2/16/2017 DATE IN	SUSPENSE	MAM ENGINEER	2/16/2017 LOGGED IN	DHC TYPE	PMAM1704735264 APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

Suspended 2-16-2017 (1) Incomplete C-107 (2) Incomplete App (3) no pool designation

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]

DHC-4807

CK 7 Federal 1 – 30015-33420
Cimarex Energy Co. of Colorado – 162683
Pool:
New – Wildcat Cisco Canyon
98220-Purple Sage; Wolfcamp (Gas)

[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 ____________________

RECEIVED OCD 2017 FEB 16

[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.

Terri Stathem	[signature]	Regulatory	2-13-17
Print or Type Name	Signature	Title	Date

tstathem@Cimarex.com
e-mail Address

Cimarex Energy Co.
202 S. Cheyenne Ave.
Suite 1000
Tulsa, Oklahoma 74103-4346
PHONE: 918.585.1100
FAX: 918.585.1133

CIMAREX

Michael McMillian
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: CK 7 Federal 1
API 30-015-33420
Section 7, Township 24 South, Range 26 East, N.M.P.M.
Eddy County, New Mexico.

Dear Mr. McMillian:

The CK 7 Federal 2 well is located in the E/2 of Sec. 7, 24S, 26E, Eddy County NM. Ownership in the E/2 of Section 7-24S-26E is identical.

Sincerely,

Caitlin Pierce

Caitlin Pierce
Production Landman
cpierce@cimarex.com
Direct: 432-571-7862

District I
1625 N. French Drive, 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 Department

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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
__X__ Single Well
____ Establish Pre-Approved Pools
EXISTING WELLBORE
__X__ Yes ____ No

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

CK 7 Federal (Lease) 001 (Well No.) G-7-24S-26E (Unit Letter-Section-Township-Range) Eddy (County)

OGRID No. 162683 Property Code 34014 API No. 30-015-33420 Lease Type: __X__ Federal ____ State ____ Fee

DATA ELEMENT	UPPER ZONE	LOWER ZONE
Pool Name	Purple Sage; Wolfcamp (Gas)	Wildcat Cisco Canyon
Pool Code	98220	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8,748' – 10,239'	10,239' – 10,~~639~~ 658
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 top perf	Within 150% of top perf
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Oil: 51.8° API Gas: 1225.8 BTU dry / 1204.6 BTU wet @ 14.73 psi	Oil: 53.5° API Gas: 1142.4 BTU dry / 1122.6 BTU wet @ 14.73 psi
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: N/A Rates: 77 BOPD, 1,930 MCFPD, 487 BWPD	Date: N/A Rates: 23 BOPD, 577 MCFPD, 146 BWPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 77 Gas 77	Oil 23 Gas 23

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes__X__ No____
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__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 _____ TITLE Regulatory Compliance DATE 2-13-17

TYPE OR PRINT NAME Terri Stathem TELEPHONE NO. 432-620-1936

E-MAIL ADDRESS tstathem@cimarex.com

From: Kautz, Paul, EMNRD [mailto:paul.kautz@state.nm.us]
Sent: Wednesday, January 25, 2017 4:33 PM
To: Terri Stathem <TStathem@cimarex.com>
Subject: [External] RE: Pool Info

Cimarex would like to recomplete the CK 7 Federal #1 well – Sec. 7, 24S, 26E – Eddy County. Please let me know the Pool information for the following:

Strawn:
Pool Name: Wildcat
Pool Code: 320
Acreage dedication:

Wolfcamp:
Pool Name: PURPLE SAGE;WOLFCAMP (GAS) [98220]
Pool Code:
Acreage dedication:

Cisco Canyon:
Pool Name: Wildcat
Pool Code: 320
Acreage dedication:

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] API Number	[2] Pool Code	[3] Pool Name
30-015-33420	98224	WC-015 S242607G; Upper Penn (Gas)

[4] Property Code	[5] Property Name	[6] Well Number
34014	CK 7 Federal	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
162683	Cimarex Energy Co. of Colorado	3759'

[10] Surface Location

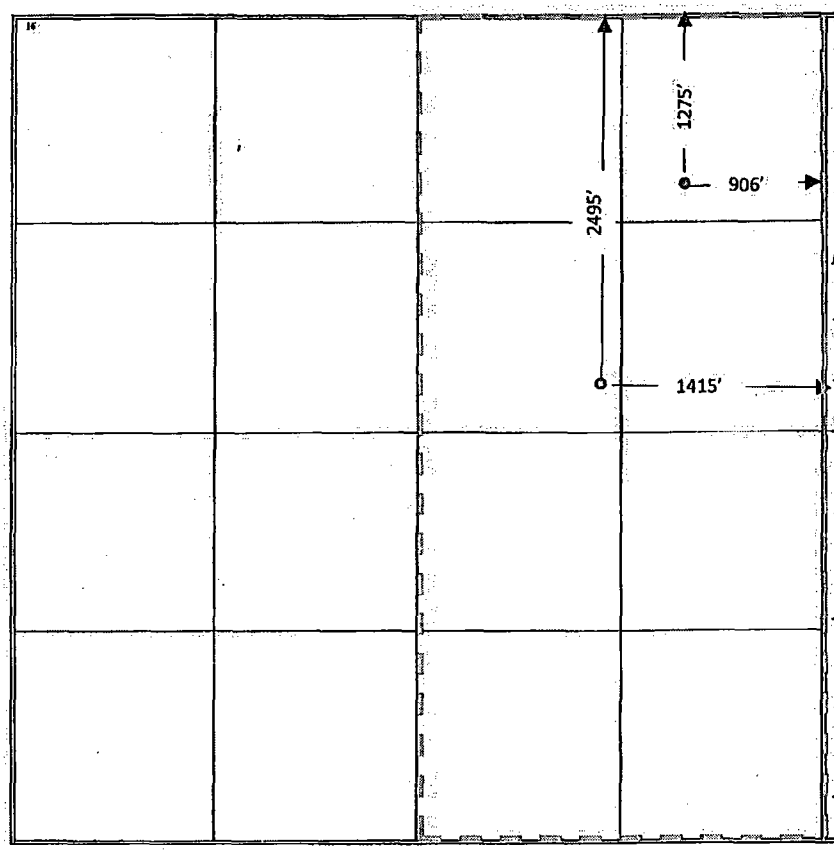
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	24S	26E		2495	North	1415	East	Eddy

[11] 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
A	7	24S	26E		1275	North	906	East	Eddy

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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.



[17] 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.

3/9/2017
Signature Date

Amithy Crawford
Printed Name

acrawford@cimarex.com
E-mail Address

[18] 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.

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
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] API Number	[2] Pool Code	[3] Pool Name
30-015-33420	98220	Purple Sage Wolfcamp Gas

[4] Property Code	[5] Property Name	[6] Well Number
34014	CK 7 Federal	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
162683	Cimarex Energy Co. of Colorado	3759'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	24S	26E		2495	North	1415	East	Eddy

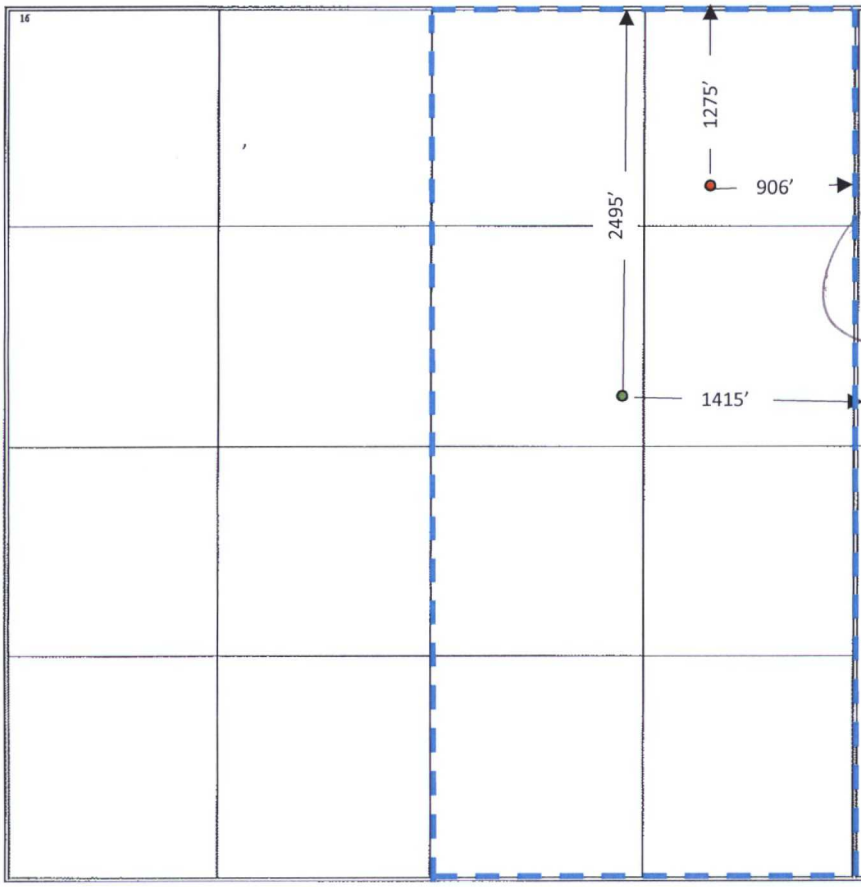
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	7	24S	26E		1275	North	906	East	Eddy

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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.

[16]



[17] 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.

2-13-2017
Signature Date

Terri Stathem
Printed Name

tstathem@cimarex.com
E-mail Address

[18] 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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

Objective

Cimarex is seeking approval from the U.S. Bureau of Land Management (BLM) of its proposed *commingling permit* application and the *allocation factors* for the Cisco Canyon and Wolfcamp formations in the recompletion of the ***CK 7 Federal 1*** well (API: 30-015-33420).

The proposed "allocation factors" have been estimated following BLM's approved allocation methodology in the *2016 Downhole Commingling Field Study "Cisco Canyon and Wolfcamp (Ciscamp) Commingled Allocation Assessment in White City, Eddy County, NM"* (NMP0220), approved by BLM on July 6, 2016 (**Appendix A**). Based on this approach and the assessment of subsurface data, the recommended initial allocation factors are **77%** for the Wolfcamp and **23%** for the Cisco Canyon.

The support evidence for this application includes petrophysical assessment and recoverable reserves estimation for each proposed formation (Table 1) and a log section (**Appendix B**).

Proposed Recompletion

Cimarex plans to recomplete the ***CK 7 Federal 1*** well to the Cisco Canyon and the Wolfcamp formations. This well is located within the BLM approved White City Ciscamp Field Study Area (see Exhibit 6A of the above referenced Field Study) and is currently completed in the Morrow formation. The well has produced **1,489 MMCF** of gas (see **Appendix C**). The company plans to temporarily abandon the Morrow zone under a cast-iron bridge plug with cement on top, and will consider returning this zone to production and commingle with the new proposed Ciscamp formations in the future once these zones reach an equivalent reservoir pressure. In such case, the production allocations factors will be revised and re-submitted for approval following the approved Field Study methodology for "Handling of Existing Rate Contribution from Proven Developed Producing (PDP) Zone(s)", using Eq.1.1 and Eq. 1.2; and along with the required BLM and NMOCD documentation.

The proposed Ciscamp recompletion will be performed with a *multi-stage frac job*. The plan is to commingle Wolfcamp and Cisco Canyon streams downhole immediately after completion to allow faster flowback recovery and more efficient artificial lift. The synergy between both streams has shown to significantly improve liquid unloading in analog wells by maintaining higher and more stable critical gas velocities for a longer period. This in turn minimizes formation damage and increases reserves recovery by extending the life of the well.

A proposed recompletion and workover procedure is included in **Appendix D**.

Proposed Initial Production Allocation Factors

Based on BLM's approved Allocation Methodology and Cimarex's assessment, the "Initial Allocation Factors" for the New Completion Zones in subject well are estimated as follows:

$$\textbf{\textit{Wolfcamp}}\ \%\ \textbf{\textit{Alloc. Factor}} = \frac{WC\ RGIP - WC\ Prev.Cum\ Gas}{Total\ RGIP}$$

$$\textbf{\textit{Cisco Canyon}}\ \%\ \textbf{\textit{Alloc. Factor}} = \frac{CC\ RGIP - CC\ Prev.Cum\ Gas}{Total\ RGIP}$$

The Recoverable Gas in Place (RGIP) for subject well is **1,397 MMCF** from the Wolfcamp and **427 MMCF** from the Cisco Canyon, for a total of **1,824 MMCF of gas** (see Table 1). In this case, the proposed commingling intervals have never produced in this well (no prior cumulative production), therefore Remaining RGIP (RRGIP) is equal to RGIP for both formations.

The resulting proposed allocation factors are calculated as follows:

$$\textbf{\textit{Wolfcamp}}\ \%\ \textbf{\textit{Alloc. Factor}} = \frac{1{,}592\ MMCF}{2{,}046\ MMCF} = 77\%$$

$$\textbf{\textit{Cisco Canyon}}\ \%\ \textbf{\textit{Alloc. Factor}} = \frac{454\ MMCF}{2{,}046\ MMCF} = 23\%$$

The RGIP for each zone is estimated using the Hydrocarbon Pore Volume (HCPV) assessment as shown in Table 1. The implemented net pay cut-offs are Average Porosity (PHI) > 10% and Average Sw < 35%. *Total estimated oil reserves are 59 MBO.*

Table 1: Summary of Reservoir Properties, Estimated Reserves and Resulting Allocation Factors

Proposed RC Zone(S)	Avg. Depth, ft	Est. Reservoir Pressure, psi	Net Pay, h (ft)	Avg. PHI	Avg. Sw	HCPV (1-Sw)*PHI*h	OGIP, MMCF	Est. Recovery Factor	RGIP @RF, MMCF	Zone Prod. Start Date	Prev. Cum. Gas to Date, MMCF	Remaining RGIP (RRGIP), MMCF	Initial Alloc. Factors, % (based on RRGIP Ratio)
Wolfcamp TOT:	9,549	4,154	216	10.5%	23%	17.5	1,646	85%	1,397			1,397	77%
Cisco Canyon:	10,391	4,520	43	13.9%	14%	5.1	502	85%	427		-	427	23%
Total:			259			22.7	2,148	85%	1,824			1,824	100%

In this well, the spacing for both formations is the same, as well as, public interests. Both formations are sweet.

Enclosed with this report are the C-107A, Downhole Commingle Worksheet, current and proposed wellbore diagrams, current gas, oil, and water analyses C-102, 3160-5.

Appendix A: 2016 Downhole Commingling Field Study for the White City Area

United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

TAKE PRIDE IN AMERICA

3180 (P0220)

July 6, 2016

Reference:
White City Area
2016 Downhole Commingling Field Study
Eddy County, New Mexico

Cimarex Energy Co. of Colorado
600 N. Marienfeld Street, Suite 600
Midland, TX 79701

Gentlemen:

In reference to your 2016 Downhole Commingling Field Study for the White City Area; it is hereby approved, with the following conditions of approval:

1. All future NOI Sundries submitted to request approval to downhole commingle (DHC) the Lower Penn, Upper Penn and the Wolfcamp formation shall reference this Study and be mentioned in Exhibit 6A. A copy of this study does not need to be attached to the Sundry.
2. All future NOI Sundries submitted to request approval to DHC shall reference NMOCD approval order.
3. All future NOI Sundries submitted to request approval to DHC shall include the BLM's DHC worksheet.
4. All DHC approvals are subject to like approval by NMOCD.
5. The BLM may require an updated evaluation of the field study be done in the future.

Please contact Edward G. Fernandez, Petroleum Engineer at 575-234-2220 if you have any questions.

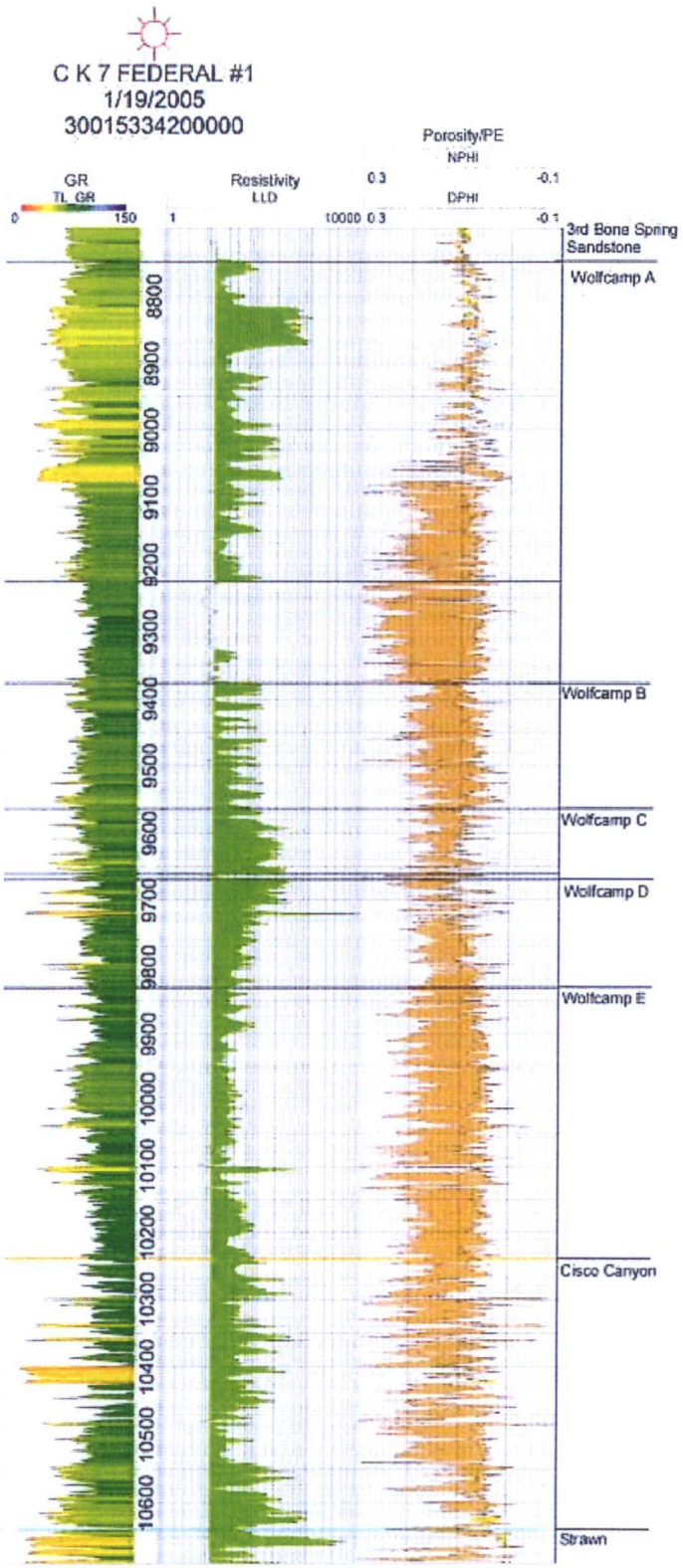
Sincerely,

Edward G. Fernandez

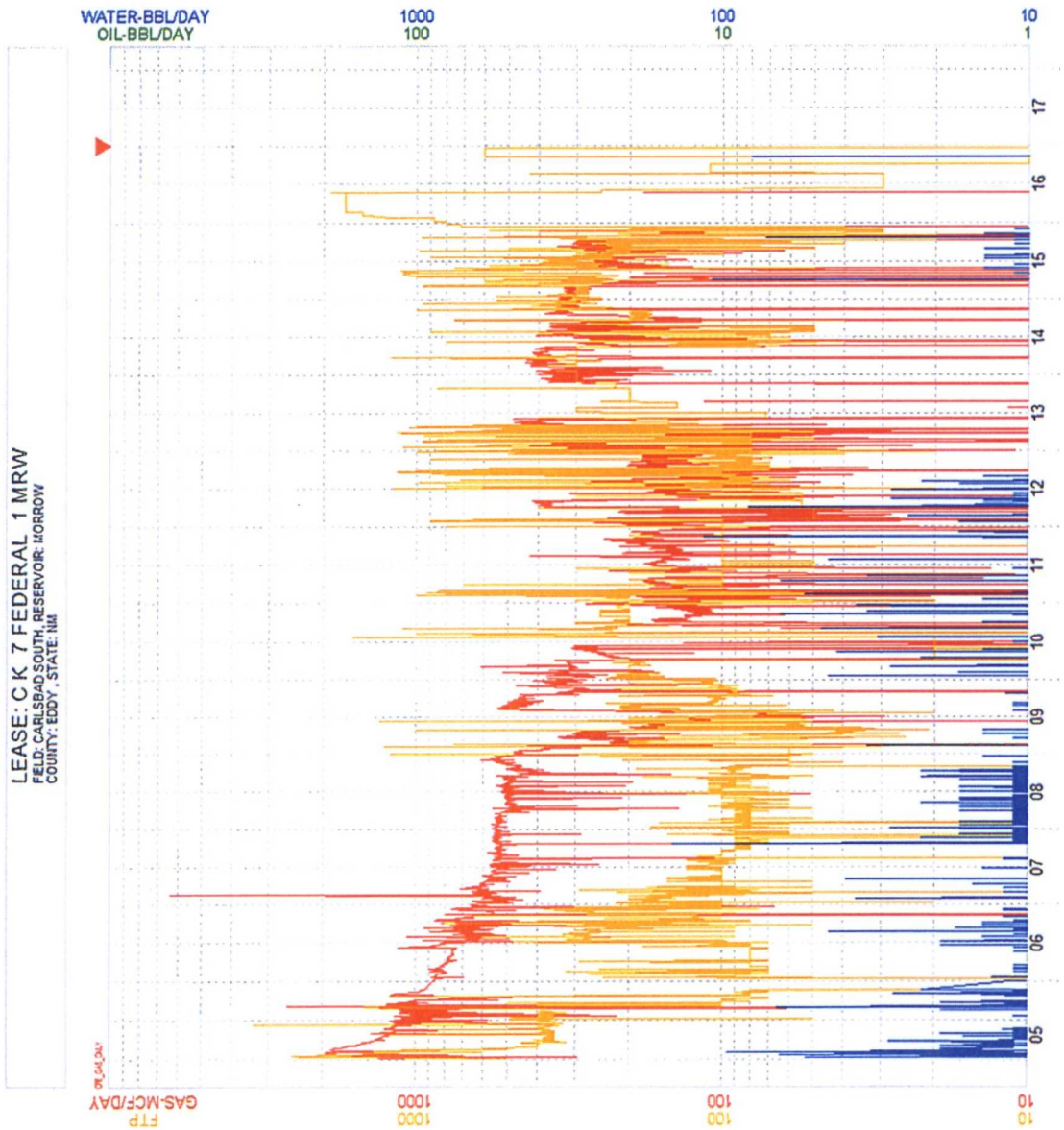
for Cody R. Layton
Assistant Field Manager,
Lands and Minerals

Enclosure
cc: NMP0220 (CFO I&E)

Appendix B: Log section from top of Wolfcamp to top of Strawn – CK 7 Federal 1



Appendix C: Production Plot Current Zone – **CK 7 Federal 1**



Appendix D: Recompletion Procedure – **CK 7 Federal 1**

Well Data

KB	18' above GL
TD	12,350'
PBTD	12,309'
Casing	13-3/8" 54.5# J-55 csg @ 403'. Cmt'd w/ 490 sx, cmt circ. 9-5/8" 40# J-55 & P-110 csg @ 1,899'. Cmt'd w/ 1,250 sx, 1" to surface. 5-1/2" 17# NS-110HC @ 12,150'. Cmtd w/ 1,160 sx. DV @ 7,133'. TOC 490' by TS
Tubing	2-7/8" 6.5# L-80 8rd EOT @ 11,400'
Current Perfs	Morrow (11447'-11936')
Proposed Perfs	Wolfcamp (8,748' – 10,239') & Cisco Canyon (10,239' – 10,639')

Wildcat Strawn Procedure

Notify BLM 24 hours prior to starting operations.

1. Test anchors prior to moving in rig.
2. Move in rig up pulling unit.
3. Kill well as necessary with 4% KCl.
4. Nipple down wellhead, nipple up 5,000 psi blow out preventer stack.
5. Release Versaset pkr @ 11,635' & TOOH w/ 2-7/8" 6.5# L-80 tbg & packer. Stand back tbg. Scan tubing during TOOH.
6. TIH w/ CIBP on 2-7/8" 6.5# L-80 tbg to set CIBP at +/- 11,794'
7. Pump 25 sacks class H cement down tubing to pump balanced plug. Abandon Morrow.
8. TOOH 1000' and reverse circulate 2 tbg volumes
9. WOC 6-8 hours
10. Test casing to 5,000 psi on chart for 30 minutes with no more than 10% leakoff.
11. RIH w/ 4.6" gauge ring and junk basket on electric line to +/- 10,900'
12. RIH with 3-1/8" casing guns on electric line and perforate Strawn from 10,639' – 10,862'
13. RIH w/ BHA described below from downhole up:
    a. 2-7/8" WEG
    b. 2-7/8" pump out plug pinned for 1,500 – 2,000 psi differential pressure
    c. 2.312" XN profile nipple
    d. 10' 2-7/8" 6.5# L-80 tbg sub
    e. 5-1/2" x 2-7/8" Arrowset 1X packer and on-off tool stinger w/ 2.312" X profile nipple set at +/- 10,589'

14. RD WL and lubricator
15. TIH w/ on/off tool overshot, GLVs, and 2-7/8" 6.5# L-80 tbg. Hydrotest in hole to 8500 psi.
16. Latch overshot onto on-off tool and space out tubing
17. ND BOP, NU WH
18. RDMO pulling unit
19. RU pump truck and pump out plug
20. MIRU acid company
21. Pump 15,600 total gallons of 20% NEFE HCl with 200 ball sealers down 2-7/8" tubing
22. Flush with 1 tubing volume 4% KCl
23. Put well on production. Swab well as necessary

If Strawn recompletion is unsuccessful, move forward with procedure to plugback to the Cisco Canyon and Wolfcamp and DHC the two zones

Cisco Canyon & Wolfcamp (Ciscamp) Recompletion Procedure

Proposed Perfs Wolfcamp (8,748' – 10,239') & Cisco Canyon (10,239' – 10,639')

1. Test anchors prior to MIRU PU.
2. MIRU PU, rental flare, and choke manifold.
3. Kill well with produced water if available or FW as necessary.
4. ND WH, NU 5K BOP
5. TOOH 2-7/8" 6.5# L-80 tbg. Lay down tubing while TOOH.
6. RU Wireline and 5k short lubricator
7. RIH w/ gauge ring/junk basket to +/- 10,674'
8. RIH w/ 5-1/2" CIBP and set at +/- 10,674'
9. RIH w/ bailer and bail 35' of cement on top of CIBP set at +/- 10,674'. Abandon Strawn.
10. RDMO Wireline and 5k short lubricator
11. RU pump truck
12. Pressure test 5-1/2" 17# NS-110HC casing to 8,500 psi (Max treating pressure, 80% of burst) for 30 minutes on a chart with no more than 10% leak off.
13. RD pump truck.
14. ND BOP, RU two 10k frac valves and flow cross, RDMO Pulling unit
15. MIRU water transfer with frac tanks to contain water to be pumped from frac pond
16. Test frac valves and flow cross prior to frac job. Arrange for these items, manlift, forklift, and Pace testers to be on location the day before the frac job to test so that we do not have the frac waiting on a successful test the following day.
17. RU frac valves, flow cross, goat head, and wireline lubricator.
18. RIH w/ gauge ring/junk basket for 5-1/2" 17# P-110 csg to +/- 10,639'
19. Perforate proposed perforations Cisco Canyon from 10,239' – 10,639'.

20. RU frac and flowback equipment.
21. Acidize and frac stage 1 Cisco Canyon perfs down casing.
22. Set 10k flow through composite plug 15' uphole of top perforation
23. Test to 8,500 psi
24. Perforate Wolfcamp from 8,748' – 10,239'.
25. Acidize and frac Wolfcamp perfs down casing.
26. Set 10k flow through composite plug 15' uphole of top perforation
27. Test to 8,500 psi
28. RD frac
29. MIRU 2" coiled tbg unit.
30. RIH w/ tri cone bit & downhole motor on 2" CT and drill out sand and composite plugs using freshwater for circulation. Pump sweeps each time a plug is tagged, each time a plug is drilled out, and every 60 bbls pumped.
31. Clean out to PBTD
32. POOH w/ tri cone bit, motor & CT
33. RDMO coiled tbg unit.
34. Flow back well for 24 hours, then SI well overnight.
35. RU wireline and lubricator.
36. RIH w/ GR/JB for 5-1/2" 17# P-110 to +/- 8,698'
37. RIH w/ 2-7/8" WEG, 2-7/8" pump out plug pinned for 1,500 – 2,000 psi differential pressure, 10' 2-7/8" 6.5# L-80 tbg sub w/ 2.312" XN profile nipple, 5-1/2" Arrowset 1X packer and on-off tool stinger w/ 2.312" X profile nipple. Set packer +/- 8,698'. From downhole up:
    a. 2-7/8" WEG
    b. 2-7/8" pump out plug pinned for 1,500 – 2,000 psi differential pressure
    c. 2.312" XN profile nipple w/ blanking plug
    d. 10' 2-7/8" 6.5# L-80 tbg sub
    e. 5-1/2" x 2-7/8" Arrowset 1X packer and on-off tool stinger w/ 2.312" X profile nipple
38. RD WL and lubricator
39. ND goat head and frac valve, NU BOP, MIRU Pulling Unit
40. TIH w/ on/off tool overshot, GLVs, and 2-7/8" 6.5# L-80 tbg.
41. Latch overshot onto on-off tool and space out tubing
42. ND BOP, NU WH
43. RDMO pulling unit
44. RU pump truck and pump out plug. Put well on production.
45. **Run Production Log for allocation purposes after recovering load. Run additional production logs if actual production varies significantly from expected performance. Send copies of these logs to BLM and file for an adjustment of allocation factor if necessary.**

Current WBD

KB - 18' above GL

Cimarex Energy Co. of Colorado

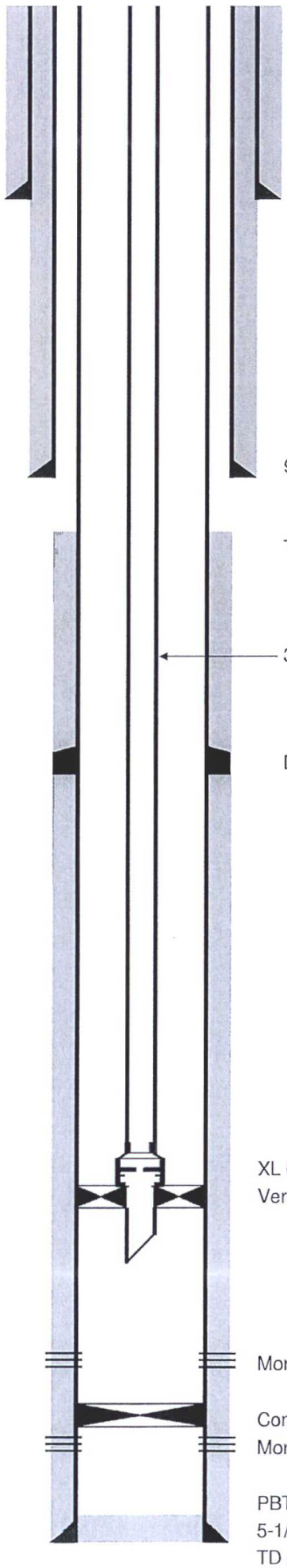
C K 7 Federal #1

SHL - 2495' FNL & 1415' FEL

BHL - 1275' FNL & 906' FEL

Sec. 7, T-24-S, R-26-E, Eddy Co., NM

S. Gengler 05/11/2009



13-3/8", 54.5# J-55 csg @ 403'
cmtd w/ 490 sx, cmt circ

9-5/8", 40# J-55 & P-110 csg @ 1899'
cmtd w/ 1250 sx, 1" to surface

TOC @ 2295' by TS

368 jts 2-7/8" 6.5# L-80 Tbg

DV Tool @ 6984'
cmtd w/ 1800 sx

XL On-off Tool w/ 2.25" F Profile nipple @ 11629'
Versa-set packer @ 11635'

Morrow perfs (11844' - 11912')

Composite BP @ 11950'
Morrow perfs (12050' - 12064')

PBTD @ 12309'
5-1/2" 17# NS-110HC @ 12350' cmtd w/ 1150 sx
TD @ 12350'

Proposed WBD

KB - 18' above GL

Cimarex Energy Co. of Colorado

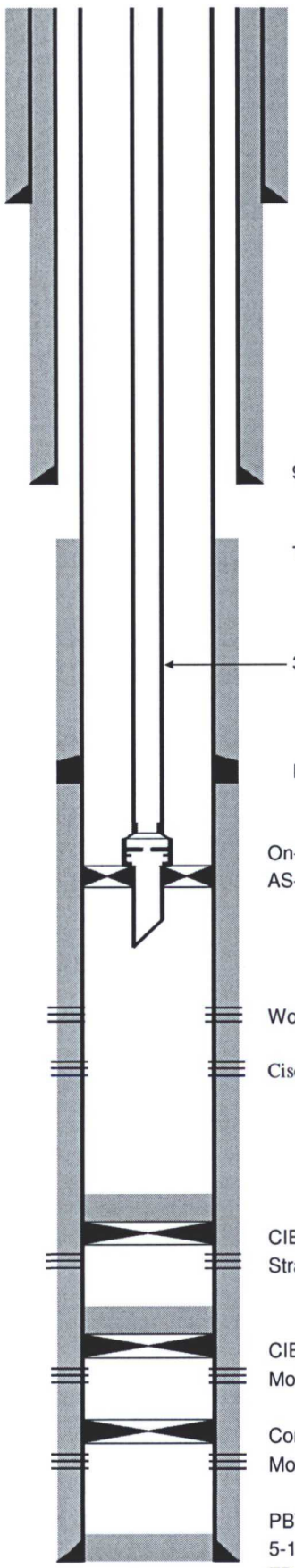
C K 7 Federal #1

SHL - 2495' FNL & 1415' FEL

BHL - 1275' FNL & 906' FEL

Sec. 7, T-24-S, R-26-E, Eddy Co., NM

S. Gengler 05/11/2009



13-3/8", 54.5# J-55 csg @ 403'
cmtd w/ 490 sx, cmt circ

9-5/8", 40# J-55 & P-110 csg @ 1899'
cmtd w/ 1250 sx, 1" to surface

TOC @ 2295' by TS

368 jts 2-7/8" 6.5# L-80 Tbg

DV Tool @ 6984'
cmtd w/ 1800 sx

On-off Tool w/ 2.312" X Profile nipple @ 8,691'
AS-1X packer @ 8,698'

Wolfcamp perfs (8,748' - 10,239')

Cisco Canyon perfs (10,239' - 10,638')

CIBP at +/- 10,674' w/ 35' cement bailed on top
Strawn perfs (10,639' -10,862')

CIBP set at 11,794' with 25 sx cement pumped on top
Morrow perfs (11844' - 11912')

Composite BP @ 11950'
Morrow perfs (12050' - 12064')

PBTD @ 12309'
5-1/2" 17# NS-110HC @ 12350' cmtd w/ 1150 sx
TD @ 12350'

LABORATORY SERVICES
Natural Gas Analysis

www.permianls.com

575.397.3713 2609 W Marland Hobbs NM 88240

For:	Cimarex Energy	Sample:	Sta: # 309588185
	Attention: Mark Cummings	Identification:	Wigeon 23 Fed Com 1
	600 N. Marienfeld, Suite 600	Company:	Cimarex Energy
	Midland, Texas 79701	Lease:	
		Plant:	

Sample Data:	Date Sampled	7/30/2013	12:25 PM	
	Analysis Date	7/31/2013		
	Pressure-PSIA	900	Sampled by:	Taylor Ridings
	Sample Temp F	107	Analysis by:	Vicki McDaniel
	Atmos Temp F	85		

H2S = 0.3 PPM

Component Analysis

		Mol Percent	GPM
Hydrogen Sulfide	H2S		
Nitrogen	N2	0.677	
Carbon Dioxide	CO2	0.123	
Methane	C1	82.764	
Ethane	C2	9.506	2.536
Propane	C3	3.772	1.037
I-Butane	IC4	0.640	0.209
N-Butane	NC4	1.185	0.373
I-Pentane	IC5	0.335	0.122
N-Pentane	NC5	0.374	0.135
Hexanes Plus	C6+	0.624	0.270
		100.000	4.681

REAL BTU/CU.FT		Specific Gravity	
At 14.65 DRY	1219.2	Calculated	0.6973
At 14.65 WET	1197.9		
At 14.696 DRY	1223.0		
At 14.696 WET	1202.1	Molecular Weight	20.1966
At 14.73 DRY	1225.8		
At 14.73 Wet	1204.6		

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121

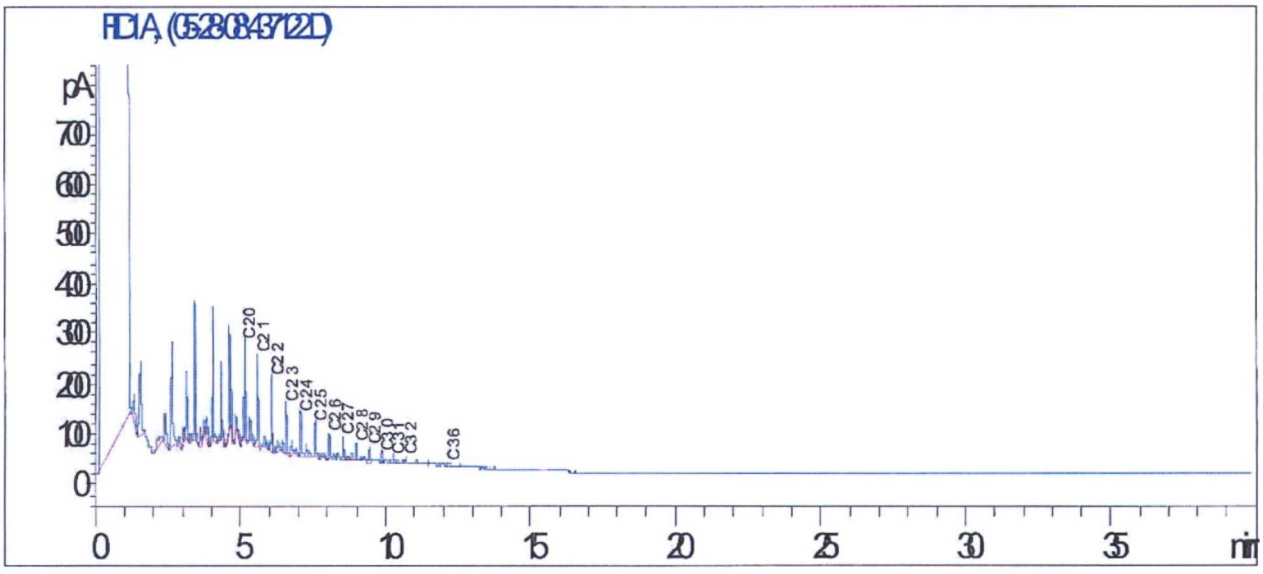
Lab Team Leader - Sheila Hernandez
(432) 495-7240

OIL ANALYSIS

Company:	CIMAREX ENERGY	Sales RDT:	44212
Region:	PERMIAN BASIN	Account Manager:	WAYNE PETERSON (575) 910-9389
Area:	CARLSBAD, NM	Analysis ID #:	3208
Lease/Platform:	WIGEON '23' FEDERAL	Sample #:	437122
Entity (or well #):	1	Analyst:	SHEILA HERNANDEZ
Formation:	WOLFCAMP	Analysis Date:	5/30/08
Sample Point:	FRAC TANK 234	Analysis Cost:	$100.00
Sample Date:	5/13/08		

Cloud Point:	<68 °F
Weight Percent Paraffin (by GC)*:	1.49%
Weight Percent Asphaltenes:	0.03%
Weight Percent Oily Constituents:	98.41%
Weight Percent Inorganic Solids:	0.07%

*Weight percent paraffin and peak carbon number includes only n-alkanes (straight chain hydrocarbons) greater than or equal to C20H42.



North Permian Basin Region
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(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	CIMAREX ENERGY	Sales RDT:	44212
Region:	PERMIAN BASIN	Account Manager:	WAYNE PETERSON (505) 910-9389
Area:	CARLSBAD, NM	Sample #:	43887
Lease/Platform:	WIGEON UNIT	Analysis ID #:	82014
Entity (or well #):	23 FEDERAL 1	Analysis Cost:	$80.00
Formation:	UNKNOWN		
Sample Point:	SEPARATOR		

Summary		Analysis of Sample 43887 @ 75 °F					
Sampling Date:	05/14/08	**Anions**	mg/l	meq/l	**Cations**	mg/l	meq/l
Analysis Date:	05/15/08	**Chloride:**	55040.0	1552.48	**Sodium:**	32207.4	1400.94
Analyst:	WAYNE PETERSON	**Bicarbonate:**	329.4	5.4	**Magnesium:**	268.0	22.05
TDS (mg/l or g/m3):	90873.3	**Carbonate:**	0.0	0.	**Calcium:**	2780.0	138.72
Density (g/cm3, tonne/m3):	1.062	**Sulfate:**	225.0	4.68	**Strontium:**		
Anion/Cation Ratio:	1	Phosphate:			**Barium:**		
		Borate:			**Iron:**	23.5	0.85
Carbon Dioxide:	150 PPM	Silicate:			Potassium:		
Oxygen:					Aluminum:		
Comments:		Hydrogen Sulfide:		0 PPM	Chromium:		
TEST RAN IN THE FIELD		pH at time of sampling:		7.31	Copper:		
		pH at time of analysis:			Lead:		
		pH used in Calculation:		7.31	Manganese:		
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite $CaCO_3$		Gypsum $CaSO_4 2H_2O$		Anhydrite $CaSO_4$		Celestite $SrSO_4$		Barite $BaSO_4$		CO_2 Press
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	0.94	27.24	-1.11	0.00	-1.14	0.00	0.00	0.00	0.00	0.00	0.13
100	0	0.97	31.09	-1.16	0.00	-1.12	0.00	0.00	0.00	0.00	0.00	0.19
120	0	0.99	35.26	-1.20	0.00	-1.08	0.00	0.00	0.00	0.00	0.00	0.28
140	0	1.02	39.74	-1.23	0.00	-1.02	0.00	0.00	0.00	0.00	0.00	0.38

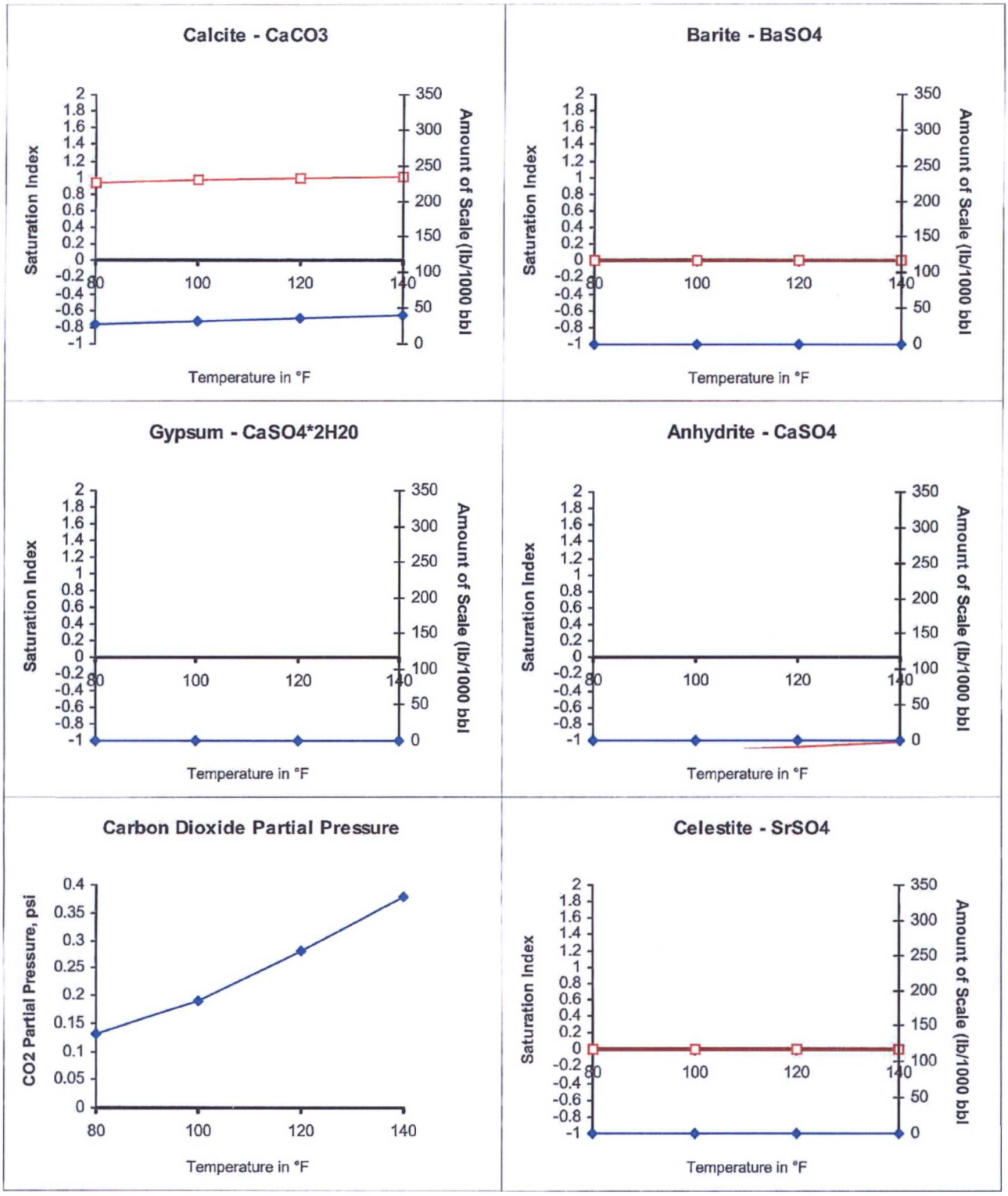
Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

Scale Predictions from Baker Petrolite

Analysis of Sample 43887 @ 75 °F for CIMAREX ENERGY, 05/15/08



LABORATORY SERVICES
Natural Gas Analysis

www.permianls.com

575.397.3713 2609 W Marland Hobbs NM 88240

For:	Cimarex Energy	Sample:	Sta. # 309588438
	Attention: Mark Cummings	Identification:	Taos Fed. #3 Sales
	600 N. Marienfeld, Suite 600	Company:	Cimarex Energy
	Midland, Texas 79701	Lease:	
		Plant:	

Sample Data:	Date Sampled	7/2/2014	10:30 AM		
	Analysis Date	7/9/2014			
	Pressure-PSIA	83		Sampled by:	K. Hooten
	Sample Temp F	76.4		Analysis by:	Vicki McDaniel
	Atmos Temp F	76			

H2S =

Component Analysis

		Mol Percent	GPM
Hydrogen Sulfide	H2S		
Nitrogen	N2	0.618	
Carbon Dioxide	CO2	0.172	
Methane	C1	88.390	
Ethane	C2	7.080	1.889
Propane	C3	1.966	0.540
I-Butane	IC4	0.355	0.116
N-Butane	NC4	0.569	0.179
I-Pentane	IC5	0.198	0.072
N-Pentane	NC5	0.213	0.077
Hexanes Plus	C6+	0.439	0.190
		100.000	3.063

REAL BTU/CU.FT.		Specific Gravity	
At 14.65 DRY	1136.2	Calculated	0.6445
At 14.65 WET	1116.4		
At 14.696 DRY	1139.7		
At 14.696 WET	1120.3	Molecular Weight	18.6673
At 14.73 DRY	1142.4		
At 14.73 Wet	1122.6		

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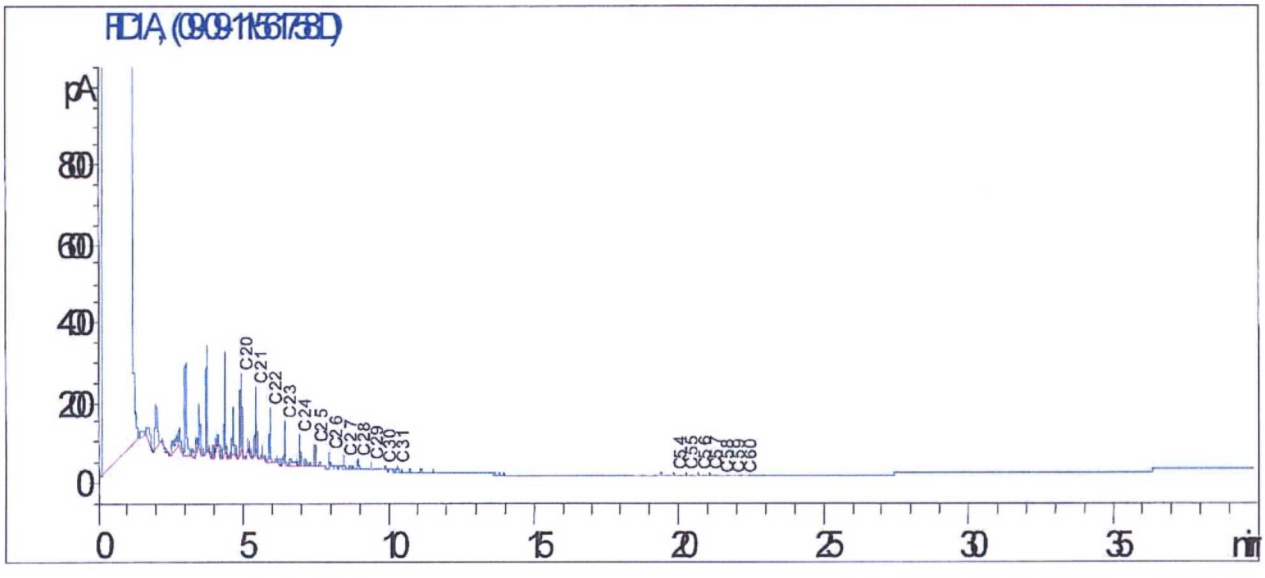
OIL ANALYSIS

Company:	CIMAREX ENERGY	Sales RDT:	33521
Region:	PERMIAN BASIN	Account Manager:	STEVE HOLLINGER (575) 910-9393
Area:	LOCO HILLS, NM	Analysis ID #:	5419
Lease/Platform:	TAOS FEDERAL LEASE	Sample #:	561758
Entity (or well #):	3	Analyst:	SHEILA HERNANDEZ
Formation:	UNKNOWN	Analysis Date:	09/13/11
Sample Point:	TANK	Analysis Cost:	$125.00
Sample Date:	08/24/11		

Cloud Point:	89 °F
Weight Percent Paraffin (by GC)*:	1.03%
Weight Percent Asphaltenes:	0.01%
Weight Percent Oily Constituents:	98.93%
Weight Percent Inorganic Solids:	0.03%

*Weight percent paraffin and peak carbon number includes only n-alkanes (straight chain hydrocarbons) greater than or equal to C20H42.



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(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	CIMAREX ENERGY	Sales RDT:	33521
Region:	PERMIAN BASIN	Account Manager:	STEVE HOLLINGER (575) 910-9393
Area:	CARLSBAD, NM	Sample #:	535681
Lease/Platform:	TAOS FEDERAL LEASE	Analysis ID #:	113272
Entity (or well #):	3	Analysis Cost:	$90.00
Formation:	UNKNOWN		
Sample Point:	SEPARATOR		

Summary	
Sampling Date:	09/28/11
Analysis Date:	10/13/11
Analyst:	SANDRA GOMEZ
TDS (mg/l or g/m3):	86836.7
Density (g/cm3, tonne/m3):	1.063
Anion/Cation Ratio:	1
Carbon Dioxide:	150 PPM
Oxygen:	
Comments:	
RESISTIVITY 0.083 OHM-M @ 75F	

Analysis of Sample 535681 @ 75 F

Anions	mg/l	meq/l
Chloride:	52535.0	1481.82
Bicarbonate:	146.0	2.39
Carbonate:	0.0	0.
Sulfate:	83.0	1.73
Phosphate:		
Borate:		
Silicate:		
Hydrogen Sulfide:		0 PPM
pH at time of sampling:		6
pH at time of analysis:		
pH used in Calculation:		6

Cations	mg/l	meq/l
Sodium:	28338.7	1232.66
Magnesium:	417.0	34.3
Calcium:	3573.0	178.29
Strontium:	1472.0	33.6
Barium:	22.0	0.32
Iron:	34.0	1.23
Potassium:	215.0	5.5
Aluminum:		
Chromium:		
Copper:		
Lead:		
Manganese:	1.000	0.04
Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										CO_2 Press
Temp	Gauge Press.	Calcite $CaCO_3$		Gypsum $CaSO_4 \cdot 2H_2O$		Anhydrite $CaSO_4$		Celestite $SrSO_4$		Barite $BaSO_4$		
F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	-0.61	0.00	-1.46	0.00	-1.49	0.00	-0.05	0.00	1.22	11.59	1.14
100	0	-0.51	0.00	-1.51	0.00	-1.47	0.00	-0.07	0.00	1.04	10.94	1.44
120	0	-0.40	0.00	-1.54	0.00	-1.43	0.00	-0.07	0.00	0.89	10.30	1.76
140	0	-0.28	0.00	-1.57	0.00	-1.36	0.00	-0.06	0.00	0.75	9.66	2.07

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

McMillan, Michael, EMNRD

From: Terri Stathem <TStathem@cimarex.com>
Sent: Thursday, February 16, 2017 10:00 AM
To: McMillan, Michael, EMNRD
Subject: RE: [External] CK Federal Well No. 1 administrative DHC application

Mr. McMillian,

I have responded in red below:

Terri Stathem
Manager – Regulatory Compliance
202 S. Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Office: 918-585-1100
Direct: 432-620-1936
Cell: 918-633-9702
Fax: 918-749-8059

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Thursday, February 16, 2017 10:15 AM
To: Terri Stathem <TStathem@cimarex.com>
Subject: [External] CK Federal Well No. 1 administrative DHC application

Terri:
I received your administrative DHC for the CK Federal Well No. 1 administrative DHC application.
I assume that this application is for the Wolfcamp and Cisco/canyon only.

These are the issues with your application

- Your application has the workover procedure for the Strawn, which states that if the Strawn is unsuccessful, then you will proceed with the Wolfcamp Cisco/canyon workover. This is correct. Strawn test if commercial we will stay in the strawn and not move forward with the Ciscamp at this time. If Strawn is not commercial we will abandon the Strawn and complete as a Cisco Canyon Wolfcamp DHC completion.
- One proposed wellbore diagram (WBD) has Strawn perfs only. The other WBD shows a CIBP on top of the Strawn. I submitted two proposed wellbore diagrams. 1 for a successful Strawn completion 1 for an abanondment of a unsuccessful Strawn completion and completing the Cisco Canyon and Wolfcamp.
- Please check the perfs in all of your diagrams. You show the Strawn perfs from 10639`-10862` this is the top and bottom of the Strawn – we will perf within this interval but not the entire interval on one WBD. Your Wolfcamp perfs are from 8748`-10639` this is the top and bottom of the Wolfcamp – we will perf within this interval but

not the entire interval with a CIBP at 10654` on the other WBD. The Wolfcamp bottom and the Strawn top are the same 10639'.

- The OCD will require corrected WBD. When the well is plugged back we will file the current wellbore diagram to correct any proposed vs. actual perfs and setting depths of CIBPs.
- If the application is for the Wolfcamp -Cisco/Canyon only, the OCD will expect the workover procedure to be updated. This is for Strawn first, then Woflcamp Cisco Canyon.
- This same situation occurred in your last DHC application. The situation before was a bit more confusing - question: were we planning to commingle Strawn Wolfcamp and Cisco? Once we gave you all the information on abandoning the Strawn we were able clear up questions. We will not commingle any formations except for Wolfcamp and Cisco Canyon. We will test the Strawn and if commercial produce only the Strawn and abandon our Ciscamp plans.

Please do not suspend our permit – I hope that the information above answers the questions.

As a result, your application is suspended. If the corrected information is not supplied in its entirety within 10-days, your application will be cancelled
Mike

MICHAEL A. MCMILLAN
Engineering Bureau, Oil Conservation Division
1220 south St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448
Michael.McMillan@state.nm.us

McMillan, Michael, EMNRD

From: Podany, Raymond, EMNRD
Sent: Thursday, March 9, 2017 7:02 AM
To: McMillan, Michael, EMNRD
Cc: Terri Stathem
Subject: FW: Cimarex - CK 7 Federal 1

From: Kautz, Paul, EMNRD
Sent: Tuesday, March 7, 2017 9:59 AM
To: Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>
Cc: Sharp, Karen, EMNRD <Karen.Sharp@state.nm.us>
Subject: RE: Cimarex - CK 7 Federal 1

Hi Ray,

I attached

[98220] PURPLE SAGE;WOLFCAMP (GAS) Status: New, Not Drilled
[98224] WC-015 S242607G;UPPER PENN (GAS) Status: New, Not Drilled

To this well

Paul

From: Podany, Raymond, EMNRD
Sent: Tuesday, March 7, 2017 9:11 AM
To: Kautz, Paul, EMNRD <paul.kautz@state.nm.us>
Subject: FW: Cimarex - CK 7 Federal 1

Need wildcat pools set up for several pools/ recompletions.

From: Kautz, Paul, EMNRD
Sent: Friday, March 3, 2017 12:26 PM
To: Podany, Raymond, EMNRD <Raymond.Podany@state.nm.us>; Sharp, Karen, EMNRD <Karen.Sharp@state.nm.us>
Cc: Terri Stathem <TStathem@cimarex.com>
Subject: FW: Cimarex - CK 7 Federal 1

Terri I am forwarding this on to Artesia District

Paul

From: Terri Stathem [mailto:TStathem@cimarex.com]
Sent: Friday, March 3, 2017 12:03 PM
To: Kautz, Paul, EMNRD <paul.kautz@state.nm.us>
Cc: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: Cimarex - CK 7 Federal 1

Paul the BLM has approved the attached recompletion. This is the one where we have two wildcat pools – see email below. Please let me know what I need to get to you in order to get a pool code for the Wildcat pool -

Terri Stathem
Manager – Regulatory Compliance
202 S. Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Office: 918-585-1100
Direct: 432-620-1936
Cell: 918-633-9702
Fax: 918-749-8059

Paul – attached is the paperwork filed with the BLM for the CK7 Federal 1 well. We plan to plugback to the Strawn – which you indicated was a Wildcat pool and test – if not economic we will abandon the Strawn and plugback to the Wolfcamp and DHC the Cisco – also a wildcat pool.

I have applied for a DHC permit with Santa Fe and I believe Mr. McMillian needs a pool code to proceed with processing our DHC application. Is the BLM approval required before you can assign a pool code to the Strawn and the Cisco?

Thanks,

Terri Stathem
Manager – Regulatory Compliance
202 S. Cheyenne Ave, Suite 1000
Tulsa, OK 74103-3001

Office: 918-585-1100
Direct: 432-620-1936
Cell: 918-633-9702
Fax: 918-749-8059