

DATE IN <u>11.18.10</u>	SUSPENSE	ENGINEER <u>DKB.</u>	LOGGED IN <u>11.18.10</u>	TYPE <u>DHC</u>	APP NO. <u>1032257397</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Cimarex, 12683

Mar. 1 Perm. Fed. #1

ADMINISTRATIVE APPLICATION CHECKLIST *30-015-33457*

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool 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-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

4335

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION 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

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION 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.

Zeno Farris
 Print or Type Name

Zeno Farris
 Signature

Mgr Operations Admin
 Title

11/17/2010
 Date

zfarris@cimarex.com
 e-mail Address

600 N. Mariefeld St
Suite 600
Midland, TX 79701
432-620-1938 (phone)
432-620-1938 (fax)

Cimarex Energy Co. of Colorado

November 17, 2010

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505
Attn: Mr. Will V. Jones

RE: Marquardt 1 Penn Federal No. 1
12-25S-26E
30-015-33457
C-107-A – Wolfcamp and Cisco-Canyon

RECEIVED OGD
2010 NOV 18 A 11:16

Dear Mr. Jones,

Enclosed is an original Form C-107-A (Application for Downhole Commingling) for the well mentioned above.

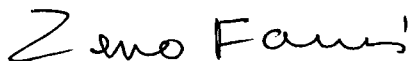
Cimarex proposes perf and acidize the Cisco 10013-10206'. Perf and acidize the Wolfcamp 9193-9744'. Allocation percentages for each zone will be based on production log and furnished after production and cleanup.

It is anticipated that the reservoir pressure from these two shale zones will be compatible and the resulting volumes would not warrant a casing/tubing dual completion.

Royalty, overriding, and working interest owners are the same in each zone.

If you have any questions or need further information, please call me at 432-620-1938.

Sincerely,



Zeno Farris
Mgr Operations Administration

zfarris@cimarex.com

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV

P.O. BOX 2068, SANTA FE, N.M. 87504-2068

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33457	Pool Code 87280	Pool Name White City; Penn (G)
Property Code 34056	Property Name MARQUARDT 1 PENN FEDERAL	Well Number 1
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3322'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	1	25 S	26 E		2100	SOUTH	1850	EAST	EDDY

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 640.48	Joint or Infill	Consolidation Code	Order No.						

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

<div data-bbox="89 945 1096 1921"> <p>LOT 4 LOT 3 LOT 2 LOT 1</p> <p>NM-14124</p> <p>NAD 27 NME GEODETIC COORDINATES</p> <p>Y-421002.5-N X-528007.2-E LAT.= 32°09'26.71" N LONG.= 104°14'34.19" W</p> <p>3320.3' 3324.4'</p> <p>600'</p> <p>500'</p> <p>3308.6' 3315.8'</p> <p>1850'</p> <p>2100'</p> <p>Marquardt 1 Penn Federal No. 1</p> </div>	<div data-bbox="1112 945 1550 1921"> <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Natalie Krueger</i> Signature</p> <p>Natalie Krueger Printed Name</p> <p>Regulatory Title</p> <p>11/17/2010 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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 supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 26, 2004</p> <p>Date Surveyed LMP</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Gary Hudson</i> 2/2/04</p> <p>04.11.0010</p> <p>Certificate No. GARY HUDSON 12841</p> </div>
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DISTRICT I

P.O. Box-1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer 80, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2089, SANTA FE, N.M. 87504-2089

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33457	Pool Code 87285	Pool Name White City; Wolfcamp
Property Code 34056	Property Name MARQUARDT 1 PENN FEDERAL	Well Number 1
OGRIID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3322'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	1	25 S	26 E		2100	SOUTH	1850	EAST	EDDY

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 320	Joint or Infill	Consolidation Code	Order No.
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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

LOT 4	LOT 3	LOT 2	LOT 1
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NAD 27 NME
GEODETIC COORDINATES
Y-421002.5-N
X-528007.2-E
LAT.= 32°09'26.71" N
LONG.= 104°14'34.19" W

NM-14124

3320.3' 3324.4' 600' 1850' 3308.6' 3315.8' 2100'

Marquardt 1 Penn Federal No. 1

OPERATOR CERTIFICATION

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

Natalie Krueger
Signature

Natalie Krueger
Printed Name

Regulatory
Title

11/17/2010
Date

SURVEYOR CERTIFICATION

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 supervision and that the same is true and correct to the best of my belief.

JANUARY 26, 2004

Date Surveyed LMP

Signature & Seal of Professional Surveyor

Gary H. Edson 2/2/04

04.11.0010

Certificate No. GARY EDSON 12841

Confirmation Services	Package ID: 9171082133393803871322	E-CERTIFIED
	Destination ZIP Code: 88220	1ST CLASS LETTER
	Customer Reference:	
	Recipient: <u>Bureau of Land Mgmt.</u>	PBP Account #: 35644897
	Address: <u>620 E. Greene St.</u>	Serial #: 3132785
	<u>Carlsbad, NM 88220</u>	NOV 17 2010 3:24P

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
 X Single Well
 Finish Pre-Approved Pools
 EXISTING WELLBORE
 Yes X No

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

APPLICATION FOR DOWNHOLE COMMINGLING

Marquardt 1 Penn Federal	001	J-1-25S-26E	Eddy
Lease	Well No.	Unit Letter-Section-Township-Range	County

OGRID No. 162683 Property Code 34056 API No. 30-015-33457 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	White City; Wolfcamp		White City; Penn (G) (Cisco)
Pool Code	87285		87280
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9193-9744		10013-10206
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 bottom perfs		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	To be supplied		To be supplied
Producing, Shut-In or New Zone	New Zone		New Zone
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:	Date: Rates:	Date: To be supplied Rates:
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 produced fluids from all commingled zones compatible with each other? Yes X 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 ☒ X No ☐

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 Zeno K. Jones TITLE Manager Operations Administration DATE 11/17/2010

TYPE OR PRINT NAME Zeno Farris TELEPHONE NO. (432)-680-1938

E-MAIL ADDRESS zfarris@cimarex.com