

DATE IN <u>2-8-10</u>	SUSPENSE	ENGINEER <u>Jones</u>	LOGGED IN <u>2-8-10</u>	TYPE <u>DHC</u>	APP NO. <u>100-3935-665</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

NMDD State Com #4

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

30-015-34704

#### 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.

<u>Zeno Farris</u>	<u>Zeno Farris</u>	<u>Mgr Operations Admin</u>	<u>2/4/10</u>
Print or Type Name	Signature	Title	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 4, 2010

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

RECEIVED OGD  
2010 FEB -5 P 3:28

RE: New Mexico DD State Com No. 4  
30-015-34704  
C-107-A – Black River; Wolfcamp, SW & White City; Penn (Gas)

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 @ 11064-11187.'

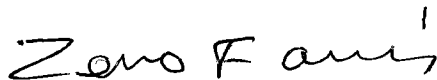
Cimarex proposes to set a CIBP above the Morrow @ 11020' w/ 35' cement. Perf and acidize the Cisco 9720-9938' in 2 stages. Perf and acidize the Wolfcamp 8971-9441' in 3 stages. Allocation percentages for each zone will be based on production log.

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, overriding royalty, and working interest owners are the same in each zone.

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 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 St., Ste. 600; Midland, TX 79701  
Operator Address

New Mexico DD State Com 004 J-32-24S-26E Eddy  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 162683 Property Code 33411 API No. 30-015-34704 Lease Type: ☐ Federal ☒ State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<del>Black River, Wolfcamp, SW</del> Wildcat WC Gas		White City, Penn (G) (Cisco)
Pool Code	<del>97693</del>		87280
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	8971-9441'		9720-9938'
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 4, 2010

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

E-MAIL ADDRESS zfarris@cimarex.com

DISTRICT I  
1826 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brason Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1989

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34704	Pool Code 87280	Pool Name White City; Penn (Gas)
Property Code 33411	Property Name NEW MEXICO DD STATE COM	Well Number 4
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT COMPANY	Elevation 3381'

Surface Location

UL or lot No. J	Section 32	Township 24 S	Range 26 E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 1650	East/West line EAST	County EDDY
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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
Dedicated Acres 640	Joint or Infill	Consolidation Code C	Order No. DHC Pending						

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

LO-1902-0002	K0-2513-0002	LO-4326-0002	OPERATOR CERTIFICATION	
			<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Zeno Farris</u> Signature Zeno Farris Printed Name Mgr Operations Administration Title 2/4/2010 Date</p>	
SURVEYOR CERTIFICATION			<p>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.</p> <p>MARCH 17, 2006 Date Surveyed Signature of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977</p>	
BASIN SURVEYS				

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34704	Pool Code 97693	Pool Name Black River; Wolfcamp, SW
Property Code 33411	Property Name NEW MEXICO DD STATE COM	Well Number 4
OGRID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT COMPANY	Elevation 3381'

Surface Location

UL or lot No. J	Section 32	Township 24 S	Range 26 E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 1650	East/West line EAST	County EDDY
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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
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Dedicated Acres 320	Joint or Infill	Consolidation Code P	Order No. DHC Pending
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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

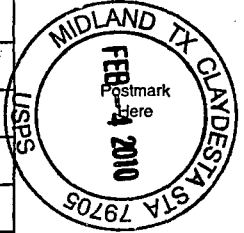
<b>OPERATOR CERTIFICATION</b> <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i>  Zeno Farris Signature Zeno Farris Printed Name Mgr Operations Administration Title 2/4/2010 Date			
<b>SURVEYOR CERTIFICATION</b> <i>I hereby certify 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 Surveyed Signature Professional Surveyor 7977 Certificate No. 6338 BASIN SURVEYS			

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Total Postage & Fees	\$



Sent To	New Mexico St Landoffice Attn: Jeff Albers
Street, Apt. No., or PO Box No.	PO Box 1148
City, State, ZIP+4	Santa Fe, NM 87504-1148

PS Form 3800, August 2006 See Reverse for Instructions.

4TE2 9852 4000 DEPT 9002