

| | | | | | |
|--------------|----------|----------------|----------------|------------------|----------------------------|
| DATE IN 12-3 | SUSPENSE | ENGINEER Jones | LOGGED IN 12-3 | TYPE DHC 4242 | PTGW APP NO. 0933758296 |
|--------------|----------|----------------|----------------|------------------|----------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Cimarex

State 25 Com #1

ADMINISTRATIVE APPLICATION CHECKLIST 30-015-22985

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>11/17/09</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

RECEIVED

Cimarex Energy Co. of Colorado

2009 DEC 3 PM 2 18

November 17, 2009

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

RE: State 25 Com No. 1
30-015-22985
C-107-A – Application for Downhole Commingling – Parkway; Wolfcamp & Parkway; Strawn

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 Wolfcamp (9768-9790') with the Strawn (10564-10732') behind RBP @ 10382'. There are Morrow perfs (11392-11684') behind CIBP @11330' w/ 35' cmt.

Cimarex proposes to remove the RBP between the Wolfcamp and Strawn and DHC the two zones. The allocation percentages are based on past Strawn production (last representative Strawn test before it loaded up with fluid, according to our engineer, was January 2008) and current Wolfcamp flow tests.

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. Overriding royalties are the same owners but there will be differences in the percentages due to the different spacings for the Wolfcamp (40 acres) and Strawn (160 acres) zones.

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

Sincerely,

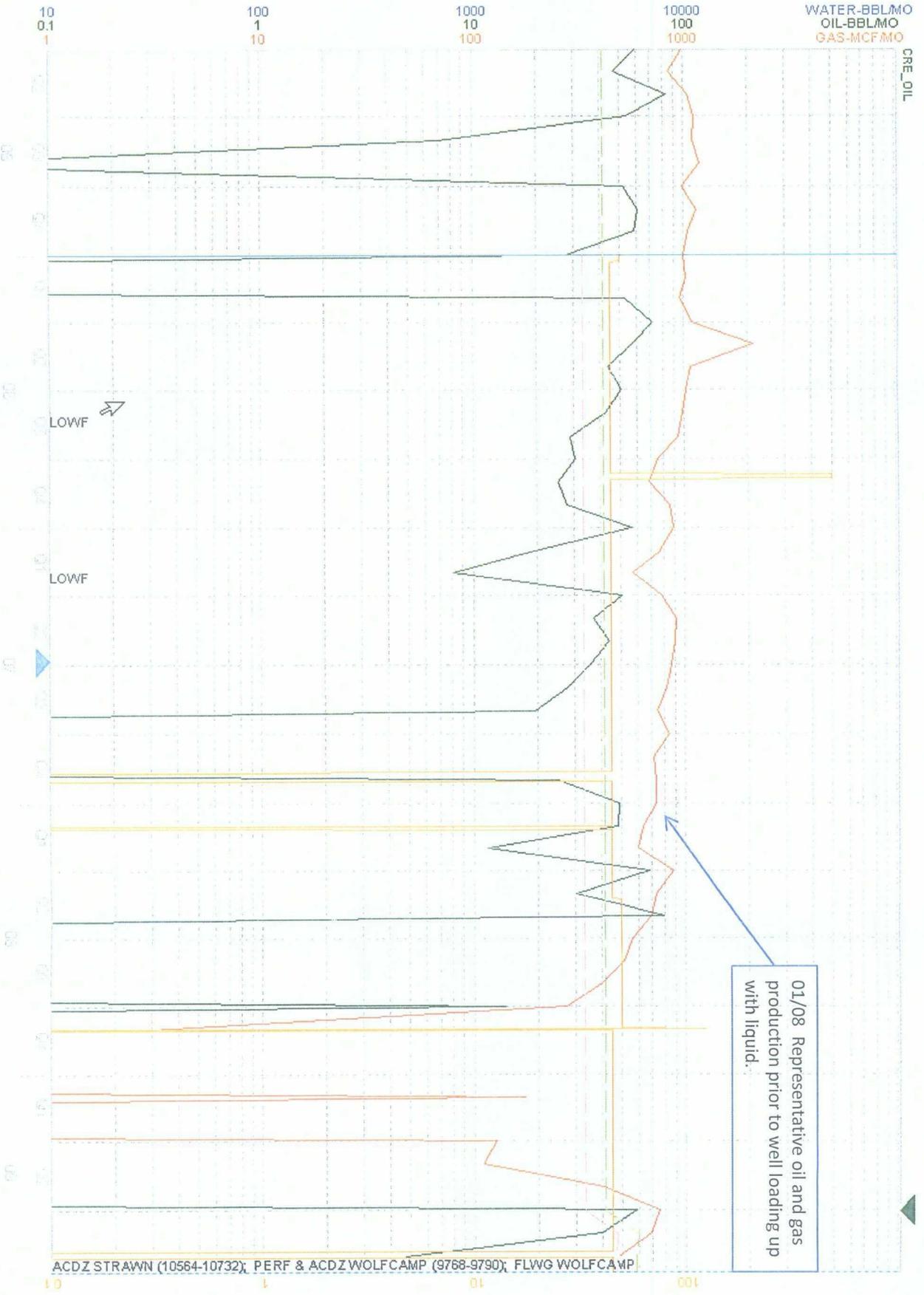


Zeno Farris
Mgr Operations Administration

zfarris@cimarex.com

.....

State 25 Com #1 Strawn Monthly Production



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|---|
| ¹ API Number 30-015-22985 | ² Pool Code 49630 | ³ Pool Name Parkway; Strawn |
| ⁴ Property Code 23086 | ⁵ Property Name State 25 Com | |
| ⁶ Well Number 001 | ⁷ Operator Name CIMAREX ENERGY CO. OF COLORADO | ⁸ Elevation 3339' GL |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 25 | 19S | 29E | | 1980 | South | 2130 | West | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

| | | | |
|--------------------------------------|-------------------------------|---------------------------------------|-------------------------------------|
| ¹² Dedicated Acres 160 | ¹³ Joint or Infill | ¹⁴ Consolidation Code C | ¹⁵ Order No. NSL-1182 |
|--------------------------------------|-------------------------------|---------------------------------------|-------------------------------------|

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 | | | | <p>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.</p> <p><i>Zeno Farris</i> 11/17/2009 Signature Date</p> <p>Zeno Farris Printed Name</p> |
| | | | | |
| | | | | <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p> |
| | | | | |

L0-3529-0003

LG-2244-0004

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|---|
| ¹ API Number 30-015-22985 | ² Pool Code 49637 | ³ Pool Name Parkway; Wolfcamp |
| ⁴ Property Code 23086 | ⁵ Property Name State 25 Com | |
| ⁷ OGRID No. 162683 | ⁶ Operator Name CIMAREX ENERGY CO. OF COLORADO | ⁸ Well Number 001 ⁹ Elevation 3339' GL |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 25 | 19S | 29E | | 1980 | South | 2130 | West | 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 |
|-------------------------------------|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
| | | | | | | | | | |
| ¹² Dedicated Acres 40 | | 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.

| | | | | | |
|---|-------|--------------|-------|---|--|
| 16 | 2130' | L0-3529-0003 | 1980' | ¹⁷ OPERATOR CERTIFICATION | |
| | | | | <p><i>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</i></p> <p>Zeno Farris 11/17/2009 Signature Date</p> <p>Zeno Farris Printed Name</p> | |
| <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> | | | | <p>Certificate Number</p> | |

NESW (Parkway; Wolfcamp) and SW4 (Parkway; Strawn) 25-19S-29E
State 25 Com No. 1
30-015-22985
1980 FSL & 2130 FWL
Eddy County, New Mexico



RE: Application to Downhole Commingle Wolfcamp and Strawn in the State 25 Com No. 1.

Overrides:

| | | | |
|--|--|--|---|
| Sool LTD H.L. Brown Operating LLC As General Partner Attn: Accounting Dept. PO Box 2237 Midland, TX 79702-2237 | Hal S Dean PO Box 51307 Midland, TX 79710-1307 | International Oil & Mining Co. PO Box 26 Castaic, CA 91310 | E J Rousuck Estate Revenue Processing Division F/A/O E J Rousuck Estate PO Box 630 Santa Fe, NM 87509 |
| Howard C Warren Revenue Processing Division F/A/O Howard C Warren PO Box 630 Santa Fe, NM 87509 | Jaco Production Company PO Box 82515 Bakersfield, CA 93380 | Goodman Energy, LLC PO Box 2001 Edmond, OK 73083-2001 | |

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

APPLICATION TYPE

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

Single Well

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

APPLICATION FOR DOWNHOLE COMMINGLING

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes No

Cimarex Energy Co. of Colorado
Operator

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

DHC-4242

State 25 Com
Lease

001
Well No.

K-25-19S-29E
Unit Letter-Section-Township-Range

Eddy
County

OGRID No. 162683 Property Code 23086 API No. 30-015-22985 Lease Type: Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|-------------------------------------|-------------------|-------------------------------------|
| Pool Name | <i>JADES</i> Parkway; Wolfcamp | | Parkway; Strawn |
| Pool Code | 49637 | | 49630 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 9768-9790' | | 10564-10732' |
| Method of Production (Flowing or Artificial Lift) | Flowing | | Shut in behind RBP |
| 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) | 44.2, 1.347 | | 48.8, 1.339 |
| Producing, Shut-In or New Zone | New Zone, Producing | | Shut in behind RBP |
| 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: 10-15-09 Rates: 30, 496, 0 | Date: Rates: | Date: 01-01-08 Rates: 1.6/20.4/0 |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil 95% Gas 96% | Oil Gas | Oil 5% Gas 4% |

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 November 17, 2009

TYPE OR PRINT NAME Zeno Farris TELEPHONE NO. (432) 620-1938

E-MAIL ADDRESS zfarris@cimarex.com