

| | | | | | |
|---------|------------------|-------------|------------------|----------|--------------------|
| DATE IN | SUSPENSE 5.09.11 | ENGINEER DB | LOGGED IN 5.9.11 | TYPE DHC | APP NO. 1112951575 |
|---------|------------------|-------------|------------------|----------|--------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Cimarex En Co of Col
 162683

Pipeline A Fed. Com #3

ADMINISTRATIVE APPLICATION CHECKLIST 30-025-37192

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 _____

Fed
Lea

2011 MAY -9 A 11:33
 RECEIVED OGD

[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 | 5/6/2011 |
| 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)

Cimarex Energy Co. of Colorado

May 6, 2011

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

RE: Pipeline A Federal Com No. 3
8-19S-34E
30-025-37192
C-107-A – Bone Spring and Strawn Oil

RECEIVED OOD
2011 MAY -9 A 11:33

Dear Mr. Jones,

Enclosed is an original Form C-107-A (Application for Downhole Commingling) for the well mentioned above.

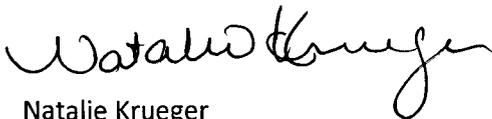
Cimarex proposes to set CIBP @ 13020 with 35' cement above existing Morrow perfs (13052-13203, CIBP @ 13221, perfs 13358-13363, CIBP @ 13425, perfs 13358-13363). Cimarex then proposes to perf and stimulate Strawn 12188-12208. Then perf and stimulate Bone Spring 9372-9386. Turn to production as DHC Bone Spring/Strawn oil well.

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.

Royalty, overriding, and working interest owners are the same in each zone. Leasehold is 100% Cimarex and MMS.

If you have any questions or need further information, please call me at 432-620-1936.

Sincerely,



Natalie Krueger
Regulatory Analyst

nkrueger@cimarex.com

600 N. Marienfeld St
Suite 600
Midland, TX 79701
432-620-1938 (phone)
432-620-1938 (fax)

Cimarex Energy Co. of Colorado

May 6, 2011

Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220
Attn: Ms. Betty Hill

RE: Pipeline A Federal Com No. 3
8-19S-34E
30-025-37192
C-107-A – Bone Spring and Strawn Oil

Dear Ms. Hill,

Enclosed is a copy of a C-107A to downhole commingle the Bone Spring and Strawn in the well mentioned above. We are notifying you because this is a federal minerals well.

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.

Royalty, overriding, and working interest owners are the same in each zone. Leasehold is 100% Cimarex and MMS.

If you have any questions or need further information, please call me at 432-620-1936.

Sincerely,



Natalie Krueger
Regulatory Analyst

nkrueger@cimarex.com

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., 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, 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 30-025-37192 | Pool Code 21650 | Pool Name E-K; Bone Spring |
| Property Code | Property Name PIPELINE A FEDERAL COM | Well Number 3 |
| OGRID No. 162683 | Operator Name CIMAREX ENERGY CO. OF COLORADO | Elevation 3794' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 8 | 19 S | 34 E | | 1150 | NORTH | 950 | WEST | LEA |

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 80 | Joint or Infill | Consolidation Code | Order No. NSL 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

| | | |
|--|--|--|
| | <p>Lat.: N32°40'43.8" Long.: W103°35'16.7"</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i> Signature</p> <p>Zeno Farris Printed Name</p> <p>Mgr Operations Admin Title</p> <p>5/5/2011 Date</p> |
| | | <p>SURVEYOR CERTIFICATION</p> <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>December 7, 2004 Date Surveyed</p> <p>Signature & Seal of Surveyor Professional Surveyor</p> <p></p> <p>Certified by Gary L. 7977</p> <p>JLP</p> |

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., 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, 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 30-025-37192 | Pool Code | Pool Name Strawn Wildcat |
| Property Code | Property Name PIPELINE A FEDERAL COM | Well Number 3 |
| OGRID No. 162683 | Operator Name CIMAREX ENERGY CO. OF COLORADO | Elevation 3794' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 8 | 19 S | 34 E | | 1150 | NORTH | 950 | WEST | LEA |

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 320 | Joint or Infill | Consolidation Code P | Order No. NSL 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

| | | | |
|--|---|---|--|
| | <p>Lat.: N32°40'43.8"</p> <p>Long.: W103°35'16.7"</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Zeno Farris</i></p> <p>Signature</p> <p>Zeno Farris</p> <p>Printed Name</p> <p>Mgr Operations Admin</p> <p>Title</p> <p>5/5/2011</p> <p>Date</p> | |
| | | <p>SURVEYOR CERTIFICATION</p> <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>December 7, 2004</p> <p>Date Surveyed</p> <p><i>Gary L. JLP</i></p> <p>Signature of Registered Professional Surveyor</p> <p>NEW MEXICO</p> <p>7977</p> <p>W.C. No. 79810</p> <p>Certification No. Gary L. JLP 7977</p> <p>JLP</p> | |

**Confirmation
Services**

Package ID: 9171082133393916076720

Destination ZIP Code: 88220

Bureau of Land Management

620 E. Greene St.

Carlsbad, NM 88220

E-CERTIFIED

1ST CLASS FLAT

PBP Account #: 35644897

Serial #: 3132785

MAY 06 2011 9:58A

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

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

APPLICATION TYPE

District III
1000 Rio Brazos Road, Aztec, NM 87410

Single Well

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

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

Pipeline A Federal Com
Lease

003

D-8-19S-34E

Lea

Well No. Unit Letter-Section-Township-Range

County

DHC-4580

OGRID No. 162683 Property Code _____ API No. 30-025-37192 Lease Type: Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|---|-------------------|---|
| Pool Name | <i>ANDES</i> E-K; Bone Spring | | <i>WC; Strawn Wildcat</i> |
| Pool Code | 21650 | | |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 9372-9386 | | 12188-12208 |
| Method of Production (Flowing or Artificial Lift) | Pumping | | Pumping |
| 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) | 35.14, 1.165 | | 41.68, 1.323 |
| 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: 12-07-09 Rates: 7 oil, 9 gas (swab test) | Date: Rates: | Date: 12-11-09 Rates: 11 oil, 29 gas |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil 39% Gas 24% | Oil Gas | Oil 61% Gas 76% |

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 5/6/2011

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

E-MAIL ADDRESS zfarris@cimarex.com