

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

State 25 Corn #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.

Zeno Farris	<u>Zeno Farris</u>	Mgr Operations Admin	11/17/09
Print or Type Name	Signature	Title	Date
		zfarris@cimarex.com	
		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.

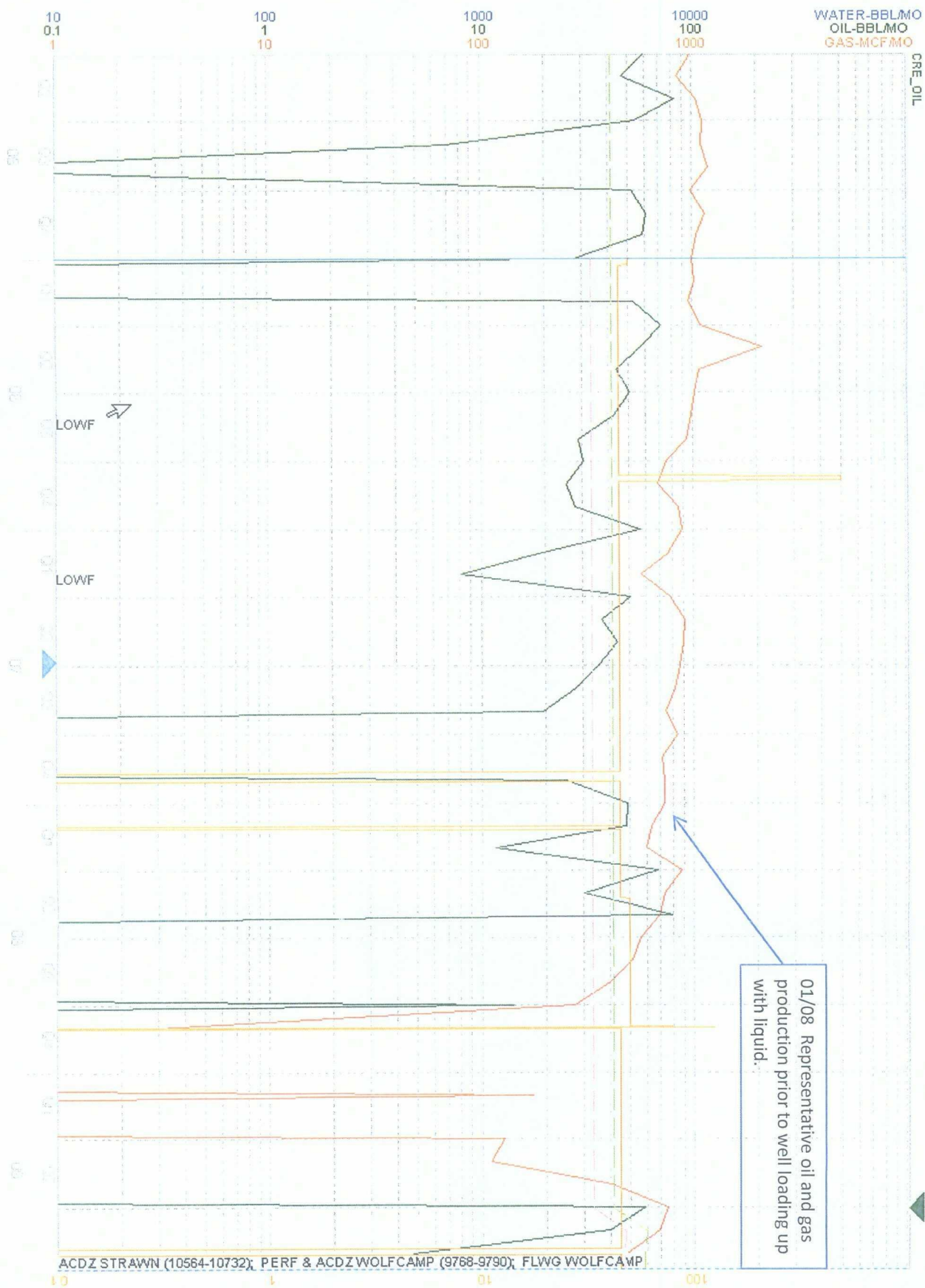
Sincerely,



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 OGRID No. 162683	⁸ Operator Name CIMAREX ENERGY CO. OF COLORADO	⁹ Elevation 3339' GL

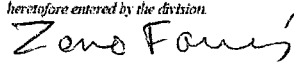
¹⁰ Surface Location

UL or lot no. K	Section 25	Township 19S	Range 29E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 2130	East/West line West	County Eddy
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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				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 released 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.  11/17/2009 Signature Date Printed Name Zeno Farris
				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

16			<div style="text-align: center;">¹⁷ OPERATOR CERTIFICATION</div> <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> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border-bottom: 1px solid black; width: 80%;"><i>Zeno Farris</i></div> <div style="text-align: right;">11/17/2009</div> </div> <div style="display: flex; justify-content: space-between; align-items: center; font-size: small;"> Signature Date </div> <div style="border-top: 1px solid black; text-align: center; padding-top: 5px;"> Zeno Farris </div> <div style="font-size: x-small; padding-top: 5px;">Printed Name</div>
2130'	<div style="border: 2px solid black; padding: 5px; display: inline-block;">L0-3529-0003</div>		<div style="text-align: center;">¹⁸ SURVEYOR CERTIFICATION</div> <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>
	<div style="border: 2px solid black; width: 100px; height: 100px; margin: 0 auto; position: relative;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> </div>		<div style="font-size: small; padding-bottom: 5px;">Date of Survey</div> <div style="font-size: small; padding-bottom: 5px;">Signature and Seal of Professional Surveyor:</div> <div style="border-top: 1px solid black; height: 40px; margin-top: 10px;"></div> <div style="font-size: x-small; padding-top: 5px;">Certificate Number</div>
	<div style="border: 2px solid black; width: 100px; height: 100px; margin: 0 auto; position: relative;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> </div>		

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

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
Operator

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

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>UPPER</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?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?
Yes ☐ No ☒
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