

DATE IN <u>11.15.11</u>	SUSPENSE	ENGINEER <u>WVJ</u>	LOGGED IN <u>11.15.11</u>	TYPE <u>DHC</u>	APP NO. <u>1131958010</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 _____

[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.

Terri Stathem
 Print or Type Name

Signature

Regulatory Analyst
 Title

11/11/11
 Date

tstathem@cimarex.com
 e-mail Address

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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 600 N. Marienfeld, Ste 600; Midland, Tx 79701
Operator Address

Smith 001 J-25-19S-33E Lea
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 162683 Property Code 300553 API No. 30-025-27705 Lease Type: Federal State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
	<u>UNDES.</u>		<input checked="" type="checkbox"/>
Pool Name	Apache Ridge; Bone Spring		Gem; Strawn; East
Pool Code	2260		96244
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9476-9510'		12175'-12248'
Method of Production (Flowing or 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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	42.2		44.8
Producing, Shut-In or New Zone	Producing		Shut In (Under 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: 10/30/2011 Rates: 20/100/1	Date: Rates:	Date: 10/2008 Rates: 20/40/1
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 50% 72%	Oil Gas	Oil Gas 50% 28%

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 TITLE Regulatory Anlayst DATE November 11, 2011

TYPE OR PRINT-NAME Terri Stathem TELEPHONE NO. 432-620-1936


E-MAIL ADDRESS tstathem@cimarex.com

0129 S. St. Francis Dr., Santa Fe, NM 87505

Santa Fe, NM 87505

Fee Lease - 3 Copies

☐ AMENDED REPORT

		Fee-Owned 	

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the operator is either owner or working interest or authorized mineral interest in the land including the proposed production operation or has a right to drill this well or the services performed hereunder with assurance of such interest as working interest, or as a royalty, pooling agreement or a compulsory pooling unit for hydrocarbon minerals in the formation.

Signature: Brett Jennings Date: 01-06-08

Printed Name: Brett Jennings

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.

Date of Survey: _____

Signature and Seal of Professional Surveyor: _____

Certificate Number: _____

District I
 1629 N. French Dr., Hobbs, NM 88241
 District II
 1201 N. Grand Avenue, Artesia, NM 88210
 District III
 1900 Rio Grande R.D., Lordsburg, NM 87044
 District IV
 1120 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

*API Number 30-025-27705	*Pool Code 96244	*Pool Name Gem; Strawn;; East
*Property Code	*Property Name Smith	*Well Number 001
*OCRID No. 162683	*Operator Name CIMAREX ENERGY CO. OF COLORADO	*Elevation 3620.5' GL

10 Surface Location

TL or lot no.	Section	Township	Range	Lot No.	Feet from the	North-South line	Feet from the	East-West line	County
J	25	19S	33E		1980	South	1980	East	Lea

11 Bottom Hole Location if Different From Surface

TL or lot no.	Section	Township	Range	Lot No.	Feet from the	North-South line	Feet from the	East-West line	County

*Dedicated Acres 40	*Depth or Depth	*Consolidating Code	*Order No.

No allowance will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16 	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 the operator is duly qualified to operate in accordance with the laws of the State of New Mexico and the rules and regulations of the Department of Energy, Minerals and Natural Resources.	
	Signature <u>Brett Jennings</u> Date <u>01-06-08</u>	
	Printed Name <u>Brett Jennings</u>	
	Printed Name _____	
Fee-Owned 	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.	
	Date of Survey _____	
	Signature and Seal of Professional Surveyor _____	
	Certificate Number _____	



Cimarex Energy Co. of Colorado

600 N. Marienfeld St. ♦ Suite 600 ♦ Midland, TX 79701 ♦ (432) 620-1938 ♦ Fax (432) 620-1940
A subsidiary of Cimarex Energy Co. • A NYSE Listed Company • "XEC"

November 14, 2011

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

Attn: Mr. Will V. Jones

Re: DHC – Smith #1
J-25-19S-33E
3002527705
Lea County, NM

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Dir Sir:

Enclosed please find Form C-107A, C-102 and the Administrative Checklist for the above referenced well for your review and approval.

Should you have any questions please contact me at 432-620-1936

Sincerely,

A handwritten signature in black ink, appearing to read "Terri Stathem", written over a circular flourish.

Terri Stathem
Regulatory Analyst
Phone: 432-620-1936
Fax: 432-620-1940