7/13/06 DATE IN	SUSPEN	WILL TONES LOGGED IN 7/13/06 THE DHC APP NO. PTD30619453989
		ABOVE THIS LINE FOR DIVISION USE ONLY
		IEW MEXICO OIL CONSERVATION DIVISION
		- Engineering Bureau -
		1220 South St. Francis Drive, Santa Fe, NM 87505
		ADMINISTRATIVE APPLICATION CHECKLIST
		NDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applicatio [N:		: dard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
	[DHC-Dow	hole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
	[PC-Po	ol Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
		[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
	[EOR-Qua	fied Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1] TY		PLICATION - Check Those Which Apply for [A]
	[A]	Location - Spacing Unit - Simultaneous Dedication
	Check	One Only for [B] or [C]
	[B]	Commingling - Storage - Measurement
		K DHC CTB PLC PC OLS OLM
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
		WFX PMX SWD IPI EOR PPR
	[D]	Other: Specify
[2] NC	DTIFICAT	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply
	[A]	Working, Royalty or Overriding Royalty Interest Owners
	[B]	Offset Operators, Leaseholders or Surface Owner
	[C]	Application is One Which Requires Published Legal Notice
	[D]	Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
	[E]	For all of the above, Proof of Notification or Publication is Attached, and/or,
	[F]	Waivers are Attached
		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE TION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



Cimarex Energy Co.

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 Cimarex Energy Co. • A NYSE Listed Company • "XEC"

July 12, 2006

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July 12, 2006	2006
Oil Conservation Division	
1220 S. St. Francis Dr.	JUL
Santa Fe, New Mexico 87505	د ز
Attn: Mr. Will Jones	ယ
Re: Caudill West 8 Fee No. 2	Am
Section 8-15S-36E	Q
Lea County, NM	ъ
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Dear Mr. Jones:

Enclosed is an original form C-107A (Application for Downhole Commingling) for the referenced well. Cimarex recently drilled the Caudill West 8 Fee No. 2 to a depth of 12720,' logged, and ran 5-1/2" casing. Our analysis of the logs indicates 2 pay intervals: an Atoka interval from 11926' - 12218' and a Morrow interval from 12419' - 12429.' It is anticipated that the reservoir pressure from these two zones will be compatible and the resulting volumes would not warrant a tubing-casing dual completion.

In this regard, we plan to isolate each zone during completion and test sufficiently to compile a well test. After testing, we will remove all plugs and commingle the Atoka and Morrow. The well test will be used to establish the pools with the NMOCD and as the basis for allocation between the two pools.

All royalty, overriding royalty, and working interest owners are identical in the two zones, and will not be harmed by an Atoka/Morrow commingling.

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact me at 972-443-6489.

Yours truly,

ZonoFanny

Zeno Farris Manager, Operations Administration

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240 State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT IV

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WELL LOCATION AND ACREACE DEDICATION PLAT

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Form C-102 Revised JUNE 10, 2003 OIL CONSERVATION DIVISION Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

8 Section Joint or N	Township 15-S Township Infill Cor	9623 Range 36E Bottom Range Isolidation	CAUI CIMARE Lot Idn Hole Loc Lot Idn Sode Ord	Property Na DILL WEST Operator Na EX ENERGY Surface Lo Feet from the 1250 eation If Diff Feet from the der No.	"8" FEE me COMPANY cation North/South line NORTH ferent From Sur North/South line	Feet from the 660 face Feet from the RESTS HAVE BE	Well Num 2 Elevatio 3926 East/West line EAST East/West line	 n
le Section 8 Section Joint or N	Township 15-S Township Infill Cor	Range 36-E Bottom Range Insolidation C	CAUI CIMARE Lot Idn Hole Loc Lot Idn Sode Ord	Property Na DILL WEST Operator Na EX ENERGY Surface Lo Feet from the 1250 Peet from the Feet from the der No.	me "8" FEE me COMPANY cation North/South line NORTH ferent From Sur North/South line	Feet from the 660 face Feet from the RESTS HAVE BE	2 Elevatio 3926 East/West line EAST East/West line	5 County LEA
Section 7 8 Section 7 Joint or N	15-S Township Infill Con	36-E Bottom Range Insolidation C	CIMARE Lot Idn Hole Loc Lot Idn Code Ord	OILL WEST Operator Na EX ENERGY Surface Lo Feet from the 1250 ation If Diff Feet from the der No.	"8" FEE me COMPANY cation North/South line NORTH ferent From Sur North/South line	660 face Feet from the RESTS HAVE BE	2 Elevatio 3926 East/West line EAST East/West line	5 County LEA
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	L	NAD 27 Y=7420 X=8107 AT.=33*02	7 NME 12.7 N 261.1 E 2'08.64" N	 /		on this plat w actual surveys supervison as correct to th FEBR Date Surveys Signature & Professional	as plotted from fiel made by me or ad that the same is be best of my belia UARY 14, 200 administration Scale of Sittroyor 244 Control of the 244 C	d notes of under my s true and of.
_			NAD 27 Y=7420 X=8107 LAT.=33*02	GEODETIC COORDINATE NAD 27 NME Y=742012.7 N X=810761.1 E LAT.=33*02'08.64" N	GEODETIC COORDINATES NAD 27 NME Y=742012.7 N	GEODETIC COORDINATES NAD 27 NME Y=742012.7 N X=810761.1 E LAT.=33'02'08.64" N	Geodetic coordinates Image: Coordinates Geodetic coordinates Marcon NAD 27 NME Supervisen Y=742012.7 N Supervisen X=810761.1 E FEBR LAT.=33'02'08.64" N FEBR LONG.=103'19'09.55" W Signature 4 Certurficate. N Certurficate. N	Geoderic Caudill Nest 8 Fee #2 Dest of my knowledge and belief. Caudill Nest 8 Fee #2 Zeno Farris Printed Name Mgr Operations Adminite July 12, 2006 Date SURVEYOR CERTIFICA SURVEYOR CERTIFICA SURVEYOR CERTIFICA I hareby certify that the well local on this plat was plotted from field on this plat was plotted from field correct to the best of my belief. V=742012.7 N X=810761.1 E LAT.=33'02'08.64" N FEBRUARY 14, 200 LONG.=103'19'09.55" W Signature & Seal of Professional. Surveyor

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

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 JUNE 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

County

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

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT IV O D OT POINTE DD SANTA PP ND 97505

DISTRICT II

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505	WELL LUCATION AND	ACREAGE DEDICATIO	IN PLAI	□ AMENDED REPORT
API Number	Pool Code	1 v C	Pool Name	
30-025-37471	96664>>	Austin; Morrow,	SH (Gas)	
Property Code		erty Name		Well Number
34847	CAUDILL V	VEST "8" FEE		2
OGRID No.		ator Name		Elevation
215099	CIMAREX EN	ERGY COMPANY		3926'
	Surfa	ce Location		

North/South line Feet from the East/West line UL or lot No. Section Township Range Lot Idn Feet from the Α 8 15-S 36-E 1250 NORTH 660 EAST

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
Dedicated Acres	Joint or	Infill Co	nsolidation (Code Or	der No.				
320	N IN								

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

		1250'	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.
	Caudill West	8 Fee #2	Zene Farris Signature Zeno Farris Printed Name Mgr Operations Admin Title July 12, 2006 Date
1			SURVEYOR CERTIFICATION
	GEODETIC COORDINATES NAD 27 NME Y=742012.7 N X=810761.1 E		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 supervison and that the same is true and correct to the best of my belief.
	LAT.=33°02'08.64" N LONG.=103°19'09.55" W		FEBRUARY 14, 2006 Date Surveyed Signature & Seal of Professional Surveyor Dary halon 2/20/06 Q6.110332 Certificate No. GARY BIDSON 12841

District I 1625 N. Frandh Dr

NM 88240

District II 1301 W Grand Aver a. NM 88210

District III c, NM 87410

LORO Rio Bra

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised June 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE X Single Well Establish Pre-Approved Pools EXISTING WELLBORE <u>X</u> Yes <u>No</u>

APPLICATION FOR DOWNHOLE COMMINGLING

Cimarex Energy Co.		P.O Box 1	40907 Irving, Tx 75014-09	07
Operator		Address	DILC- 37	4h
Caudill West 8 Fee	002	A-8-15S-36E	リモン	Lea
Lease	Well No.	Unit Letter-Section-To	wnship-Range	County
OGRID No.215099	Property Code 34847	API No.30-025-37471	Lease Type:	FederalState X Fee

DATA ELEMENT	UPPER ZONE		INTEF	RMEDIATE	ZONE	LOWER		
Pool Name	Caudill; Atoka (Gas)					Austin; Morrow,	SW (Gas)	
Pool Code	96231					9660 960	70	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11926' - 12218'					12419' - 12429'		
Method of Production (Flowing or Artificial Lift)	Flowing					Flowing		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)						Within 150% of	11926'	
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1.580 est.	<u>-</u>				1.170 est.		
Producing, Shut-In or New Zone	Waiting on completion					Waiting on con	pletion	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: To be supplied Rates: after testing		Date: Rates:			Date: To be supp Rates: after testin		
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas %	%	Oil	Gas %	%	Oil %	Gas	%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes Yes	<u></u>	No No	<u></u>
Are all produced fluids from all commingled zones compatible with each other?	Yes	<u>X</u>	No	
Will commingling decrease the value of production?	Yes		No	X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	Yes		No	x
NMOCD Reference Case No. applicable to this well:				

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE 201	o Fanis	TITL
TYPE OF PRINT NAME	Zeno Farris	

E Manager Operations, Administration DATE07-12-06

TYPE	OR	PRINT	NAME	Zeno	Farris

E-MAIL ADDRESS zfarris@cimarex.com

TELEPHONE NO. (972) 443-6489