TALON RESOURCES INC

March 9, 2005

Mr. Eric Jones
Petroleum Engineer
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

RE: New Application for Permit to Drill—Cimarex
Federal 33-5, Section 5, T13S, R15E, SLB&M, Carbon County, Utah
Federal 43-5, Section 5, T13S, R15E, SLB&M, Carbon County, Utah
Federal 31-18, Section 18, T13S, R16E, SLB&M, Carbon County, Utah
Federal 33-18, Section 18, T13S, R16E, SLB&M, Carbon County, Utah

Dear Mr. Jones:

On behalf of Cimarex Energy Company, Talon Resources, Inc. respectfully submits the enclosed original and two copies of the *Application for Permit to Drill (APD)* for the above referenced wells. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats and layouts of the proposed well site;

Exhibit "B" - Proposed location maps with pipe, power, and road corridors;

Exhibit "C" - Drilling site layout;

Exhibit "D" - Drilling Program;

Exhibit "E" - Multi Point Surface Use Plan;

Exhibit "F" - Typical road cross-section;

Exhibit "G" - Typical BOP diagram;

Exhibit "H" - Typical wellhead manifold diagram.

APD's for these locations were once submitted in December, 2005. Problems were found with the Drilling program, and the APD's were rescinded. The enclosed APD packages are replacing those sent in December, 2005.

Please accept this letter as Cimarex's written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Mr. Mike Davis (1-303-285-4904) if you have any questions or need additional information.

Sincerely,

Larry W. Johnson
Talon Resources, Inc.

RECEIVED
MAR 2 2 2006
DIV. OF OIL, GAS & MINING

cc: Mr. Mike Davis, Cimarex Energy Co.
Mr. Don Stephens, BLM, Price Field Office
Mr. Fred O'Ferrall, BLM, Price Field Office
Diana Whitney, DOGM, State Office

P.O. # 1230 195 N. 100 West Huntington, Utah 84528
OFFICE (435) 687-5310 FAX (435) 687-5311 EMAIL talon@etv.net

DRILLING PROGRAM
Exhibit "D"

Attached to BLM Form 3
Cimarex Energy Co.
Federal 43-5
Surface: 401' FSL, 2394' FWL, SE/4 W2, Section 5, T13S, R15E, SLB&M
Target: 660' FSL, 1970' FEL, SW/4 E2, Section 5, T13S, R15E, SLB&M

1. The Geologic Surface Formation

   Middle Member of the Eocene Green River Formation

2. Estimated Tops of Important Geologic Markers

	MD	Subsea
Top Wasatch	2,203'	+4,463'
Top Castlegate	6,937'	-255'
Top Mancos	7,287'	-605'
Top Dakota	10,887'	-4,205'
Top Morrison	11,387'	-4,705'
Top Curtis	11,987'	-5,305'
Top Entrada	12,207'	-5,525'
Top Wingate	12,657'	-5,975'
Well TD	12,957'	-6,275'

3. Projected Gas & Water Zones

Wasatch Gas Zones:	2,676' to 4,097'
North Horn Gas Zones:	5,043' to 5,990'
Price River Gas Zones:	5,990' to 6,937'
Castlegate – Blackhawk Gas zones:	6,937' to 8,337'
Dakota/Morrison Gas Zones:	10,887' to 11,487'
Entrada Gas Zones:	12,207' to 12,407'
Wingate Gas Zones:	12,657' to 12,757'

Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be installed to protect potentially productive hydrocarbons, groundwater sources, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 2000 psi.

Form 3160-3
(December 1990)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: UTU-076713

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT AGREEMENT NAME: N/A

1a. TYPE OF WORK: DRILL X DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☐ GAS WELL X OTHER — SINGLE ZONE — MULTIPLE ZONE ☐

8. FARM OR LEASE NAME, WELL NO.: Federal 43-5

9. API WELL NO.: 43-007-31069

2. NAME OF OPERATOR: Cimarex Energy Company

10. FIELD AND POOL, OR WILDCAT: Wildcat

3. ADDRESS AND TELEPHONE NO.: 1700 Lincoln St, Ste 1800 Denver, CO 80203, 303-295-3995

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 5 T13S R15E SLB&M

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 401' FSL, 2394' FWL SE/4 ~~SW~~, Section 5
At proposed prod. zone: 660' FSL, 1970' FEL SW/4 ~~SE~~, Section 5

12. COUNTY OR PARISH: Carbon — 13. STATE: Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 13 Miles NorthEast of Sunny Side., Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
1970'	760	40 acres
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
See attached Map	12,957'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6672' GR

22. APPROX. DATE WORK WILL START*: October 2006

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" J-55 ST&C	40	1000'	See Below
8-3/4"	5-1/2" N-80 LT&C	17	11,400'	See Below
4-3/4"	3-1/2" N-80 PH6	9.3	11,300'	See Below
4-3/4"	3-1/2" N-80 Ultra FJ	9.2	13,086'	See Below

Surf 563361 X 39.717172 BHL 563641 X
4396419 Y -110.260778 4396499 Y
39.717875
-110.257511

Federal Bond Number LPM4138237

Surface Casing: 540 sks Class G+1%CaCl2+1.25 pps cellophane flakes
Weight 15.8 #/gal, Yield 1.16 cu.ft./sk, Excess 100%, TOC Surface

1st Stage Lead: 470 sks Class G+12% Gel+1% Dispersant+0.2% Fluid Loss+0.2% Defoamer+1.75% Retarder
Weight 11.5 #/gal, Yield 3.06 cu.ft./sk, Excess 30%, TOC 6,550'

1st Stage Tail: 130 sks 50:50 (Poz:G)+2% Gel+0.1% Antifoam+0.3% Retarder+0.2% Foamer+ 0.2% Dispersant
Weight 14.1 #/gal, Yield 1.53 cu.ft./sk, Excess 30%, TOC 10,900'

2nd Stage Tail: 520 sks 50:50 (Poz:G)+12% Gel+1% Dispersant+0.2% Fluid Loss+0.2% Defoamer+1.75% Retarder
Weight 11.5 #/gal, Yield 3.06 cu.ft./sk, Excess 30%, TOC 1,700'

Production Casing: 110 sks 50:50 (Poz:G)+2% Gel+0.1% Antifoam+0.3% Retarder+0.2% Foamer+0.2%Dispersant
Weight 14.1 #/gal, Yield 1.53 cu.ft./sk, Excess 30%, TOC 10-900'

RECEIVED
MAR 2 2 2006
DIV. OF OIL, GAS & MINING

Federal Approval of this Action is Necessary

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Mike Davis TITLE Cimarex Energy Co. DATE 3-7-06

(This space for Federal or State office use)

PERMIT NO. 43-007-31069 APPROVAL DATE

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:

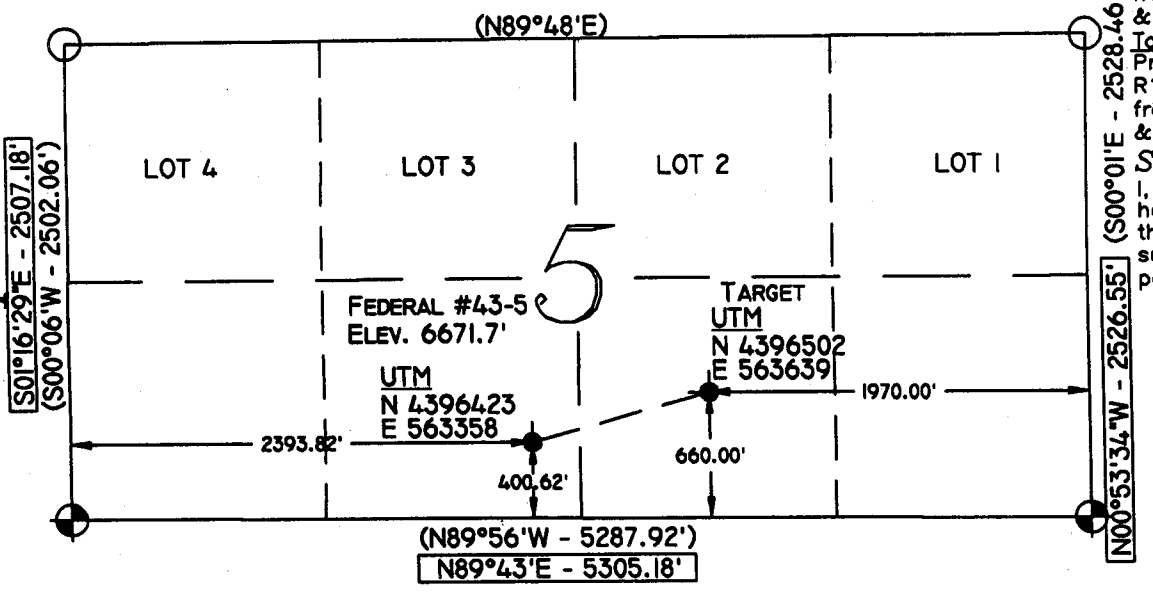
APPROVED BY TITLE BRADLEY G. HILL ENVIRONMENTAL MANAGER DATE 07-31-06

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make to any department or agency or the

Range 15 East

Township 13 South



NOTE: SECTION 5 IS A SHORT SECTION.

Legend

- Drill Hole Location
- Target Location
- Stone Monument (Found)
- Stone Monument (Searched for, but not found)
- Rock Pile
- ( ) GLO

NOTES:
1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

SURFACE	TARGET
LAT / LONG	LAT / LONG
39°43'01.964" N	39°43'04.451" N
110°15'38.938" W	110°15'27.109" W

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

Location:
The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:
The Basis of Bearing is GPS Measured.

GLO Bearing:
The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:
Basis of Elevation of 8477.0' being at the Southeast Section Corner of Section 14, Township 13 South, Range 15 East, Salt Lake Base & Meridian, as shown on the Twin Hollow Quadrangle 7.5 Minute Series Map.

Description of Location:

Surface Location
Proposed Drill Hole located in the South 1/2 of Section 5, T13S, R15E, S.L.B.&M., being 400.62' from the North line and 2393.82' from the West line of Section 5, T13S, R15E, Salt Lake Base & Meridian.

Target Location
Proposed Target located in the South 1/2 of Section 5, T13S, R15E, S.L.B.&M., being 660.00' from the South line, and 1970.00' from the East line of Section 5, T13S, R15E, Salt Lake Base & Meridian.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.

Registered Land Surveyor
10/25/05
No. 146652
Albert J. Spensko
State of Utah

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonutv.net

CIMAREX

Federal #43-5
Section 5, T13S, R15E, S.L.B.&M.
Carbon County, Utah

DRAWN BY:	CHECKED BY:
J. STANSFIELD	L.W.J./A.J.S.
DRAWING NO.: A-1	DATE: 10/19/05
	SCALE: 1" = 1000'
SHEET 1 OF 4	JOB NO.: 1849

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL) (MD)	SIZE (OD)	WEIGHT,GRADE & JOINT	CONDITION
12–1/4"	1,000'	9-5/8"	40# J-55 ST&C	New
8-3/4"	11,400'	5-1/2"	17# N-80 LT&C	New
4-3/4"	11,300'	3-1/2"	9.3# N80 PH6	New
4-3/4"	13,086'	3-1/2"	9.2# N80 Ultra-FJ	New

Cement Program –

1st Stage Lead: 470 sacks Class G + 12% Gel + 1% Dispersant + 0.2% Fluid Loss + 0.2% Defoamer + 1.75% Retarder
Weight: 11.5 #/gal
Yield: 3.06 cu.ft/sk
Excess: 30%
TOC: 6,550'

1st StageTail: 130 sacks 50:50 (Poz:G) + 2% Gel + 0.1% Antifoam + 0.3% Retarder + 0.2% Foamer + 0.2% Dispersant
Weight: 14.1 #/gal
Yield: 1.53 cu.ft/sk
Excess: 30%
TOC: 10,900'

2nd StageTail: 520 sacks Class G + 12% Gel + 1% Dispersant + 0.2% Fluid Loss + 0.2% Defoamer + 1.75% Retarder
Weight: 11.5 #/gal
Yield: 3.06 cu.ft/sk
Excess: 30%
TOC: 1,700'

Production Casing: 110 sacks 50:50 (Poz:G) + 2% Gel + 0.1% Antifoam + 0.3% Retarder + 0.2% Foamer + 0.2% Dispersant
Weight: 14.1 #/gal
Yield: 1.53 cu.ft/sk
Excess: 30%
TOC: 10,900'

The following shall be entered in the driller's log:

1) Blowout preventer pressure tests, including test pressures and results;

2) Blowout preventer tests for proper functioning;

3) Blowout prevention drills conducted;

4) Casing run, including size, grade, weight, and depth set;

5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;

6) Waiting on cement time for each casing string;

7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 10000 psi BOP will be used with a rotating head. This equipment will be tested to 10000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-1,000' 12-1/4" hole Fresh water spud Mud/Auagel/Lime/Native Clays
Density 8.3 – 8.6 ppg Viscosity 27- 40 sec/qt Filtrate N/C pH 7.0 – 8.5 Pv 0-25 Yp 0-12

1,000'-11,400' 8-3/4"" hole Dap/PAC-R Mud system
Density 8.3 – 9.5 ppg Viscosity 40- 45 sec/qt Filtrate 8-10 pH 7.0 – 8.5 Yp 8-12

11,400'-13,086' 4-3/4"" hole Dap/PAC-R Mud system
Density 8.3 – 9.5 ppg Viscosity 40- 45 sec/qt Filtrate 8-10 pH 7.0 – 8.5 Yp 8-12

7. The Testing, Logging and Coring Programs are as followed

Base Surface Casing - TD Dual Induction/SFL, LDT/CNL

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 5,500 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx: October 2006

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

(a) prior to beginning construction;

(b) prior to spudding;

(c) prior to running any casing or BOP tests;

(d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

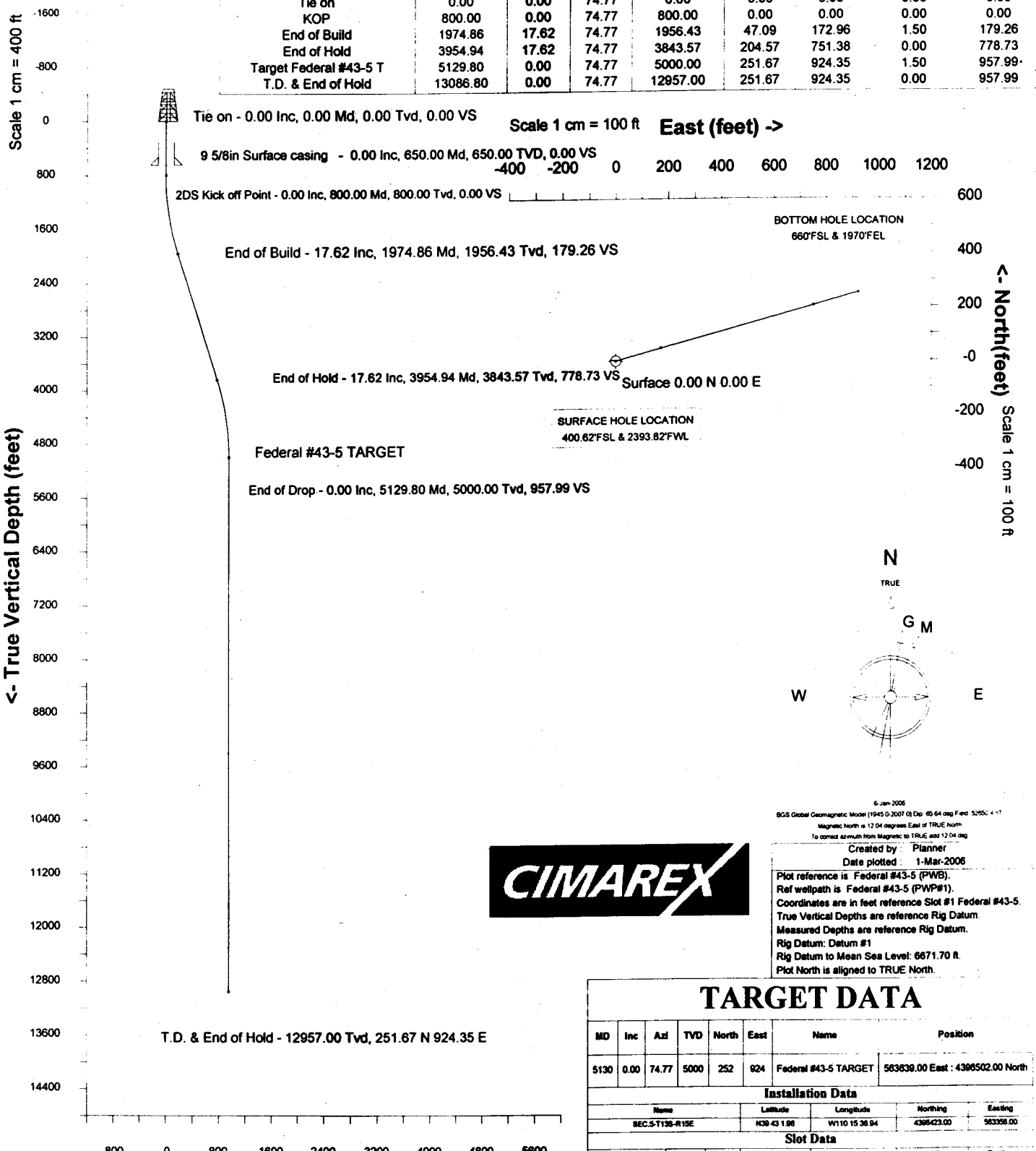
CIMAREX ENERGY CO.

BAKER HUGHES INTEQ

Location:	UTAH	**Slot:**	Slot #1 Federal #43-5
Field:	CARBON COUNTY	**Well:**	Federal #43-5
Installation:	SEC.5-T13S-R15E	**Wellbore:**	Federal #43-5 (PWB)

WELL PROFILE DATA

Point	MD	Inc	Azi	TVD	North	East	deg/100ft	V. Sect
Tie on	0.00	0.00	74.77	0.00	0.00	0.00	0.00	0.00
KOP	800.00	0.00	74.77	800.00	0.00	0.00	0.00	0.00
End of Build	1974.86	17.62	74.77	1956.43	47.09	172.96	1.50	179.26
End of Hold	3954.94	17.62	74.77	3843.57	204.57	751.38	0.00	778.73
Target Federal #43-5 T	5129.80	0.00	74.77	5000.00	251.67	924.35	1.50	957.99
T.D. & End of Hold	13086.80	0.00	74.77	12957.00	251.67	924.35	0.00	957.99



6-Jan-2006
BGS Global Geomagnetic Model (1945.0-2007.0) Dip 65.64 deg Field 52655.4 nT
Magnetic North is 12.04 degrees East of TRUE North
To correct azimuth from Magnetic to TRUE add 12.04 deg

Created by : Planner
Date plotted : 1-Mar-2006

Plot reference is Federal #43-5 (PWB).
Ref wellpath is Federal #43-5 (PWP#1).
Coordinates are in feet reference Slot #1 Federal #43-5.
True Vertical Depths are reference Rig Datum.
Measured Depths are reference Rig Datum.
Rig Datum: Datum #1
Rig Datum to Mean Sea Level: 6671.70 ft.
Plot North is aligned to TRUE North.

CIMAREX

TARGET DATA

MD	Inc	Azi	TVD	North	East	Name	Position
5130	0.00	74.77	5000	252	924	Federal #43-5 TARGET	563639.00 East : 4396502.00 North

Installation Data

Name	Latitude	Longitude	Northing	Easting
SEC.5-T13S-R15E	N39 43 1.98	W110 15 38.94	4395423.00	563358.00

Slot Data

Name	North [ft]	East [ft]	Latitude	Longitude	Northing	Easting
Slot #1 Federal #43-5	0.00 N	0.00 E	N39 43 1.98	W110 15 38.94	4395423.00	563358.00

Elevation Data

Rig Datum - Mean Sea Level [ft]	Mean Sea Level - Mudline/Ground level [ft]	Rig Datum - Mudline/Ground level [ft]
6671.70	6671.70	0.00

CIMAREX ENERGY CO.,Slot #1 Federal #43-5
SEC.5-T13S-R15E,
CARBON COUNTY,UTAH

PROPOSAL LISTING Page 1
Wellbore: Federal #43-5 (PWB)
Wellpath: Federal #43-5 (PWP#1)
Date Printed: 1-Mar-2006

BAKER HUGHES
INTEQ

Wellbore

Name	Created	Last Revised
Federal #43-5 (PWB)	6-Jan-2006	1-Mar-2006

Well

Name	Government ID	Last Revised
Federal #43-5		6-Jan-2006

Slot

Name	Grid Northing	Grid Easting	Latitude	Longitude	North	East
Slot #1 Federal #43-5	4396423.0000	563358.0000	N39 43 1.9640	W110 15 38.9381	0.00N	0.00E

Installation

Name	Easting	Northing	Coord System Name	North Alignment
SEC.5-T13S-R15E	563358.0000	4396423.0000	NAD27-UTM-12N on NORTH AMERICAN DATUM 1927 datum	True

Field

Name	Easting	Northing	Coord System Name	North Alignment
CARBON COUNTY	571779.0000	4393813.0000	NAD27-UTM-12N on NORTH AMERICAN DATUM 1927 datum	True

Created By

Comments

All data is in Feet unless otherwise stated
Coordinates are from Slot MD's are from Rig and TVD's are from Rig (Datum #1 6671.7ft above Mean Sea Level)
Vertical Section is from 0.00N 0.00E on azimuth 74.77 degrees
Bottom hole distance is 957.99 Feet on azimuth 74.77 degrees from Wellhead
Calculation method uses Minimum Curvature method
Prepared by Baker Hughes INTEQ

Wellpath Report

MD[ft]	Inc[deg]	Azi[deg]	TVD[ft]	North[ft]	East[ft]	Dogleg [deg/100ft]	Vertical Section[ft]
0.00	0.00	74.77	0.00	0.00N	0.00E	0.00	0.00
100.00	0.00	74.77	100.00	0.00N	0.00E	0.00	0.00
200.00	0.00	74.77	200.00	0.00N	0.00E	0.00	0.00
300.00	0.00	74.77	300.00	0.00N	0.00E	0.00	0.00
400.00	0.00	74.77	400.00	0.00N	0.00E	0.00	0.00
500.00	0.00	74.77	500.00	0.00N	0.00E	0.00	0.00
600.00	0.00	74.77	600.00	0.00N	0.00E	0.00	0.00
700.00	0.00	74.77	700.00	0.00N	0.00E	0.00	0.00
800.00	0.00	74.77	800.00	0.00N	0.00E	0.00	0.00
900.00	1.50	74.77	899.99	0.34N	1.26E	1.50	1.31
1000.00	3.00	74.77	999.91	1.38N	5.05E	1.50	5.23
1100.00	4.50	74.77	1099.69	3.09N	11.36E	1.50	11.77
1200.00	6.00	74.77	1199.27	5.50N	20.19E	1.50	20.92
1300.00	7.50	74.77	1298.57	8.59N	31.53E	1.50	32.68
1400.00	9.00	74.77	1397.54	12.35N	45.38E	1.50	47.03
1500.00	10.50	74.77	1496.09	16.80N	61.72E	1.50	63.96
1600.00	12.00	74.77	1594.16	21.93N	80.54E	1.50	83.47
1700.00	13.50	74.77	1691.70	27.73N	101.83E	1.50	105.54
1800.00	15.00	74.77	1788.62	34.19N	125.58E	1.50	130.15
1900.00	16.50	74.77	1884.86	41.32N	151.77E	1.50	157.30
1974.86	17.62	74.77	1956.43	47.09N	172.97E	1.50	179.26
2000.00	17.62	74.77	1980.38	49.09N	180.31E	0.00	186.87
2100.00	17.62	74.77	2075.69	57.05N	209.52E	0.00	217.15
2200.00	17.62	74.77	2171.00	65.00N	238.73E	0.00	247.42
2300.00	17.62	74.77	2266.30	72.95N	267.94E	0.00	277.70
2400.00	17.62	74.77	2361.61	80.91N	297.15E	0.00	307.97
2500.00	17.62	74.77	2456.92	88.86N	326.37E	0.00	338.25
2600.00	17.62	74.77	2552.22	96.81N	355.58E	0.00	368.52
2700.00	17.62	74.77	2647.53	104.76N	384.79E	0.00	398.80
2800.00	17.62	74.77	2742.84	112.72N	414.00E	0.00	429.07
2900.00	17.62	74.77	2838.15	120.67N	443.21E	0.00	459.35
3000.00	17.62	74.77	2933.45	128.62N	472.43E	0.00	489.62
3100.00	17.62	74.77	3028.76	136.58N	501.64E	0.00	519.90
3200.00	17.62	74.77	3124.07	144.53N	530.85E	0.00	550.17
3300.00	17.62	74.77	3219.37	152.48N	560.06E	0.00	580.45
3400.00	17.62	74.77	3314.68	160.44N	589.27E	0.00	610.72
3500.00	17.62	74.77	3409.99	168.39N	618.49E	0.00	641.00
3600.00	17.62	74.77	3505.29	176.34N	647.70E	0.00	671.27
3700.00	17.62	74.77	3600.60	184.30N	676.91E	0.00	701.55
3800.00	17.62	74.77	3695.91	192.25N	706.12E	0.00	731.82
3900.00	17.62	74.77	3791.22	200.20N	735.33E	0.00	762.10
3954.94	17.62	74.77	3843.57	204.57N	751.38E	0.00	778.73
4054.94	16.12	74.77	3939.27	212.20N	779.38E	1.50	807.76
4154.94	14.62	74.77	4035.69	219.16N	804.96E	1.50	834.27
4254.94	13.12	74.77	4132.77	225.46N	828.10E	1.50	858.24
4354.94	11.62	74.77	4230.44	231.09N	848.77E	1.50	879.67
4454.94	10.12	74.77	4328.64	236.04N	866.97E	1.50	898.53
4554.94	8.62	74.77	4427.31	240.32N	882.69E	1.50	914.82
4654.94	7.12	74.77	4526.36	243.92N	895.90E	1.50	928.51
4754.94	5.62	74.77	4625.74	246.84N	906.61E	1.50	939.61
4854.94	4.12	74.77	4725.38	249.07N	914.81E	1.50	948.11
4954.94	2.62	74.77	4825.20	250.61N	920.48E	1.50	953.99

All data is in Feet unless otherwise stated
Coordinates are from Slot MD's are from Rig and TVD's are from Rig (Datum #1 6671.7ft above Mean Sea Level)
Vertical Section is from 0.00N 0.00E on azimuth 74.77 degrees
Bottom hole distance is 957.99 Feet on azimuth 74.77 degrees from Wellhead
Calculation method uses Minimum Curvature method
Prepared by Baker Hughes INTEQ

Wellpath Report

MD[ft]	Inc[deg]	Azi[deg]	TVD[ft]	North[ft]	East[ft]	Dogleg [deg/100ft]	Vertical Section[ft]
5054.94	1.12	74.77	4925.14	251.47N	923.64E	1.50	957.26
5129.80	0.00	74.77	5000.00	251.66N	924.35E	1.50	957.99
5200.00	0.00	74.77	5070.20	251.66N	924.35E	0.00	957.99
5300.00	0.00	74.77	5170.20	251.66N	924.35E	0.00	957.99
5400.00	0.00	74.77	5270.20	251.66N	924.35E	0.00	957.99
5500.00	0.00	74.77	5370.20	251.66N	924.35E	0.00	957.99
5600.00	0.00	74.77	5470.20	251.66N	924.35E	0.00	957.99
5700.00	0.00	74.77	5570.20	251.66N	924.35E	0.00	957.99
5800.00	0.00	74.77	5670.20	251.66N	924.35E	0.00	957.99
5900.00	0.00	74.77	5770.20	251.66N	924.35E	0.00	957.99
6000.00	0.00	74.77	5870.20	251.66N	924.35E	0.00	957.99
6100.00	0.00	74.77	5970.20	251.66N	924.35E	0.00	957.99
6200.00	0.00	74.77	6070.20	251.66N	924.35E	0.00	957.99
6300.00	0.00	74.77	6170.20	251.66N	924.35E	0.00	957.99
6400.00	0.00	74.77	6270.20	251.66N	924.35E	0.00	957.99
6500.00	0.00	74.77	6370.20	251.66N	924.35E	0.00	957.99
6600.00	0.00	74.77	6470.20	251.66N	924.35E	0.00	957.99
6700.00	0.00	74.77	6570.20	251.66N	924.35E	0.00	957.99
6800.00	0.00	74.77	6670.20	251.66N	924.35E	0.00	957.99
6900.00	0.00	74.77	6770.20	251.66N	924.35E	0.00	957.99
7000.00	0.00	74.77	6870.20	251.66N	924.35E	0.00	957.99
7100.00	0.00	74.77	6970.20	251.66N	924.35E	0.00	957.99
7200.00	0.00	74.77	7070.20	251.66N	924.35E	0.00	957.99
7300.00	0.00	74.77	7170.20	251.66N	924.35E	0.00	957.99
7400.00	0.00	74.77	7270.20	251.66N	924.35E	0.00	957.99
7500.00	0.00	74.77	7370.20	251.66N	924.35E	0.00	957.99
7600.00	0.00	74.77	7470.20	251.66N	924.35E	0.00	957.99
7700.00	0.00	74.77	7570.20	251.66N	924.35E	0.00	957.99
7800.00	0.00	74.77	7670.20	251.66N	924.35E	0.00	957.99
7900.00	0.00	74.77	7770.20	251.66N	924.35E	0.00	957.99
8000.00	0.00	74.77	7870.20	251.66N	924.35E	0.00	957.99
8100.00	0.00	74.77	7970.20	251.66N	924.35E	0.00	957.99
8200.00	0.00	74.77	8070.20	251.66N	924.35E	0.00	957.99
8300.00	0.00	74.77	8170.20	251.66N	924.35E	0.00	957.99
8400.00	0.00	74.77	8270.20	251.66N	924.35E	0.00	957.99
8500.00	0.00	74.77	8370.20	251.66N	924.35E	0.00	957.99
8600.00	0.00	74.77	8470.20	251.66N	924.35E	0.00	957.99
8700.00	0.00	74.77	8570.20	251.66N	924.35E	0.00	957.99
8800.00	0.00	74.77	8670.20	251.66N	924.35E	0.00	957.99
8900.00	0.00	74.77	8770.20	251.66N	924.35E	0.00	957.99
9000.00	0.00	74.77	8870.20	251.66N	924.35E	0.00	957.99
9100.00	0.00	74.77	8970.20	251.66N	924.35E	0.00	957.99
9200.00	0.00	74.77	9070.20	251.66N	924.35E	0.00	957.99
9300.00	0.00	74.77	9170.20	251.66N	924.35E	0.00	957.99
9400.00	0.00	74.77	9270.20	251.66N	924.35E	0.00	957.99
9500.00	0.00	74.77	9370.20	251.66N	924.35E	0.00	957.99
9600.00	0.00	74.77	9470.20	251.66N	924.35E	0.00	957.99
9700.00	0.00	74.77	9570.20	251.66N	924.35E	0.00	957.99
9800.00	0.00	74.77	9670.20	251.66N	924.35E	0.00	957.99
9900.00	0.00	74.77	9770.20	251.66N	924.35E	0.00	957.99
10000.00	0.00	74.77	9870.20	251.66N	924.35E	0.00	957.99
10100.00	0.00	74.77	9970.20	251.66N	924.35E	0.00	957.99

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Coordinates are from Slot MD's are from Rig and TVD's are from Rig (Datum #1 6671.7ft above Mean Sea Level)
Vertical Section is from 0.00N 0.00E on azimuth 74.77 degrees
Bottom hole distance is 957.99 Feet on azimuth 74.77 degrees from Wellhead
Calculation method uses Minimum Curvature method
Prepared by Baker Hughes INTEQ

Wellpath Report

MD[ft]	Inc[deg]	Azi[deg]	TVD[ft]	North[ft]	East[ft]	Dogleg [deg/100ft]	Vertical Section[ft]
10200.00	0.00	74.77	10070.20	251.66N	924.35E	0.00	957.99
10300.00	0.00	74.77	10170.20	251.66N	924.35E	0.00	957.99
10400.00	0.00	74.77	10270.20	251.66N	924.35E	0.00	957.99
10500.00	0.00	74.77	10370.20	251.66N	924.35E	0.00	957.99
10600.00	0.00	74.77	10470.20	251.66N	924.35E	0.00	957.99
10700.00	0.00	74.77	10570.20	251.66N	924.35E	0.00	957.99
10800.00	0.00	74.77	10670.20	251.66N	924.35E	0.00	957.99
10900.00	0.00	74.77	10770.20	251.66N	924.35E	0.00	957.99
11000.00	0.00	74.77	10870.20	251.66N	924.35E	0.00	957.99
11100.00	0.00	74.77	10970.20	251.66N	924.35E	0.00	957.99
11200.00	0.00	74.77	11070.20	251.66N	924.35E	0.00	957.99
11300.00	0.00	74.77	11170.20	251.66N	924.35E	0.00	957.99
11400.00	0.00	74.77	11270.20	251.66N	924.35E	0.00	957.99
11500.00	0.00	74.77	11370.20	251.66N	924.35E	0.00	957.99
11600.00	0.00	74.77	11470.20	251.66N	924.35E	0.00	957.99
11700.00	0.00	74.77	11570.20	251.66N	924.35E	0.00	957.99
11800.00	0.00	74.77	11670.20	251.66N	924.35E	0.00	957.99
11900.00	0.00	74.77	11770.20	251.66N	924.35E	0.00	957.99
12000.00	0.00	74.77	11870.20	251.66N	924.35E	0.00	957.99
12100.00	0.00	74.77	11970.20	251.66N	924.35E	0.00	957.99
12200.00	0.00	74.77	12070.20	251.66N	924.35E	0.00	957.99
12300.00	0.00	74.77	12170.20	251.66N	924.35E	0.00	957.99
12400.00	0.00	74.77	12270.20	251.66N	924.35E	0.00	957.99
12500.00	0.00	74.77	12370.20	251.66N	924.35E	0.00	957.99
12600.00	0.00	74.77	12470.20	251.66N	924.35E	0.00	957.99
12700.00	0.00	74.77	12570.20	251.66N	924.35E	0.00	957.99
12800.00	0.00	74.77	12670.20	251.66N	924.35E	0.00	957.99
12900.00	0.00	74.77	12770.20	251.66N	924.35E	0.00	957.99
13000.00	0.00	74.77	12870.20	251.66N	924.35E	0.00	957.99
13086.80	0.00	74.77	12957.00	251.66N	924.35E	0.00	957.99

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Vertical Section is from 0.00N 0.00E on azimuth 74.77 degrees
Bottom hole distance is 957.99 Feet on azimuth 74.77 degrees from Wellhead
Calculation method uses Minimum Curvature method
Prepared by Baker Hughes INTEQ

Casings

Name	Top MD[ft]	Top TVD[ft]	Top North[ft]	Top East[ft]	Shoe MD[ft]	Shoe TVD[ft]	Shoe North[ft]	Shoe East[ft]	Wellbore
9 5/8in Surface casing	0.00	0.00	0.00N	0.00E	650.00	650.00	0.00N	0.00E	Federal #43-5 (PWB)

Targets

Name	North[ft]	East[ft]	TVD[ft]	Latitude	Longitude	Easting	Northing	Last Revised
Federal #43-5 TARGET	251.66N	924.35E	5000.00	N39 43 4.4510	W110 15 27.1094	563639.00	4396502.00	6-Jan-2006

All data is in Feet unless otherwise stated
Coordinates are from Slot MD's are from Rig and TVD's are from Rig (Datum #1 6671.7ft above Mean Sea Level)
Vertical Section is from 0.00N 0.00E on azimuth 74.77 degrees
Bottom hole distance is 957.99 Feet on azimuth 74.77 degrees from Wellhead
Calculation method uses Minimum Curvature method
Prepared by Baker Hughes INTEQ

CASING DESIGN for CIMAREX Federal #43-5

SIZE	GRADE	WEIGHT (lb/ft)	SETTING DEPTH (ft)	HOLE SIZE	COLLAPSE RESIST. (psi)	INTERNAL YIELD (psi)	BODY YIELD (1000 lbs)	JOINT STRENGTH (1000 lbs)	THREAD/ COUPLING	MUD WEIGHT
16"	H40	65	0 - 40/60	24"	630	1640	736	439	welded	8.3
9-5/8"	J55	40	0 - ± 1000	12-1/4"	2570	3950	630	452	ST&C	9.2
5-1/2"	P110	17	0 - ±11,400	8-3/4"	7480	10,640	546	445	LT&C	9.5
3-1/2"	N80	9.3	0 - ± 11,300	4-3/4"	10,540	10,160	207.2	207.2	PH6	9.5
3-1/2"	N80	9.20	± 11,300' - ± 12,957	4-3/4"	10,540	10,160	207.2	105.4	Ultra-FJ	9.5

SIZE	GRADE	WEIGHT (lb/ft)	SETTING DEPTH (ft)	MAX ANTICIPATED HYDROSTATIC FLUID WEIGHT	BOTTOM HOLE PRESSURE	ACTUAL SAFETY FACTORS (1.125 Design) COLLAPSE	(1.100 Design) BURST	(1.800 Design) TENSION
16"	H40	65	60	26	26	24.328	63.077	112.56
9-5/8"	J55	40	1000	478	432	5.372	9.152	11.30
5-1/2"	P110	17	11400	5632	4920	1.328	2.162	2.30
3-1/2"	P105	9.3	11300	5582	4877	1.888	2.083	1.97
3-1/2"	N80	9.20	12957	6401	5592	1.647	1.817	6.91

13 POINT SURFACE USE PLAN

Exhibit "E"

Attached to BLM Form 3
Cimarex Energy Company
Federal 43-5
Surface Location: 401' FSL, 2394' FWL, SE/4 W/2, Sec. 5, T13S, R15E, SLB&M
Target Location: 660' FSL, 1970' FEL, SW/4 E/2, Sec. 5, T13S, R15E, SLB&M
Carbon County, Utah

a. Existing Roads

a. The proposed access road will be constructed consistent with BLM and Cimarex Energy, and will encroach on the Carbon County Dry Canyon Road. The Carbon County Dry Canyon Road is the main access into this area. See Exhibit "B"

b. Existing roads will be maintained in the same or better condition as needed for drilling equipment and trucks.

c. There are no plans to change, alter or improve upon any other existing state or county roads.

2. **Planned Access**

Approximately 800' (.15 miles) of new lease access will be required (See Exhibit "B").

a. Maximum Width: 20' Travel Surface with a 24' Base.

b. Maximum Grade: 12%

c. Turnouts: None

d. For Drainage, 2 – 18" culverts and 1-48" culvert may be required along this stretch of road. Water will be diverted away from the planned access as necessary and practical

e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year round traffic.

3. **Location of Existing Wells**

   a. There are proposed or existing wells within a one mile radius (see Exhibit "B").

4. **Location of Existing and/or Proposed Facilities**

   a. If the well is a producer, installation of production facilities will follow.

   b. Power lines and gathering lines, when installed, will follow the access roads and tie-in to existing power and pipelines.

   c. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. **Location and Type of Water Supply**

   a. Water to be used for drilling will be obtained from a local water source.

   b. Water will be transported by truck over approved access roads.

   c. No water well is to be drilled for this location.

6. **Source of Construction Materials**

   a. All necessary construction materials needed will be obtained locally and hauled to the location on existing roads.

   b. No construction or surfacing materials will be taken from Federal/Indian land.

7. **Methods for handling waste disposal**

   a. A reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location

c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.

d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. **Ancillary Facilities**

a. We anticipate no need for ancillary facilities with the exception of camp trailers to be located on the drill site.

9. **Wellsite Layout**

a. The well, whether drilling, producing, suspended, or abandoned, will be properly identified in accordance with 43 CFR 3162.6.

b. Access to the well pad will be from the South.

c. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Attachment "C".

d. Natural runoff will be diverted around the well pad.

10. **Plans for Restoration of Surface**

a. All surface areas not required for producing operations will be graded to as near original condition as possible and recontoured to minimize possible erosion.

b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.

c. Pits and any other area that would present a hazard to wildlife or livestock will be

fenced off when the rig is released and removed.

d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existing conditions.

e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured.

11. **Surface Ownership**

a. The wellsite will be constructed on federal lands managed by the Bureau of Land management (BLM). The BLM will be notified 48 hours prior to beginning construction activities.

12. **Other Information**:

a. The primary surface use is Wildlife habitat and grazing. Nearest live water is Dry Creek approximately 330' West.

b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.

c. The backslope and foreslope will be constructed no steeper than 4:1.

d. All equipment and vehicles will be confined to the access road and well pad.

e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.

f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/22/2006

API NO. ASSIGNED: 43-007-31069

WELL NAME: FEDERAL 43-5

OPERATOR: CIMAREX ENERGY CO (N2185)

PHONE NUMBER: 303-295-3995

CONTACT: MIKE DAVIS

PROPOSED LOCATION:
NE SW
SESW 05 130S 150E
SURFACE: 0401 FSL 2394 FWL
NW SE BOTTOM: 0660 FSL 1970 FEL
COUNTY: CARBON
LATITUDE: 39.71717 LONGITUDE: -110.2608
UTM SURF EASTINGS: 563361 NORTHINGS: 4396419
FIELD NAME: WILDCAT (1)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-076713
SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: WINGT
COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

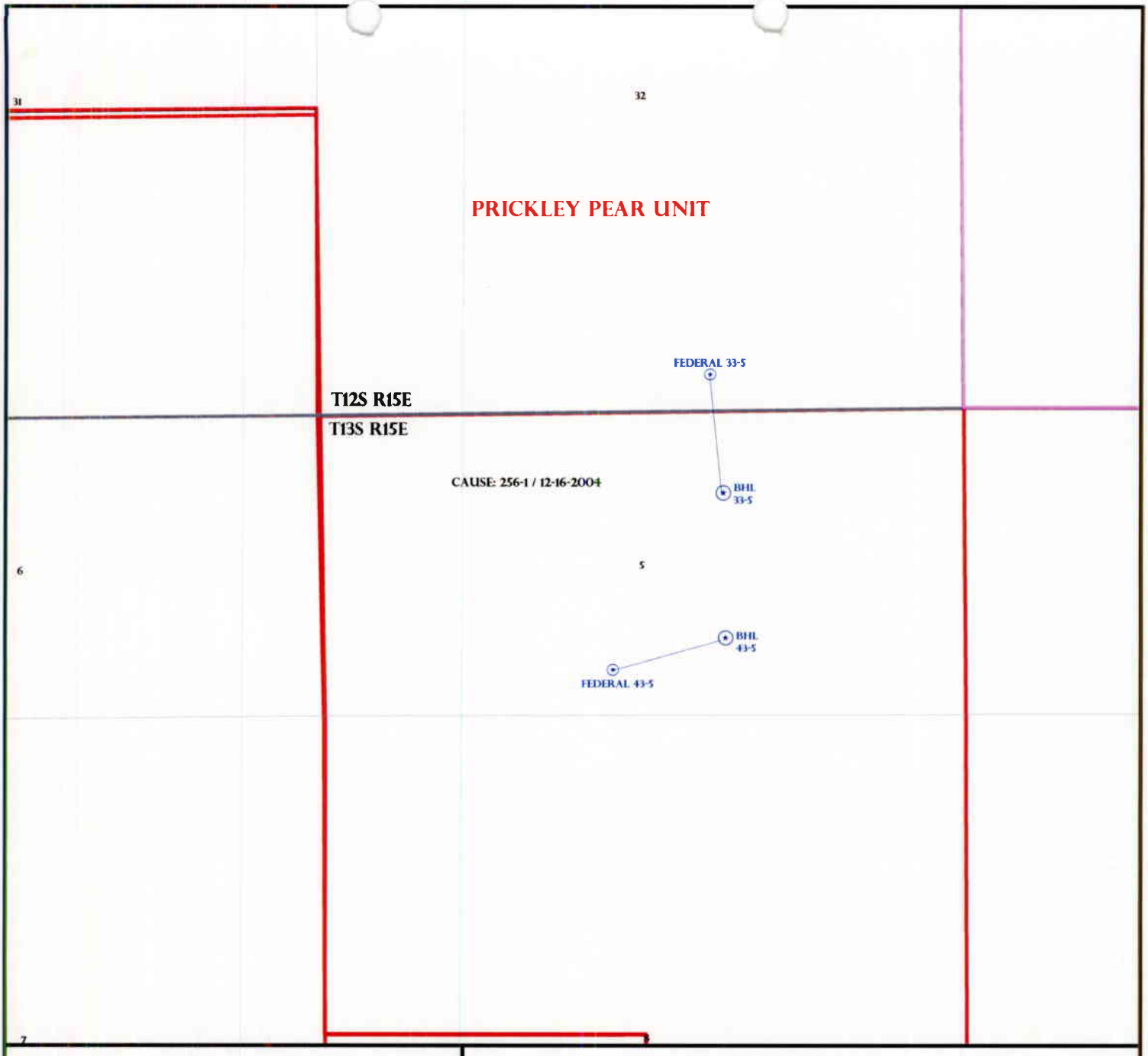
✓ Plat
✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. LPM4138237)
N Potash (Y/N)
N Oil Shale 190-5 (B) or 190-3 or 190-13
✓ Water Permit
(No. MUNICIPAL)
N RDCC Review (Y/N)
(Date:)
N/A Fee Surf Agreement (Y/N)
N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.
Unit: ___
___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
___ R649-3-3. Exception
✓ Drilling Unit
Board Cause No: 256-1
Eff Date: 12-16-04
Siting: Suspends R649-3-2 & R649-3-11
___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1- Federal Approval



OPERATOR: CIMAREX ENERGY CO (N2185)

SEC: 5 T. 13S & T12S R. 15E

FIELD: WILDCAT (001)

COUNTY: CARBON

CAUSE: 256-1 / 12-16-2004

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY
DATE: 24-MARCH-2006

13. **Company Representatives**

Mike Davis
Cimarex Energy Company
1700 Lincoln Street, Suite 1800
Denver, CO 80230

Mail Approved A.P.D. To:

Company Representative

Permitting Consultant
Larry W. Johnson
Talon Resources, Inc.
195 North 100 West
Huntington, UT. 84528
1-435-687-5310

Excavation Contractor
NELCO Contractors
4520 South 100 West
Price, Utah 84501
1-435-637-3495

14. **Certification**

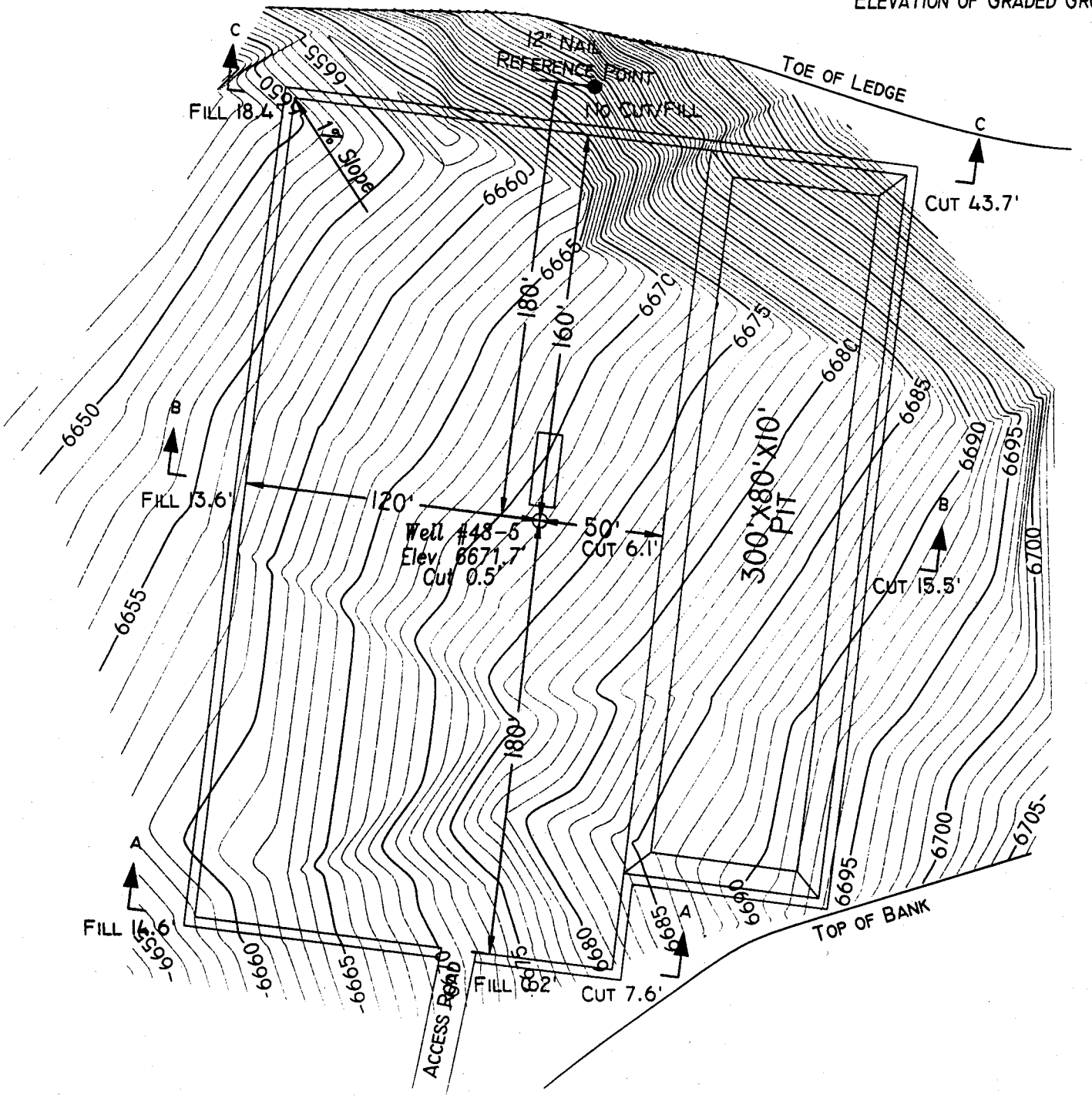
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Cimarex Energy Company. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

3/9/06
Date

Larry W. Johnson
Talon Resources, Inc.

JUL 27 2006

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6671.7'
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6671.2'

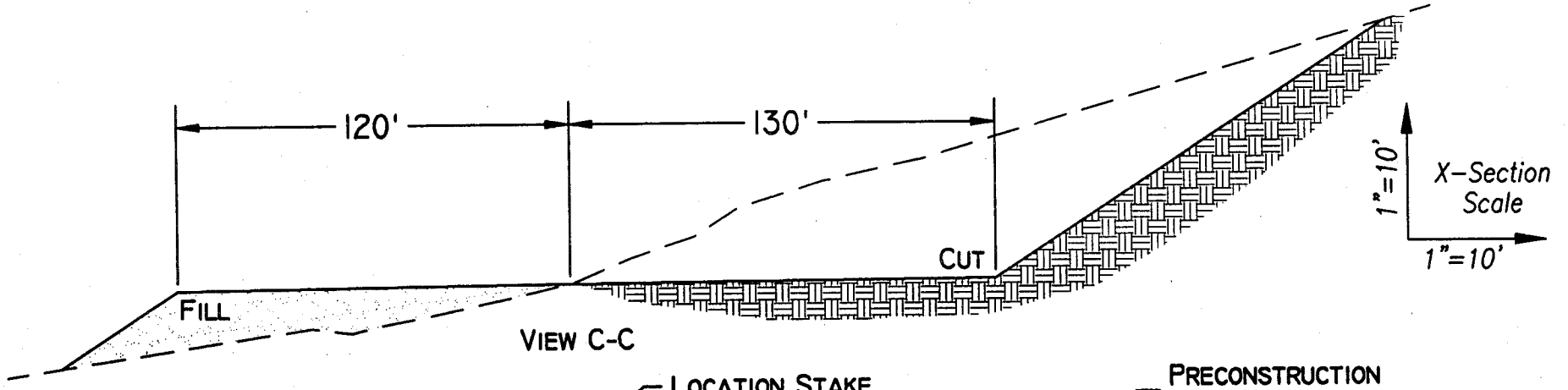


TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonetv.net

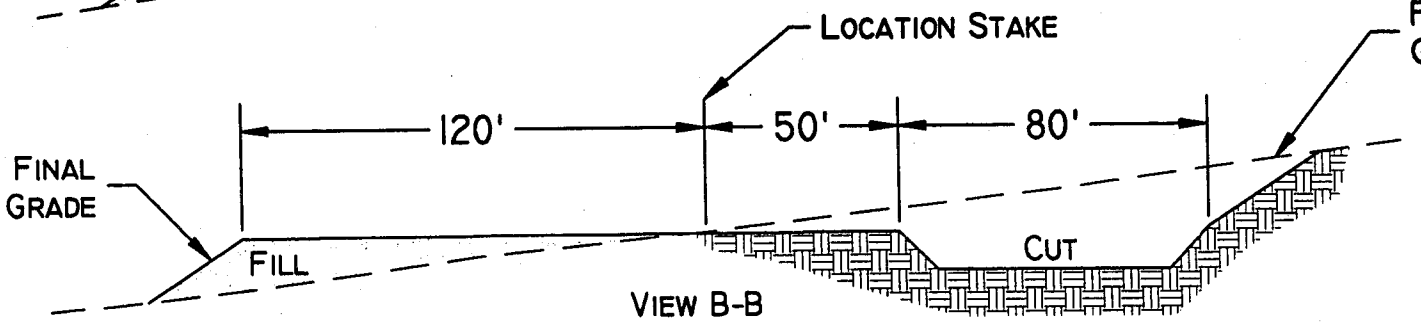
CIMAREX

LOCATION LAYOUT
Section 5, T13S, R15E, S.L.B.&M.
Federal #43-5

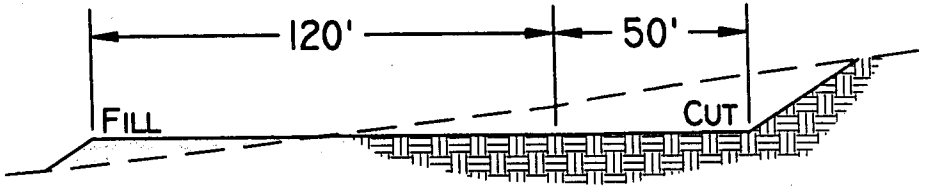
Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 9/2/05
	Scale: 1" = 60'
Sheet 2 of 4	Job No. 1849



VIEW C-C



VIEW B-B



VIEW A-A

SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1

APPROXIMATE YARDAGES

CUT

(6")TOPSOIL STRIPPING = 1,515 CU. YDS.

REMAINING LOCATION = 28,275 CU, YDS.
(INCLUDING TOPSOIL STRIPPING)

TOTAL CUT (INCLUDING PIT) = 36,325 CU. YDS.

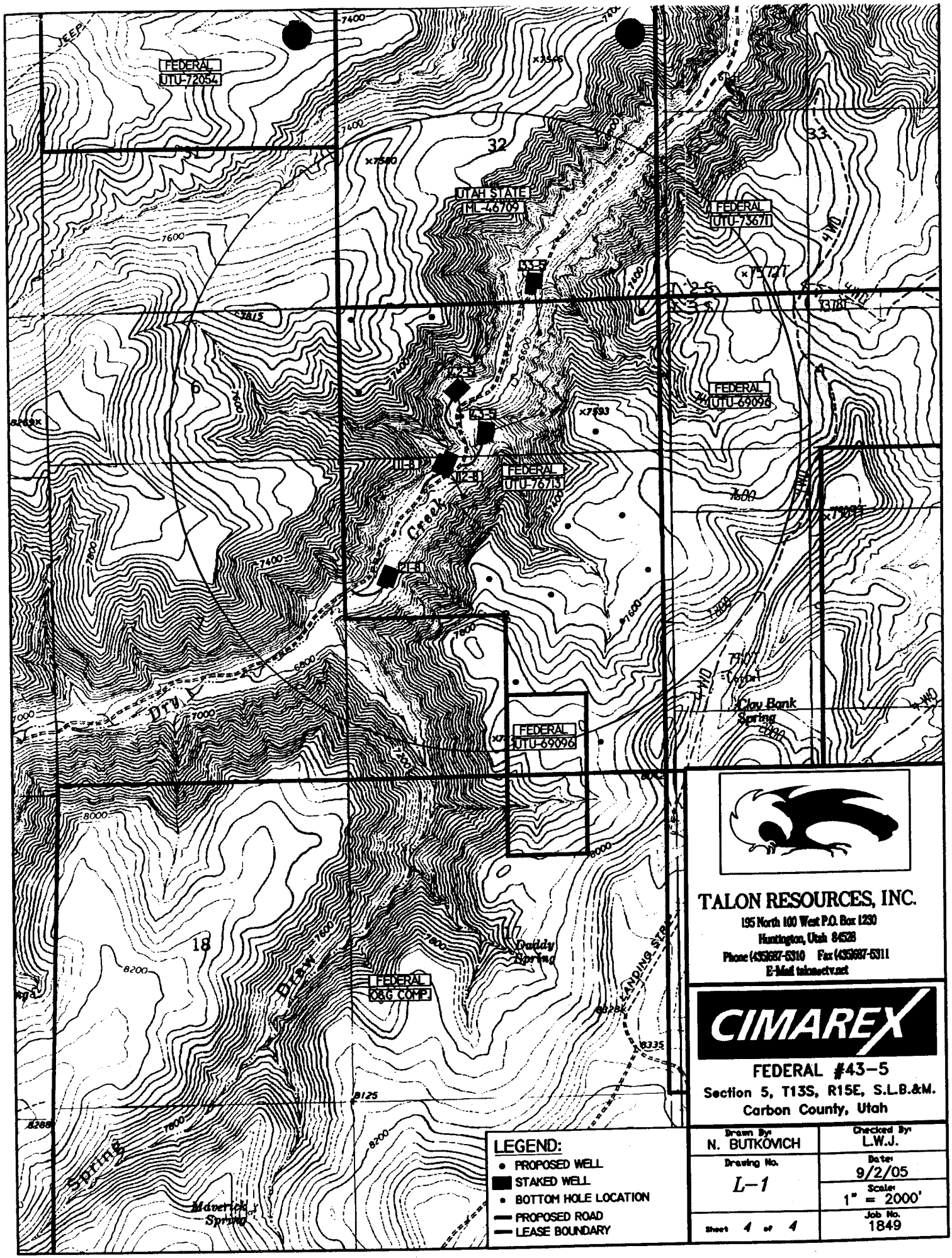
TOTAL FILL = 11,305 CU. YDS.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonenv.net

CIMAREX

TYPICAL CROSS SECTION
Section 5, T13S, R15E, S.L.B.&M.
Federal #43-5

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 9/2/05
	Scale: 1" = 50'
Sheet 3 of 4	Job No. 1849



TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonutv.net

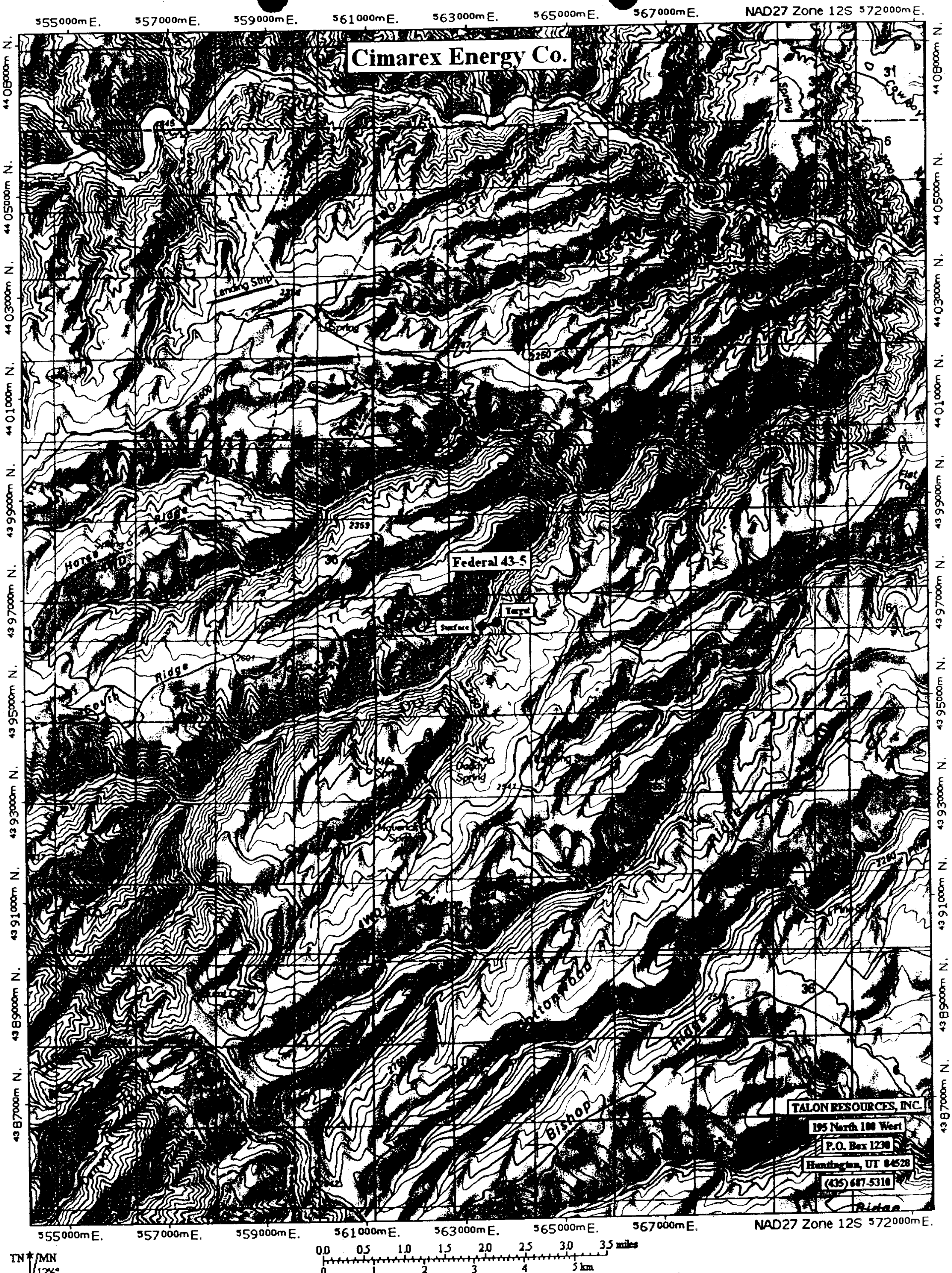
CIMAREX

FEDERAL #43-5

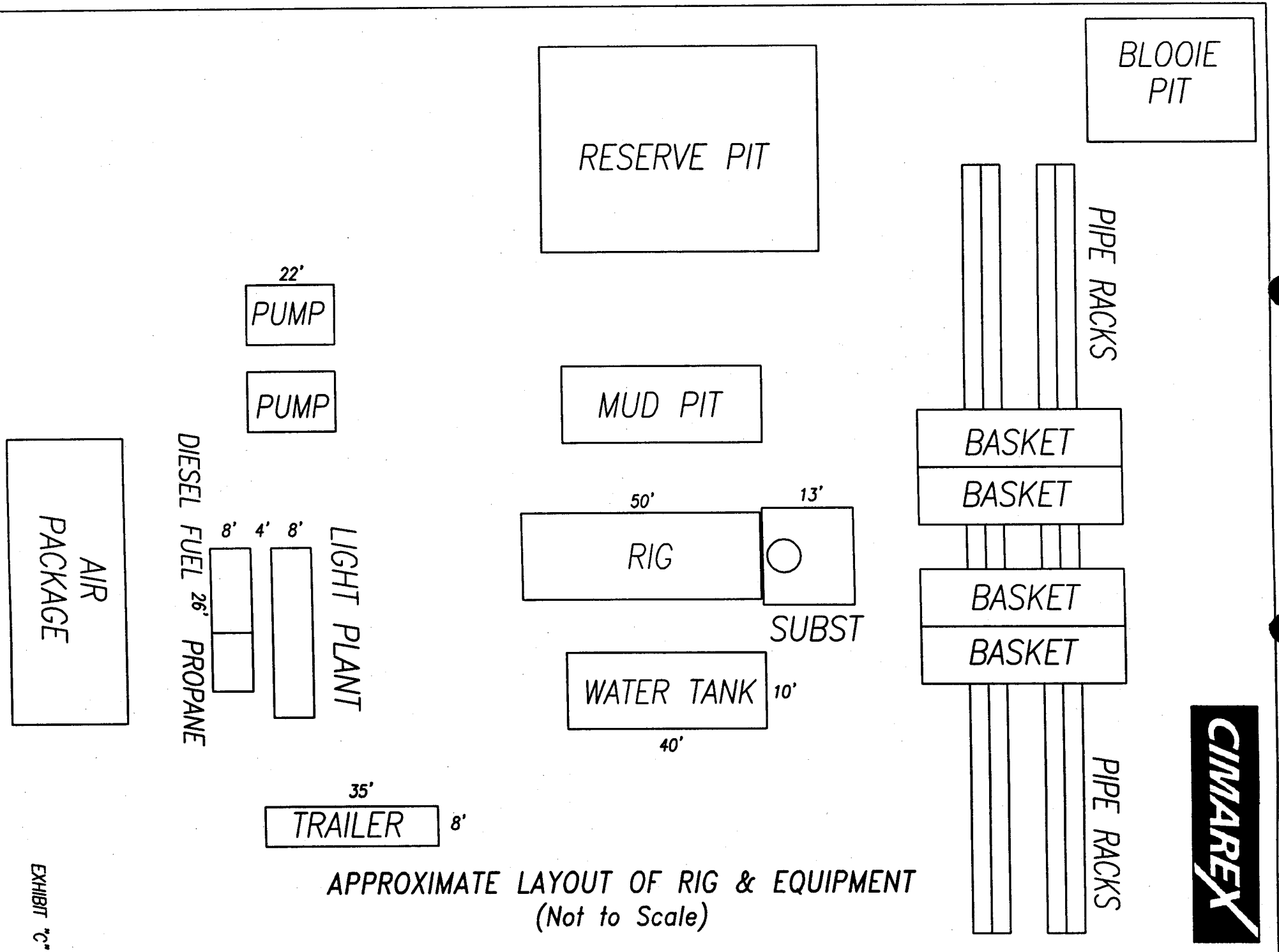
Section 5, T13S, R15E, S.L.B.&M.
Carbon County, Utah

LEGEND:
- PROPOSED WELL
- STAKED WELL
- BOTTOM HOLE LOCATION
- PROPOSED ROAD
- LEASE BOUNDARY

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No.: L-1	Date: 9/2/05
	Scale: 1" = 2000'
Sheet 1 of 1	Job No.: 1849



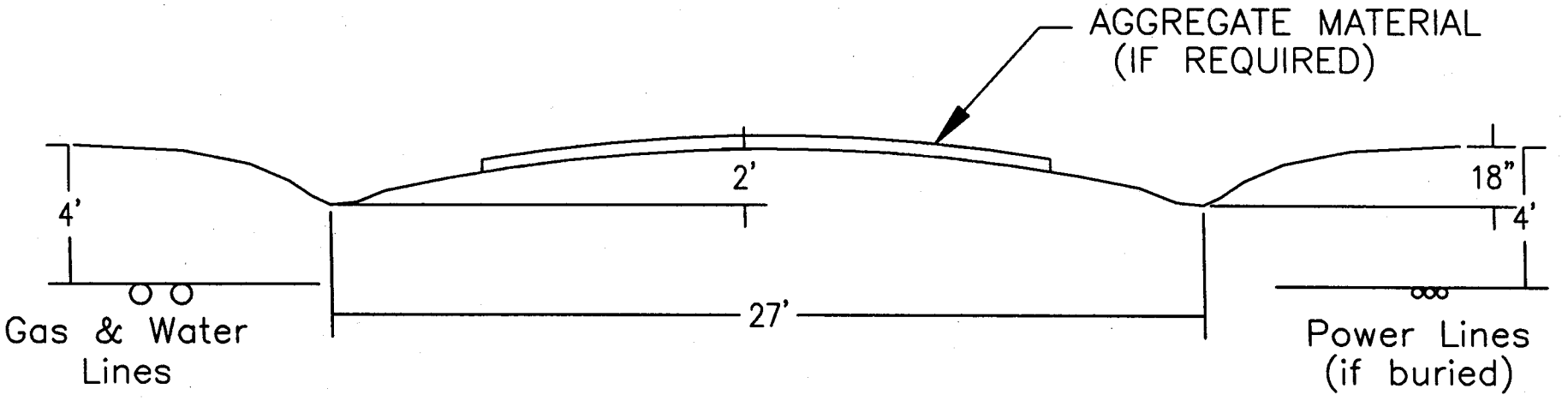
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)



APPROXIMATE LAYOUT OF RIG & EQUIPMENT
(Not to Scale)

EXHIBIT "C"

TYPICAL ROAD CROSS-SECTION



CIMAREX

EXHIBIT "F"

BOP Equipment

10,000 psi WP

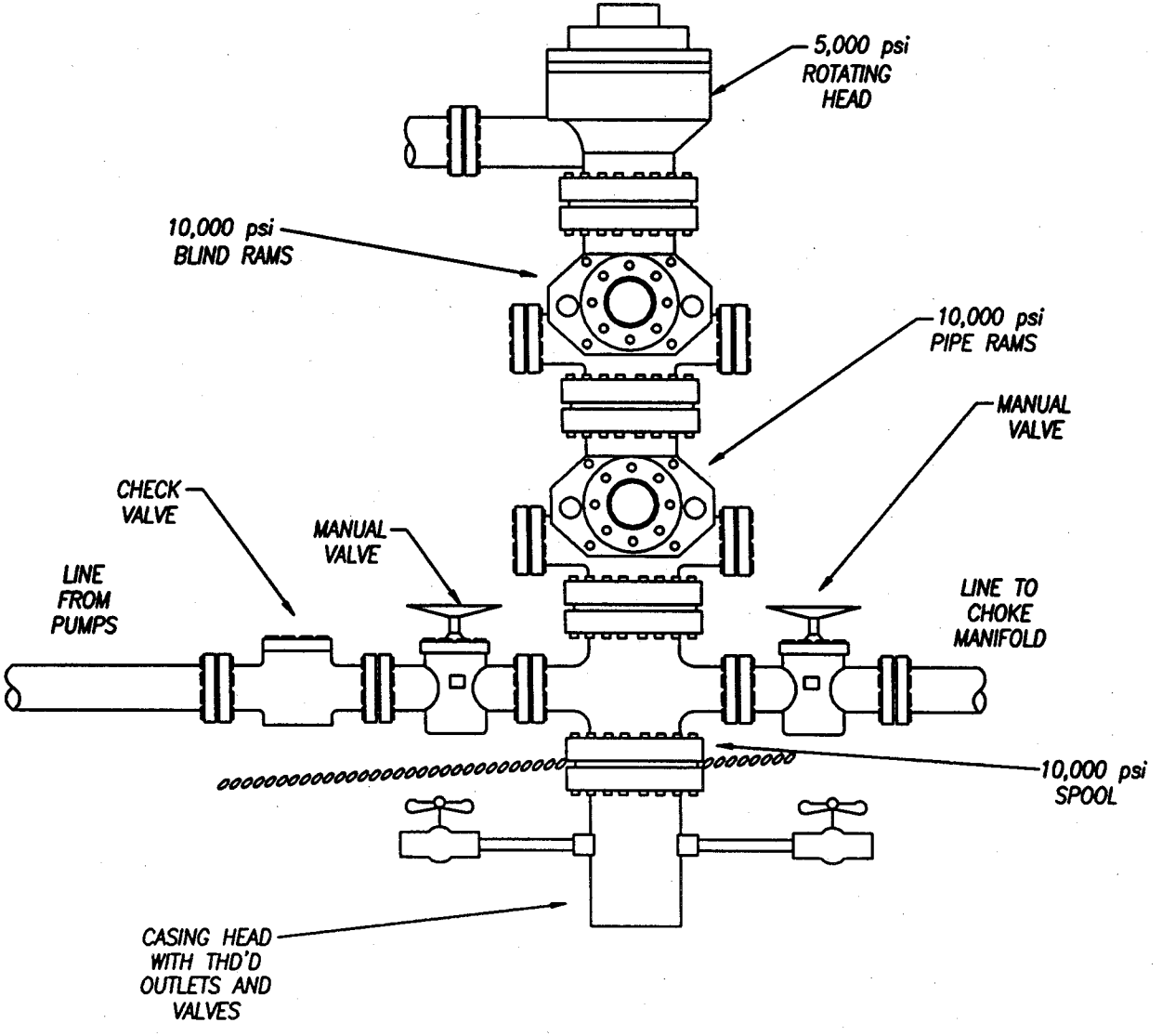


EXHIBIT "G"

CIMAREX

CHOKE MANIFOLD

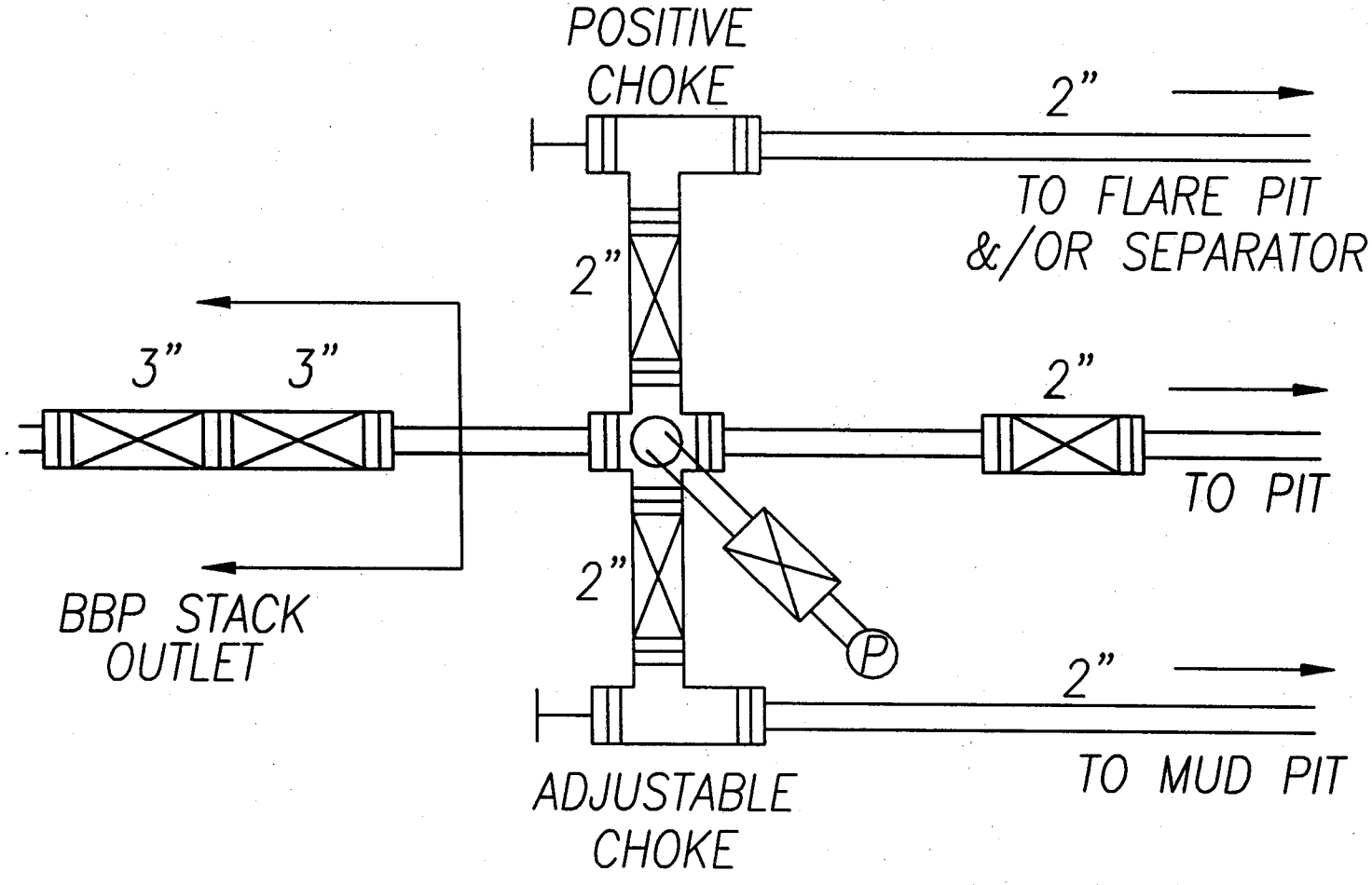


EXHIBIT "H"

CIMAREX

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

July 31, 2006

Cimarex Energy Company
1700 Lincoln St., Ste. 1800
Denver, CO 80203

Re: Federal 43-5 Well, Surface Location 401' FSL, 2394' FWL, NE SW, Sec. 5, T. 13 South, R. 15 East, Bottom Location 660' FSL, 1970' FEL, NW SE, Sec. 5, T. 13 South, R. 15 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31069.

Sincerely,

K. Michael Hebertson

for Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab District Office

Operator: Cimarex Energy Company

Well Name & Number Federal 43-5

API Number: 43-007-31069

Lease: UTU-076713

Surface Location:	NE SW	**Sec.** 5	**T.** 13 South	**R.** 15 East
Bottom Location:	NW SE	**Sec.** 5	**T.** 13 South	**R.** 15 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

March 7, 2007

Don Hamilton
Cimarex Energy Company
1700 Lincoln St. Ste 1800
Denver CO 80203

Re: APD Rescinded –Federal 43-5 Sec. 5 T. 13 R. 15E
Carbon County, Utah API No. 43-007-31069

Mr. Hamilton:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 31, 2006. On March 5, 2007, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 5, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Moab

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*