

DATE <u>8.20.10</u>	SUSPENSE	ENGINEER <u>WJ</u>	LOGGED IN <u>8.20.10</u>	TYPE <u>DH</u>	APP NO. <u>PTC-W 1023244900</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
Morquand 12 Penn
Fed #2

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-34329

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]

4314

[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>08-12-10</u>
Print or Type Name	Signature	Title	Date
<u>zfarris@cimarex.com</u>			
e-mail Address			

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

Cimarex Energy Co. of Colorado

August 19, 2010

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

RE: Marquardt 12 Penn Federal No. 2
12-25S-26E
30-015-34329
C-107-A – Wolfcamp and Cisco-Canyon

Dear Mr. Jones,

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

Cimarex proposes perf and acidize the Cisco 10032-10106'. Perf and acidize the Wolfcamp 9181-9727'. Allocation percentages for each zone will be based on production log and furnished after production and cleanup.

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, 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

RECEIVED OGD
2010 AUG 20 A 11:1

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Wolfcamp Wildcat		White City; Penn (G) (Cisco)
Pool Code			87280
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9181-9727'		10032-10106'
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

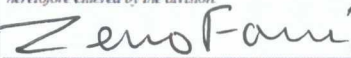
TITLE Manager Operations Administration

DATE 08-12-10

TYPE OR PRINT NAME Zeno Farris

TELEPHONE NO. (432)-680-1938

E-MAIL ADDRESS zfarris@cimarex.com

16				<div data-bbox="1068 1008 1546 1325"><p>17 OPERATOR CERTIFICATION</p><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 data-bbox="1068 1245 1546 1325"><div><div>08-12-10</div></div><div>SignatureDate</div></div></div>
		<div data-bbox="615 1346 987 1411"><p>Marquardt 12 Penn Federal No. 2</p><p>2310 FNL & 1330 FEL</p></div>		<div data-bbox="1068 1346 1546 1974"><div data-bbox="1068 1346 1546 1396"><p>Zeno Farris</p><p>Printed Name</p></div><div data-bbox="1068 1495 1546 1974"><p>18 SURVEYOR CERTIFICATION</p><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 data-bbox="1068 1724 1546 1974"><p>Date of Survey</p><p>Signature and Seal of Professional Surveyor</p><p>Certificate Number</p></div></div></div>
		<div data-bbox="646 1843 1018 1919"><p>Marquardt 12 Penn Federal No. 1</p><p>880 FSL & 1760 FEL</p></div>		

NM-14124

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 30-015-34329	² Pool Code 96890	³ Pool Name Sage Draw; Wolfcamp, E (G)
⁴ Property Code 34059	⁵ Property Name Marquardt 12 Penn Federal	⁶ Well Number 002
⁷ OGRID No. 162683	⁸ Operator Name Cimarex Energy Co. of Colorado	⁹ Elevation 3236' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	12	25S	26E		2310	North	1330	East	Eddy

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 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

<div style="border: 1px solid black; padding: 5px; text-align: center;"> Marquardt 12 Penn Federal No. 2 2310 FNL & 1330 FEL </div>	¹⁷ OPERATOR CERTIFICATION <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> <div style="display: flex; justify-content: space-between;"> <div><i>Zeno Farris</i></div> <div>08-12-10</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Signature</div> <div>Date</div> </div> <div style="border-top: 1px solid black; padding-top: 5px;"> <div style="text-align: center;">Zeno Farris</div> <div>Printed Name</div> </div>	
	¹⁸ SURVEYOR CERTIFICATION <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>	
	<div style="border-top: 1px solid black; padding-top: 5px;"> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div> </div>	
	<div style="border-top: 1px solid black; padding-top: 5px;"> <div style="text-align: center;">NM-14124</div> <div>Certificate Number</div> </div>	

All (White City; Penn (Gas)) and E2 (Wolfcamp Wildcat) 12-25S-26E
Marquardt 12 Penn Federal No. 2
30-015-34329
2310 FNL & 1330 FEL
Eddy County, New Mexico



RE: Notification of Application to Downhole Commingle Wolfcamp and Cisco in the Marquardt 12 Penn Federal No. 2

Federally Owned Lands

Bureau of Land Management
620 E Greene Street
Carlsbad, NM 88220

Special Services	Package ID: 9171082103193796296942	Priority Mail Combas Pride	E-CERTIFIED
	Destination ZIP Code: 68220		1ST CLASS LETTER
	Customer Reference:		PBP Account #: 35644897
	Recipient: _____		Serial #: 3132785
	Address: _____		AUG 19 2010 3:50P