

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBSUCD

WELL API NO.

30-025-27417

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

State HH

8. Well Number

001

9. OGRID Number

162683

10. Pool name or Wildcat

Gem; 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

600 N. Marienfeld, Ste. 600; Midland, TX 79701

4. Well Location

SHL Unit Letter H : 1980 feet from the North line and 660 feet from the East line

Section 36 Township 19S Range 32E NMPM County Lea

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

3582 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: ☐

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.

Cimarex has changed plans regarding the horizontal recompletion of this well.

Set CIBP @ 13150 w/ 35' cmt (13150-13115) covering Morrow perms at 13318'-13624'. Set 25 sx cmt plug (10878-10978) over Wolfcamp. Set CIBP @ 9100 w/ 2 sx sand.

Instead of running 3 1/2" casing from 0-TD, run 3 1/2" 9.3# P110 LTC from liner hanger @ 8695 to TD. Cement with 220 sks VersaCem-H + 0.5% Halad®-344 (Low Fluid Loss Control) + 0.5% CFR-3 (Dispersant), + 1 lbm/sk 1 lbm/sk Salt (Salt), + 0.2% HR-601 (Retarder), 14.5ppg, 1.22 cuft/sk, 5.37 gal/sk, 0% excess.

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 (attache) alternative OCD-approved plan ☐.

SIGNATURE Natalie Krueger TITLE Regulatory Analyst DATE January 19, 2011

Type or print name Natalie Krueger email address: nkrueger@cimarex.com Telephone No. 432-620-1936

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JAN 21 2011



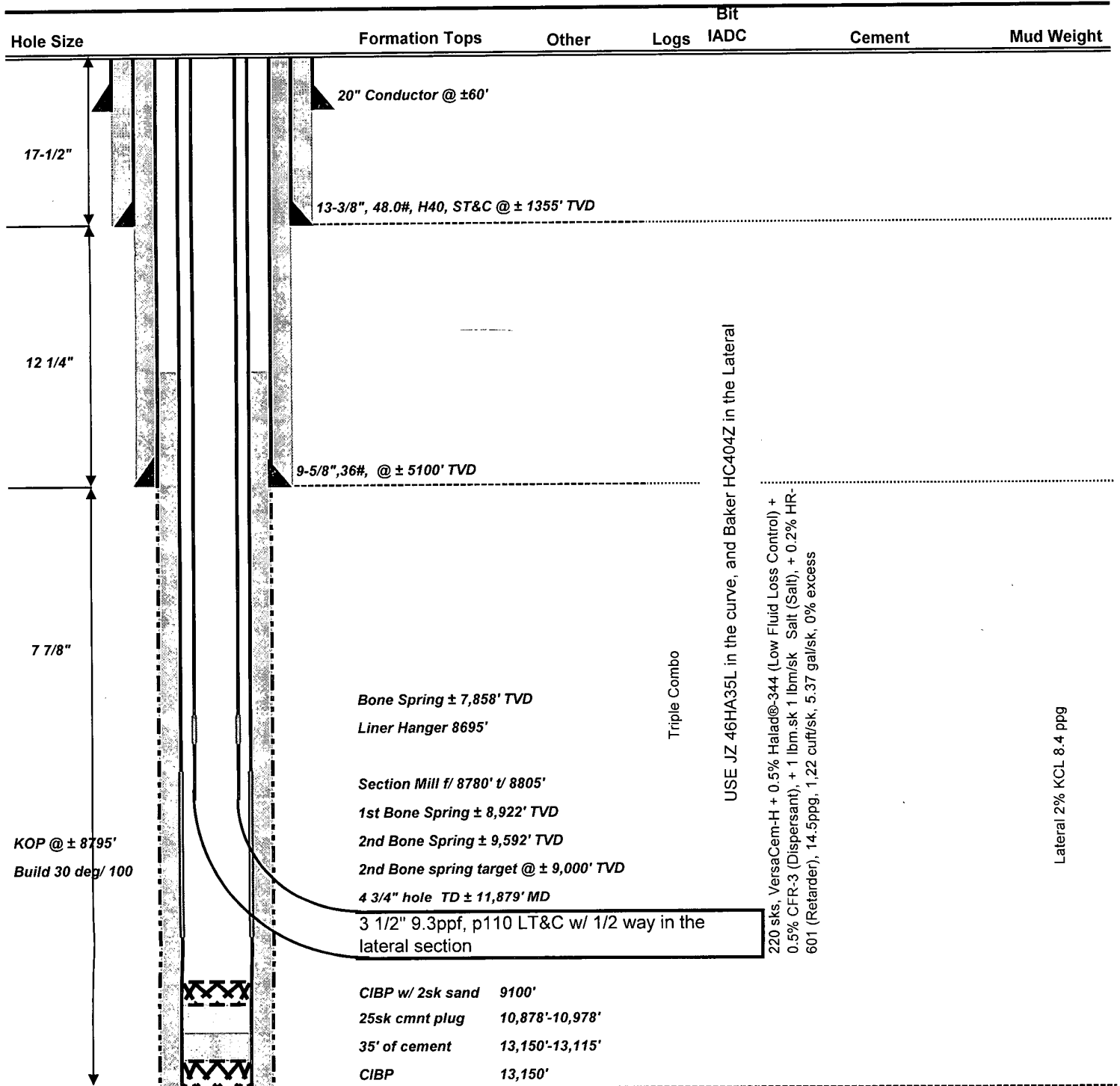
DRILLING PROGNOSIS
Cimarex Energy Company

1/7/2011

Well: State HH #1
Location: sec 36 , 19S- 32E
County, State Lea County, NM
Surface Location: 1980 FNL, 660 FEL
Bottomhole Loc 330 FSL, 660 FEL
E-Mail: wellsite10@cimarex.com
Wellhead: SEC A: 13-3/8" 3M x 13-3/8" SOW
SEC B: 13-5/8" 3M X 7-1/16" 5M

Xmas Tree 5M
Tubing: 2 7/8" L80 EUE
Superintendent: Dee Smith
Engineer: Art Metcalfe (432) - 269 - 9042

Lse Serial #:
Field: Lusk
Objective: 1st Bone Spring
TVD/MD: 9,945' / 14,600'
Cementing: Halliburton
Mud: MI
Motors: WeatherFord
OH Logs Halliburton
Rig: Key 884
Offset Wells:
Section Mills WeatherFord
Scraper / Brush MI



NOTES:

NU BOP w/ rotating head and test BOP w/ test unit on 13-3/8" (SOW). Test casing.
Cement volumes for surface csg include a 100% excess lead and 50% tail in the open hole section. If drilling conditions deem necessary, fluid caliper hole and adjust volumes.
Cement volumes for intermediate csg include an excess of 70% lead and 25% tail in the open hole section. If drilling conditions deem necessary, fluid caliper hole and adjust volumes.
Cement volumes for production csg include an excess of 50% lead and 25% tail in the open hole section. Adjust volumes after caliper + 25% excess.

ALL INVOICES ARE TO SHOW CIMAREX ENERGY AS OPERATOR AND USE CIMAREX ACCOUNTING CODES.

Call BLM 4-Hrs prior to Spudding, Setting & Cmnt Casing, and BOPE test (575) 393-3612

Procedure Overview

- 1 Kill Well
- 2 Pull Tubing
- 3 Run CBL
- 4 Set CIBP @ 13150' - W'35', cover the morrow
- 5 Set 25 sx plug at 10878-10978 (state requires a cement plug every 3000')
- 6 Set CIBP @ 9100' with 2 sks of sand
- 7 Scraper Run, pressure test to 6192psi 80% (N80 burst)
- 8 Section mill F/8780'to 8805', Drop Gyro Survey hole or set whipstock
- 9 Set KOP 16.5ppg KOP F/8750' t/9050'
- 10 Build Curve, POOH
- 11 Drill Lateral TD 11,878', TVD approx 9,000', 2966.41 VS
- 12 Run 3 1/2" Flush joint tubing w/ liner hanger via DP and cement in place

WELLBORE SCHEMATIC (AS IS)

