

RECEIVED

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87400  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

MAY 10 2008

HOBBS OIL

CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.

30-025-38560

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Pennzoil B 36 State

8. Well Number

005

9. OGRID Number

162683

10. Pool name or Wildcat

Apache Ridge; Bone Spring

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

2. Name of Operator

Cimarex Energy Co. of Colorado

3. Address of Operator

PO Box 140907; Irving, TX 75014-0907

4. Well Location

SHL Unit Letter P : 660 feet from the South line and 660 feet from the East line

Section 36 Township 19S Range 33E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3604' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: Cement across lost circulation zone ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 12-24-07 After cementing intermediate casing, drilled to 4704' and encountered lost circulation zone. Prepared to cement across lost circulation zone.
- 12-25-07 Cemented across lost circulation zone with Lead 300 sx Premium Plus Thixotropic + 10% Cal-seal + 0.125# Poly-e-flake + 8# Gilsonite (wt 14.0, yld 1.66) and Tail 50 sx Premium Plus (wt 14.5, yld 1.39). Tagged cement @ 3927' and drilled to 4200'. Still losing returns.
- 12-26-07 Cemented across lost circulation zones again with Lead 250 sx Premium Plus Thixotropic + 10% Cal-seal + 0.125# Poly-e-flake + 8# Gilsonite (wt 14.2, yld 1.61) and Tail 50 sx Premium Plus (wt 14.8, yld 1.33). Tagged cement @ 3220' and drilled to 3932'. Still losing returns.
- 12-27-07 Cemented across lost circulation zones again with Lead 400 sx Premium Plus Thixotropic + 10% Cal-seal + 0.125# Poly-e-flake + 8# Gilsonite (wt 14.2, yld 1.61) and Tail 50 sx Premium Plus (wt 14.8, yld 1.33). Tagged cement @ 3781 and drilled to 3860'. Good returns.
- 12-28-07 At 4704' had lost circulation again. Cemented across lost circulation zones again with Lead 400 sx Premium Plus Thixotropic + 10% Cal-seal + 0.125# Poly-e-flake + 8# Gilsonite (wt 14.2, yld 1.61) and Tail 50 sx Premium Plus (wt 14.8, yld 1.33). Tagged cement @ 3060' and drilled through with full returns. Resumed drilling to TD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any 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 ☐.

SIGNATURE Natalie Krueger TITLE Regulatory Analyst DATE May 9, 2008

Type or print name Natalie Krueger email address: nkrueger@cimarex.com Telephone No. 469-420-2723

For State Use Only

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE MAY 27 2008

Conditions of Approval (if any):