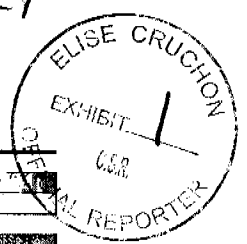


CD 14-41944-T

2



Authorization For Expenditure



7-28-14

| | |
|-------------------|--------------------------------|
| Cimarex Energy Co | Date Prepared June 30, 2014 |
|-------------------|--------------------------------|

| | | | | |
|----------|------------|-----------|---------------|----------------------------|
| Anadarko | Ford 1-211 | Cona Core | 350016-789.01 | Drilling AFE No. 264080 |
|----------|------------|-----------|---------------|----------------------------|

| | | | | | |
|----------------------------------|----------|----|------------|--------------|---|
| 210 FSL and 2485' FWL, 21-14N-9W | Canadian | OK | Oil Gas | Expl Prod | x |
|----------------------------------|----------|----|------------|--------------|---|

| | | | | |
|-----------------------|---|-----------------|--------------------|-------------|
| Original Estimate | x | Est. Comp Date | Formation | 16,420 |
| Revised Estimate | | August 15, 2014 | September 17, 2014 | Mississippi |
| Supplemental Estimate | | | | 11,280 |

Drill and complete a horizontal test. Drill to 1500', set surface casing. Drill to 9880', set intermediate casing. Drill to 10802' (KOP). Drill curve at 12 DLS build rate to +/- 11280' TVD and a +/- 4870' long lateral in the Miss formation. Run and cement production casing. Stage frac in 20 stages. Drill out plugs. Run production tubing. Flow to sales through new facility.

| Intangibles | Dry Hole Cost | After Casing Point | Completed Well Cost |
|-------------------------------|--------------------|--------------------|---------------------|
| Drilling Costs | \$3,119,000 | | \$3,119,000 |
| Completion Costs | | \$3,944,000 | \$3,944,000 |
| Total Intangible Costs | \$3,119,000 | \$3,944,000 | \$7,063,000 |

| Tangibles | | | |
|---------------------------------|------------------|------------------|--------------------|
| Well Equipment | \$494,000 | \$502,000 | \$996,000 |
| Lease Equipment | | \$235,000 | \$235,000 |
| Total Tangible Well Cost | \$494,000 | \$737,000 | \$1,231,000 |

| | | | |
|-----------------------|-----|-----|-----|
| Plug and Abandon Cost | \$0 | \$0 | \$0 |
|-----------------------|-----|-----|-----|

| | | | |
|------------------------|--------------------|--------------------|--------------------|
| Total Well Cost | \$3,613,000 | \$4,681,000 | \$8,294,000 |
|------------------------|--------------------|--------------------|--------------------|

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

☐ I elect to purchase my own well control insurance policy.

Well control insurance procured by Operator, provides, among other terms, for \$20,000,000 (100% W.I.) of Combined Single Limit coverage for well control and related redrilling and clean-up/pollution expense covering drilling (through completion) with a \$1,000,000 (100% W.I.) deductible.

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

☐ I elect to take my gas in kind.

☐ I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

Cimarex Energy Co. Approval

| | |
|---------------------------------|------------------|
| Drilling and Completion Manager | Regional Manager |
| Brad Cantrell | Randy Reynolds |

Joint Interest Approval

| | |
|----|------|
| By | Date |
| | |

6/19/2014 11:48 AM