

RECEIVED: 6/08/2018	REVIEWER: M Am	TYPE: DC-1321	APP NO: P4421
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: Cimarex Energy Co.	OGRID Number: 215099
Well Name: Canyonlands 2 State Com 1H & 2H	API: 30-025-44724/ 30-025-44723
Pool: Red Hills; Bone Spring, North/ Antelope Ridge; Wolfcamp	Pool Code: 96434/ 2220

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
- ☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
- ☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
- ☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

FOR OCD ONLY

- ☐ Notice Complete
- ☐ Application
Content
Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. ☐ Offset operators or lease holders
- B. ☐ Royalty, overriding royalty owners, revenue owners
- C. ☐ Application requires published notice
- D. ☒ Notification and/or concurrent approval by SLO
- E. ☐ Notification and/or concurrent approval by BLM
- F. ☐ Surface owner
- G. ☐ For all of the above, proof of notification or publication is attached, and/or,
- H. ☐ No notice required
- 3) **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.

Fatima Vasquez

Print or Type Name

Signature

6/4/2018

Date

432-620-1933

Phone Number

fvasquez@cimarex.com

e-mail Address

APPLICATION FOR SURFACE POOL COMMINGLING

Cimarex Energy Co. respectfully requests approval to surface pool commingle oil & gas from the following wells:

	API#	Well Name	Well #	Location	Pool Code /Name	Status	Gravities	Gas BTU/MCF PD
1.	30-025-44724	Canyonlands 2 State Com	1H	P-02-24S-34E	Red Hills; Bone Spring, North (96434)	Permitted	*50	*2569/cft
2.	30-025-44723	Canyonlands 2 State Com	2H	P-02-24S-34E	Antelope Ridge; Wolfcamp (2220)	Permitted	*50	*2569/cft

*projected, pending completion

General Information:

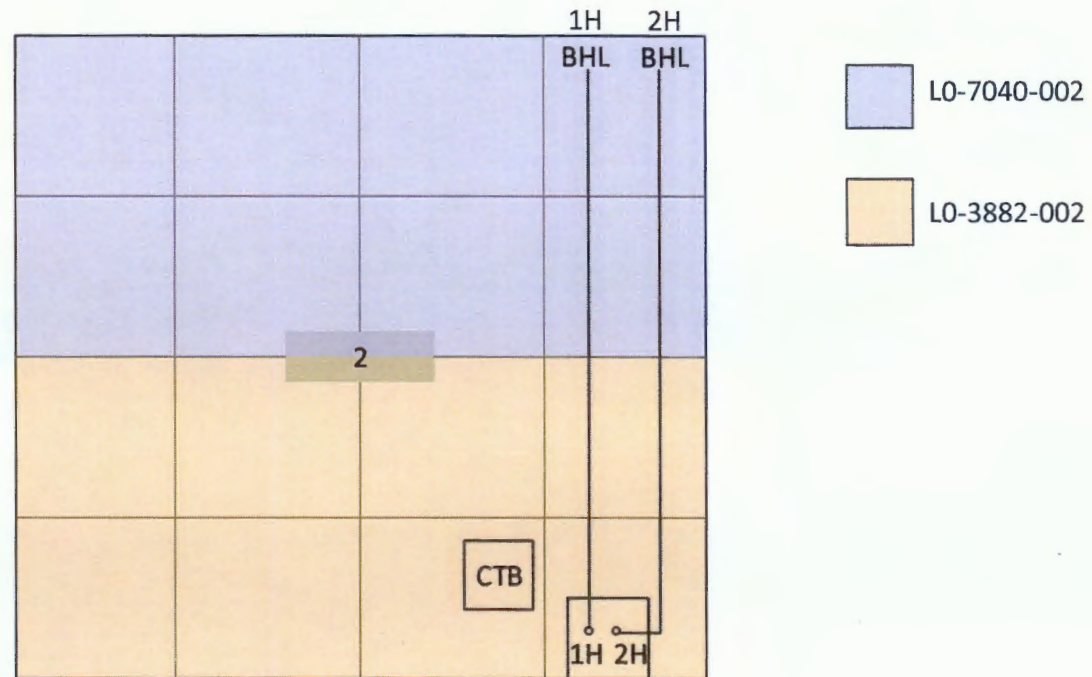
- State lease numbers L0 -3882-0002 & L0 -7040-0002 covers 640.16 acres, being all of Section 2 in Township 24 South, Range 34 East, Lea County, New Mexico.
- The central tank battery to service the subject wells is located in the SWSE of section 2-24S-34E.
- Ownership is identical in each of the subject wells.
- An application to commingle production from the subject wells is being submitted to the NMSLO and the NMOCD.
- Enclosed is (1) a map that displays the lease, the location of the subject wells, and the proposed CTB, (2) a process flow diagram, (3) and the C-102 plat for each of the wells.

Process and Flow Descriptions:

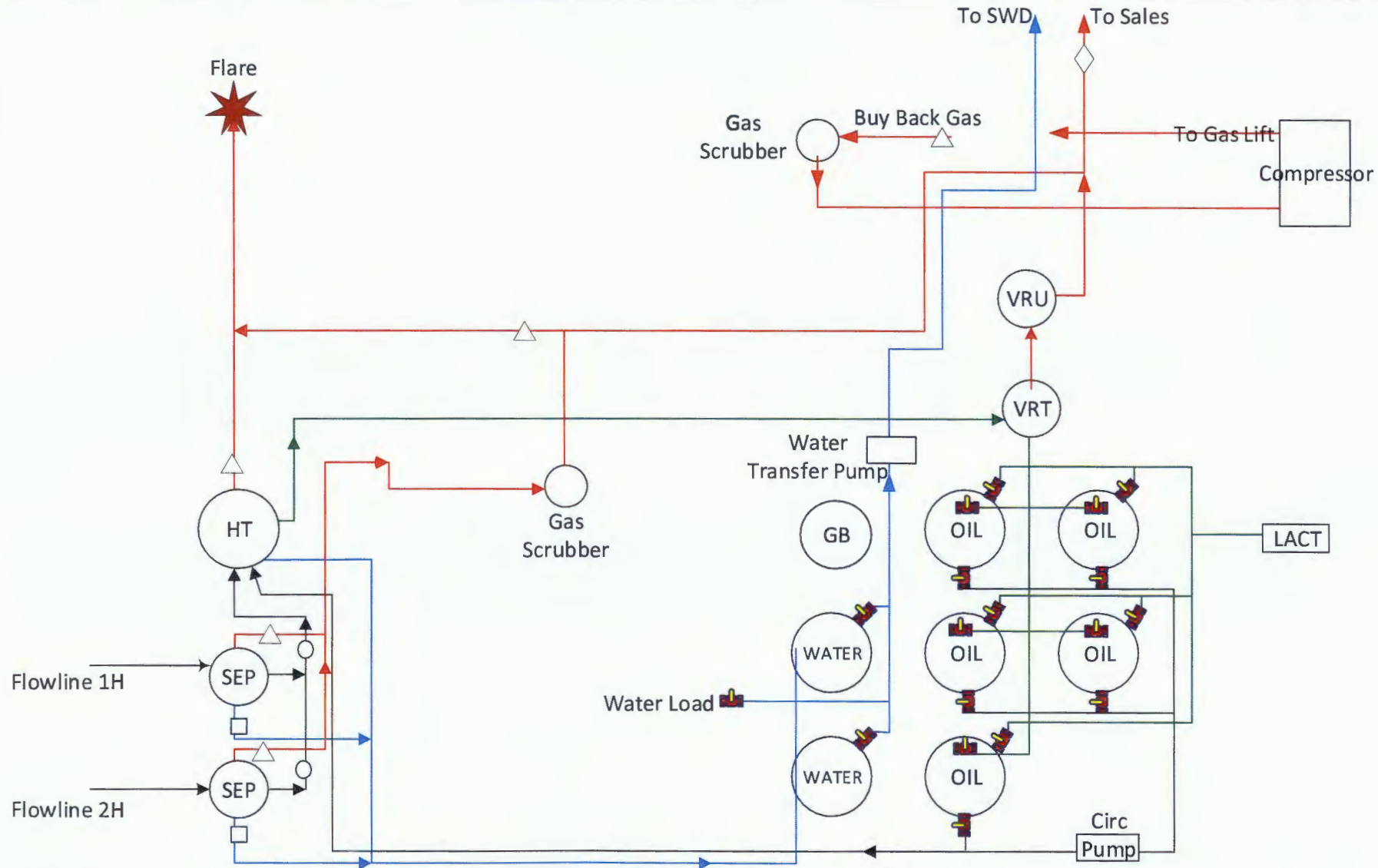
The Canyonlands central tank battery has oil tanks on location for storage and sales. Gas from the well will flow to a common gas sales meter.

Production from the wells will flow to their respective header located at the central tank battery. The header is configured to allow each wells production to flow to an individual 3-phase separator and then to a Coriolis meter where oil production is measured. Oil production will be allocated daily back to each well using the measured volume from the Coriolis meter. Gas production will flow through a dedicated gas line for each well and then to a total flow EFM gas allocation meter where gas production is measured. Gas production will be allocated daily back to each well using the measured volume from the EFM gas meter. Water production will flow through the 3-phase separator and then to a turbine meter where the production is measured for each well. Water production will be allocated daily back to the well using the measured volume from the turbine meter.

Canyonlands 2 State Com 1H
Canyonlands 2 State Com 2H
Sec 2, 24S, 34E, Lea County NM
Well Layout and CTB Location



Site Facility Diagram



Canyonlands 2 State Com 1H
30-025-44724
Sec 2-24S-34E
Lea County NM

Canyonlands 2 State Com 2H
30-025-44723
Sec 2-24S-34E
Lea County NM

LEGEND

- Coriolis Meter
- △ Orifice Meter
- Turbine Meter
- ◇ Custody Transfer Orifice Meter



APPLICATION FOR COMMINGLING AT A COMMON TANK BATTERY

Proposal for Canyonlands 2 State Com CTB:

Cimarex Energy Co. is requesting approval to commingle the following wells in a common central tank battery:

Well Name	API#	Oil BPD	Gravities	MCFPD	BTU
Canyonlands 2 State Com #1H	30-025-44724	*2000	*50	*2000	*1.2845
Canyonlands 2 State Com #2H	30-025-44723	*2000	*50	*2000	*1.2845

*Estimated numbers for these wells; will provide actual numbers once these wells are producing.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APL Number 30-025-14724	² Pool Code 96434	³ Pool Name Red Hills; Bone Spring, North
⁴ Property Code	⁵ Property Name CANYONLANDS 2 STATE COM	⁶ Well Number 1H
⁷ OGRID No. 215099	⁸ Operator Name CIMAREX ENERGY CO.	⁹ Elevation 3426.3'

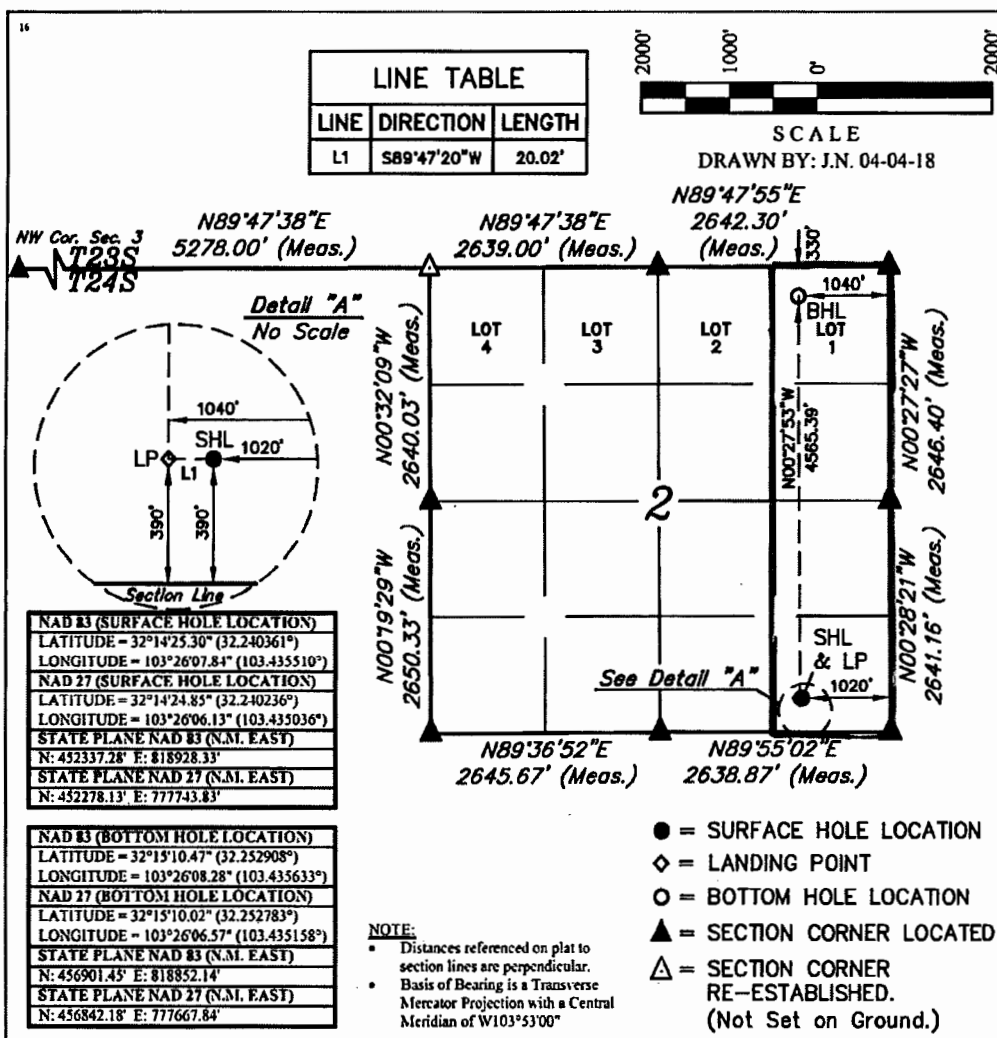
"Surface Location

UL or lot no. P	Section 2	Township 24S	Range 34E	Lot Idn	Feet from the 390	North/South line SOUTH	Feet from the 1020	East/West line EAST	County LEA
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"Bottom Hole Location If Different From Surface

UL or lot no. 1	Section 2	Township 24S	Range 34E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 1040	East/West line EAST	County LEA
¹² Dedicated Acres 160.02		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.



"OPERATOR
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date 4/23/2018

Fatima Vasquez

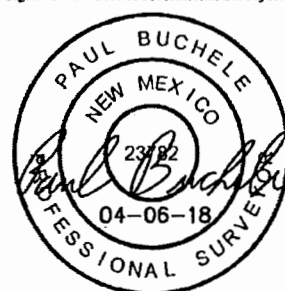
Printed Name
fvasquez@cimarex.com
E-mail Address

"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.

April 03, 2018

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
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1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025- ¹ API Number 47723	2220 ² Pool Code	Antelope Ridge; Wolfcamp ³ Pool Name
⁴ Property Code	⁵ Property Name CANYONLANDS 2 STATE COM	⁶ Well Number 2H
⁷ GRID No. 215099	⁸ Operator Name CIMAREX ENERGY CO.	⁹ Elevation 3425.9'

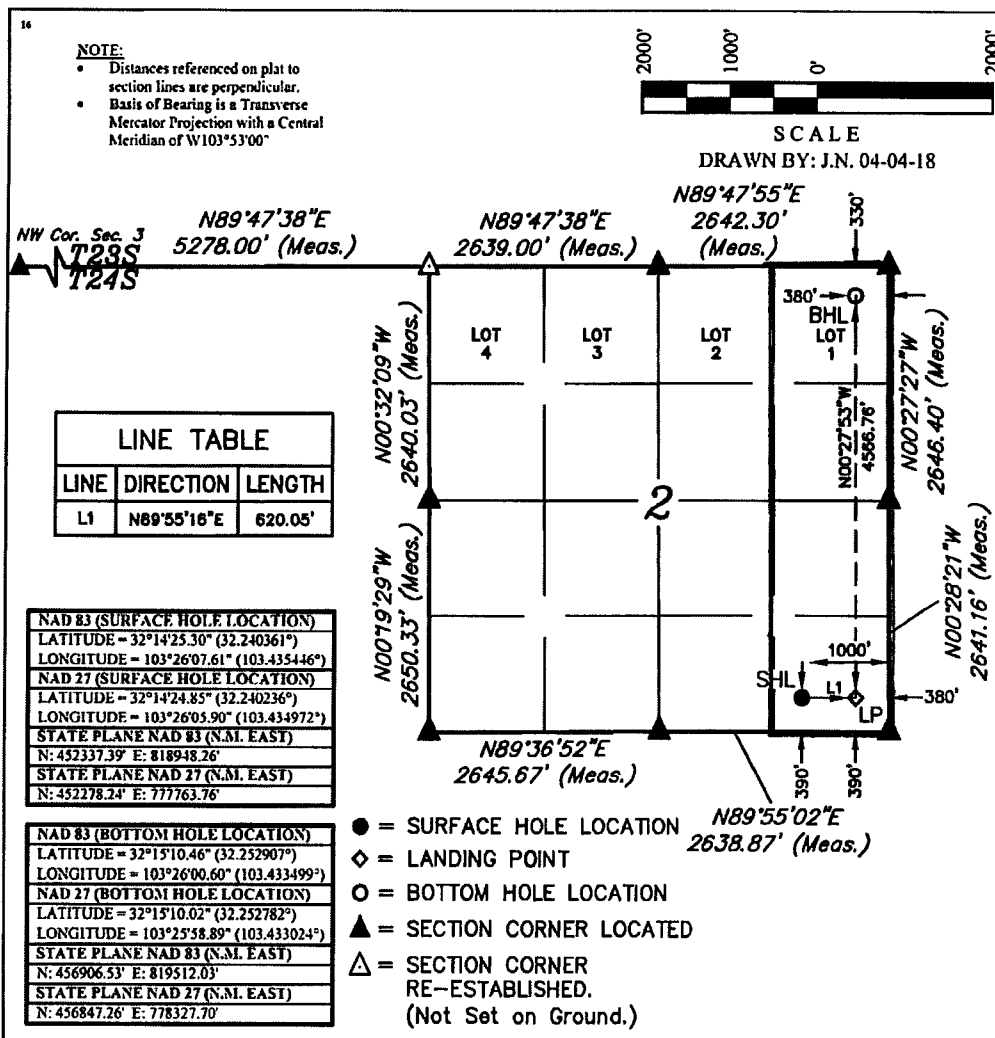
"Surface Location

UL or lot no. P	Section 2	Township 24S	Range 34E	Lot Idn	Feet from the 390	North/South line SOUTH	Feet from the 1000	East/West line EAST	County LEA
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"Bottom Hole Location If Different From Surface

UL or lot no. 1	Section 2	Township 24S	Range 34E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 380	East/West line EAST	County LEA
¹¹ Dedicated Acres 160.02		¹² Joint or Infill		¹³ Consolidation Code		¹⁴ 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.



"OPERATOR
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date 04/23/2018

Fatima Vasquez

Printed Name

fvasquez@cimarex.com

E-mail Address

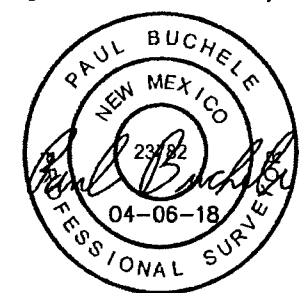
"SURVEYOR
CERTIFICATION

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.

April 03, 2018

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:



CIMAREX ENERGY COMPANY
600 N. Marienfeld Street
Suite 600
Midland, TX 79701

5/29/2018

Attn: State of New Mexico Oil Conservation Division

Subject: Surface Pool Commingling Application

To whom it may concern:

This letter serves to notice you that the ownership of the following wells is identical in working, royalty and overriding royalty interest and percentages.

API	WELL NAME	#	LOCATION	POOL	STATUS
30-025-44724	Canyonlands 2 State Com	1H	P-2-24S-34E	(96434) Red Hills; Bone Spring, North	Permitted
30-025-44723	Canyonlands 2 State Com	2H	P-2-24S-34E	(2220) Antelope Ridge; Wolfcamp	Permitted

I certify that this information is true and correct to the best of my knowledge.

Thank you!

Cody Elliott
Landman
celliot@cimarex.com

A handwritten signature in black ink, appearing to be "CE" followed by a stylized flourish.