

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.

Print or Type Name

Signature

Title

Date

e-mail Address



Cimarex Energy Co. of Colorado

5215 North O'Connor Blvd. ♦ Suite 1500 ♦ Irving, TX 75039 ♦ (972) 401-3111 ♦ Fax (972) 443-6486
Mailing Address: P.O. Box 140907 ♦ Irving, TX 75014-0907
Cimarex Energy Co. • A NYSE Listed Company • "XEC"

July 18, 2007

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

Re: Mallon 30 Federal No. 43
Section 30-19S-34E
30-025-34448
Lea County, NM

Dear Mr. Jones:

Enclosed is an original form C-107A (Application for Downhole Commingling) for the referenced well.

RECEIVED
2007 JUL 19 PM 12:15

The Mallon 30 Federal No. 43 has stopped flowing from the Gem; Strawn (Oil) formation (12217'-12256') and needs a rod pump. There are also Apache Ridge; Bone Spring perms (9218'-9550') that are isolated above a packer @ 12162.' The Bone Spring perms were swab tested on 02-13-04 and showed incremental production capability.

Cimarex requests permission to remove the packer @ 12162,' commingle the existing Bone Spring and Strawn perms, and install a rod pump to maximize production from both zones. The Bone Spring rates will come from the 02-13-04 swab test and the Strawn rates will come from averaging daily production from 02-13-07 to 05-07-07.

The reservoir pressure from these two zones will be compatible and the resulting volumes would not warrant a tubing-casing dual completion.

All royalty, overriding royalty, and working interest owners are identical in the two zones, and will not be harmed by a Bone Spring/Strawn commingling.

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact me at 972-443-6489.

Yours truly,

Zeno Farris
Manager, Operations Administration

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

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

Cimarex Energy Co. of Colorado 5215 N. O'Connor Blvd., Suite 1500; Irving, TX 75039
Operator Address DHC-3922

Mallon 30 Federal 043 I-30-19S-34E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 162683 Property Code API No. 30-025-34448 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Apache Ridge; Bone Spring, South ^{Oil}		Gem; Strawn, East
Pool Code	2260 ✓		96244 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9218'-9550'		12217'-12256'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
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 perfs		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	46.2		45.8
Producing, Shut-In or New Zone	Shut-in above packer		Producing
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: 02-13-04 Swab test Rates: 8/8/32	Date: Rates:	Date: 02-13-07 to 05-07-07 Rates: 40/18/6
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 17% 31%	Oil Gas	Oil Gas 83% 69%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ 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 ☒ 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 July 18, 2007
TYPE OR PRINT NAME Zeno Farris TELEPHONE NO. (972)443-6489
E-MAIL ADDRESS zfarris@cimarex.com

DISTRICT I
P.O. Box 1939, Hobbs, NM 88241-1960

DISTRICT II
P.O. Drawer 20, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34448	Pool Code 96244	Pool Name Gem; Strawn, East
Property Code	Property Name Mallon 30 Federal	Well Number 43
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3666

Surface Location

UL or lot No. 1	Section 30	Township 19 S	Range 34 E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 860	East/West line EAST	County LEA
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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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. DHC Pending						

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

LOT 1 40.19 AC.				
LOT 2 40.36 AC.				
LOT 3 40.54 AC.				
LOT 4 40.71 AC.				

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Zeno Farris
Signature

Zeno Farris
Printed Name

Mgr Operations Admin
Title

07/18/07
Date

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.

FEBRUARY 2, 1998

Date Surveyed

Signature & Seal of Professional Surveyor

Num. 98-11-0574

Certified by RONALD N. EDSON, 3239
GARY E. EDSON, 12641
EDSON McDONALD, 12185

DISTRICT I
P.O. Box 1830, Hobbs, NM 88241-1830

DISTRICT II
P.O. Drawer 100, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34448	Pool Code 2260	Pool Name Apache Ridge; Bone Spring
Property Code	Property Name Mallon 30 Federal	Well Number 43
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3666

Surface Location

UL or lot No. 1	Section 30	Township 19 S	Range 34 E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 860	East/West line EAST	County LEA
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Zeno Farris
Signature

Zeno Farris
Printed Name

Mgr Operations Admin
Title

07/18/07
Date

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.

FEBRUARY 2, 1998

Date Surveyed

Signature & Seal of Professional Surveyor

W.D. Num. 98-11-0574

Certified by

RONALD M. EIDSON, 3239
EIDSON, 12641
McDONALD, 12185

District I
1625 North French Drive, Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos, Aztec, NM 84710
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, NM. 87504
OPERATOR'S MONTHLY REPORT

Form C-115
Revised May, 1997

1 ☒ Amended Report

2 Operator: Gryu Petroleum Mgmt Co		3 OGRID: 162683		4 Month/Year 02/2007												
5 Address: PO BOX 140907		IRVING TX 75014-0907		6 Page 191 of 204												
		INJECTION		PRODUCTION												
				DISPOSITION OF OIL, GAS, AND WATER												
7 POOL NO. AND NAME Prop. No. and Name Well No. and U-L-S-T-R API No.	8 C O D E 1	9 Volume	10 Pressure	11 C O D E 2	12 Barrels of oil/ condens- ate produced	13 Barrels of water produced	14 MCF Gas produced	15 Days Produced	16 C O D E 3	17 Point of Disposition	18 Gas BTU or Oil API Gravity	19 Oil on hand at beginning of month	20 Volume (bbls/ mcf)	21 Transporter OGRID	22 C O D E 4	23 Oil on hand at the end of month
96244 Gem;Strawn, East																
29026 MALLON 30 FEDERAL 043 -30-19S-34E 30-025-34448	F				331	130	0	7		O 12345 W 12345	46.4		314 130	017643		17
29032 MESCALERO 30 FEDERAL 002, -30-19S-34E 30-025-36040	F				3,580	0	16	26					4,880	017643		346
04S -30-19S-34E 30-025-33813	P				1,284	55	3,971	28		O 12345 G 2053830 W 2819576	29.8 1282	362	3,987 55	036785		
300553 SMITH 001 -25-19S-33E 30-025-27705	P				518	0	1,388	28		O	42.8		189	15676		

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

24 Signature Maria Calderon Printed Name and Title Prod. Admin Supervisor Date 07/18/2007 Phone Number 972-443-6459

District I
1625 North French Drive, Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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1000 Rio Brazos, Aztec, NM 84710
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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, NM. 87504
OPERATOR'S MONTHLY REPORT

Form C-115
Revised May, 1997

1 ☒ X

Amended Report

2 Operator: Gryu Petroleum Mgmt Co	3 OGRID: 162683	4 Month/Year 03/2007														
5 Address: PO BOX 140907																
IRVING TX 75014-0907 6 Page 190 of 203																
INJECTION																
PRODUCTION																
DISPOSITION OF OIL, GAS, AND WATER																
7 POOL NO. AND NAME Prop. No. and Name Well No. and U-L-S-T-R API No.	8 C O D E 1	9 Volume	10 Pressure	11 C O D E 2	12 Barrels of oil/ condens- ate produced	13 Barrels of water produced	14 MCF Gas produced	15 Days Produced	16 C O D E 3	17 Point of Disposition	18 Gas BTU or Oil API Gravity	19 Oil on hand at beginning of month	20 Volume (bbls/ mcf)	21 Transporter OGRID	22 C O D E 4	23 Oil on hand at the end of month
96188 Swd;Strawn																
29042 STATE 16 003 -16-16S-37E 30-025-29796 96244 Gem;Strawn, East	I	3,007			0	0	0	31								
29026 MALLON 30 FEDERAL 043 -30-19S-34E 30-025-34448	F				1,886	84	1,443	31		O 12345 G 2053830 W 12345	45.7 1338	17	1,759 1,443 84	017643 036785		144
29032 MESCALERO 30 FEDERAL 002 -30-19S-34E 30-025-36040 04S -30-19S-34E 30-025-33813	F P				3,021 1,044	49 175	5,818 3,133	29 31								

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

24 Signature Maria Calderon Printed Name and Title Prod. Admin Supervisor Date 07/18/2007 Phone Number 972-443-6459

District I
1625 North French Drive, Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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1000 Rio Brazos, Aztec, NM 84710
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals Natural Resources Department
OIL CONSERVATION DIVISION
1220 S. St. Francis Dr.
Santa Fe, NM. 87504
OPERATOR'S MONTHLY REPORT

Form C-115
Revised May, 1997

1 ☒ Amended Report

2 Operator: Gruy Petroleum Mgmt Co

5 Address: PO BOX 140907

3 OGRID: 162683

IRVING

TX

75014-0907

4 Month/Year 04/2007
6 Page 189 of 202

		INJECTION			PRODUCTION					DISPOSITION OF OIL, GAS, AND WATER							
7 POOL NO. AND NAME Prop. No. and Name Well No. and U-L-S-T-R API No.	8 C O D E 1	9 Volume	10 Pressure	11 C O D E 2	12 Barrels of oil/ condens- ate produced	13 Barrels of water produced	14 MCF Gas produced	15 Days Produced	16 C O D E 3	17 Point of Disposition	18 Gas BTU or Oil API Gravity	19 Oil on hand at beginning of month	20 Volume (bbls/ mcf)	21 Transporter OGRID	22 C O D E 4	23 Oil on hand at the end of month	
96188 Swd;Strawn																	
29042 STATE 16 003 -16-16S-37E 30-025-29796	I	2.478			0	0	0	30									
96244 Gem;Strawn, East																	
29026 MALLON 30 FEDERAL 043 -30-19S-34E 30-025-34448	F				426	9	277	30		O 12345 G 2053830 W 12345	46.2 1325	144	516 277 9	017643 036785		54	
29032 MESCALERO 30 FEDERAL 002 -30-19S-34E 30-025-36040 04S -30-19S-34E 30-025-33813	F P				2,532 851	27 116	5,464 5,169	29 30		O 12345 G 2053830	46.2 1343	602	3,504 10,633	017643 036785		481	

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

24 Signature Maria Calderon Printed Name and Title Prod. Admin Supervisor Date 07/18/2007 Phone Number 972-443-6459



Delivery System = DS_NIM452
BT-MESCALERO 30#2/MALLON 30 FED 43
Prod Date Between '02/01/2007 12:00:00AM
AND '02/28/2007 11:59:00PM'



Monthly Production Allocation

Prod Date	Days Up	Beg Oil Inv	Oil Prod	Oil Sales	Oil Uses	Oil Inv	Gas Sales	Gas Prod	Gas Mmbtu	Gas Other Disp	Gas Inj	Gas Inj Press	Water Prod	Wtr Inj	Wtr Inj Press
Delivery System: DS_NM452															
Completion: 309617-087.01															
BT-MESCALERO 30#2/MALLON 30 FED 43															
MESCALERO 30 FEDERAL 2															
03/31/2007	29	186.78	3,021.63	2,965.19	0.00	243.22	5,967.34	5,967.34	7,830.34	0.00	0.00	0.00	49.00	0.00	0.00
Completion: 309617-134.01															
MALLON FEDERAL 30-43 (STRAWN)															
03/31/2007	31	16.89	1,886.88	1,759.18	0.00	144.59	1,479.66	1,479.66	1,941.61	0.00	0.00	0.00	84.00	0.00	0.00
		16.89	1,886.88	1,759.18	0.00	144.59	1,479.66	1,479.66	1,941.61	0.00	0.00	0.00	84.00	0.00	0.00
		203.67	4,908.51	4,724.37	0.00	387.81	7,447.00	7,447.00	9,771.95	0.00	0.00	0.00	133.00	0.00	0.00
		203.67	4,908.51	4,724.37	0.00	387.81	7,447.00	7,447.00	9,771.95	0.00	0.00	0.00	133.00	0.00	0.00
		203.67	4,908.51	4,724.37	0.00	387.81	7,447.00	7,447.00	9,771.95	0.00	0.00	0.00	133.00	0.00	0.00

Delivery System = DS_NM452
BT-MESCALERO 30#2/MALLON 30 FED 43
Prod Date Between 03/01/2007 12:00:00AM
AND 03/31/2007 11:59:00PM

Monthly Production Allocation

Prod Date	Days Up	Beg Oil Inv	Oil Prod	Oil Sales	Oil Uses	Oil Inv	Gas Sales	Gas Prod	Gas Mmbtu	Gas Other Disp	Gas Inj	Gas Inj Press	Water Prod	Wtr Inj	Wtr Inj Press
Delivery System: DS_NM452															
Completion: 309617-087.01															
04/30/2007	29	243.22	2,531.25	2,511.13	0.00	263.34	5,604.15	5,604.15	7,283.71	0.00	0.00	0.00	26.85	0.00	0.00
Completion: 309617-095.01															
04/30/2007	0	243.22	2,531.25	2,511.13	0.00	263.34	5,604.15	5,604.15	7,283.71	0.00	0.00	0.00	26.85	0.00	0.00
Completion: 309617-134.01															
04/30/2007	30	144.59	424.93	515.50	0.00	54.02	283.85	283.85	368.92	0.00	0.00	0.00	9.15	0.00	0.00
		144.59	424.93	515.50	0.00	54.02	283.85	283.85	368.92	0.00	0.00	0.00	9.15	0.00	0.00
		387.81	2,956.18	3,026.63	0.00	317.36	5,888.00	5,888.00	7,652.63	0.00	0.00	0.00	36.00	0.00	0.00
		387.81	2,956.18	3,026.63	0.00	317.36	5,888.00	5,888.00	7,652.63	0.00	0.00	0.00	36.00	0.00	0.00
		387.81	2,956.18	3,026.63	0.00	317.36	5,888.00	5,888.00	7,652.63	0.00	0.00	0.00	36.00	0.00	0.00

Delivery System = DS_NM452
BT-MESCALERO 30#2/MALLON 30 FED 43
Prod Date Between '04/01/2007 12:00:00AM'
AND '04/30/2007 11:59:00PM'