

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Cimarex*  
*JM States NCT-1*  
*Fed #3*

**ADMINISTRATIVE APPLICATION CHECKLIST** 30-015-34030

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]**

4313

- [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> Print or Type Name	<u>Zeno Farris</u> Signature	<u>Mgr Operations Admin</u> Title	<u>08-12-10</u> 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

August 19, 2010

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

RE: JM Gates NCT-1 Federal No. 3  
30-25S-26E  
30-015-34030  
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 9903-10177'. Perf and acidize the Wolfcamp 9005-9613'. 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](mailto:zfarris@cimarex.com)

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2010 AUG 20 AM 11:14

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  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

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

**APPLICATION FOR DOWNHOLE COMMINGLING**

Cimarex Energy Co. of Colorado  
Operator

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

JM Gates NCT-1 Federal  
Lease

003  
Well No.

K-30-24S-26E  
Unit Letter-Section-Township-Range

Eddy  
County

OGRID No. 162683 Property Code 303006 API No. 30-015-34030 Lease Type:  Federal  State  Fee

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)	9005-9613'		9903-10177'
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?  
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

**District I**  
1625 N. French Dr., Hobbs, NM 88240

**District II**  
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**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**

<sup>1</sup> API Number 30-015-34030	<sup>2</sup> Pool Code 87280	<sup>3</sup> Pool Name White City; Penn (Gas)
<sup>4</sup> Property Code 303006	<sup>5</sup> Property Name JM Gates NCT-1 Federal	
<sup>7</sup> OGRID No. 162683	<sup>8</sup> Operator Name Cimarex Energy Co. of Colorado	<sup>6</sup> Well Number 003  <sup>9</sup> Elevation 3465' GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	30	24S	26E		1350	South	2050	West	Eddy

<sup>11</sup> 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
K	30	24S	26E		1378	South	1782	West	Eddy

<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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; margin: 5px auto; width: fit-content;"> <p style="text-align: center;"><b>JM Gates NCT-1 Fed 1</b> 1650 FNL &amp; 1650 FEL</p> </div> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: fit-content;"> <p style="text-align: center;"><b>JM Gates NCT-1 Fed 3</b> SHL 1350 FSL &amp; 2050 FWL PP Cisco 1397 FSL &amp; 2052 FWL BHL @ PBDT 1378 FSL &amp; 2318 FWL</p> </div> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: fit-content;"> <p style="text-align: center;"><b>JM Gates NCT-1 Fed 2</b> 1060 FSL &amp; 1025 FEL</p> </div> <p style="text-align: center; margin-top: 20px;">LC-065457</p>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></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> <p style="text-align: right;"><i>Zeno Farris</i> 08-12-10</p> <p>Signature <span style="float: right;">Date</span></p> <p style="text-align: center;">Zeno Farris</p> <p>Printed Name</p> <hr/> <p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></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> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <hr/> <p>Certificate Number _____</p>
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All (White City; Penn (Gas)) and S2 (Wolfcamp Wildcat) 30-25S-26E  
JM Gates NCT-1 Federal No. 3  
30-015-34030  
1350 FSL & 2050 FWL  
Eddy County, New Mexico



RE: Notification of Application to Downhole Commingle Wolfcamp and Cisco in the JM Gates NCT-1 Fed #3

**Federally Owned Lands**

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

Package ID: 9171082133393796296959  
Destination ZIP: 88220  
Customer Reference: \_\_\_\_\_

<b>Confirmation Services</b>	<b>Package ID:</b> 9171082133393796296959	<b>E-CERTIFIED</b>
	<b>Destination ZIP Code:</b> 88220	<b>1ST CLASS LETTER</b>
	<b>Customer Reference:</b> _____	<b>PBP Account #:</b> 35644897
	<b>Recipient:</b> _____	<b>Serial #:</b> 3132785
	<b>Address:</b> _____	<b>AUG 19 2010 3:50P</b>