

DATE IN 7/1/11	SUSPENSE	ENGINEER WJS	LOGGED IN 7/1/11	TYPE DHC 4417	APP NO FUNK 1118248548
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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



ADMINISTRATIVE APPLICATION CHECKLIST

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]**

- [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.

<u>Zeno Farris</u> Print or Type Name	<u>Zeno Farris</u> Signature	<u>Mgr Operations Admin</u> Title	<u>4/28/10</u> Date
		<u>zfarris@cimarex.com</u> e-mail Address	

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Grande Road, Artesia, NM 87410

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
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Cimarex Energy Co. of Colorado Address 600 N. Marienfeld St., Ste. 600; Midland, TX 79701

Lease Ozley 25 Federal Well No. 001 Unit Letter-Section-Township-Range P-25-24S-25E County Eddy

OGRID No. 162683 Property Code 36137 API No. 30-015-34684 Lease Type: Federal State Fee

DAG-4417

DATA ELEMENT	UPPER ZONE <i>S</i>	INTERMEDIATE ZONE	LOWER ZONE <i>UNDE</i>
Pool Name	<i>WC</i> Black River; Wolfcamp, NW, G		Walnut Canyon; Upper Penn, G (Cisco)
Pool Code			97566
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9020-9471		9990-10170
Method of Production (Flowing or Artificial Lift)	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 perms		
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

UNDE
WC
Black River

Based on Letter

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 No

Are all produced fluids from all commingled zones compatible with each other?
Yes No

Will commingling decrease the value of production?
Yes No

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

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 Farris TITLE Manager Operations Administration DATE April 28, 2010

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

E-MAIL ADDRESS zfarris@cimarex.com

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34684	Pool Code 97566	Pool Name Walnut Canyon; Upper Penn (Gas)
Property Code	Property Name OZLEY "25" FEDERAL	Well Number 1
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3504'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	24 S	25 E		330	SOUTH	150	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
P	25	24 S	25 E		892	SOUTH	974	EAST	EDDY

Dedicated Acrey 320	Joint or Infill	Consolidation Code	Order No. NSL-5679
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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

<p>SHL 330' FSL & 150' FEL ←</p> <p>Penetration Point CC: ← 644' FSL & 606' FEL</p> <p>BHL 892' FSL & 974' FEL ←</p> <p>SURFACE LOC. Lat - N32°10'54.8" Long - W104°20'28.9" NMSPC - N 429906.725 (NAD 83) E 538856.667</p>	<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>Zeno Farris</i> Signature</p> <p>Zeno Farris Printed Name</p> <p>Mgr Operations Admin Title</p> <p>08-08-07 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>DECEMBER 20, 2005 Date Surveyed</p> <p>Signature & Seal of Professional Surveyor <i>[Signature]</i></p> <p>W.O. No. 6085 No. Gory L Jones 7977 BASIN SURVEYS</p>

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
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OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34684	Pool Code	Pool Name Black River; Wolfcamp, NW (Gas)
Property Code	Property Name OZLEY "25" FEDERAL	Well Number 1
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3504'

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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
P	25	24 S	25 E		892	SOUTH	974	EAST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No. NSL-5679 (to be amended to include Wolfcamp)
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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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein to true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i> Signature</p> <p>Zeno Farris Printed Name</p> <p>Mgr Operations Admin Title</p> <p>08-08-07 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>DECEMBER 20, 2005 Date Surveyed</p> <p>Signature & Seal of Professional Surveyor <i>[Signature]</i></p> <p>W.O. No. 6085 No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

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

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Cimarex Energy Co. of Colorado

April 29, 2010

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

RE: Ozley 25 Federal No. 1
30-015-34684
C-107-A – Wolfcamp and Cisco-Canyon

Dear Mr. Jones,

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

This well is currently producing from Cisco perfs @ 9990-10170'.

Cimarex proposes perf and acidize the Cisco 9990-10170'. Perf and acidize the Wolfcamp 9020-9471' in 3 stages. Allocation percentages for each zone will be based on production log.

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 royalty, and working interest owners are the same in each zone. Attached is proof of notice to BLM and SLO.

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

Sincerely,



Zeno Farris
Mgr Operations Administration

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zfarris@cimarex.com

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Confirmation Services	Package ID: 9171082133393773219841	ERETURNREC
	Destination ZIP Code: 87504	1ST CLASS LETTER
	Customer Reference:	
	New Mexico State Land Office	PBP Account #: 35644897
	310 Old Santa Fe Trail	Serial #: 3132785
Santa Fe, NM 87504	APR 29 2010 11:06A	
Attn: Jeff Albers		

Confirmation Services	Package ID: 9171082133393773219858	ERETURNREC
	Destination ZIP Code: 88220	1ST CLASS LETTER
	Customer Reference:	
	Bureau of Land Management	PBP Account #: 35644897
	620 E. Greene St.	Serial #: 3132785
Carlsbad, NM 88220	APR 29 2010 11:06A	

Ozley 25 Federal No. 1

25-24S-25E

Walnut Canyon; Upper Penn, Gas & Black River; Wolfcamp, NW
Eddy County, NM



RE: Application to Downhole Commingle Wolfcamp and Cisco

Notification:

**New Mexico State Land
Office**
310 Old Santa Fe Trail
Santa Fe, NM 87504
Attn: Mr. Jeff Albers

Bureau of Land Management
620 East Greene St.
Carlsbad, NM 88220