

DATE IN <u>12-16-09</u>	SUSPENSE	ENGINEER <u>James</u>	LOGGED IN <u>12/16/09</u>	TYPE <u>DHC</u> <u>4238</u>	PTGW APP NO. <u>0935-05-75-19</u>
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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



Cimarex

Magnum 16 State #2

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-31862

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><i>Zeno Farris</i></u> Signature	<u>Mgr Operations Admin</u> Title	<u>12/11/09</u> Date
		<u>zfarris@cimarex.com</u> e-mail Address	

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

RECEIVED

2009 DEC 16 PM 12:12

Cimarex Energy Co. of Colorado

December 14, 2009

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

RE: Magnum 16 State No. 2
30-015-31262
C-107-A – Application for Downhole Commingling – Turkey Track; Atoka (G) & Turkey Track; Morrow, N (G)

Dear Mr. Jones,

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

This well is currently flowing from the Morrow (11147-316'). There are Morrow perfs (11393-478') behind CIBP @11360.

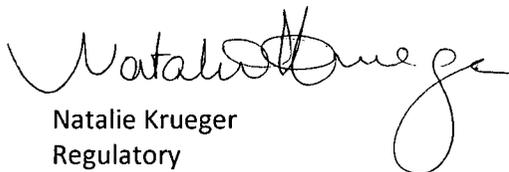
Cimarex proposes to remove the perf Atoka 10733-38', acidize, and swab while separating it from the Morrow with a packer. A well test will be obtained from Atoka and a current Morrow well test will be used to determine the allocation percentages. Once pressures stabilize, the packer will be removed and the well will be DHC.

It is anticipated that the reservoir pressure from these two zones will be compatible and the resulting volumes would not warrant a casing/tubing dual completion.

Royalties and working interest ownership are identical in both zones.

If you have any questions or need further information, please call me at 432-620-1936.

Sincerely,



Natalie Krueger
Regulatory

nkrueger@cimarex.com

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

DISTRICT II
P.O. Drawer 110, Artesia, NM 88211-0710

DISTRICT III
1000 Edo Brasse Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 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 30-015-31262	Pool Code 86500	Pool Name Turkey Track; Morrow, North (Gas)
Property Code	Property Name MAGNUM STATE 16	Well Number 2
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3348

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	16	19S	29E		1980	NORTH	990	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

Dedicated Acres	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Zeno Farris</u> Signature</p> <p>Zeno Farris Printed Name</p> <p>Mgr Operations Admin Title</p> <p>December 11, 2009 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>JUNE 21, 2000</p> <p>Date Surveyed _____ LMP</p> <p>Signature <u>[Signature]</u> Professional Surveyor</p> <p>NEW MEXICO 6/27/2000 00-11-075</p> <p>Certificate No. RONALD EEDSON 3239 GARY EEDSON 12641 PROFESSOR GARY McDONALD 12185</p>
<p>E0-2493-0007</p>	

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

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

DISTRICT II
P.O. Drawer ED, Arcoma, NM 88211-0716

DISTRICT III
1000 Rio Brazos Ed., Astar, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31262	Pool Code 86445	Pool Name Turkey Track; Atoka(Gas)
Property Code	Property Name MAGNUM STATE 16	Well Number 2
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3348

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	16	19S	29E		1980	NORTH	990	EAST	EDDY

Bottom Hole Location If Different From Surface

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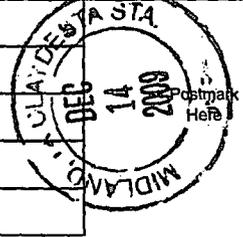
	<p>EO-2493-0007</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i></p> <p>Signature</p> <p>Zeno Farris</p> <p>Printed Name</p> <p>Mgr Operations Admin</p> <p>Title</p> <p>December 11, 2009</p> <p>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>JUNE 21, 2000</p> <p>Date Surveyed</p> <p>Signature <i>Gary E. Fiddson</i></p> <p>Professional Surveyor</p> <p>NEW MEXICO</p> <p><i>Gary E. Fiddson</i></p> <p>100-11-0754</p> <p>10/27/2000</p>	<p>Certificate No. RONALD FEIDSON 3239 GARY FIDSON 12641 WILLIAM McDONALD 12185</p>

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Total Postage & Fees	\$	

Sent To New Mexico St Land Office, Attn: Pete Martinez
Street, Apt. No., or PO Box No. 310 Old Santa Fe Trail
City, State, ZIP+4 Santa Fe, NM 87504

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

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

APPLICATION TYPE

District III
1000 Rio Brazos Road, Aztec, NM 87410

Single Well

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Cimarex Energy Co. of Colorado

600 N. Marienfeld St., Ste. 600; Midland, TX 79701

Operator

Address

DAC-4238

Magnum 16 State

002

H-16-19S-29E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 162683 Property Code _____ API No. 30-015-31262 Lease Type: Federal State _____ Fee _____

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Turkey Track; Atoka (Gas)		Turkey Track; Morrow, N (G)
Pool Code	86445		86500
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10733-10738'		11147-316'
Method of Production (Flowing or Artificial Lift)	Plunger 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)	To be supplied		No oil, 1.112
Producing, Shut-In or New Zone	New Zone		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: To be supplied Rates:	Date: Rates:	Date: 07-15-09 Rates: oil 0/gas 85, wtr 0
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

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 December 11, 2009

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

E-MAIL ADDRESS zfarris@cimarex.com