55	
Set: @	10254' w/375 sks	
Hole Size:	6-1/8"	TOL: 8362'
Circ:	yes	TOC: 8362'
TOC By:	circulation	

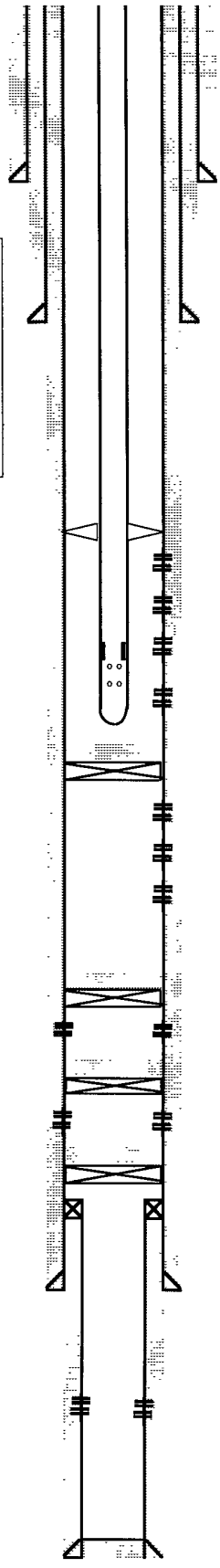
Well: **R.R. Simms A#1**

Reservoir: **Grayburg**

Location:	
330' FSL and 2308' FWL	
Section:	4
Township:	23S
Range:	37E
County:	Lea, NM

Elevations:	
GL:	3317'
DF:	
KB	19'

Proposed
Wellbore Diagram



Well ID Info:	
Refno:	IR2463
API No	30-025-30483
L5/L6:	UCMK90100
Spud Date:	11/26/1988
Compl Date:	1/20/1989

Surf Csg:	13-3/8", 54 5 #, K-55	
Set: @	1180' w/1400sks	
Hole Size:	17-1/2"	
Circ:	yes	TOC: Surface
TOC By:	Circulation	

Interm Csg:	9-5/8", 40 #, S-80	
Set: @	3800' w/1750 sks	
Hole Size:	12-1/4"	
Circ:	yes	TOC: Surface
TOC By:	Circulation	

This wellbore diagram is based on the most recent information regarding wellbore configuration and equipment that could be found in the Midland Office well files and computer databases as of the update date below. Verify what is in the hole with the well file in the Eunice Field Office. Discuss w/WEO Engineer, WO Rep, OS, ALS, & FS prior to rigging up on well regarding any hazards or unknown issues pertaining to the ---11

Perfs	Status
3719-28'	Grayburg - open
3735-39'	Grayburg - open
3745-55'	Grayburg - open
3786-96'	Grayburg - open
3819-26'	Grayburg - open
3832-36'	Grayburg - open
3844-51'	Grayburg - open
3857-61'	Grayburg - open
3867-73'	Grayburg - open
3877-84'	Grayburg - open
3900-10'	Grayburg - open

CIBP @ 5500'
(35' cmt on top)

CIBP @ 7200' w/ 35' cmt

CIBP @ 7450' w/35' cmt

CIBP @ 8300' w/35' cmt

Top of Liner @ 8362'

Tubing Detail

#Jts:	Size:	Footage
	KB Correction	11 00
118	Jts 2 7/8" EUE 8R J-55 Tbg	3658 00
	TAC	3 15
12	Jts 2 7/8" EUE 8R J-55 Tbg	372 00
1	Jt 2 7/8" EUE 8R J-55 IPC Tbg	31 00
	SN	1 10
	2 7/8" x 4' Perf Tbg Sub	4 00
1	Jt 2 7/8" EUE 8R J-55 Tbg	31 00
	Bull Plug	0 50
132	Bottom Of String >>	4111.75

Perfs	Perfs	Status
5542-5546	5724-5738'	Blinbry- open
5560-5562'	5764-5768'	Blinbry- open
5604-5614'	5796-5802'	Blinbry- open
5686-5688'	5806-5808'	Blinbry- open
5704-5710'		Blinbry- open

Perfs	Status
7246-7312'	Wolfcamp-below CIBP

Perfs	Status
7466-7495'	Devonian- below CIBP

Prod Csg:	7", 26 #, I-80 & K-55	
Set: @	8690' w/1050 sks	
Hole Size:	8-3/4"	
Circ:	yes	TOC: Surface
TOC By:	Circulation	

Perfs	Status
10186-10238'	Ellenberger- below CIBP

Liner:	5", 15 #, K-55		
Set: @	10254' w/375 sks		
Hole Size:	6-1/8"	TOL:	8362'
Circ:	yes	TOC:	8362'
TOC By:	circulation		

COTD:	5465'
PBTD:	5465'
TD:	10254'
Updated:	5/24/2007
By:	lgek

R. R. Sims A # 1
CaseLowis - Tubing Detail
5/23/2007

Component Grouping	Part Type	Name of Component	Start Date	Quantity	Length	Top Depth	Bottom Depth	API Description
Tubing String	Tubing - OD 2 875	J-55 2 875 OD/ 6 50# T&C External Upset 2 441 ID 2 347 Drift	4/26/2005	173	5394.8	19	5413.8	
Tubing String	Tubing Anchor/Catcher	Tubing Anchor-Mechanical 7.000" Elder 'B'	4/26/2005	1	2	5408 02	5410 02	
Tubing String	Tubing - OD 2 875	J-55 2 875 OD/ 6.50# T&C External Upset 2 441 ID 2 347 Drift	4/26/2005	17	530 6	5410 72	5941.32	
Tubing String	Tubing - OD 2 875	J-55 2 875 OD/ 6.50# T&C External Upset 2 441 ID 2 347 Drift	4/26/2005	12	373 08	5410 72	5783 8	
Tubing String	Tubing - OD 2 875	J-55 2 875 OD/ 6 50# T&C External Upset 2 441 ID 2.347 Drift - Internal Plastic	4/26/2005	1	32	5814.3	5846.3	
Tubing String	Seat Nipple / Shoe	Seat Nipple - Standard (2 875") Cup Type	7/22/2003	1	1	5815.4	5816.4	
Tubing String	Perforated Tubing Sub	Perforated Tubing Sub 2 875"	7/22/2003	1	4	5816 4	5820 4	
Tubing String	Mud Anchor	Bull Plug Mud Anchor 2 875"	4/26/2005	1	31 7	5820 4	5852.1	
Rod String	Polished Rod	1 250 (1 1/4 in) Spray Metal x 26	4/26/2005	1	26	19	45	
Rod String	Rod	1.000 (1 in) N-78 (D) x 25 Rod	4/26/2005	67	1675	45	1720	
Rod String	Rod	1 000 (1 in.) N-78 (D) x 25 Rod	4/26/2005	69	1725	47	1772	
Rod String	Rod	0 875 (7/8 in) N-78 (D) x 25 Rod	4/26/2005	80	2000	1720	3720	
Rod String	Rod Sub	1 000 (1 in) N-78 (D) x 4 Rod Sub	4/26/2005	1	4	1772	1776	
Rod String	Rod	0 750 (3/4 in) N-78 (D) x 25 Rod	4/26/2005	72	1800	3720	5520	
Rod String	Rod	0 875 (7/8 in) N-78 (D) x 25 Rod	4/26/2005	80	2000	1776	3776	
Rod String	Sinker Bar	1.500 (1 1/2 in.) K x 25 Sinker Bar	4/26/2005	18	450	5520	5970	
Rod String	Rod Sub	1 000 (1 in) N-78 (D) x 6 Rod Sub	4/26/2005	2	12	3776	3788	
Rod String	Rod Pump (Insert) (NON-SERIALIZED)	Rod Pump (Insert) (NON-SERIALIZED) - 25-125-RHBC-20-4-2-0 (Bore = 1 25)	4/26/2005	1	22	5970	5992	25-125-RHBC-20-4-2-0
Rod String	Gas Anchor (Rod)	Gas Anchor (Rod) 1 250 OD x 10'	4/26/2005	1	10	5992	6002	

DISTRICT I
P O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
P.O Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10,199
Instructions on bac
Submit to Appropriate District Offic
State Lease - 4 Copie
Fee Lease - 3 Copie
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-025-30483	37240	LANGLIE MATTIX SEVEN RIVERS QUEEN GRAYBURG

4 Property Code	5 Property Name	6 Well No
~~11860~~ 29995	R.R. SIMS 'A'	1

7 OGRID Number	8 Operator Name	9 Elevation
4323	CHEVRON USA INC	3317' GR

10 Surface Location

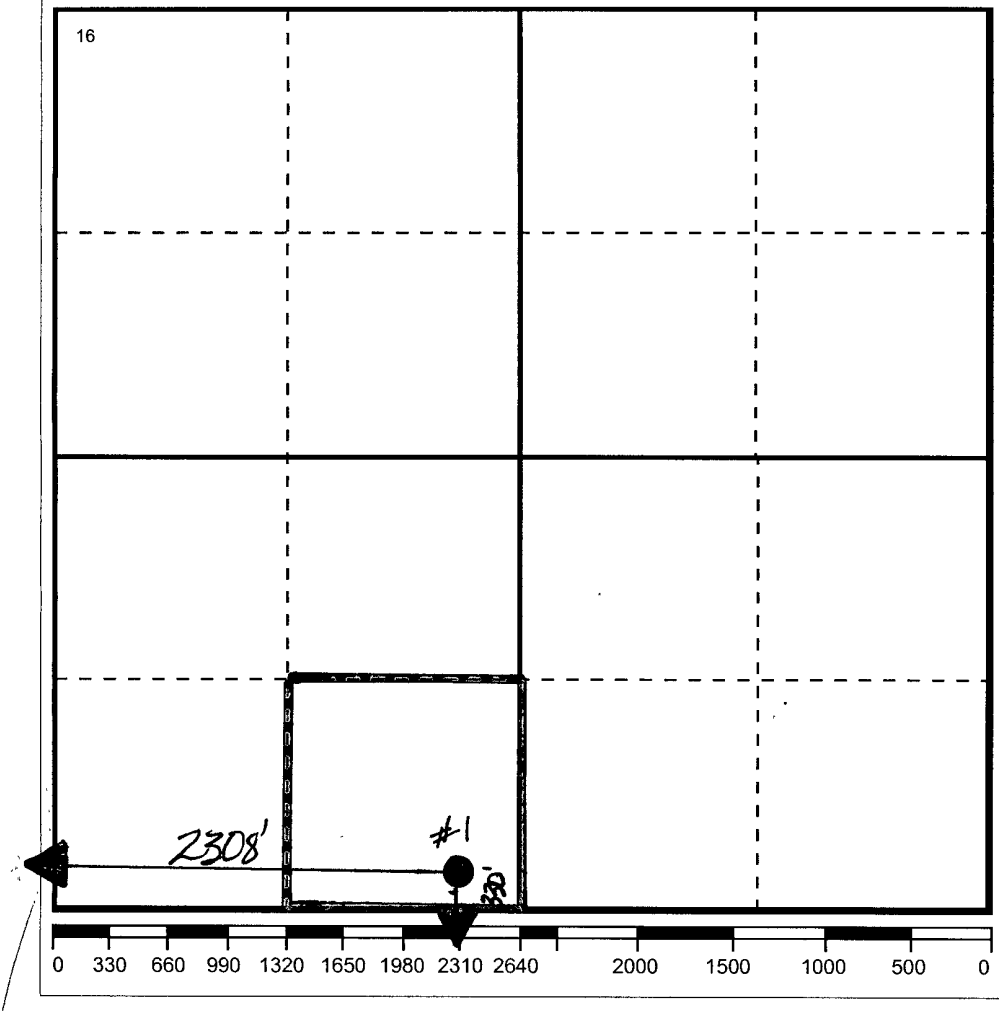
Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
N	4	23S	37E		330	S	2308	W	Lea

11 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
	f								

12 Dedicated Acre	13 Joint or Infill	14 Consolidation Code	15 Order No.
40	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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: Denise Pinkerton

Printed Name: Denise Pinkerton

Positio: Regulatory Specialist

Date: 8/14/2007

18 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 knowledge and belief

Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No

DeSoto/Nichols 3/94 ver 1 10

August 27, 2007

Denise: Here is the waiver finally. Pls send to OCD by email and get wo permit approved so we can produce well. It is completed but SI wo permit. Pls let me know when OK to produce.

Thanks
Mike

Notice of Application For Permit To Plugback
By Chevron U. S. A. Inc.
R. R. Sims A # 1
330' FSL & 2308' FWL
Unit N, Section 4, T23S, R37E
Lea County, New Mexico

Chevron U.S.A. Inc.
Attn: Mike Howell
15 Smith Road
Midland, TX 79705

Dear Mr. Howell:

Cimarex Energy Co., Inc. waives any objection to Chevron's R. R Sims A # 1 well, proposed to be plugged back and recompleted in the LANGLIE MATTIX;7 RVRS-Q-GRAYBURG Pool and located 330' FSL & 2308' FWL, Unit N, Section 4, T23S, R37E, Lea County, New Mexico. Cimarex's lease rights extend only to the base of the Queen formation at 3663' at that location, and it is our understanding that the Chevron recompletion in the subject well will be into the Grayburg formation at a depth of 3715' – 3994'.

Sincerely,

Cimarex Energy Co., Inc.

Name: Aaron Hamilton

Title: Regional Production Manager New Mexico

Date: 9-19-07

CW