

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88406

RECEIVED

Form 3160-3
(April 2004)FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 02 2008

HOBBS OCD

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No LC-064900
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input 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 PO Box 140907 Irving, TX 75014		8. Lease Name and Well No. <u><37088></u> Midway 17 Federal No. 1
3b. Phone No (include area code) 972-401-3111		9. API Well No. 30-005- <u>29034</u>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface 1980' FNL & 330' FWL <u>Unit E</u> At proposed prod. Zone 1980' FNL & 330' FEL <u>Unit H</u> Proposed Horizontal Abo Test		10. Field and Pool, or Exploratory Abo; Wildcat
14. Distance in miles and direction from nearest town or post office*		11. Sec., T R M or Blk. and Survey or Area 17-15S-31E
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line if any) 330'		12. County or Parish Chaves
16. No of acres in lease 760		13. State NM
17. Spacing Unit dedicated to this well S2N2 160		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. NA		20. BLM/BIA Bond No. on File NM-2575
19. Proposed Depth Pilot Hole 9075' MD 13132' TVD 8615'		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4,446' GR	22. Approximate date work will start* 4/1/2008	23. Estimated duration 35-45 days

24. Attachments

ROSWELL CONTROLLED WATER BASIN

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 <u>Zeno Farris</u>	Name (Printed/Typed) Zeno Farris	Date 01.28.08
----------------------------------	-------------------------------------	------------------

Title

Manager Operations Administration

Approved By (Signature) <u>/s/ Angel Mayes</u>	Name (Printed/Typed) <u>/s/ Angel Mayes</u>	Date <u>MAR 31 2008</u>
Title <u>Assistant Field Manager, Lands And Minerals</u>	Office ROSWELL FIELD OFFICE	APPROVED FOR 2 YEARS

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.S. 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)

DECLARED WATER BASIN

CEMENT BEHIND THE 133"
CASING MUST BE CIRCULATED WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED

DISTRICT I
1220 S. FRENCH DR., ROBBES, NM 87240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 86210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-29034	Pool Code /	Pool Name Abo; Wildcat
Property Code 37088	Property Name MIDWAY 17 FEDERAL	Well Number 1
OCRID No. 162683	Operator Name CIMAREX ENERGY COMPANY OF COLORADO	Elevation 4446'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	17	15-S	31-E		1980	NORTH	330	WEST	CHAVES

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
H	17	15-S	31-E		1980	NORTH	330	EAST	CHAVES

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature: <u>Zeno Farris</u> Date: <u>01-28-08</u> Printed Name: <u>Zeno Farris</u>	
GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=734250.4 N X=647815.4 E LAT.=33.017588° N LONG.=103.851102° W		BOTTOM HOLE LOCATION Y=734268.1 N X=652447.9 E	
GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=734250.4 N X=647815.4 E LAT.=33.017588° N LONG.=103.851102° W		SURVEYOR CERTIFICATION <i>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.</i> Date Surveyed: <u>JANUARY 15, 2008</u> Signature & Seal of Professional Surveyor: <u>Ronald J. Eidson</u> 3239 Certificate No. <u>GARY C. EIDSON 12041</u> <u>RONALD J. EIDSON 3239</u>	

Application to Drill
Cimarex Energy Co. of Colorado
Midway 17 Federal No. 1
Unit E Section 17
T15S R31E Chaves 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: SHL 1980' FNL & 330' FWL
 BHL 1980' FNL & 330' FEL *Proposed Horizontal Abo Test*

- 2 Elevation above sea level: 4,446 GR

- 3 Geologic name of surface formation: Quaternary Alluvium Deposits

- 4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.

- 5 Proposed drilling depth: Pilot Hole 9075' MD 13132' TVD 8615'

- 6 Estimated tops of geological markers:
 Yates 2,312'
 Queen 3,090'
 San Andres 3,940'
 Abo Shale 7,340'
 Lower Abo Dolomite 8,585'
 Wolfcamp LS 8,675'

- 7 Possible mineral bearing formation:
 Abo Oil

8 Proposed Mud Circulating System:

Depth			Mud Wt	Visc	Fluid Loss	Type Mud
0	to	340	8.4 - 8.6	30-32	May lose circ	Fresh water spud mud
340	to	3,950	10.0	28-29	May lose circ	Brine Water
3,950	to	9075'	8.6 - 9.5	28-29	NC	Fresh water and brine, use hi-vis sweeps to keep hole clean
0'	to	13132'	8.4 - 8.9	28	NC	2% KCl

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.

- 8a Drill 7½" pilot hole to 9075.' Set KO Plug @ 8390.' Kick off horizontal leg @ 8385' and drill 3½" hole to 13132' MD & 8615' TVD. Run 2½" 6.5# L-80 EUE Peak Systems Iso-Pak Liner from 0'-13132.' No cement required for Peak Systems Liner.

Application to Drill
Cimarex Energy Co. of Colorado
Midway 17 Federal No. 1
Unit E Section 17
T15S R31E Chaves County, NM

9 Casing & Cementing Program:

Hole Size	Depth			Casing OD	Weight	Thread	Collar	Grade
17½"	0	to	340'	New 13⅜"	48#	8-R	STC	H-40
12¼"	0	to	3,950'	New 9⅝"	40#	8-R	LTC	J/K-55
7⅞"	0	to	9075'	New 5½"	17#	8-R	LTC	P-110
3½"	0	to	13132'	New 2⅞"	6.5#	8-R	EUE	L-80/FX

10 Cementing & Setting Depth:

13⅜" Surface Set 340' of 13⅜" 48# H-40 STC
Lead: 110 sx Light Premium Plus + 0.125 lb/sk Poly-E-Flake + 1% CaCl₂ (wt 14.2, yld 1.64)
Tail: 220 sx Premium Plus + 2% CaCl₂ (wt 14.8, yld 1.35)
TOC Surface

9⅝" Intermediate Set 3,950' of 9⅝" 40# J/K-55 LTC
Lead: 450 sx Interfill C + 0.125 lb/sk Poly-E-Flake (wt 11.9, yld 2.45)
Tail: 200 sx Premium Plus + 1% CaCl₂ (wt 14.8, yld 1.33)
TOC Surface

5½" Production Set 9075' of 5½" 17# P-110 LTC
615 sx Super H + 0.5% Halad-344 + 0.4% CFR-3 + 1lbm/sk Salt + 5 lb/sk Gilsonite + 0.125 lb/sk Poly-E-Flake + 0.35% HR-7 (wt 13.0, yld 1.67)
TOC 3,700'

2⅞" Liner *Peak Systems Iso-Pack Liner will not require cementing.*

Fresh water will be protected by setting 13⅜" casing at 340' and cementing to Surface
Hydrocarbon zones will be protected by setting 9⅝" casing at 3,950' and cementing to Surface
and by setting 5½" casing at 9075' and cementing to 3700'

Cimarex uses the following minimum safety factors:

Burst	Collapse	Tension
1.125	1.125	1.80

Application to Drill
Cimarex Energy Co. of Colorado
Midway 17 Federal No. 1
Unit E Section 17
T15S R31E Chaves County, NM

11 Pressure control Equipment:

Exhibit "E-1" - Surface Casing - A 13 5/8" 3000 PSI working pressure B.O.P. consisting of a 3000# annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. 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. Annular preventor to be function-tested once per day. Annular preventor will be tested to 250 psi low and 2000 psi high.

Exhibit "E-2" - Intermediate & Production Casing - An 11" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000# hydril. 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. Below intermediate casing shoe, BOP 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 5000 psi BOP system.

The BOPs will be tested by an independent service company. Ram type BOPs to 250 psi low and 5000 psi high. Annular BOP 250 psi low and 3000 psi high.

12 Testing, Logging and Coring Program:

- A. Mud logging 2 man unit from 3950' 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 potential 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 **4000 psi** Estimated BHT **175**

14 Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved.

Drilling expected to take 35-45 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.

Abo pay will be perforated and stimulated.

The proposed well will be tested and potential as **an oil well.**

Hydrogen Sulfide Drilling Operations Plan

Cimarex Energy Co. of Colorado

Midway 17 Federal No. 1

Unit E Section 17

T15S R31E Chaves 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:

No DSTs or cores are planned at this time.
- 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 separator will be brought into service along with H2S scavengers if necessary.

Surface Use Plan
Cimarex Energy Co. of Colorado
Midway 17 Federal No. 1
Unit E Section 17
T15S R31E Chaves County, NM

1 EXISTING ROADS: Area maps, Exhibit "B" is a reproduction of Eddy Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

A. Exhibit "A" shows the proposed well site as staked.

B. From the intersection of St Hwy 249 and St Hwy 172, go West on St Hwy 249 approx 3.0 miles. Turn right on caliche road and go North approx 0.13 miles. This location is approx 200' East.

2 PLANNED ACCESS ROADS: No new access roads are proposed.

3 LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A":

A. Water wells -	None known
B. Disposal wells -	None known
C. Drilling wells -	None known
D. Producing wells -	As shown on Exhibit "A"
E. Abandoned wells -	As shown on Exhibit "A"

Surface Use Plan
Cimarex Energy Co. of Colorado
Midway 17 Federal No. 1
Unit E Section 17
T15S R31E Chaves County, NM

- 4 If on completion this well is a producer, Cimarex Energy Co. of Colorado will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied by a Sundry Notice.
- 5 Location and Type of Water Supply:
Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.
- 6 Source of Construction Material:
If possible, construction will be obtained from the excavation of drill site. If additional material is needed, it will be purchased from a local source and transported over the access route as shown on Exhibit "C".
- 7 Methods of Handling Waste Material:
- A. Drill cuttings will be disposed of in the reserve pit and hauled to a State-approved disposal facility.
 - B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary land fill.
 - C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
 - D. Sewage from living quarters will drain into holding tanks and be cleaned out periodically. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
 - E. Remaining drilling fluids will be hauled off by transports and be disposed of at a State approved disposal facility. Water produced during drilling will be put in reserve pit. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.
- 8 Ancillary Facilities:
- A. No camps or airstrips to be constructed.

Surface Use Plan
Cimarex Energy Co. of Colorado
Midway 17 Federal No. 1
Unit E Section 17
T15S R31E Chaves County, NM

9 Well Site Layout:

- A. Exhibit "D" shows location and rig layout.
- B. This exhibit indicates proposed location of reserve and trash pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be lined with PVC or polyethylene liner. The pit liner will be 12 mils thick. Pit liner will extend a minimum, 2'00" over the reserve pits dikes where the liner will be anchored down.
- D. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10 Plans for Restoration of Surface:

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, fluid and cuttings will be removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recountoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

11 OTHER INFORMATION:

- A. Topography consists of a sloping plane with loose tan sands. Vegetation is mainly yucca, mesquite and shin oak.
- B. The wellsite is on surface ~~owned by the State of New Mexico~~ ^{FEDERAL DE WATALIC @ CIMAREX}. The land is used mainly for farming, cattle ranching, recreational use, and oil and gas production.
- C. An Archaeological survey will be conducted on the location and proposed roads, and this report will be filed with the Bureau of Land Management in the Carlsbad BLM office.
- D. There are no know dwellings within 1 1/2 miles of this location.

Operator Certification Statement
Cimarex Energy Co. of Colorado
Midway 17 Federal No. 1
Unit E Section 17
T15S R31E Chaves County, NM

Operator's Representative:

Cimarex Energy Co. of Colorado
P.O. Box 140907
Irving, TX 75014
Office Phone: (972) 443-6489
Zeno Farris

CERTIFICATION: I hereby certify that the statements and plans made in this APD are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Cimarex Energy Co. of Colorado and/or its contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME: Zeno Farris
Zeno Farris

DATE: January 28, 2008

TITLE: Manager Operations Administration



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"

January 28, 2008

Oil Conservation Division
District II Office
1301 W. Grand Ave.
Artesia, New Mexico 88210
Attn: Mr. Bryan Arrant

Re: Statewide Rule 118
Hydrogen Sulfide Gas Contingency Plan
Proposed Midway 17 Federal No. 1 Well

Dear Mr. Arrant:

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 Abo formations to meet the OCD's minimum requirements for the submission of a contingency plan for the drilling and completion of the following test(s):

Midway 17 Federal No. 1
17-15S-31E
SHL 1980' FNL & 330' FWL
BHL 1980' FNL & 330' FEL
Chaves 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,

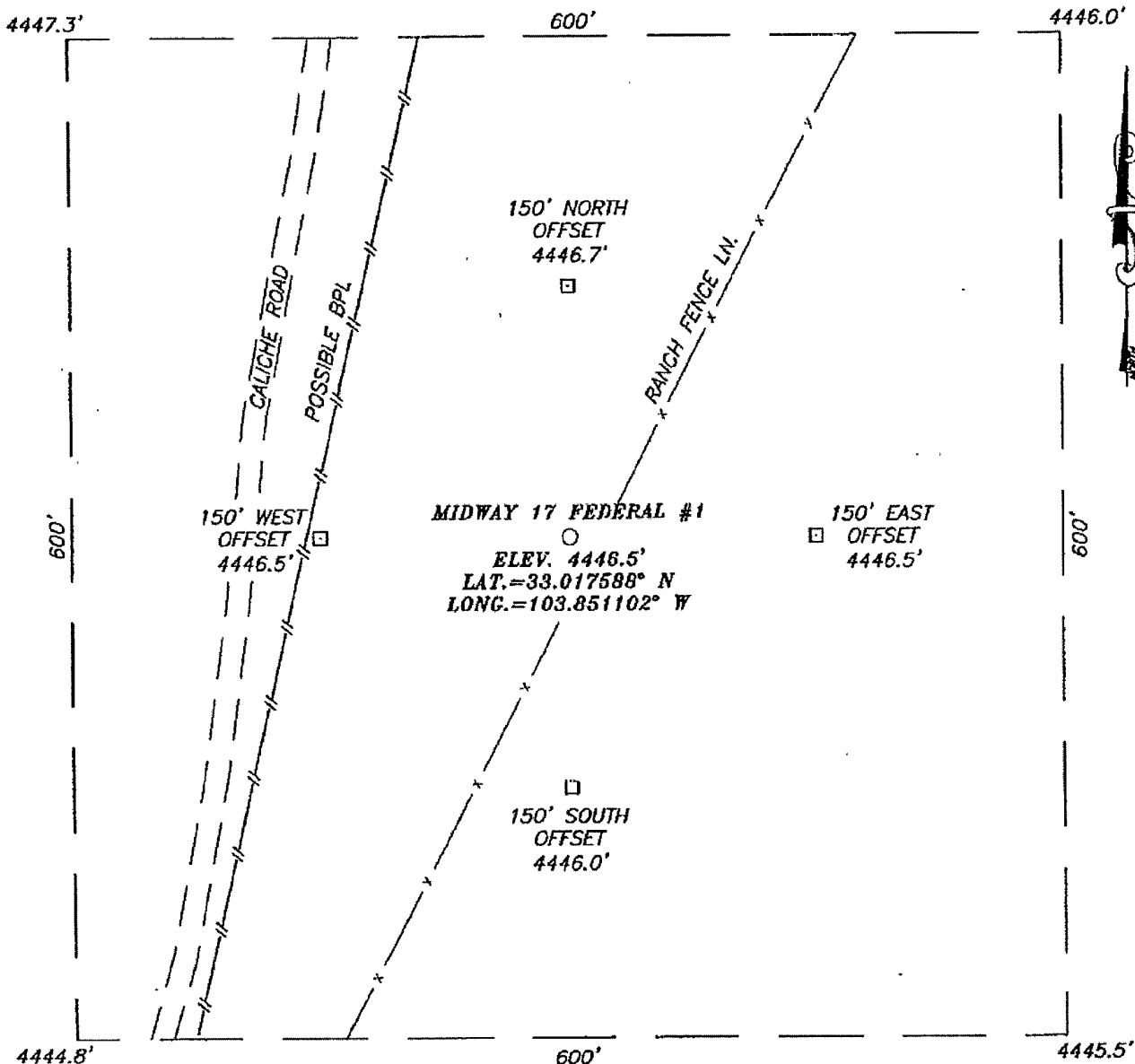
Zeno Farris
Manager Operations Administration

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FEB - 4 2008

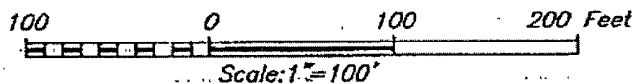
HOBBS OCD

SECTION 17, TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HIGHWAY 249 AND STATE HIGHWAY 172, GO WEST ON STATE ROAD 249 APPROX. 3.0 MILES. TURN RIGHT ON CALICHE ROAD AND GO NORTH APPROX. 0.13 MILES. THIS LOCATION IS APPROX. 200 FEET EAST.



CIMAREX ENERGY COMPANY OF COLORADO

MIDWAY 17 FEDERAL #1 WELL
 LOCATED 1980 FEET FROM THE NORTH LINE
 AND 330 FEET FROM THE WEST LINE OF SECTION 17,
 TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.,
 CHAVES COUNTY, NEW MEXICO.

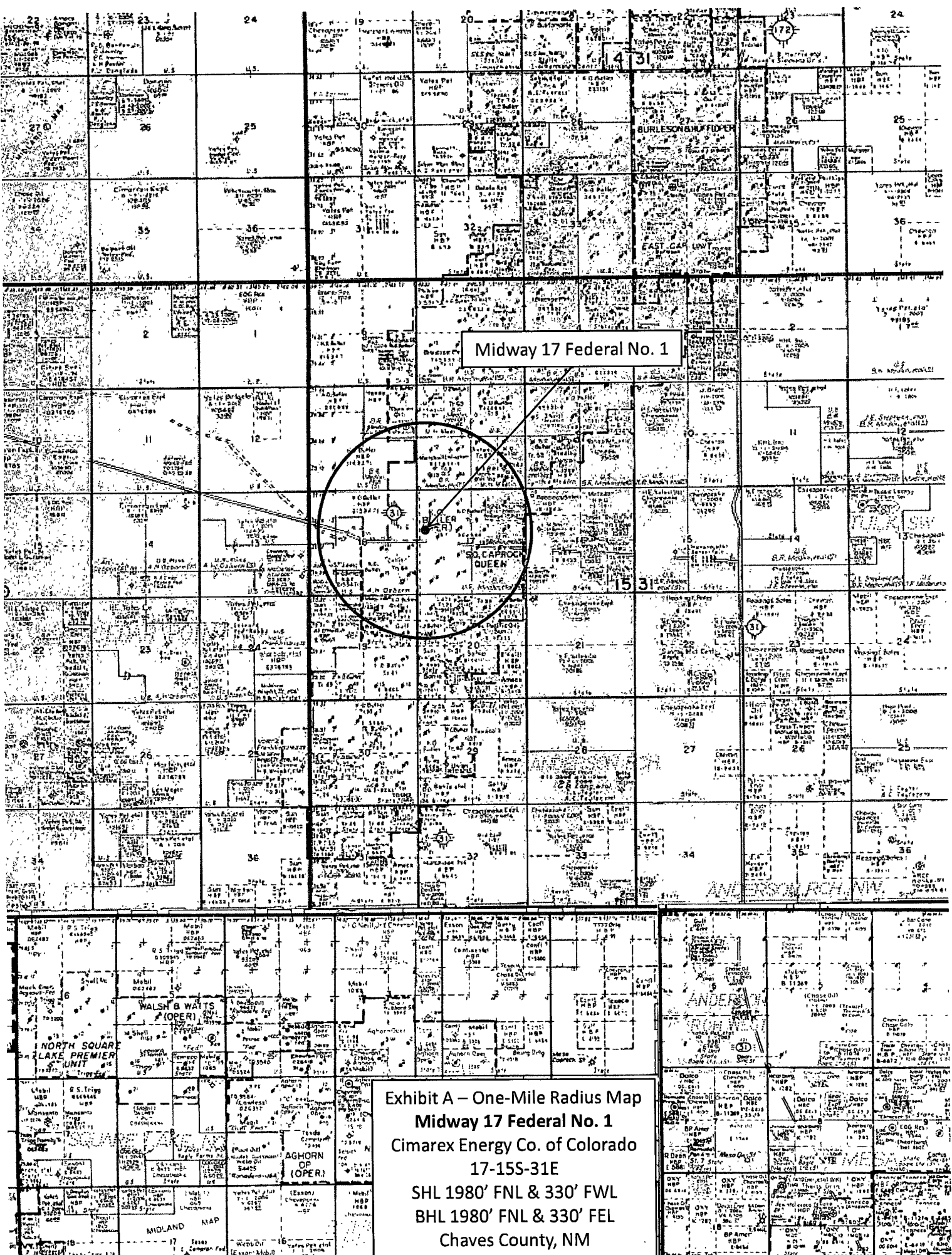


PROVIDING SURVEYING SERVICES
 SINCE 1946

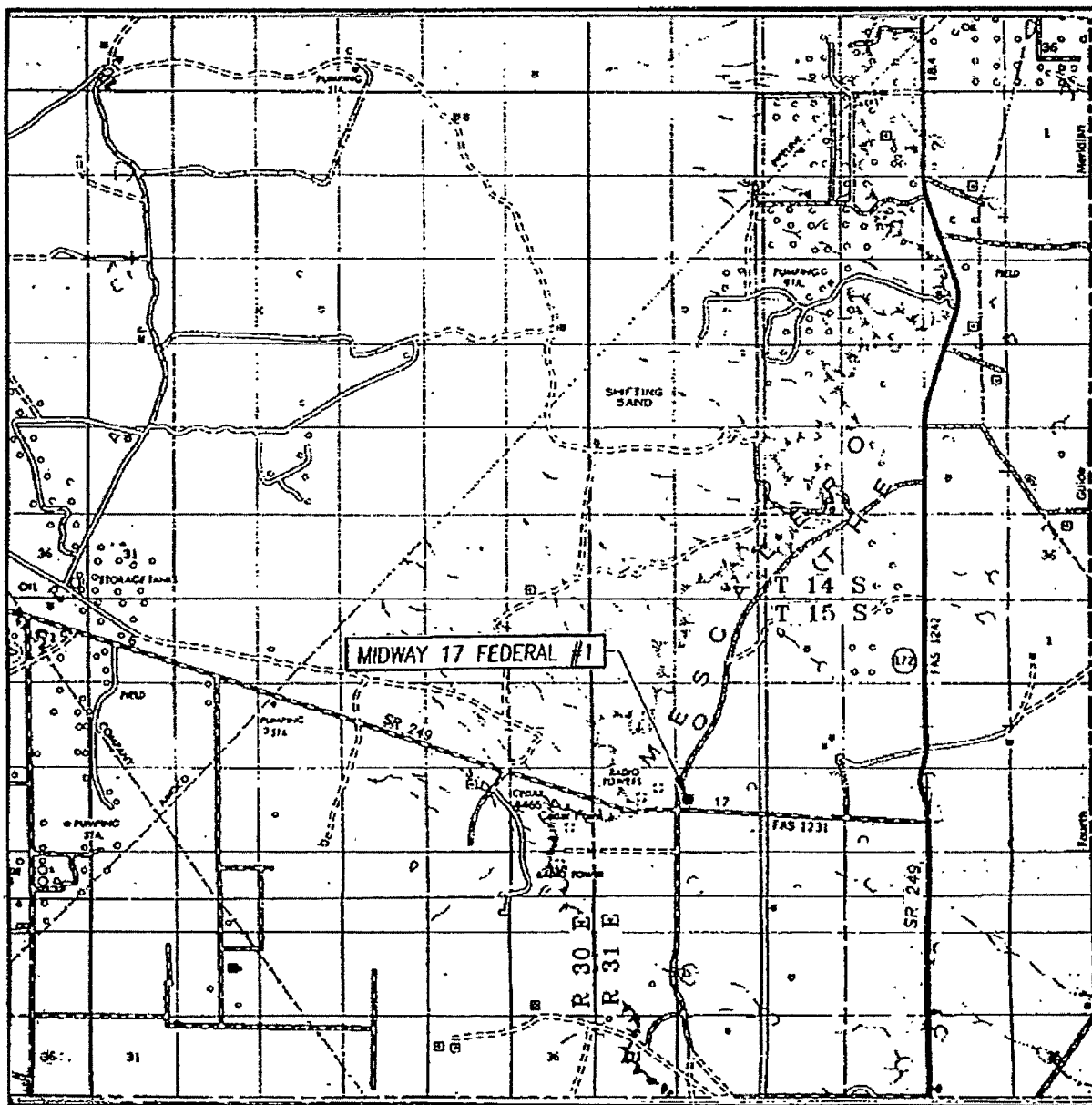
JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

Survey Date: 01/15/08	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1933	Dr By: DSS
Date: 01/21/08	Scale: 1"=100'



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 17 TWP. 15-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1980' FNL & 330' FWL

ELEVATION 4446'

OPERATOR CIMAREX ENERGY COMPANY
OF COLORADO

LEASE MIDWAY 17 FEDERAL

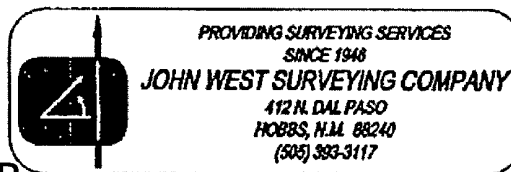
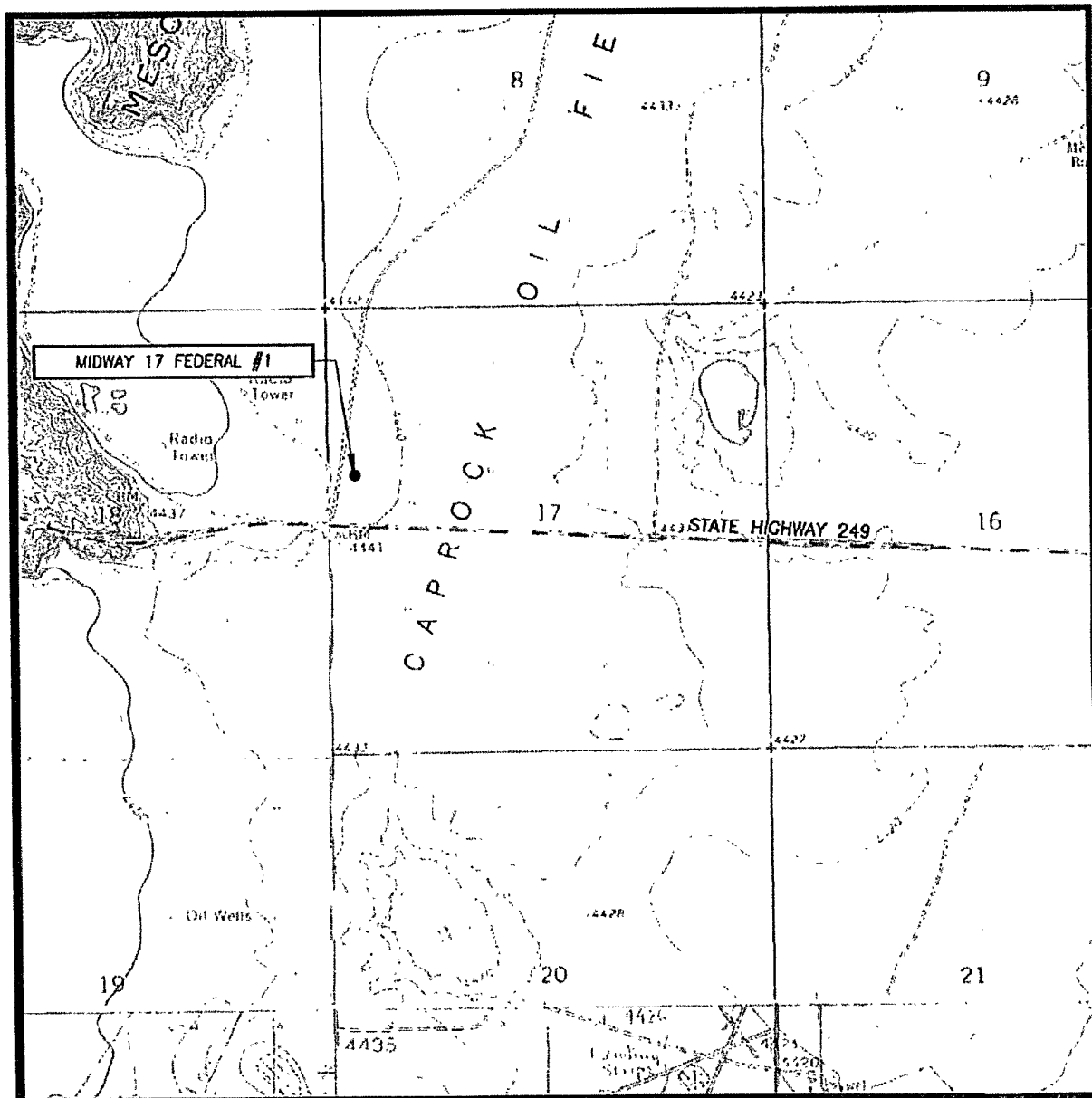


Exhibit B

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 17 TWP. 15-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY CHAVES STATE NEW MEXICO

DESCRIPTION 1980' FNL & 330' FWL

ELEVATION 4446'

OPERATOR CIMAREX ENERGY COMPANY
OF COLORADO

LEASE MIDWAY 17 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
CEDAR POINT SE, N.M.

CONTOUR INTERVAL:

CEDAR POINT SE, N.M. - 10'

MALJAMAR NE, N.M. - 10'

SUPPLEMENTAL CONTOUR - 5' INTERVAL



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

Exhibit C

SR & A

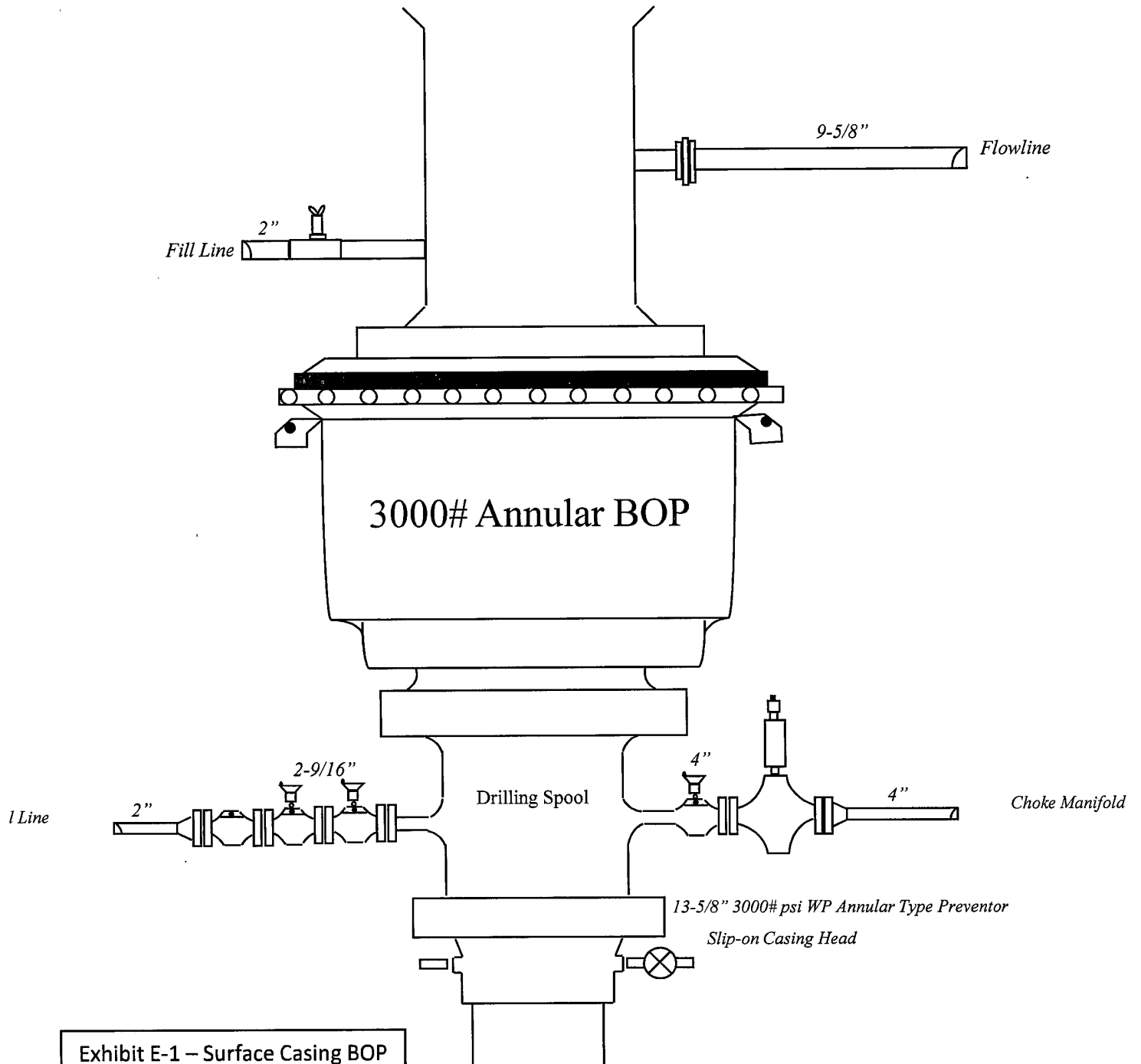


Exhibit E-1 – Surface Casing BOP
Midway 17 Federal No. 1
Cimarex Energy Co. of Colorado
17-15S-31E
SHL 1980' FNL & 330' FWL
BHL 1980' FNL & 330' FEL
Chaves County, NM

SR & A

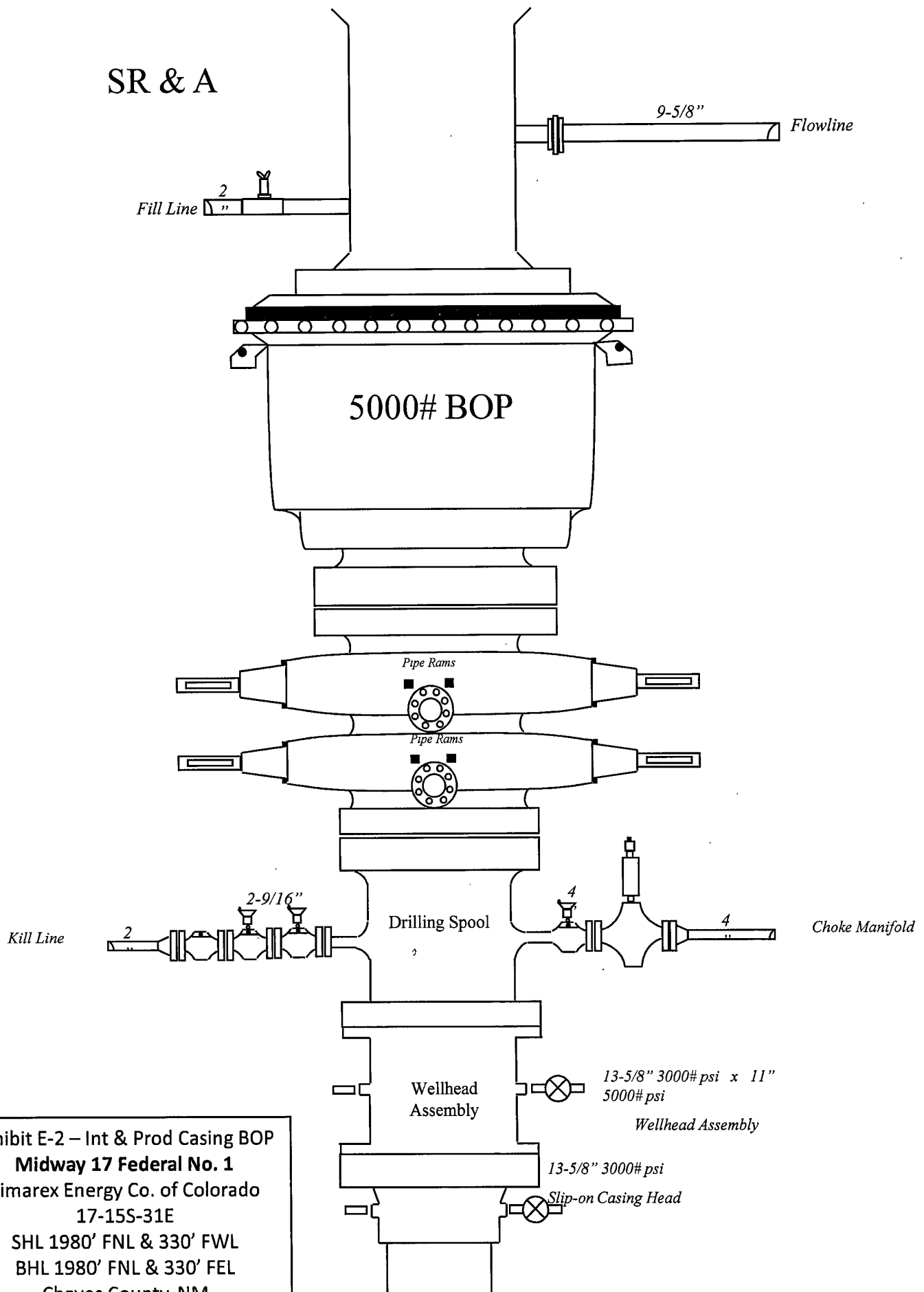


Exhibit E-2 – Int & Prod Casing BOP
Midway 17 Federal No. 1
 Cimarex Energy Co. of Colorado
 17-15S-31E
 SHL 1980' FNL & 330' FWL
 BHL 1980' FNL & 330' FEL
 Chaves County, NM

**DRILLING OPERATIONS
CHOKE MANIFOLD
5M SERVICE**

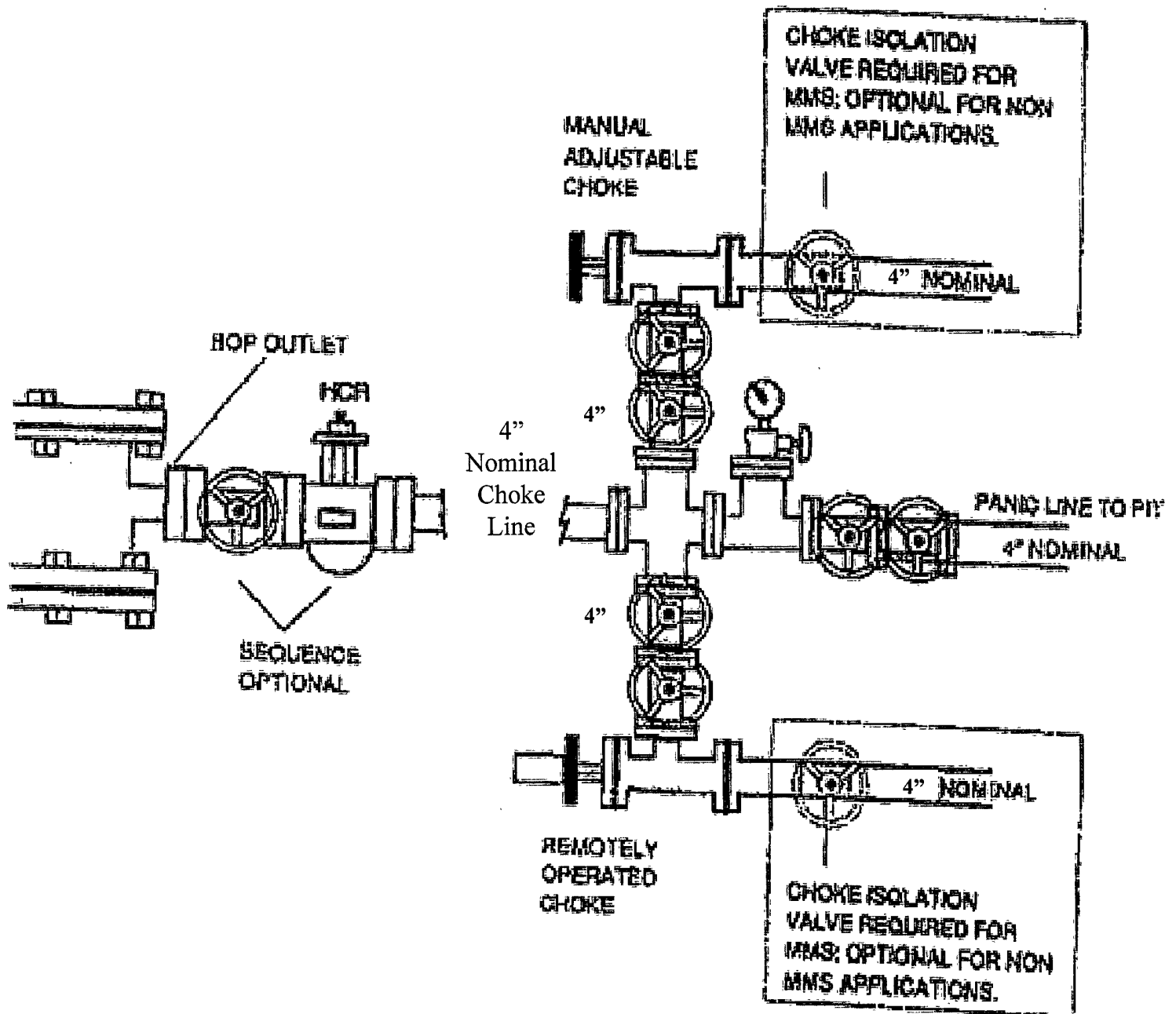


Exhibit E-1 – Choke Manifold Diagram
Midway 17 Federal No. 1
Cimarex Energy Co. of Colorado
17-15S-31E
SHL 1980' FNL & 330' FWL
BHL 1980' FNL & 330' FEL
Chaves County, NM

PROPOSED WELLPATH REPORT (CSV version)

Prepared by Baker Hughes INTEQ
Software System: WellArchitect™1.2

REFERENCE WELLPATH IDENTIFICATION

Operator Cimarex Energy Co.
Area Chavez County, NM
Field (Midway)Section 17 T15S R31E
Facility Midway 17 Fed No.1H
Slot No.1H_SHL
Well No. 1H
Wellbore No. 1H PWB
Wellpath Plan #1
Sidetrack No. 1H AWB at 0.00 MD

REPORT SETUP INFORMATION

Projection System NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet
North Reference Grid
Scale 0.999934
Wellbore Last Revised 1/25/2008
Software System WellArchitect™
User Victor Hernandez
Report Generated 01/25/08 at 17:20:36
DataBase/Source file WA_Midland/ev23.xml

WELLPATH LOCATION	Local North [ft]	Local East [ft]	Grid East [ft]	Grid North [ft]	Latitude [°]	Longitude [°]
Slot Location	0	0	647815.4	734250.4	33 01 03.316N	103 51 03.968W
Facility Reference Pt			647815.4	734250.4	33 01 03.316N	103 51 03.968W
Field Reference Pt			647815.4	734250.4	33 01 03.316N	103 51 03.968W

WELLPATH DATUM

Calculation method Minimum curvature
Horizontal Reference Facility Center
Point
Vertical Reference Point Rig on No.1H_SHL (RT)
MD Reference Point Rig on No.1H_SHL (RT)
Field Vertical Reference Mean Sea Level
Rig on No.1H_SHL (RT) 18.00 feet
to Facility Vertical Datum

Rig on No.1H_SHL (RT) 4464.00 feet
to Mean Sea Level
Facility Vertical Datum to 0.00 feet
Mud Line (Facility)
Section Origin X 0.00 feet
Section Origin Y 0.00 feet
Section Azimuth 89.78°

WELLPATH DATA	Wellbore: No. 1H PWB		Wellpath: Plan #1		† = interpolated/extrapolated station			DLS deg/100ft	Design Coi Path Comment	Tgt#
	MD feet	Inclination deg	Azimuth deg	TVD feet	Vert Sect feet	North feet	East feet			
	0	0	0	0	0	0	0	0	0 Tie On	
†	100	0	0	100	0	0	0	0	0	
†	200	0	0	200	0	0	0	0	0	
†	300	0	0	300	0	0	0	0	0	
†	400	0	0	400	0	0	0	0	0	
†	500	0	0	500	0	0	0	0	0	
†	600	0	0	600	0	0	0	0	0	
†	700	0	0	700	0	0	0	0	0	
†	800	0	0	800	0	0	0	0	0	
†	900	0	0	900	0	0	0	0	0	
†	1000	0	0	1000	0	0	0	0	0	
†	1100	0	0	1100	0	0	0	0	0	
†	1200	0	0	1200	0	0	0	0	0	
†	1300	0	0	1300	0	0	0	0	0	
†	1400	0	0	1400	0	0	0	0	0	
†	1500	0	0	1500	0	0	0	0	0	

WELLPATH DATA Wellbore: No. 1H PWB Wellpath: Plan #1 † = interpolated/extrapolated station										Design Co	Path Comment	Tgt#
	MD feet	Inclination deg	Azimuth deg	TVD feet	Vert Sect feet	North feet	East feet	DLS deg/100ft				
†	1600	0	0	1600	0	0	0	0				
†	1700	0	0	1700	0	0	0	0				
†	1800	0	0	1800	0	0	0	0				
†	1900	0	0	1900	0	0	0	0				
†	2000	0	0	2000	0	0	0	0				
†	2100	0	0	2100	0	0	0	0				
†	2200	0	0	2200	0	0	0	0				
†	2300	0	0	2300	0	0	0	0				
†	2312	0	0	2312	0	0	0	0			Yates	
†	2400	0	0	2400	0	0	0	0				
†	2500	0	0	2500	0	0	0	0				
†	2600	0	0	2600	0	0	0	0				
†	2700	0	0	2700	0	0	0	0				
†	2800	0	0	2800	0	0	0	0				
†	2900	0	0	2900	0	0	0	0				
†	3000	0	0	3000	0	0	0	0				
†	3090	0	0	3090	0	0	0	0			Queen	
†	3100	0	0	3100	0	0	0	0				
†	3200	0	0	3200	0	0	0	0				
†	3300	0	0	3300	0	0	0	0				
†	3400	0	0	3400	0	0	0	0				
†	3500	0	0	3500	0	0	0	0				
†	3600	0	0	3600	0	0	0	0				
†	3700	0	0	3700	0	0	0	0				
†	3800	0	0	3800	0	0	0	0				
†	3900	0	0	3900	0	0	0	0				
†	3940	0	0	3940	0	0	0	0			SanAndres	
†	4000	0	0	4000	0	0	0	0				
†	4100	0	0	4100	0	0	0	0				
†	4200	0	0	4200	0	0	0	0				
†	4300	0	0	4300	0	0	0	0				
†	4400	0	0	4400	0	0	0	0				
†	4500	0	0	4500	0	0	0	0				
†	4600	0	0	4600	0	0	0	0				
†	4700	0	0	4700	0	0	0	0				

WELLPATH DATA		Wellbore: No. 1H PWB		Wellpath: Plan #1		† = interpolated/extrapolated station				Design Co: Path Comment		Tgt#
	MD	Inclination	Azimuth	TVD	Vert Sect	North	East	DLS				
	feet	deg	deg	feet	feet	feet	feet	deg/100ft				
†	4800	0	0	4800	0	0	0	0				
†	4900	0	0	4900	0	0	0	0				
†	5000	0	0	5000	0	0	0	0				
†	5100	0	0	5100	0	0	0	0				
†	5200	0	0	5200	0	0	0	0				
†	5300	0	0	5300	0	0	0	0				
†	5400	0	0	5400	0	0	0	0				
†	5500	0	0	5500	0	0	0	0				
†	5600	0	0	5600	0	0	0	0				
†	5700	0	0	5700	0	0	0	0				
†	5800	0	0	5800	0	0	0	0				
†	5900	0	0	5900	0	0	0	0				
†	6000	0	0	6000	0	0	0	0				
†	6100	0	0	6100	0	0	0	0				
†	6200	0	0	6200	0	0	0	0				
†	6300	0	0	6300	0	0	0	0				
†	6400	0	0	6400	0	0	0	0				
†	6500	0	0	6500	0	0	0	0				
†	6600	0	0	6600	0	0	0	0				
†	6700	0	0	6700	0	0	0	0				
†	6800	0	0	6800	0	0	0	0				
†	6900	0	0	6900	0	0	0	0				
†	7000	0	0	7000	0	0	0	0				
†	7100	0	0	7100	0	0	0	0				
†	7200	0	0	7200	0	0	0	0				
†	7300	0	0	7300	0	0	0	0				
†	7340	0	0	7340	0	0	0	0		Abo Shale		
†	7400	0	0	7400	0	0	0	0				
†	7500	0	0	7500	0	0	0	0				
†	7600	0	0	7600	0	0	0	0				
†	7700	0	0	7700	0	0	0	0				
†	7800	0	0	7800	0	0	0	0				
†	7900	0	0	7900	0	0	0	0				
†	8000	0	0	8000	0	0	0	0				
†	8100	0	0	8100	0	0	0	0				

WELLPATH DATA Wellbore: No. 1H PWB Wellpath: Plan #1 † = interpolated/extrapolated station										
	MD feet	Inclination deg	Azimuth deg	TVD feet	Vert Sect feet	North feet	East feet	DLS deg/100ft	Design Co: Path Comment	Tgt#
†	8200	0	0	8200	0	0	0	0	0	
†	8300	0	0	8300	0	0	0	0	0	
	8385	0	89.781	8385	0	0	0	0	0 KOP	
†	8400	4.296	89.781	8399.99	0.56	0	0.56	28.64		
†	8500	32.936	89.781	8493.77	32.15	0.12	32.15	28.64		
†	8600	61.576	89.781	8560.94	104.83	0.4	104.83	28.64		
†	8694.55	88.655	89.781	8585	195.36	0.75	195.36	28.64	Lower Abo Dolomite	
	8697.89	89.613	89.781	8585.05	198.7	0.76	198.7	28.64	EOC	
†	8700	89.613	89.781	8585.06	200.81	0.77	200.81	0		
†	8800	89.613	89.781	8585.74	300.81	1.15	300.8	0		
†	8900	89.613	89.781	8586.42	400.8	1.53	400.8	0		
†	9000	89.613	89.781	8587.09	500.8	1.91	500.8	0		
†	9100	89.613	89.781	8587.77	600.8	2.3	600.8	0		
†	9200	89.613	89.781	8588.44	700.8	2.68	700.79	0		
†	9300	89.613	89.781	8589.12	800.8	3.06	800.79	0		
†	9400	89.613	89.781	8589.79	900.79	3.44	900.79	0		
†	9500	89.613	89.781	8590.47	1000.79	3.82	1000.78	0		
†	9600	89.613	89.781	8591.14	1100.79	4.21	1100.78	0		
†	9700	89.613	89.781	8591.82	1200.79	4.59	1200.78	0		
†	9800	89.613	89.781	8592.49	1300.78	4.97	1300.77	0		
†	9900	89.613	89.781	8593.17	1400.78	5.35	1400.77	0		
†	10000	89.613	89.781	8593.85	1500.78	5.73	1500.77	0		
†	10100	89.613	89.781	8594.52	1600.78	6.12	1600.77	0		
†	10200	89.613	89.781	8595.2	1700.78	6.5	1700.76	0		
†	10300	89.613	89.781	8595.87	1800.77	6.88	1800.76	0		
†	10400	89.613	89.781	8596.55	1900.77	7.26	1900.76	0		
†	10500	89.613	89.781	8597.22	2000.77	7.64	2000.75	0		
†	10600	89.613	89.781	8597.9	2100.77	8.03	2100.75	0		
†	10700	89.613	89.781	8598.57	2200.76	8.41	2200.75	0		
†	10800	89.613	89.781	8599.25	2300.76	8.79	2300.74	0		
†	10900	89.613	89.781	8599.92	2400.76	9.17	2400.74	0		
†	11000	89.613	89.781	8600.6	2500.76	9.55	2500.74	0		
†	11100	89.613	89.781	8601.27	2600.75	9.94	2600.74	0		
†	11200	89.613	89.781	8601.95	2700.75	10.32	2700.73	0		
†	11300	89.613	89.781	8602.63	2800.75	10.7	2800.73	0		

WELLPATH DATA Wellbore: No. 1H PWB Wellpath: Plan #1 † = interpolated/extrapolated station										
	MD feet	Inclination deg	Azimuth deg	TVD feet	Vert Sect feet	North feet	East feet	DLS deg/100ft	Design Co	Path Comment
†	11400	89.613	89.781	8603.3	2900.75	11.08	2900.73		0	
†	11500	89.613	89.781	8603.98	3000.75	11.47	3000.72		0	
†	11600	89.613	89.781	8604.65	3100.74	11.85	3100.72		0	
†	11700	89.613	89.781	8605.33	3200.74	12.23	3200.72		0	
†	11800	89.613	89.781	8606	3300.74	12.61	3300.71		0	
†	11900	89.613	89.781	8606.68	3400.74	12.99	3400.71		0	
†	12000	89.613	89.781	8607.35	3500.73	13.38	3500.71		0	
†	12100	89.613	89.781	8608.03	3600.73	13.76	3600.71		0	
†	12200	89.613	89.781	8608.7	3700.73	14.14	3700.7		0	
†	12300	89.613	89.781	8609.38	3800.73	14.52	3800.7		0	
†	12400	89.613	89.781	8610.06	3900.72	14.9	3900.7		0	
†	12500	89.613	89.781	8610.73	4000.72	15.29	4000.69		0	
†	12600	89.613	89.781	8611.41	4100.72	15.67	4100.69		0	
†	12700	89.613	89.781	8612.08	4200.72	16.05	4200.69		0	
†	12800	89.613	89.781	8612.76	4300.72	16.43	4300.68		0	
†	12900	89.613	89.781	8613.43	4400.71	16.81	4400.68		0	
†	13000	89.613	89.781	8614.11	4500.71	17.2	4500.68		0	
†	13100	89.613	89.781	8614.78	4600.71	17.58	4600.68		0	
	13132.14	89.613	89.781	8615	4632.85	17.7	4632.81		0	#1H BHL

1

HOLE AND CASING SECTIONS Ref Wellbore: No. 1H PWB Ref Wellpath: Plan #1									
String/Diameter	Start MD feet	End MD feet	Interval feet	Start TVD feet	End TVD feet	Start N/S	End N/S	Start E/W	End E/W
17.7in Open Hole	0	0	0	0	0	0	0	0	0
13.375in Casing Surface	0	0	0	0	0	0	0	0	0
9.625in Casing	0	0	0	0	0	0	0	0	0
5in Liner	0	0	0	0	0	0	0	0	0
3.5in Open Hole	8350	13132.14	4782.14	8350	8615	0	0	17.7	4632.81

T A R G E T S										
Name	MD feet	TVD feet	North feet	East feet	Grid East us survey feet	Grid North us survey feet	Latitude DegMinSec	Longitude DegMinSec	Shape	Comment
(1) #1H BHL	13132.14	8615	17.7	4632.81	652447.9	734268.1	33 01 03.277N	103 50 09.562W	point	Design Comments



Planned Wellpath Report

Plan #1
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INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No.1H_SHL
Area	Chavez County, NM	Well	No. 1H
Field	(Midway)Section 17 T15S R31E	Wellbore	No. 1H PWB
Facility	Midway 17 Fed No.1H	Sidetrack from	No. 1H AWB at 0.00 MD

REPORT SETUP INFORMATION

Projection System	NAD27 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect™ 1.2
North Reference	Grid	User	Victor Hernandez
Scale	0.999934	Report Generated	01/25/08 at 17:20:37
Wellbore last revised	01/25/08	Database/Source file	WA_Midland/No. 1H_PWB

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North [feet]	East [feet]	Easting [US feet]	Northing [US feet]	Latitude [°]	Longitude [°]
Slot Location	0.00	0.00	647815.40	734250.40	33 01 03.316N	103 51 03.968W
Facility Reference Pt			647815.40	734250.40	33 01 03.316N	103 51 03.968W
Field Reference Pt			647815.40	734250.40	33 01 03.316N	103 51 03.968W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on No.1H_SHL (RT) to Facility Vertical Datum	18.00 feet
Horizontal Reference Pt	Facility Center	Rig on No.1H_SHL (RT) to Mean Sea Level	4464.00 feet
Vertical Reference Pt	Rig on No.1H_SHL (RT)	Facility Vertical Datum to Mud Line (Facility)	0.00 feet
MD Reference Pt	Rig on No.1H_SHL (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	89.78°



Planned Wellpath Report

Plan #1
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INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No.1H_SHL
Area	Chavez County, NM	Well	No. 1H
Field	(Midway)Section 17 T15S R31E	Wellbore	No. 1H PWB
Facility	Midway 17 Fed No.1H	Sidetrack from	No. 1H AWB at 0.00 MD

WELLPATH DATA (140 stations) † = interpolated/extrapolated station

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Design Comments	Path Comment
0.00	0.000	0.000	0.00	0.00	0.00	0.00	0.00	Tie On	
100.00†	0.000	0.000	100.00	0.00	0.00	0.00	0.00		
200.00†	0.000	0.000	200.00	0.00	0.00	0.00	0.00		
300.00†	0.000	0.000	300.00	0.00	0.00	0.00	0.00		
400.00†	0.000	0.000	400.00	0.00	0.00	0.00	0.00		
500.00†	0.000	0.000	500.00	0.00	0.00	0.00	0.00		
600.00†	0.000	0.000	600.00	0.00	0.00	0.00	0.00		
700.00†	0.000	0.000	700.00	0.00	0.00	0.00	0.00		
800.00†	0.000	0.000	800.00	0.00	0.00	0.00	0.00		
900.00†	0.000	0.000	900.00	0.00	0.00	0.00	0.00		
1000.00†	0.000	0.000	1000.00	0.00	0.00	0.00	0.00		
1100.00†	0.000	0.000	1100.00	0.00	0.00	0.00	0.00		
1200.00†	0.000	0.000	1200.00	0.00	0.00	0.00	0.00		
1300.00†	0.000	0.000	1300.00	0.00	0.00	0.00	0.00		
1400.00†	0.000	0.000	1400.00	0.00	0.00	0.00	0.00		
1500.00†	0.000	0.000	1500.00	0.00	0.00	0.00	0.00		
1600.00†	0.000	0.000	1600.00	0.00	0.00	0.00	0.00		
1700.00†	0.000	0.000	1700.00	0.00	0.00	0.00	0.00		
1800.00†	0.000	0.000	1800.00	0.00	0.00	0.00	0.00		
1900.00†	0.000	0.000	1900.00	0.00	0.00	0.00	0.00		
2000.00†	0.000	0.000	2000.00	0.00	0.00	0.00	0.00		
2100.00†	0.000	0.000	2100.00	0.00	0.00	0.00	0.00		
2200.00†	0.000	0.000	2200.00	0.00	0.00	0.00	0.00		
2300.00†	0.000	0.000	2300.00	0.00	0.00	0.00	0.00		
2312.00†	0.000	0.000	2312.00	0.00	0.00	0.00	0.00		Yates
2400.00†	0.000	0.000	2400.00	0.00	0.00	0.00	0.00		
2500.00†	0.000	0.000	2500.00	0.00	0.00	0.00	0.00		
2600.00†	0.000	0.000	2600.00	0.00	0.00	0.00	0.00		
2700.00†	0.000	0.000	2700.00	0.00	0.00	0.00	0.00		
2800.00†	0.000	0.000	2800.00	0.00	0.00	0.00	0.00		
2900.00†	0.000	0.000	2900.00	0.00	0.00	0.00	0.00		
3000.00†	0.000	0.000	3000.00	0.00	0.00	0.00	0.00		
3090.00†	0.000	0.000	3090.00	0.00	0.00	0.00	0.00		Queen
3100.00†	0.000	0.000	3100.00	0.00	0.00	0.00	0.00		
3200.00†	0.000	0.000	3200.00	0.00	0.00	0.00	0.00		
3300.00†	0.000	0.000	3300.00	0.00	0.00	0.00	0.00		
3400.00†	0.000	0.000	3400.00	0.00	0.00	0.00	0.00		
3500.00†	0.000	0.000	3500.00	0.00	0.00	0.00	0.00		
3600.00†	0.000	0.000	3600.00	0.00	0.00	0.00	0.00		
3700.00†	0.000	0.000	3700.00	0.00	0.00	0.00	0.00		



Planned Wellpath Report

Plan #1
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REFERENCE WELLPATH IDENTIFICATION

Operator	Cimarex Energy Co.	Slot	No.1H_SHL
Area	Chavez County, NM	Well	No. 1H
Field	(Midway)Section 17 T15S R31E	Wellbore	No. 1H PWB
Facility	Midway 17 Fed No.1H	Sidetrack from	No. 1H AWB at 0.00 MD

WELLPATH DATA (140 stations) † = interpolated/extrapolated station

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Design Comments	Path Comment
3800.00†	0.000	0.000	3800.00	0.00	0.00	0.00	0.00		
3900.00†	0.000	0.000	3900.00	0.00	0.00	0.00	0.00		
3940.00†	0.000	0.000	3940.00	0.00	0.00	0.00	0.00		San Andres
4000.00†	0.000	0.000	4000.00	0.00	0.00	0.00	0.00		
4100.00†	0.000	0.000	4100.00	0.00	0.00	0.00	0.00		
4200.00†	0.000	0.000	4200.00	0.00	0.00	0.00	0.00		
4300.00†	0.000	0.000	4300.00	0.00	0.00	0.00	0.00		
4400.00†	0.000	0.000	4400.00	0.00	0.00	0.00	0.00		
4500.00†	0.000	0.000	4500.00	0.00	0.00	0.00	0.00		
4600.00†	0.000	0.000	4600.00	0.00	0.00	0.00	0.00		
4700.00†	0.000	0.000	4700.00	0.00	0.00	0.00	0.00		
4800.00†	0.000	0.000	4800.00	0.00	0.00	0.00	0.00		
4900.00†	0.000	0.000	4900.00	0.00	0.00	0.00	0.00		
5000.00†	0.000	0.000	5000.00	0.00	0.00	0.00	0.00		
5100.00†	0.000	0.000	5100.00	0.00	0.00	0.00	0.00		
5200.00†	0.000	0.000	5200.00	0.00	0.00	0.00	0.00		
5300.00†	0.000	0.000	5300.00	0.00	0.00	0.00	0.00		
5400.00†	0.000	0.000	5400.00	0.00	0.00	0.00	0.00		
5500.00†	0.000	0.000	5500.00	0.00	0.00	0.00	0.00		
5600.00†	0.000	0.000	5600.00	0.00	0.00	0.00	0.00		
5700.00†	0.000	0.000	5700.00	0.00	0.00	0.00	0.00		
5800.00†	0.000	0.000	5800.00	0.00	0.00	0.00	0.00		
5900.00†	0.000	0.000	5900.00	0.00	0.00	0.00	0.00		
6000.00†	0.000	0.000	6000.00	0.00	0.00	0.00	0.00		
6100.00†	0.000	0.000	6100.00	0.00	0.00	0.00	0.00		
6200.00†	0.000	0.000	6200.00	0.00	0.00	0.00	0.00		
6300.00†	0.000	0.000	6300.00	0.00	0.00	0.00	0.00		
6400.00†	0.000	0.000	6400.00	0.00	0.00	0.00	0.00		
6500.00†	0.000	0.000	6500.00	0.00	0.00	0.00	0.00		
6600.00†	0.000	0.000	6600.00	0.00	0.00	0.00	0.00		
6700.00†	0.000	0.000	6700.00	0.00	0.00	0.00	0.00		
6800.00†	0.000	0.000	6800.00	0.00	0.00	0.00	0.00		
6900.00†	0.000	0.000	6900.00	0.00	0.00	0.00	0.00		
7000.00†	0.000	0.000	7000.00	0.00	0.00	0.00	0.00		
7100.00†	0.000	0.000	7100.00	0.00	0.00	0.00	0.00		
7200.00†	0.000	0.000	7200.00	0.00	0.00	0.00	0.00		
7300.00†	0.000	0.000	7300.00	0.00	0.00	0.00	0.00		
7340.00†	0.000	0.000	7340.00	0.00	0.00	0.00	0.00		Abo Shale
7400.00†	0.000	0.000	7400.00	0.00	0.00	0.00	0.00		
7500.00†	0.000	0.000	7500.00	0.00	0.00	0.00	0.00		



Planned Wellpath Report

Plan #1
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REFERENCE WELLPATH IDENTIFICATION			
Operator	Cimarex Energy Co.	Slot	No.1H_SHL
Area	Chavez County, NM	Well	No. 1H
Field	(Midway)Section 17 T15S R31E	Wellbore	No. 1H PWB
Facility	Midway 17 Fed No.1H	Sidetrack from	No. 1H AWB at 0.00 MD

WELLPATH DATA (140 stations) † = interpolated/extrapolated station									
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Design Comments	Path Comment
7600.00†	0.000	0.000	7600.00	0.00	0.00	0.00	0.00		
7700.00†	0.000	0.000	7700.00	0.00	0.00	0.00	0.00		
7800.00†	0.000	0.000	7800.00	0.00	0.00	0.00	0.00		
7900.00†	0.000	0.000	7900.00	0.00	0.00	0.00	0.00		
8000.00†	0.000	0.000	8000.00	0.00	0.00	0.00	0.00		
8100.00†	0.000	0.000	8100.00	0.00	0.00	0.00	0.00		
8200.00†	0.000	0.000	8200.00	0.00	0.00	0.00	0.00		
8300.00†	0.000	0.000	8300.00	0.00	0.00	0.00	0.00		
8385.00	0.000	89.781	8385.00	0.00	0.00	0.00	0.00	KOP	
8400.00†	4.296	89.781	8399.99	0.56	0.00	0.56	28.64		
8500.00†	32.936	89.781	8493.77	32.15	0.12	32.15	28.64		
8600.00†	61.576	89.781	8560.94	104.83	0.40	104.83	28.64		
8694.55†	88.655	89.781	8585.00	195.36	0.75	195.36	28.64		Lower Abo Dolomite
8697.89	89.613	89.781	8585.05	198.70	0.76	198.70	28.64	EOC	
8700.00†	89.613	89.781	8585.06	200.81	0.77	200.81	0.00		
8800.00†	89.613	89.781	8585.74	300.81	1.15	300.80	0.00		
8900.00†	89.613	89.781	8586.42	400.80	1.53	400.80	0.00		
9000.00†	89.613	89.781	8587.09	500.80	1.91	500.80	0.00		
9100.00†	89.613	89.781	8587.77	600.80	2.30	600.80	0.00		
9200.00†	89.613	89.781	8588.44	700.80	2.68	700.79	0.00		
9300.00†	89.613	89.781	8589.12	800.80	3.06	800.79	0.00		
9400.00†	89.613	89.781	8589.79	900.79	3.44	900.79	0.00		
9500.00†	89.613	89.781	8590.47	1000.79	3.82	1000.78	0.00		
9600.00†	89.613	89.781	8591.14	1100.79	4.21	1100.78	0.00		
9700.00†	89.613	89.781	8591.82	1200.79	4.59	1200.78	0.00		
9800.00†	89.613	89.781	8592.49	1300.78	4.97	1300.77	0.00		
9900.00†	89.613	89.781	8593.17	1400.78	5.35	1400.77	0.00		
10000.00†	89.613	89.781	8593.85	1500.78	5.73	1500.77	0.00		
10100.00†	89.613	89.781	8594.52	1600.78	6.12	1600.77	0.00		
10200.00†	89.613	89.781	8595.20	1700.78	6.50	1700.76	0.00		
10300.00†	89.613	89.781	8595.87	1800.77	6.88	1800.76	0.00		
10400.00†	89.613	89.781	8596.55	1900.77	7.26	1900.76	0.00		
10500.00†	89.613	89.781	8597.22	2000.77	7.64	2000.75	0.00		
10600.00†	89.613	89.781	8597.90	2100.77	8.03	2100.75	0.00		
10700.00†	89.613	89.781	8598.57	2200.76	8.41	2200.75	0.00		
10800.00†	89.613	89.781	8599.25	2300.76	8.79	2300.74	0.00		
10900.00†	89.613	89.781	8599.92	2400.76	9.17	2400.74	0.00		
11000.00†	89.613	89.781	8600.60	2500.76	9.55	2500.74	0.00		
11100.00†	89.613	89.781	8601.27	2600.75	9.94	2600.74	0.00		
11200.00†	89.613	89.781	8601.95	2700.75	10.32	2700.73	0.00		



Planned Wellpath Report

Plan #1
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REFERENCE WELLPATH IDENTIFICATION			
Operator	Cimarex Energy Co.	Slot	No.1H_SHL
Area	Chavez County, NM	Well	No. 1H
Field	(Midway)Section 17 T15S R31E	Wellbore	No. 1H PWB
Facility	Midway 17 Fed No.1H	Sidetrack from	No. 1H AWB at 0.00 MD

WELLPATH DATA (140 stations) † = interpolated/extrapolated station									
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Design Comments	Path Comment
11300.00†	89.613	89.781	8602.63	2800.75	10.70	2800.73	0.00		
11400.00†	89.613	89.781	8603.30	2900.75	11.08	2900.73	0.00		
11500.00†	89.613	89.781	8603.98	3000.75	11.47	3000.72	0.00		
11600.00†	89.613	89.781	8604.65	3100.74	11.85	3100.72	0.00		
11700.00†	89.613	89.781	8605.33	3200.74	12.23	3200.72	0.00		
11800.00†	89.613	89.781	8606.00	3300.74	12.61	3300.71	0.00		
11900.00†	89.613	89.781	8606.68	3400.74	12.99	3400.71	0.00		
12000.00†	89.613	89.781	8607.35	3500.73	13.38	3500.71	0.00		
12100.00†	89.613	89.781	8608.03	3600.73	13.76	3600.71	0.00		
12200.00†	89.613	89.781	8608.70	3700.73	14.14	3700.70	0.00		
12300.00†	89.613	89.781	8609.38	3800.73	14.52	3800.70	0.00		
12400.00†	89.613	89.781	8610.06	3900.72	14.90	3900.70	0.00		
12500.00†	89.613	89.781	8610.73	4000.72	15.29	4000.69	0.00		
12600.00†	89.613	89.781	8611.41	4100.72	15.67	4100.69	0.00		
12700.00†	89.613	89.781	8612.08	4200.72	16.05	4200.69	0.00		
12800.00†	89.613	89.781	8612.76	4300.72	16.43	4300.68	0.00		
12900.00†	89.613	89.781	8613.43	4400.71	16.81	4400.68	0.00		
13000.00†	89.613	89.781	8614.11	4500.71	17.20	4500.68	0.00		
13100.00†	89.613	89.781	8614.78	4600.71	17.58	4600.68	0.00		
13132.14	89.613	89.781	8615.00	4632.85	17.70	4632.81	0.00	#1H-BHL	

HOLE & CASING SECTIONS Ref Wellbore: No. 1H PWB Ref Wellpath: Plan #1									
String/Diameter	Start MD [feet]	End MD [feet]	Interval [feet]	Start TVD [feet]	End TVD [feet]	Start N/S [feet]	Start E/W [feet]	End N/S [feet]	End E/W [feet]
17.7in Open Hole	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13.375in Casing Surface	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9.625in Casing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5in Liner	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5in Open Hole	8350.00	13132.14	4782.14	8350.00	8615.00	0.00	0.00	17.70	4632.81

TARGETS									
Name	MD [feet]	TVD [feet]	North [feet]	East [feet]	Grid East [us survey feet]	Grid North [us survey feet]	Latitude [°]	Longitude [°]	Shape
1) #1H BHL	13132.14	8615.00	17.70	4632.81	652447.90	734268.10	33° 01' 03.27"N	103° 50' 09.562"W	point



Cimarex Energy Co.

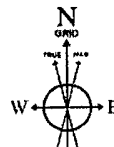
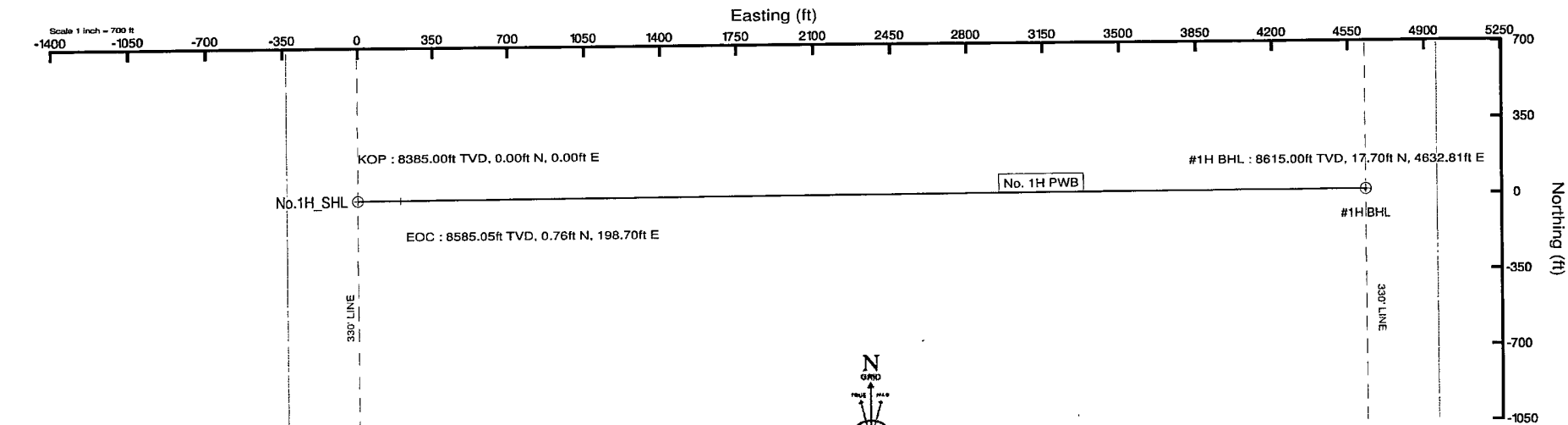
Location: Chavez County, NM
Field: (Midway) Section 17 T15S R31E
Facility: Midway 17 Fed No.1H

Slot: No.1H_SHL
Well: No. 1H
Wellbore: No. 1H PWB



Well Profile Data								
Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	0.00	0.000	0.000	0.00	0.00	0.00	0.00	0.00
KOP	8385.00	0.000	89.781	8385.00	0.00	0.00	0.00	0.00
EOC	8697.89	89.613	89.781	8585.05	0.76	198.70	28.64	198.70
#1H BHL	13132.14	89.613	89.781	8615.00	17.70	4632.81	0.00	4632.85

Plot reference wellpath is Plan #1	
True vertical depths are referenced to Rig on No.1H_SHL (RT)	Grid System: NAD83 / T4 New Mexico State Plane - Eastern Zone (3001) US feet
Measured depths are referenced to Rig on No.1H_BHL (RT)	North Reference: Grid north
Rig on No.1H_SHL (RT) is Mean Sea Level - 4464 feet	Scale: True distance
Mean Sea Level to Mud line (Facility - Midway 17 Fed No.1H) - 4448 feet	Depths are in feet
Coordinates are in feet referenced to Facility Center	Created by: Victor Hernandez on 1/25/2008



BGGM (1945.0 to 2008.0) Dip: 60.98° Field: 49447.6 nT
Magnetic North is 8.22 degrees East of True North (at 01/25/08)
Grid North is 0.28 degrees East of True North
To correct azimuth from True to Grid subtract 0.28 degrees
To correct azimuth from Magnetic to Grid add 7.96 degrees

LEASE / HARD LINES ARE ESTIMATE ONLY AND ARE SUBJECT TO CUSTOMER APPROVAL.

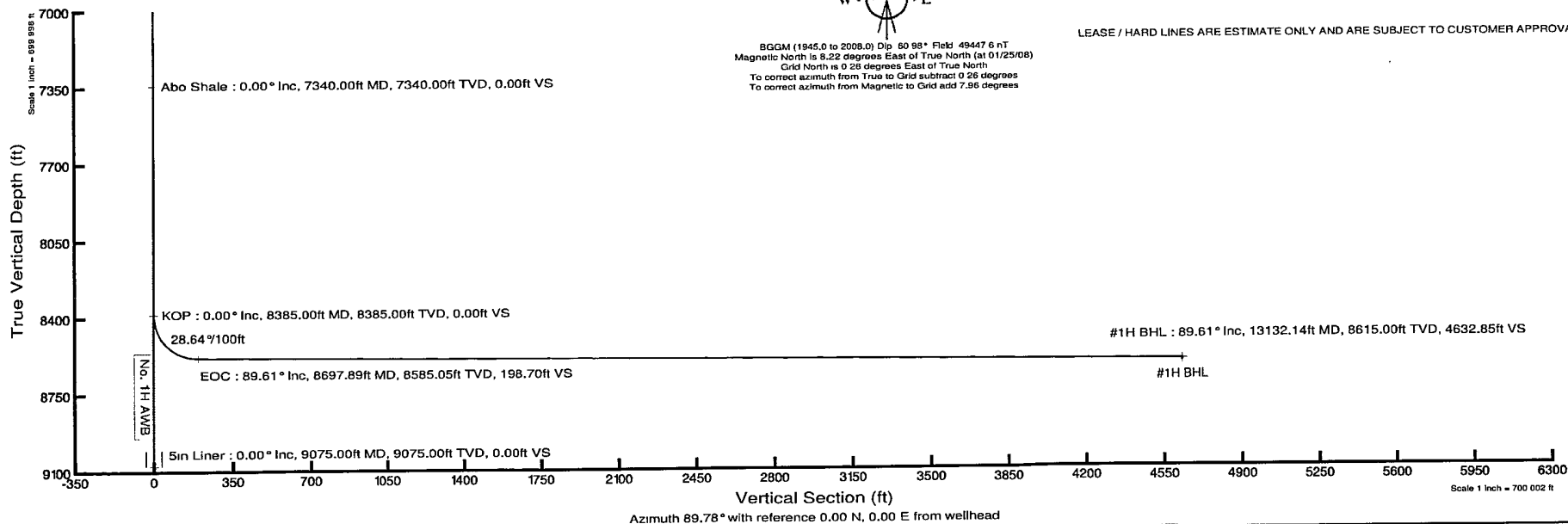
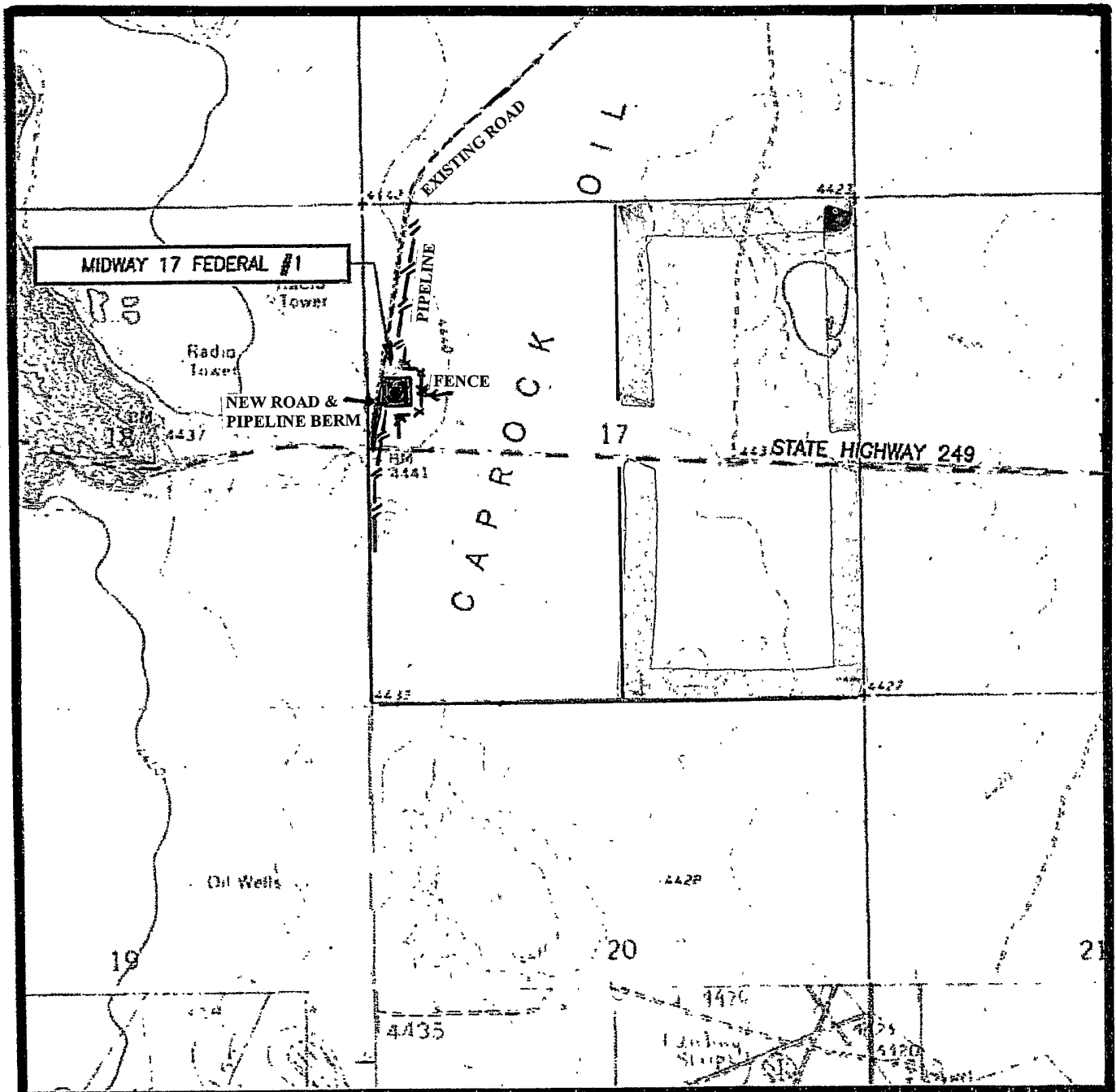


EXHIBIT A

3/31/08

OPERATORS NAME: Cimarex Energy Company Of Colorado
LEASE NO.: LC-064900
WELL NAME & NO: Midway "17" Federal #1H
SURFACE HOLE FOOTAGE: 1980' FNL & 330' FWL
BOTTOM HOLE LOCATION: 1980' FNL & 330' FEL
LOCATION: Section 17, T. 15 S., R. 31 E., NMPM
COUNTY: Chaves County, New Mexico



PECOS DISTRICT - RFO

CONDITIONS OF APPROVAL

3/31/08

OPERATORS NAME: Cimarex Energy Company Of Colorado
LEASE NO.: LC-064900
WELL NAME & NO: Midway "17" Federal #1H
SURFACE HOLE FOOTAGE: 1980' FNL & 330' FWL
BOTTOM HOLE LOCATION: 1980' FNL & 330' FEL
LOCATION: Section 17, T. 15 S., R. 31 E., NMPM
COUNTY: Chaves County, New Mexico

GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

I. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD (Filing of a Sundry Notice is required for this 60 day extension).

II. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

III. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations (access road and/or well pad). Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

IV. CONSTRUCTION

A. NOTIFICATION:

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Roswell Field Office at (505) 627-0247 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved Application for Permit to Drill and Conditions of Approval on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL:

The operator shall stockpile the topsoil of the well pad. The topsoil to be stripped is approximately 6 inches in depth. The topsoil shall be stockpiled in the south side of the well pad.

C. RESERVE PITS:

The reserve pit shall be constructed and closed in accordance with the NMOCD rules.

The reserve pit shall be constructed 15' X 70' on the EAST side of the well pad.

The reserve pit shall be constructed, so that upon completion of drilling operations, the dried pit contents shall be buried a minimum depth of three feet below ground level. Should the pit content level not meet the three foot minimum depth requirement, the excess contents shall be removed until the required minimum depth of three feet below ground level has been met. The operator shall properly dispose of the excess contents at an authorized disposal site.

The reserve pit shall be constructed and maintained so that runoff water from outside the location is not allowed to enter the pit. The berms surrounding the entire perimeter of the pit shall extend a minimum of two (2) feet above ground level. At no time will standing fluids in the pit be allowed to rise above ground level.

The reserve pit shall be fenced on three (3) sides during drilling operations. The fourth side shall be fenced immediately upon rig release.

D. FEDERAL MINERAL MATERIALS PIT:

If the operator elects to surface the access road and/or well pad, mineral materials extracted during construction of the reserve pit may be used for surfacing the well pad and access road and other facilities on the lease.

Payment shall be made to the BLM prior to removal of any additional federal mineral materials from any site other than the reserve pit. Call the Roswell Field Office at (505) 627-0236.

E. WELL PAD SURFACING:

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational need.

F. ON LEASE ACCESS ROADS:

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

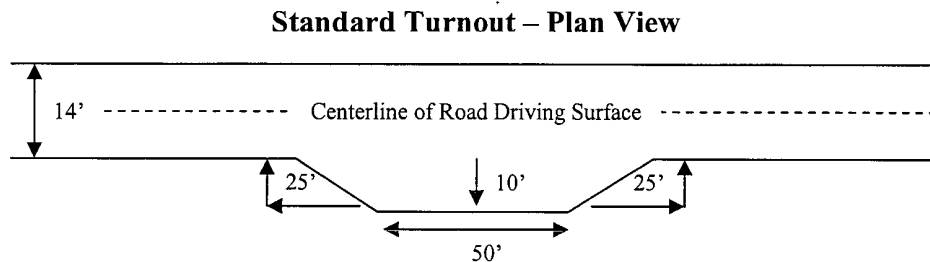
The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Turnouts

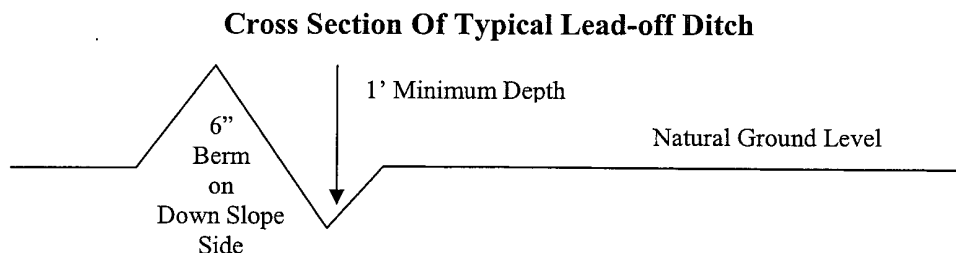
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:



Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill out sloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula For Spacing Interval Of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattleguards

A cattleguard shall be constructed and installed at the fence crossing in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 17 - T. 15 S. -R. 31 E.. An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Fence Realignment Requirement Around The Well Pad

The well pad will extend approximately 120 feet across a fenceline on the eastern side of the well pad and a new temporary fenceline shall be reconstructed around the east side of the well pad. The temporary fenceline shall be built exactly to the specifications of the original fenceline.

Upon well completion, the fence shall be restored to its original alignment and the fence shall be reconstructed to a better condition than it was prior to the fenceline being cut.

Production facilities shall not be built near the fenceline that would hinder the reconstruction of the fenceline to its original alignment.

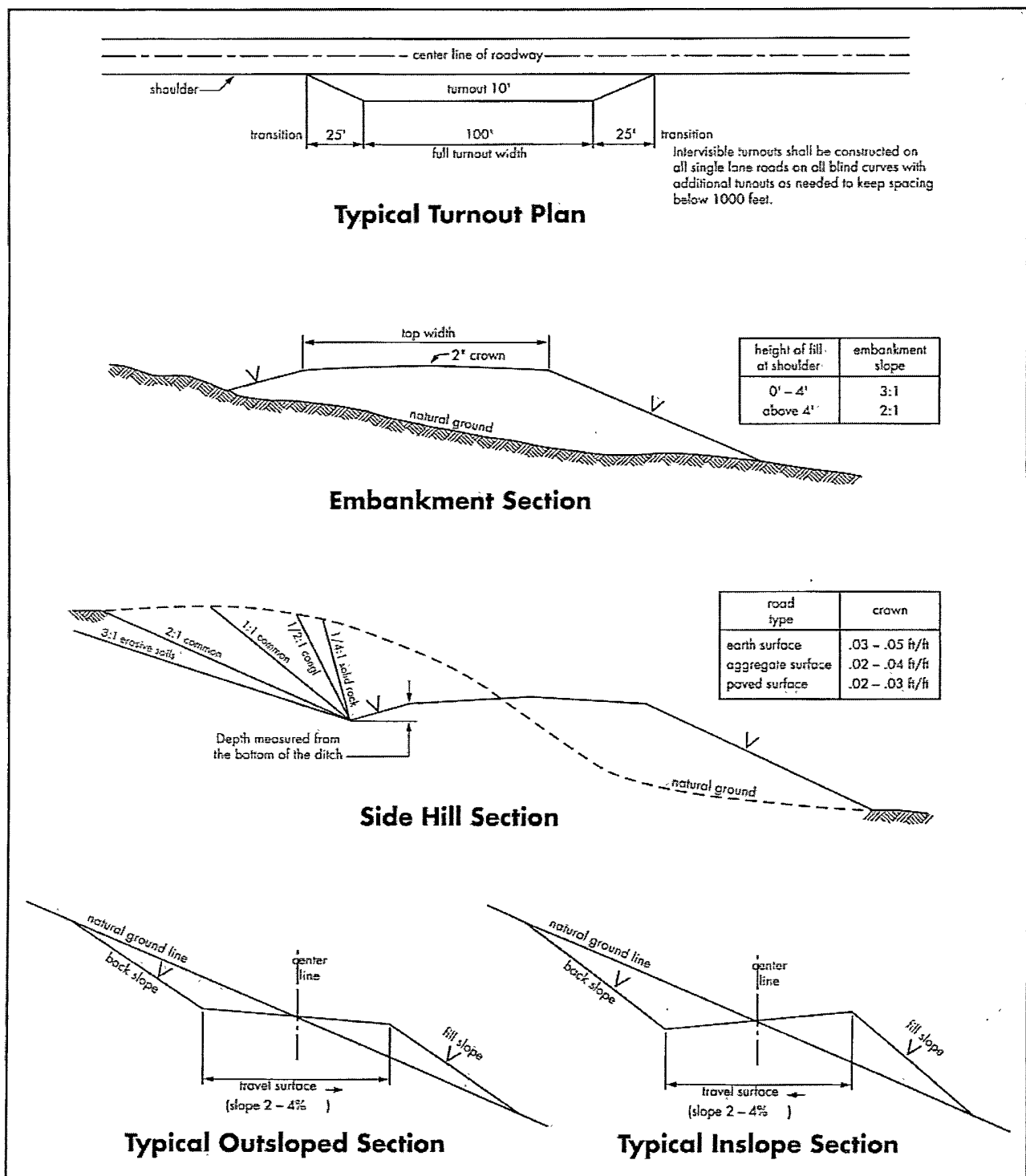
Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Pipeline Protection Requirement

A. Precautionary measures shall be taken by the operator during construction of the access road to protect one (1) existing pipeline that the access road will cross over (**See map - EXHIBIT A**). An earthen berm; 2 feet high by 3 feet wide and 14 feet across the access road travelway (**2' X 3' X 14'**), shall be constructed over the existing pipeline. The operator shall be held responsible for any damage to the existing pipeline. If the pipeline is ruptured and/or damaged the operator shall immediately cease construction operations and repair the pipeline. The operator shall be held liable for any unsafe construction operations that threaten human life and/or cause the destruction of equipment.

Figure 1 – Cross Sections and Plans For Typical Road Sections



V. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

1. Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201. During office hours call (505) 627-0258. After office hours call (505) 627-0205. Engineer on call phone (after hours): (505) 626-5749.
2. The Roswell Field Office is to be notified a minimum of 4 hours in advance for a representative to witness:
 - a. Spudding
 - b. Cementing casing: 13-3/8 inch 9-5/8 inch 7 inch 4-1/2 inch
 - c. BOPE Tests
3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
4. Include the API No. assigned to well by NMOCD on the subsequent report of setting the first casing string.

B. CASING

1. The 13-3/8 inch surface casing shall be set **at approximately 340 feet** and cemented to the surface.
 - a. If cement does not circulate to the surface, the Roswell Field Office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin or 500 pounds compression strength, whichever is greater. (This is to include the lead cement).
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 - d. If cement falls back, remedial action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is **sufficient to circulate to the surface.** If cement does not circulate see B.1.a-d above.
3. The minimum required fill of cement behind the 7 inch production casing is **sufficient to tie back 500 feet above the uppermost perforation in the pay zone.** If cement does not circulate, a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.

4. There is no required fill of cement behind the 4-1/2 inch production casing since a Peak Systems Iso-Pak liner will be used for lateral and will not require cementing.

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. Before drilling below the 13-3/8 inch surface casing shoe, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve. Before drilling below the 9-5/8 inch intermediate casing shoe, the blowout preventer assembly shall consist of a minimum of One Annular Preventer, Two Ram-Type Preventers, and a Kelly Cock/Stabbing Valve.

2. Before drilling below the 13-3/8 inch surface casing shoe, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi. Before drilling below the 9-5/8 inch intermediate casing shoe, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

3. The BOPE shall be installed before drilling below the 13-3/8 inch surface casing and the 9-5/8 inch intermediate casing and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

a. The BLM Roswell Field office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

b. The tests shall be done by an independent service company.

c. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

d. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201.

e. Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.

f. Testing must be done in a safe workman like manner. Hard line connections shall be required.

VI. PRODUCTION

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Production facilities shall not be placed anywhere along the fenceline location that would avert the fence from being reconstructed to its original alignment.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, Olive Drab, Munsell Soil Color Chart 18-0622 TPX.

VRM Facility Requirement

Low-profile tanks not greater than eight-feet-high shall be used.

VII. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

If the well is a producer, interim reclamation shall be conducted on the well site in accordance with the orders of the Authorized Officer. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used in road repairs, fire walls or for building other roads and locations. In addition, in order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

B. RESERVE PIT CLOSURE

At the time reserve pits are to be reclaimed, operators should work with BLM surface management specialists to devise the best strategies to reduce the size of the location.

Any reductions should allow for remedial well operations, as well as safe and efficient removal of oil and gas. The reserve pit, when dried and closed, shall be recontoured, all trash removed, and reseeded as follows:

The following soil or soil associations may represent these ecological sites:

Alama silt loam, dry, 0-3% Slope, Atoka, Bigetty-Pecos, Harkey fine sandy loam, Holloman, Holloman-Gypsum Land, Hollomex loam, 1-9% slope, dry, Largo loam, Milner loam, 0-2% slope, dry, Reagan loam, Reakor, Reakor-Bigetty, Reakor-Tencee, Reeves loam, 0-2% slope, dry, Russler, Shanta, Upton-Reakor.

Loamy, SD-3 Ecological Site; Loamy CP-2; Gyp Upland CP-2 (for Loamy HP-3)

Common Name and Preferred Variety	Scientific Name	Pounds of Pure Live Seed Per Acre
Blue grama,	<i>(Bouteloua gracilis)</i>	4.00 LBS.
Sideoats grama,	<i>(Bouteloua curtipendula)</i>	1.0 LB.
Sand dropseed	<i>(Sporobolus cryptandrus)</i>	0.5 LB.
Vine mesquite	<i>(Panicum obtusum)</i>	1.0 LB.
Plains bristlegrass	<i>(Setaria macrostachya)</i>	1.0 LB.
Indian blanketflower	<i>(Gaillardia aristata)</i>	0.5 LB.
Desert or Scarlet	<i>(Sphaeralcea ambigua)</i>	1.0 LB.
Globemallow or	<i>(S. coccinea)</i>	
Annual sunflower	<i>(Helianthus annuus)</i>	<u>0.75 LB.</u>
TOTAL POUNDS PURE LIVE SEED (pls) PER ACRE		9.75 LBS.

Certified Weed Free Seed. If one species is not available, increase ALL others proportionately. Use No Less than 4 species, including one forb. No less than 9.75 pounds lbs per acre shall be applied.

VIII. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

Upon abandonment of the well and/or when the access road is no longer in service the Authorized Officer shall issue instructions and/or orders for surface reclamation and restoration of all disturbed areas.