# CONCLUSIONS
# FOR
# CIMAREX SWD
# CASE 14752

## SATISFIES NMOCD C-108 REQUIREMENTS

(1) That the proposed SWD well will be re-entered, cased and cemented such that it is adequate for use as a SWD well for injection into the Pennsylvanian Canyon formation.

(2) That the wells within ½ mile Area of Review of this SWD well are adequately cased and cemented across and above and below the injection interval such that they will not be "problem" wells.

(3) That the Pennsylvanian Canyon interval is not productive of hydrocarbons within the ½ mile radius of this SWD well and injection into this interval will not adversely affect the recovery of hydrocarbons.

(4) That the Top and Bottom of the Pennsylvanian Canyon interval are adequate to contain the injected fluids such that it will not escape into other formations or into fresh-water sands or onto the surface.

(5) That the proposed surface injection pressure will not result in migration of the injected fluids from the injector interval.

## BENEFITS FOR CIMAREX

(6) Currently Cimarex has two wells in the Yeso Formation that are producing approximately 1,200 barrels of water per day and 300 barrels of oil per day.

(7) Approval of this application will provide an opportunity to economically recovery an estimated 31 MMCFE additional hydrocarbon reserves that otherwise might not be recovered.

(8) Approval of this application will provide an opportunity to economically recovery additional oil that otherwise would not be recovered by providing for the disposal of produced water from Cimarex's wells in the Yeso Formation

## NO RISK TO NEARBURG

(9) We are posing no risk to the Nearburg's wells:

a. The bulk of the injection water will be in part of Sec 7 where Nearburg has already drilled, completed, produced and plugged two Pennsylvanian Morrow wells,

b. Cimarex SWD is structurally and stratigraphically distinct from the Dagger Draw-Cisco oil production,

c. Because of Canyon formation testing in the proposed SWD and other wells in the greater area it is recognized that the Canyon is not locally hydrocarbon productive,

d. The OCD maximum surface injection pressure at the Cimarex injection well will limit the pressure increase at any producing well,

e. It will take an estimated 45 years for the Cimarex injected water interval to volumetrically reach beyond the Area of Review.

## OTHER GENERAL CONCLUSIONS

(10) That the injection interval is not productive of hydrocarbons within the ½ mile radius of this SWD well.

(11) Injection into this interval will not adversely affect the recovery of hydrocarbons.

(12) The top and bottom of the Canyon interval will adequately contain the injected fluids such that it will not escape into other formations, or into fresh-water sands, or onto the surface.

(13) The proposed surface injection pressure will not result in migration of the injected fluids from the injector interval to any producing well beyond the control of Cimarex.

(14) Approval of this application will provide an opportunity to economically recovery an estimated 31 MMCFE additional hydrocarbon reserves that otherwise might not be recovered.