



Cimarex Energy Co. of Colorado

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JUN - 8 2006

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June 2, 2006

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505
Attn: Mr. William V. Jones

Re: Walnut Canyon State Com No. 1
Section 2-25S-25E
Eddy County New Mexico

Dear Mr. Jones:

Enclosed is an original of Form C-107A Application for Downhole Commingling for referenced well. We are currently in the completion phase of this newly drilled well and are swabbing and flow testing a Morrow interval at 11328' – 11340'. Our last daily rate on 5-31-06 was 85 mcfpd. To increase the economics of this well we would like to add an Upper Penn interval at 9792' – 9896' and combine the well streams.

In this regard we plan to isolate the Penn interval and test sufficiently to compile a well test. After testing we will remove all plugs and commingle the Upper Penn and Morrow. We will furnish commingling percentages when operations are complete.

All royalty, overriding royalty, and working interest owners are identical in the two zones, and will not be harmed by the commingling of Penn/Morrow production.

If you have any questions or require additional information regarding this issue, please feel free to write or call the undersigned at 972-443-6489.

Sincerely,

Zeno Farris
Manager Operations, Administration

New Mexico Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210
Attn: Mr. Bryan Arrant

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505
Attn: Mr. Jeff Albers