

DATE IN <u>2-19-10</u>	SUSPENSE <u>3/12/10</u>	ENGINEER <u>Jones</u>	LOGGED IN <u>2-19</u>	TYPE <u>DHC</u>	APP NO. <u>1005038826</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

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 _____

2010 FEB 19 A 9:56
 RECEIVED OGD

- [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>2/18/10</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)

Cimarex Energy Co. of Colorado

February 18, 2010

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

RE: Federal 13 Com No. 2
30-015-33344
C-107-A – Black River; Wolfcamp, SW & White City; Penn (Gas)

RECEIVED OGD
2010 FEB 19 AM 11:50

Dear Mr. Jones,

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

This well is currently producing from Morrow perfs @ 11224-11576' and Atoka perfs at 10732'-10739'.

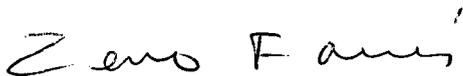
Cimarex proposes to set a CIBP above the Morrow @ 11200' w/ 35' cement and CIBP above Atoka @ 10700' with 35' of cement. Perf, acidize and frac the Cisco Canyon from 10132'-10354' in 2 stages. Perf, acidize and frac the Wolfcamp from 9232'-9760' in 3 stages. Allocation percentages for each zone will be based on production log and furnished after completion and cleanup.

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

Royalty, and working interest owners are the same in each zone. The overriding royalty owner is the same but will have a different percentage in Penn and Wolfcamp formations due to the different spacing units. Attached is proof of notification.

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

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 15, 2009
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-33344		² Pool Code 96890		³ Pool Name Sage Draw; Wolfcamp, East	
⁴ Property Code 33622		⁵ Property Name Federal 13 Com			⁶ Well Number 002
⁷ OGRID No. 162683		⁸ Operator Name Cimarex Energy Co. of Colorado			⁹ Elevation

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	13	25S	26E		1565	South	1400	West	West

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 320	¹³ Joint or Infill	¹⁴ Consolidation Code P	¹⁵ Order No.
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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 NM-36508	Federal 13 Com 2 1565 FSL & 1400 FWL	¹⁷ OPERATOR CERTIFICATION <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> Zeno Farris 2/18/2010 Signature Date Zeno Farris Printed Name	
		¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

All (White City; Penn (Gas)) and W2 (Sage Draw; Wolfcamp, E) 13-25S-26E
Federal 13 Com No. 2
30-015-33344
1565 FSL & 1400 FWL
Eddy County, New Mexico



RE: Application to Downhole Commingle Wolfcamp and Cisco in the Federal 13 Com No. 2

Overrides:

Chevron U.S.A. Inc. Ownership Division PO BOX 730436 Dallas, TX 75373-0436			
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Federal 13 Com #2 Ciscamp Recompletion Procedure

Well Data:

KB	18' above GL
TD	12310'
PBTD	12225'
Casing	13-3/8" 54.5# J-55 @ 212'. Cmtd w/ 250 sx. Cmt circ. 10-3/4" 45.5# J-55 @ 2030'. Cmtd w/ 800 sx. Cmt circ. 7-5/8" 26&29# NS-110HC @ 10020'. Cmtd w/ 600 sx. Cmt circ. DV Tool @ 5455'. Cmtd w/ 800 sx. TOC N/A. 4-1/2" 11.6# P-110 @ 12310'. Cmtd w/ 485 sx. TOC @ 9066' by CBL.
Perfs	Morrow – (11224' – 11778') Atoka (10732' – 10739')

Procedure:

1. MIRU pulling unit. If necessary, kill well w/ FW. ND WH, NU BOP, TOO H & LD tbg. RU wireline and run gauge ring to 11210'. Run CIBP and set @ \pm 11200' and dump 35' cmt on top of CIBP. Run second CIBP and set @ \pm 10700' and dump 35' cmt on top of CIBP. RU pump truck and pressure test csg to 5000 psig w/ FW. ND BOP and RU 10K goat head frac valve and 10K tree saver. RDMO pulling unit.
2. RU wireline truck and mast unit. Perforate Cisco Canyon (10239' – 10246', 10258' – 10265', 10274' – 10279', 10300' – 10307', 10325' – 10330', 10348' – 10354') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 111 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated September 4, 2004.
3. RU stimulation company. Acidize and frac Cisco Canyon perfs (10239' – 10354') down 4-1/2" csg as per recommendation. Set 10K flow thru composite plug @ 10225'.
4. Perforate Cisco Canyon (10132' – 10136', 10147' – 10151', 10169' – 10173', 10188' – 10192', 10207' – 10211') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 60 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated September 4, 2004.
5. Acidize and frac Cisco Canyon perfs (10132' – 10211') down 4-1/2" csg as per recommendation. Set 10K flow thru composite plug @ 10000'.
6. Perforate Wolfcamp (9650' – 9654', 9676' – 9680', 9700' – 9704', 9728' – 9732', 9756' – 9760') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 60 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated September 4, 2004.

7. Acidize and frac Wolfcamp perms (9650' – 9760') down 4-1/2" csg as per recommendation. Set 10K flow thru composite plug @ 9625'.
8. Perforate Wolfcamp (9443' – 9447', 9480' – 9484', 9538' – 9542', 9574' – 9578', 9593' – 9597') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 60 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated September 4, 2004.
9. Acidize and frac Wolfcamp perms (9443' – 9597') down 4-1/2" csg as per recommendation. Set 10K flow thru composite plug @ 9430'.
10. Perforate Wolfcamp (9232' – 9236', 9323' – 9327', 9348' – 9352', 9388' – 9392', 9414' – 9418') 3 JSPF at 120 degree phasing w/ 3-1/8" casing guns. Total of 60 holes. Depth reference log Halliburton Spectral Density Dual Spaced Neutron Log dated September 4, 2004. RD wireline.
11. Acidize and frac Wolfcamp perms (9232' – 9418') down 4-1/2" csg as per recommendation. RD Stimulation company.
12. RU 1-3/4" coiled tbg unit. TIH w/ 3-3/4" butterfly mill & extreme downhole motor on 1-3/4" CT and drill out sand and composite plugs @ 9430', 9625', 10000', and 10225'. Make a minimum of 2 gel sweeps while drilling out composite plugs. FIH w/ coiled tbg and CO sand to 10950'. TOOH w/ mill, motor, & CT. RD coiled tbg unit.
13. Flow back well until sand production cleans up, the SI well overnight.
14. RU wireline and full 10K lubricator. RIH w/ 3-7/8" GR to 9220'. TIH w/ 10K pkr w/ on-off tool, and a pump out plug (pinned for 7500 psi BHP) in place and set @ \pm 9200'. RD wireline and full lubricator.
15. ND goat head and NU BOP. TIH w/ on-off tool, tbg and gas lift valves as per recommendation testing tubing below slips to 8000 psi. Tag pkr and PU 1 jt. RU PT and establish circ w/ FW. Pickle tbg w/ 500 gals 15% HCl and reverse out acid. Circ hole until good clean wtr is left in annulus (annulus volume = 93 bbls). FIH w/ tbg and latch on to pkr. ND BOP, NU WH. RD pulling unit.
16. RU PT & pressure up to 4000 psig to pump out plug. Put well on production.

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1625 N. French Drive, Hobbs, NM 88240

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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

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

Lease Federal 13 Com Well No. 002 Unit Letter-Section-Township-Range K-13-25S-26E County Eddy **DHC-4263**

OGRID No. 162683 Property Code 33622 API No. 30-015-33344 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>UNDES</u> Sage Draw; Wolfcamp, E		White City; Penn (G) (Cisco)
Pool Code	96890		87280
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9232-9760'		10132-10354'
Method of Production (Flowing or Artificial Lift)	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 bottom perfs		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	To be supplied		To be supplied
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: To be supplied Rates:	Date: Rates:	Date: To be supplied Rates:
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 February 18, 2010

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

E-MAIL ADDRESS zfarris@cimarex.com

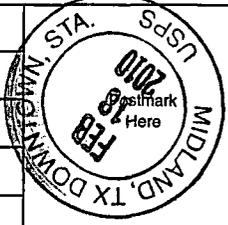
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 City, State, ZIP+4 Dallas, TX 75373-0436

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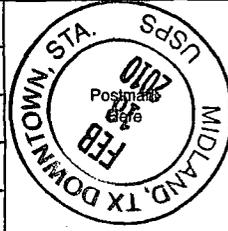
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 City, State, ZIP+4 Santa Fe, NM 87504

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