

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-109
Revised June 10, 2003

Instructions on
Reverse Side

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.

If discovery is claimed for more than one zone, separate forms must be filed for each.

Operator Cimarex Energy Co. of Colorado		Address P.O. Box 140907, Irving TX 75014-0907	
Lease Name Keely 26 Federal		Well No. 1	County Lea
Well Location Unit Letter <u>G</u> : <u>1980</u> Feet from The <u>North</u> Line and <u>1550</u> Feet From the <u>East</u> Line of Section <u>26</u> Township <u>17S</u> Range <u>29E</u> NMPM			
Suggested Pool Names (List in order of Preference) 1. Loco Hills; Wolfcamp, Northeast 2. 3.			
Name of Producing Formation Wolfcamp		Perforations 9078' - 9188'	Depth of Top Perf from GL 9078'
Date of Filing Form C-104 3-21-07			
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? Yes		If yes, Give Date of Filing 3-13-07	Date Well was Spudded 9-2-06
Date Compl. Ready to Prod. 11-17-06			
Total Depth 11225'	Plugged Back Depth 11136'	Depth Casing Shoe 11225'	Tubing Depth 9044'
Elevation (Gr., DF, RKB, RT, etc.) 3576' GR			
Oil Well Potential (Test to be taken only after all load oil has been recovered) <u>268</u> Bbls, Oil Per Day Based On <u>268</u> Bbls In <u>24</u> Hours; <u>22</u> Bbls Water Per Day Based on <u>22</u> Bbls In <u>24</u> Hours; Gas Production During Test: <u>1535</u> MCF; Ratio <u>5728</u> Producing Flowing Choke Size <u>10/64</u>			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Grayburg Jackson SR-Q-G-SA	Name of Producing Formation San Andres	Top of Pay 2478'	Bottom of Pay 2492'	Currently Producing? No/Injection well
Horizontal Distance and Direction from Subject Discovery Well to the Nearest well in this Pool 430' to the West		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 6586' to bottom perf		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production for this pay or formation only):

Pool Name Wildcat Cisco	Top of Pay 9185'	Bottom of Pay 9215'	Currently Producing No/PA in 2-87
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 4206' to the southeast Jackson Federal No. 1			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
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Is the Subject Well Multiple Completion? Yes Morrow behind RBP At 10820' w 15' sand	Is Discovery Allowable Requested for Other Zone(s)? No	If Yes, Name all Such Formations
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(Continue on reverse side)

Oil Conservation Division
Case No. 9
Exhibit No. 9

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (*Attach additional sheet if necessary*)

NAME	ADDRESS

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Division of such intent in writing within ten days after receiving a copy of this application.

Remarks:

OPERATOR CERTIFICATION

I hereby certify the all rules and regulations of the New Mexico Oil Conservation Division have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well, I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

Zeno Farris

Signature

Manager Operations Administration

Title

April 11, 2007

Date

Zeno Farris

Printed Name

972-443-6489

Telephone No.

zfarris@cimarex.com

E-mail Address

INSTRUCTIONS: File two copies of Form C-109 with attachments with appropriate district office and one copy with attachments with the Santa Fe Office.

Attachments: (See Rule 509 for details)

- 1) Map showing all wells within a two-mile radius of discovery well.
- 2) Electrical log with tops and bottoms of producing formations marked.
- 3) A sub-surface structure map if application is based on horizontal separation.
- 4) Geological cross-section.
- 5) Summary of reservoir data.
- 6) Evidence that all operators (listed above) owning leases within one mile of this well have been furnished a copy of this application.