DATE		PINSE OF THE PRUK 0732534773
		ABOVE THIS LINE FOR DIVISION USE ONLY
		NEW MEXICO OIL CONSERVATION DIVISION
		- Engineering Bureau -
		ADMINISTRATIVE APPLICATION CHECKLIST
		MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Appli	DHC-Do)] PC-F]	ms: andard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] wnhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] 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] alified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
í] -	TYPE OF A [A]	PPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD
	Chec [B]	k One Only for [B] or [C] 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
!]	NOTIFICAT [A]	TION REQUIRED TO: - Check Those Which Apply, or Does Not Apply 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
]		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE ATION INDICATED ABOVE.
] prov plica	al is <mark>accurate</mark> a	TION: I hereby certify that the information submitted with this application for administrative nd complete to the best of my knowledge. I also understand that no action will be taken on this quired information and notifications are submitted to the Division.
	÷	Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name Signature Title Date

e-mail Address

Cimarex Energy Co. of Colorado

5215 North O'Connor Blvd. • Suite 1500 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443 Mailing Address: P.O. Box 140907 Irving, TX 75014-0907 Cimarex Energy Co. • A NYSE Listed Company • "XEC"

November 14, 2007

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

Re: Arco Federal 29 Com No. 1 Section 29-18S-33E 30-025-31537 Lea County, NM

Dear Mr. Jones:

Enclosed is an original form C-107A (Application for Downhole Commingling) for the referenced well.

The Arco Federal 29 Com No. 1 is currently producing approximately 5 bopd from the Corbin; Wolfcamp, South @ 11136'-11280.' Reservoir study suggests that another pay zone, the Corbin; Bone Spring, South, exists @ 9946'-9996.' Cimarex plans to set a CBP @ 10115' over the Wolfcamp, perf and acidize the Bone Spring and produce flush production from the Corbin Bone Spring, South pool. Upon DHC approval we will remove the CBP and commingle the Bone Spring and Wolfcamp production.

2007 NOV 19

AM 11

Our fixed allocation percentage will be determined by using our average Wolfcamp production for the last year and our current Bone Spring test after flush production has been produced.

The Corbin: Wolfcamp South pool is spaced on 80 acres while the Corbin; Bone Spring, South pool is spaced on 40 acres. In this regard for Bone Spring production the Federal royalty will be the same percentage but paid on a single lease basis. Working interests will be the same under a 1-20-92 operating agreement for the E/2SE/4 contract area there are non common overrides.

Attached are applicable C-102's, past production for Corbin Wolfcamp, South and proof of notice.

If anything further is needed regarding this issue, or if you have any questions, please feel free to contact me at 972-443-6489.

Yours truly,

ZenoFarris

Zeno Farris Manager, Operations Administration

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

D' (' (U

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 <u>X</u>Single Well Establish Pre-Approved Pools EXISTING WELLBORE <u>X</u>Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

5215 N. O'Connor Blvd., Suite 1500; Irving, TX 75039 Cimarex Energy Co. of Colorado Operator Address DAC-3 970 Arco Federal 29 Com 001 I-29-18S-33E l.ea County Well No. Unit Letter-Section-Township-Range Lease OGRID No. 162683 Property Code API No. 30-025-31537 Lease Type: Federal State Х Fee DATA ELEMENT UPPER ZONE **INTERMEDIATE ZONE** LOWER ZONE Corbin: Corbin; Pool Name Bone Spring, South Wolfcamp, South Pool Code 13160 13320 Top and Bottom of Pay Section 9946'-9995' 11136'-11280' (Perforated or Open-Hole Interval) Method of Production Artificial Lift (Flowing or Artificial Lift) **Bottomhole Pressure** are data will not be required if the botto perforation in the lower zone is within 150% of the Within 150% of bottom depth of the top perforation in the upper zone) perfs Oil Gravity or Gas BTU (Degree API or Gas BTU) est est Producing, Shut-In or New Zone New Zone Producing Date: GMMINGE Date and Oil/Gas/Water Rates of Last Production. Date: To be supplied Date: 09-15-07 nes with no production history, (Note: For n BUSHI applicant shall be required to attach production Rates: estimates and supporting data.) Rates: 4/26/0 Rates **Fixed Allocation Percentage** Oil Oil Gas Oil Gas Gas ed upon som than current or past production, supporting data or explanation will be required.) **ADDITIONAL DATA** Are all working, royalty and overriding royalty interests identical in all commingled zones? No Yes 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? X No Yes Will commingling decrease the value of production? No___ X Yes 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 X 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 C MO Fau	<u> 「 TITLE</u>	Manager Operations Administration	_DATE_	November 14, 2007

TYPE OR PRINT NAME	Zeno Farris	TELEPHONE NO	(972) 443-6489
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E-MAIL ADDRESS zfarris@cimarex.com

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C-107A Application for Downhole Commingling (Bone Spring and Wolfcamp)

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Arco Federal 29 Com No. 1

29-18S-33E; 2130' FSL 660' FEL

Eddy County, NM

Production for One Year-Wolfcamp

1	1					I	ł
Production	Days	Produced		Produced	Sales	Produced	Oil
Date	Up	Oil	Sales Oil	Gas	Gas	Water	Gravity
09/30/2007	30	151	198	831	831	21	40.2
08/31/2007	31	149	0	879	879	27	
07/31/2007	30	100	195	587	587	12	
06/30/2007	29	141	193	864	864	12	
05/31/2007	30	132	0	826	826	9	
04/30/2007	28	126	196	803	803	3	
03/31/2007	28	119	0	665	665	14	
02/28/2007	28	119	206	740	740	0	
01/31/2007	31	136	194	845	845	24	
12/31/2006	31	125	205	822	822	6	
11/30/2006	29	112	402	837	837	3	
10/31/2006	31	149	0	865	865	12	
09/30/2006	30	146	0	573	573	9	
08/31/2006	29	135	0	698	698	9	
Total	415	1841	1788	10835	10835	161	
Average	29	131	128	774	774	12	

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

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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 L	OCATIO	ON AND ACR	ACREAGE DEDICATION PLAT							
					² Pool Code ³ Pool Name								
30-025-31537									Bone Spring, South				
⁴ Property C	Code			⁵ Property Name						⁶ Well Number 001			
100000				Arco Federal 29 Com							⁹ Elevation		
⁷ ogrid n 16268.				⁸ Operator Name Cimarex Energy Co. of Colorado							3774.3' GR		
10208.			Cil			lauo							
UL or lot no.	Section	Townshi	Range	Lot Idn	¹⁰ Surface					st line	County		
I	29	18S	33E	Lot Iun	2130						Lea		
A		105		l ottom II	lole Location I								
UL or lot no.	Section	Townshi		Lot Idn	Feet from the	North/South		eet from the	East/We	est line	County		
	Section		p Runge	Lot full		Tion in Boouri		cer nom me	2454 114				
¹² Dedicated Acres	s ¹³ Joint	or Infill	¹⁴ Consolidati	on Code 15	Order No.				1		L		
40	1	V		D	HC Pending								
No allowable v	vill be as:	signed to	this comple	etion until	all interests have	been consol	idated or a	non-standa	ard unit ha	s been a	pproved by the		
division.			· · · r										
16								¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and to the best of my knowledge and belief, and that this organization owns a working interest or unleased mineral interest in the land the proposed bottom hole location or has a right to drill this well location pursuant to a contract with an owner of such a mineral interest, or to a voluntary pooling agreement or a compulsory po- order heretofore entered by the division. November 2007 ZMO FALL Signature Date					
									Zeno Farris Printed Name				
							660?	¹⁸ SURVEYOR CERTIFICA I hereby certify that the well location show plat was plotted from field notes of actual made by me or under my supervision, and same is true and correct to the best of my to Date of Survey Signature and Seal of Professional Surveyor:			ation shown on this s of actual surveys vision, and that the best of my belief.		
					Arco Fed 29	2130' 9 Com #1		Certificate 1					

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			² Pool Code ³ Pool Name									
30-	37		13320 Corbin; Wolfcamp, Sc						outh			
⁴ Property Code					⁵ Property				Ţ	⁶ Well Number		
					Arco Federa		_			001		
⁷ OGRID	No.				⁸ Operator	Name				⁹ Elevation		
16268			Cim	arex Energy C	o. of Colorado				37	74.3' GR		
	1				¹⁰ Surface	Location		<u> </u>	4			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet	Feet from the East/W			County	
Ι	29	1 8 S	33E		2130	South		660 Ea		t	Lea	
		L	¹¹ Bo	ottom Ho	le Location I	f Different Fro	om Su	rface				
UL or lot no.	Section	Township		Lot Idn	Feet from the	North/South line				East/West line Coun		
¹² Dedicated Acre	es ¹³ Joint	or Infill	¹⁴ Consolidatio	n Code ¹⁵ O	rder No.	L						
80	1	N		DH	IC Pending							
No allowable v	will be as	signed to	this comple	tion until a	ll interests have	been consolidate	d or a n	on-standa	rd unit has	been ar		
division.												
16								¹⁷ O	PERATO	R CER'	TIFICATION	
		1						I hereby certi	fy that the inform	ation contain	ed herein is true and complete	
									• -	-	that this organization either	
									-		interest in the land including	
											right to drill this well at this	
								-			er of such a mineral or working t or a compulsory pooling	
									ore entered by the		t of a comparsory pooring	
]					November 14,	
								2007			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
								2007				
								Signature			Date	
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								Printed Nam			<u> </u>	
							10 000.07 B107070001411 C.O.O	10				
											TIFICATION	
ł								1 -			ation shown on this	
							560'	plat was p	olotted from j	ìeld notes	of actual surveys	
								made by n	ne or under 1	ny superv	ision, and that the	
								same is tr	ue and corre	ct to the b	est of my belief.	
								Date of Sur	vey			
						2130'			nd Seal of Prof	essional Sur	veyor:	
						A DELATING DECOMPTON CONCERNMENT OF						
					Arco Fed 2	117.728-12 117.728-12						
					Alco red 2			Certificate N	lumber			

5215 N. O'Connor Blvd Suite 1500 Irving, TX 75039 972-401-3111 (phone) 972-443-6486 (fax)

Cimarex Energy Co. of Colorado

November 14, 2007

CERTIFIED MAIL RETURN RECEIPT REQUESTED

NOTICE OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION ADMINISTRATIVE CASE:

INTEREST OWNER:

RE: Administrative application for Downhole Commingling Arco 29 Federal Com No. 1 Sec. 29-18S-33E Lea County, New Mexico

Dear Interest Owner,

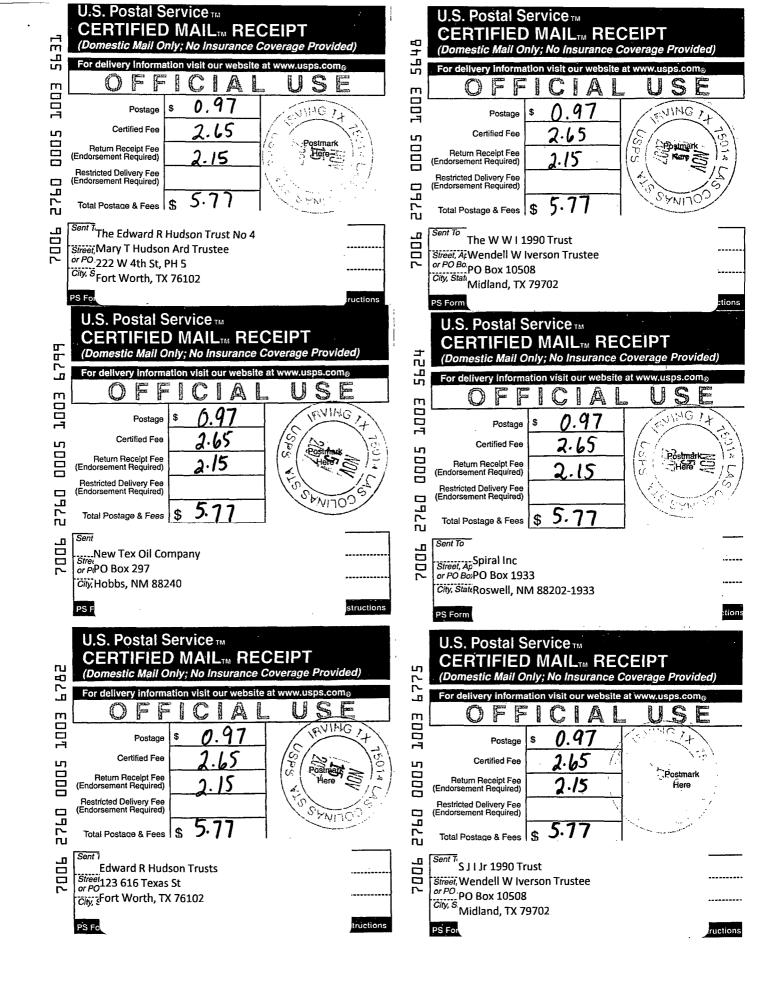
Enclosed is a copy of the referenced administrative application for downhole commingling. This notice is based on internal division order records that indicate that you are an interest owner in the proposed commingled zones in the Arco 29 Federal Com No. 1 well.

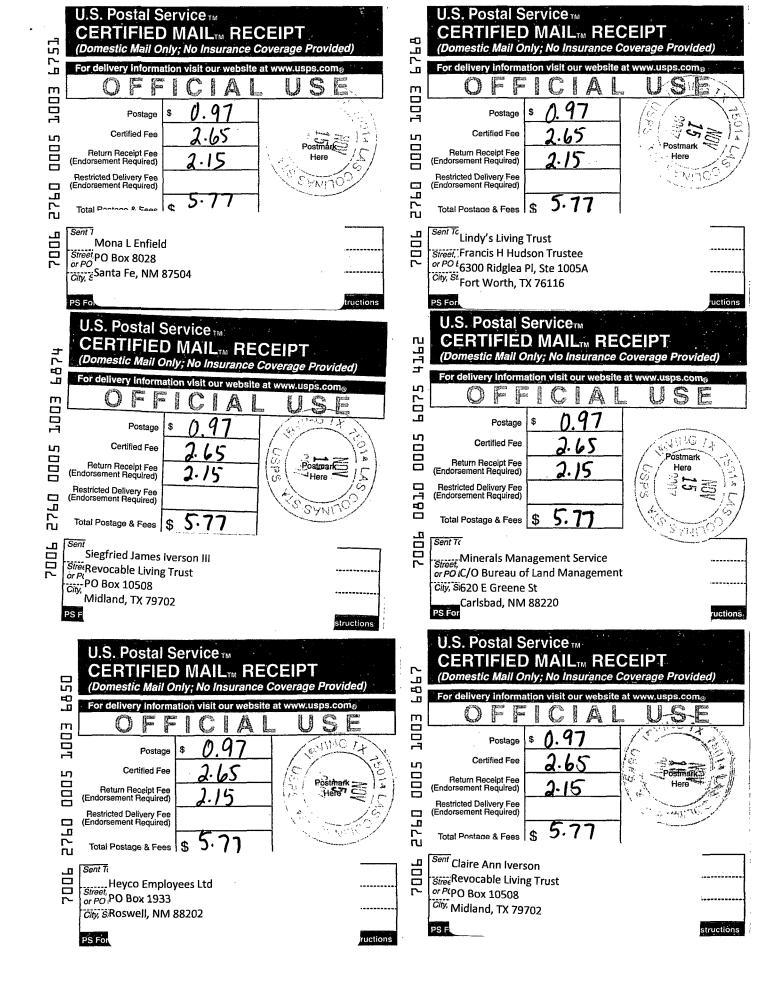
Should you have no objection then there is nothing for you to do. However should you have an objection to the Division approving this application, then it will be necessary for you to file a written objection with the New Mexico Oil Conservation Division, 1220 St Francis Drive, Santa Fe, New Mexico 87505 within twenty days of the date of this letter. Failure to file a timely objection will preclude you from objecting at a later date.

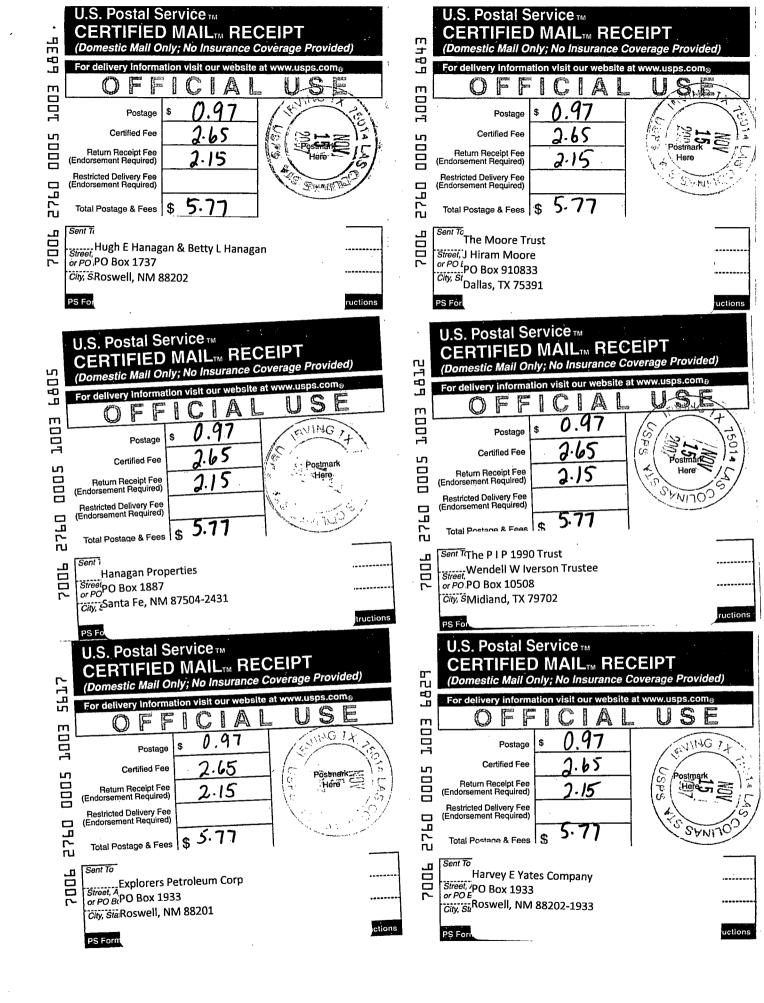
Sincerely,

Zeno Famis

Zeno Farris Mgr Operations Administration









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PS Fori