

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



Cinmarex
RECEIVED OCD

162683

ABOVE THIS LINE FOR DIVISION USE ONLY

Homer State Comm #2
2011 APR 12 4:49

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-36132

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.

Kay Havenor	<i>Kay C Havenor</i>	Agent	3/31/2011
_____	_____	_____	_____
Print or Type Name	Signature	Title	Date

KHavenor@georesources.com
e-mail Address

Cimarex Energy Co.
600 N. Marienfeld, Suite 600
Midland, TX 79705

Contact party: Kay Havenor 575-626-4518
KHavenor@georesources.com

C-108 Ancillary Data

1. API: 30-015-36132
- 2.. Original Lease Name: Homer State Com #2 New name used here: No
3. Legal publication lay distance description: "1.3 miles south of the east junction of NM-7 and US 62-180 at White City"
4. AOR data: All wells are shown in summary and detail in **Item VI**: Data on unplugged wells in AOR that penetrate proposed disposal zone:
 1. 3001535559 Cimarex Energy of Colorado Company, Homer State Com #1. 660 FNL & 1980 FWL Sec. 2, T25S-R25E is 1/16+ miles out of AOR. TD 11900' 3-casing strings cmt circ to surface.
 2. 3001536122 COG Operating, LLC, Crackajack Federal #1 800 FSL & 1980 FEL
Permit to drill expired.
 3. 3001536132 Cimarex Energy of Colorado Company, Homer State Com #2. TD OCD Unit L, Sec. 2-T25S-R25E, BHL 1980' FSL & 1250' FWL. TVD 11,870'. Elev 3680' GL. Spud 5/23/2008. 13-3/8" 48# H-40 @325' w/340 sxs circulated. 9-5/8" 40# J-55 @2244' w/1900 sxs circulated. No production string. Plugged but TA.
5. AOR well count as shown in **Item VI (b)**: 1.
7. List of formation tops applicable to AOR: T/Anhydrite 327, T/Salt 523, B/Salt 1200, Lamar 1527, Bell Canyon 1595, Cherry Canyon 2460, Brushy Canyon 3725, Bone Spgs 5365, Wolfcamp 8200, Cisco 9090, Strawn 9368, Atoka 9590, Morrow 9947, Barnett 11505, PROJECTED Woodford 12015, Siluro-Devonian 12165
8. Producing or non-P&A wells in proposed disposal AOR: Wells that penetrates proposed disposal interval: None
9. Is proposed SWD in a depleted zone/well? No.
10. Why is proposed interval non-productive? No production from this interval in greater area. Structural position appears to preclude trapping capability.
11. Notification and related acreage is shown in **Item XIII**:
 - Sec. 2 is all Cimarex.
 - Sec. 3 E/2 COG
 - Sec. 10 NE/4
 - Sec. 11 N/2 JKM Energy, LLC. Artesia
12. Surface owner, as shown in Item XIII, is: State of New Mexico
13. Rule 5.9 status of applicant: Financial status in compliance. Inactive wells include: See p. 2
- 14: Location of well as to Potash or other sensitive areas: Not within R-111-P.

13. Continued: No violation of Financial status as of March 14, 2011. Inactive wells below.

Inactive Well List

Total Well Count: 1151 Inactive Well Count: 8

Printed On: Sunday, March 13 2011

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
2	30-015-21390	FEDERAL 9 COM #001	G-9 -21S-27E	G	162683	CIMAREX ENERGY CO. OF COLORADO	F	G	10/2009			
2	30-015-36327	GLENWOOD 28 FEDERAL COM #004	A-28-16S-29E	A	162683	CIMAREX ENERGY CO. OF COLORADO	F	G	05/2009	STRAWN		
1	30-025-30494	WISK WEST DELAWARE UNIT #008	H-20-19S-32E	H	162683	CIMAREX ENERGY CO. OF COLORADO	P	O	09/2009	INT RECOMPLETE 02/1/11		
1	30-025-00925	WISK WEST DELAWARE UNIT #908	H-29-19S-32E	H	162683	CIMAREX ENERGY CO. OF COLORADO	F	O	04/2009	INT TO PA 12/14/10 TA EXP 12/06/2010	T	12/6/2010
1	30-025-30093	WISK WEST DELAWARE UNIT #910	J-29-19S-32E	J	162683	CIMAREX ENERGY CO. OF COLORADO	F	O	06/2009	INT TO PA 02/08/2011 BLM	T	1/6/2011
1	30-025-34217	WISK WEST DELAWARE UNIT #916	P-29-19S-32E	P	162683	CIMAREX ENERGY CO. OF COLORADO	F	O	09/2009	DELAWARE INT TO PA 01/25/11		
2	30-015-22809	PARKWAY A STATE COM #001	H-15-19S-29E	H	162683	CIMAREX ENERGY CO. OF COLORADO	S	G	11/2009			
1	30-025-24470	PIPELINE DEEP UNIT FEDERAL #001	J-17-19S-34E	J	162683	CIMAREX ENERGY CO. OF COLORADO	F	G	08/2008	TA 01/07/2010 TA EXP 06/01/2010	T	6/1/2010

WHERE Ogrid:162683, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No

II. OPERATOR: Cimarex Energy Co. of Colorado

ADDRESS: 600 N. Marienfeld St Suite 600; Midland, TX 79702

CONTACT PARTY: Kay Havenor PHONE: 575-626-4518

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes X No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Kay Havenor TITLE: Consultant

SIGNATURE: *Kay Havenor* DATE: 3/30/2011

E-MAIL ADDRESS: KHavenor@georesources.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: Cimarex Energy Co. of Colorado (OGRID 162683) API 30-015-36132

WELL NAME & NUMBER: Homer State Com No. 2

WELL LOCATION: 1980 FSL & 1250 FWL L 2 25S 25E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8" 48# H-40
Cemented with: 340 sx. or ft³
Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 9 5/8" 40# J-55
Cemented with: 1210 sx. or ft³
Top of Cement: Surface Method Determined: Circulated

Production Casing - PROPOSED

Hole Size: 8-3/4" Casing Size: 7" 35# L-55
Cemented with: Est 2800 sx. or ft³
Top of Cement: Surface Method Determined: Circ

Total Depth: 13200' TVD

 Injection Interval
 Approx 12165' To 13200'

INJECTION WELL DATA SHEET

Tubing Size: 4-1/2" 11.5#, L-80 Lining Material: Fiberglass

Type of Packer: 7" AS-1X Pkr or Lok-Set

Packer Setting Depth: Approx 12100' (approx 50' above top of Siluro-Devonian from e-log)

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes No
If no, for what purpose was the well originally drilled? Oil & Gas Production

2. Name of the Injection Formation: Siluro-Devonian

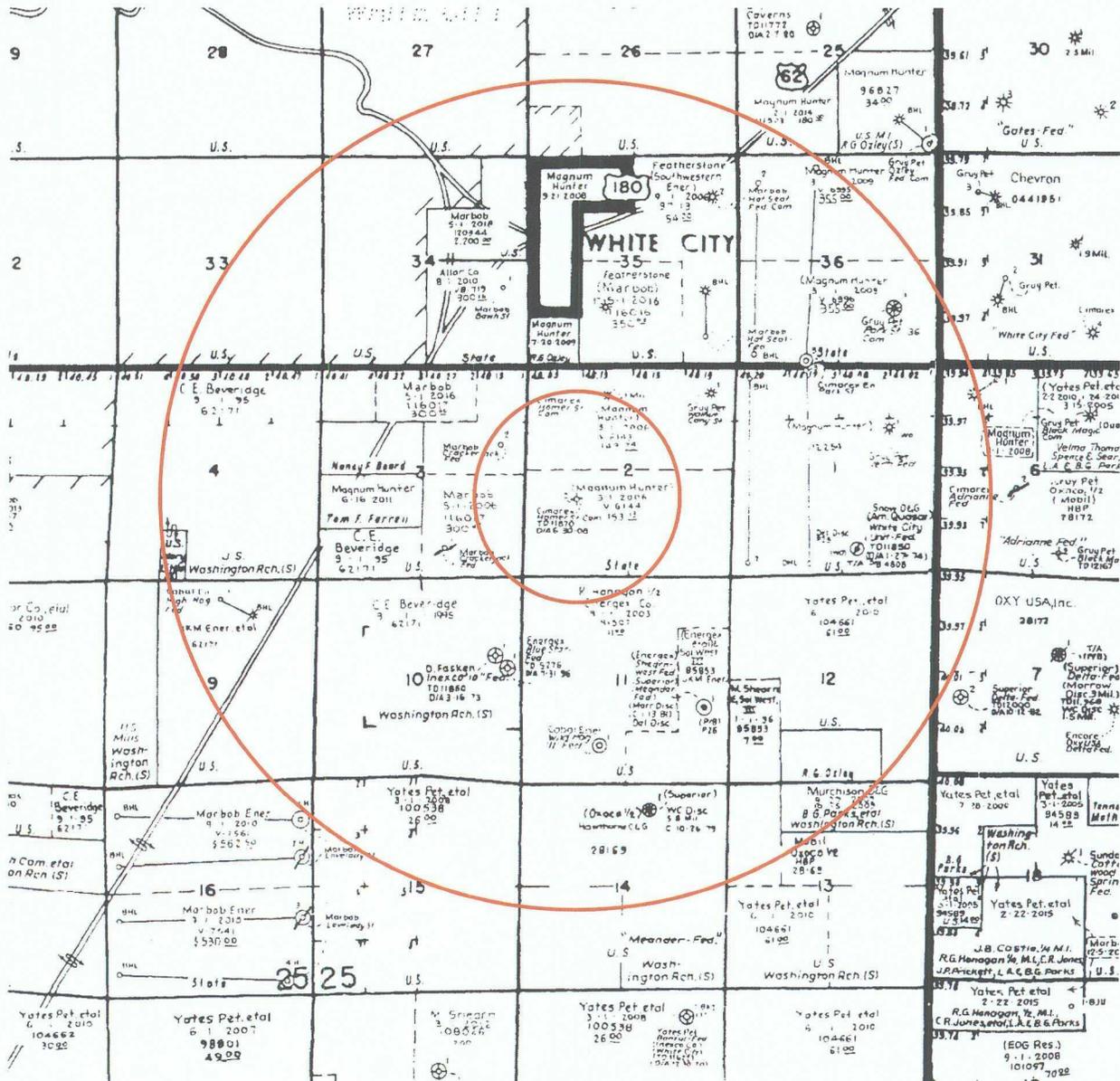
3. Name of Field or Pool (if applicable): N/A

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. See attached detail of completion and plugging records. Well was originally drilled as Morrow test to 11870' which was dry and abandoned. Well was PA on 6-30-08.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
T/Anhydrite 327', T/Salt 523', B/Salt 1200', Delaware 1527', Brushy Canyon 3725', Bone Springs 5365', Wolfcamp 8200', Cisco 9090', Strawn 9368, Atoka 9590', Morrow 9947'

Item V:

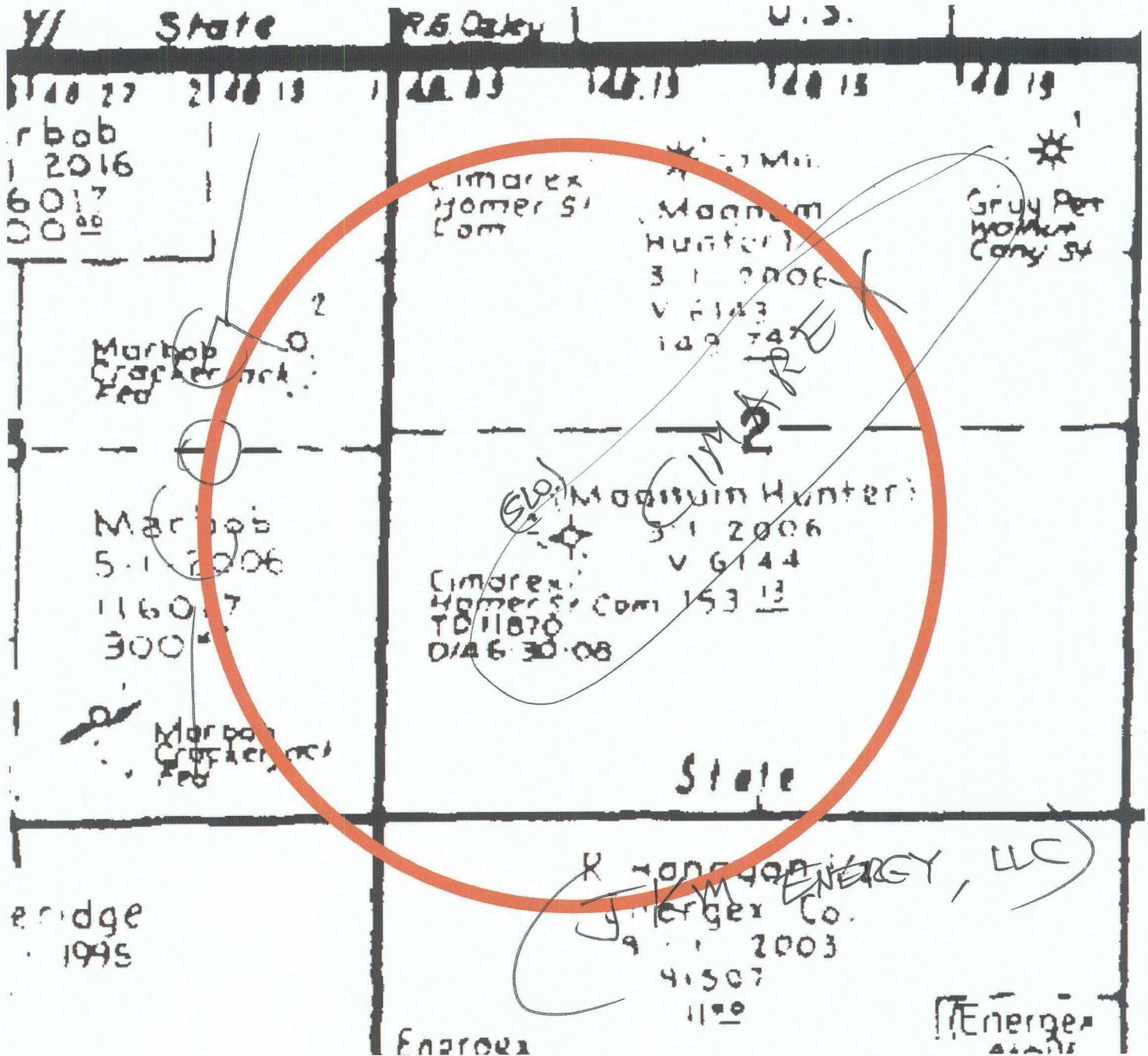
Area of Review
1/2 Mile AOR and 2 Mile Radius



Cimarex Energy Co. of Colorado
Homer State Com #2
1980' FSL & 1250' FSL
Sec. 2, T25S-R25 Eddy Co. NM

API 30-015-36132

Area of Review
1/2 Mile AOR



Item VI: Data on wells in AOR that penetrate the proposed injection interval:

There are no wells in the AOR that penetrate the Siluro-Devonian. The Cimarex Homer State Com #1 well API 30-015-35559 in Unit C, Section 2, is 1/16th of a mile outside the 1/2 mile AOR. It is a Morrow gas well with TD 11,900'. The projected top of Siluro-Devonian in the target re-entry is 12,165'. The Homer State Com #1 has surface, intermediate and 11,900' of 4-1/2" production casing. All three strings were cemented and circulated to the surface.

The COG Crackajack Fed #1, Unit H, Sec. 3, T25S-R25E API 30-015-was drilled to TD 12,170' into the upper Mississippian and completed as a Morrow gas well. Surface, intermediate and 12,170' of 5-1/2" production casing each reported cement circulated to the surface.

The target re-entry, Cimarex Homer State Com #2 was drilled to TD 11,870'. Surface and intermediate, diagramed below, were each cemented and circulated to the surface. The well was drilled w/7-7/8" bit to TD of 11,800'. The well was P&A 6/30/2008, but classed TA. Well construction is shown below.

Item VII:

1. The maximum injected volume anticipated is 3,000 BWPD. Average anticipated is 2,000 BWPD.
2. Injection will be through a closed system.
3. Maximum injection pressure is expected to be approximately 2,420 psi.
4. Sources will be produced water from Cimarex operated Morrow, Atoka, Cisco, Wolfcamp and Delaware wells in the White City area. These will be compatible with waters in the disposal zone.
5. Water sample analyses from Delta Drilling Jurnegan Point #1, Sec. 5, T24S-R25E, Devonian water Sec. T24S-R25E, Eddy Co., approximately 6-1/2 miles north of target well: These waters are compatible with proposed disposal waters.

NM WAIDS



Water Samples for Well JURNEGAN POINT 001
API = 3001510280
Formation = DEV
Field = WILDCAT

Instructions:

- Click For general information about this sample.
- Click For scale calculation pages (Stiff-Davis or Oddo Tomson methods).
- Click To select this water sample for water mixing. It will lead to the main page, and add the sample ID to the mixing table.
- Click **664** Click the hyperlinked sample number to make a .csv for that sample, or select several check boxes and click Submit for multiple samples
The ions are in (mg/L) units.

	SampleID	T	R	S	SO4	CL	CO3	HCO3	K	Na	Ca	Mg
<input type="checkbox"/>	5803	24S	25E	05	2220	121100	null	175	null	null	null	null
<input type="checkbox"/>	6170	24S	25E	05	2511	136964	null	198	null	null	null	null

SELECT/DESELECT ALL

Item VIII:

The Siluro-Devonian is comprised of carbonates with occasional clay interlayers. The carbonates are predominately dolomites with some recrystallized limestone. The uppermost portion of the "Devonian" usually unconformable with the overlying Woodford Shale of Mississippian age. The oil/gas productive Siluro-Devonian of southeastern New Mexico are structural traps and where porous and are water-wet when lacking critical closure. The structure of the Homer State Com #2 is not conducive to hydrocarbon accumulation.

Potable water is confined to shallow depths. Ochoan anhydrites were encountered in the subject well at a log depth of 327'. Any water encountered below 327' will be non-potable and unprotected. A search of the 1-mile radius of the Homer State Com #2 in the Office of State Engineer March 13, 2011 found the reported water wells listed below:



New Mexico Office of the State Engineer
Point of Diversion by Location
(with Owner Information)

WR File Nbr	(acre ft per annum)			Owner	County	POD Number	Grant	(quarters are 1=NW 2=NE 3=SW 4=SE)				(NAD83 UTM in meters)				
	Sub basin	Use	Diversion					q	q	q	q	Source	X	Y	Distance	
C 03437	C	STK	3	BERRY LUCAS	ED	C 03437 POD1		6416	4	2	10	25S	26E	558456	3556948	1255
C 02190	C	DOL	3	JIMMY FOSTER	ED	C 02190		3	3	35	24S	25E		559125	3559259*	1464
C 01552	C	STK	3	H F BALLARD	ED	C 01552	Shallow	3	01	25S	25E		560939	3557820*	1574	
C 01546	C	DOL	3	R C HOLLEY JR	ED	C 01546		1	3	3	35	24S	25E	559024	3559358*	1581
C 03284	C	STK	0	DAVID MALEY	ED	C 03284		1	3	3	35	24S	25E	559024	3559358*	1581

Record Count: 5

POD Search:

POD Basin: Carlsbad

UTM NAD83 Radius Search (in meters):

Easting (X): 559365

Northing (Y): 3557814

Radius: 1609

Sorted by: Distance

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ASC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

All of the above wells are in the shallow alluvial sand, gravel, and conglomerates above the non-water bearing Ochoan evaporite sequence. All are at depths less than the cemented surface casing of wells in the AOR. See additional groundwater discussion below.

Item VIII(a):

Refer to the OSE listing above for known wells in the 1-mile radius. Note that wells C-1546 and C-3284 are the same borehole. C-1552 is reported as a stock well and in a ground search by Cimarex it could not be located. Water analysis from C-1546/3284 (the same well), below, demonstrates the groundwater is typical of shallow alluvial accumulations close to the uplifted and exposed Capitan reef complex. C-1546 is located 0.9 miles north.

North Permian Basin Region
P.O. Box 740
Stardow, TX 79372-0740
(806) 229-8121
Lab Team Leader - Stella Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	<u>CIMAREX ENERGY</u>	Sales RDT:	<u>33512</u>
Region:	<u>PERMIAN BASIN</u>	Account Manager:	<u>WAYNE PETERSON (575) 910-9389</u>
Area:	<u>ARTESIA, NM</u>	Sample #:	<u>483552</u>
Lease/Platform:	<u>HOMER UNIT</u>	Analysis ID #:	<u>93337</u>
Entity (or well #):	<u>POD 01546</u>	Analysis Cost	<u>\$90.00</u>
Formation:	<u>UNKNOWN</u>		
Sample Point:	<u>WATER WELL</u>		

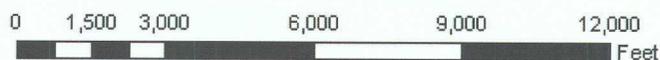
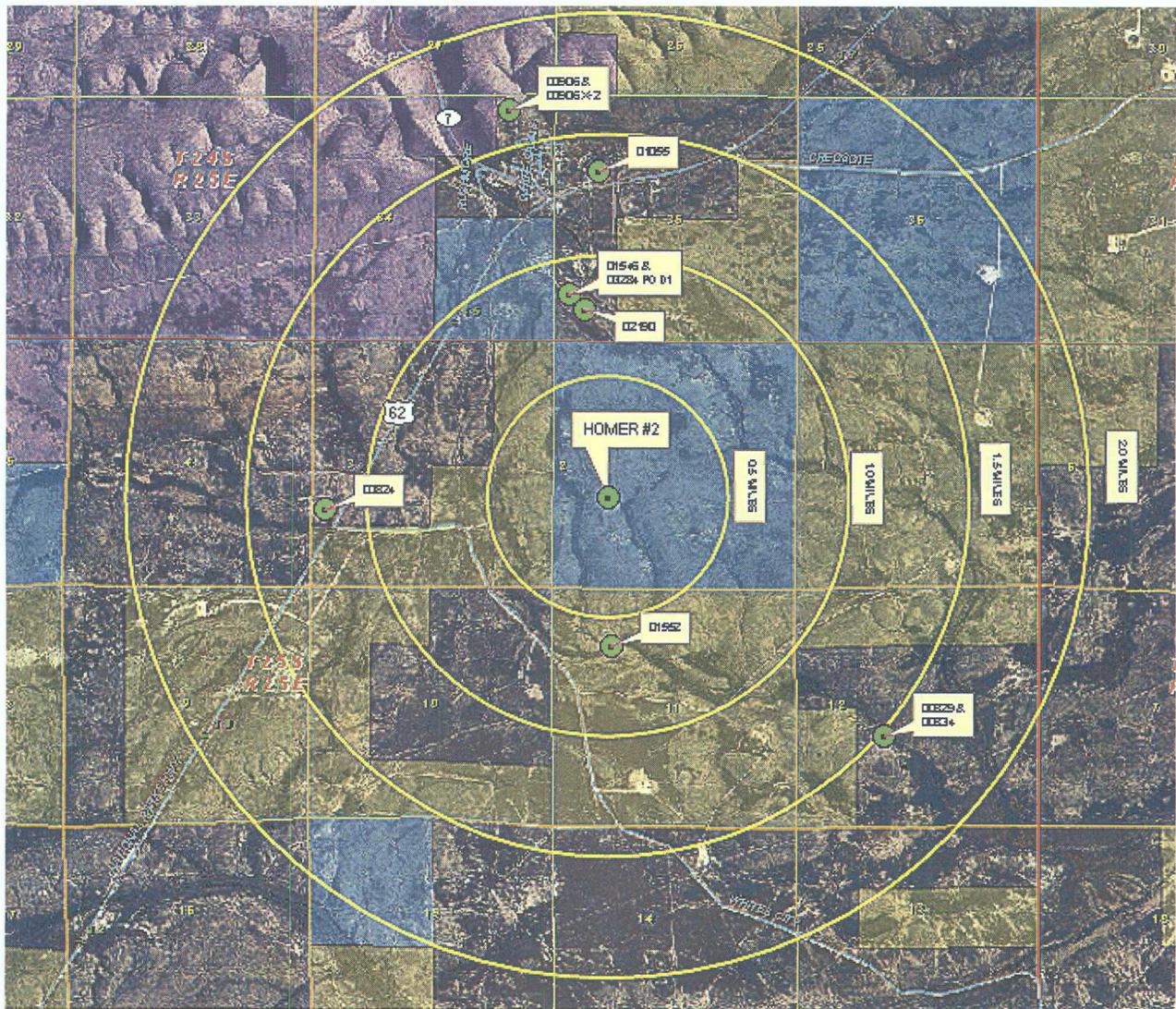
Summary:		Analysis of Sample 483552 @ 75 °F					
Sampling Date:	7/27/09	Anion:	mg/l	meq/l	Cation:	mg/l	meq/l
Analysis Date:	8/7/09	Chloride:	41.0	1.16	Sodium:	199.3	8.67
Analyst:	LEAH DURAN	Bicarbonate:	488.0	8.0	Magnesium:	31.0	2.55
TDS (in g/l or gm/l):	1655.9	Carbonate:	0.0	0.0	Calcium:	281.0	11.53
Density (g/cm ³ , lbm/m ³):	1.001	Sulfate:	660.0	13.74	Strontium:	2.0	0.05
Anion/Cation Ratio:	0.999991	Phosphate:			Barium:	0.1	0.00
		Borate:			Iron:	1.0	0.04
		Silicate:			Potassium:	2.5	0.06
Carbon Dioxide:	0 PPM	Hydrogen Sulfide:		0 PPM	Aluminum:		
Oxygen:		pH at time of sampling:		7.9	Chromium:		
Comments:		pH at time of analysis:			Copper:		
		pH used in calculation:		7.3	Lead:		
					Manganese:	0.025	0.00
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
80	0	1.20	42.69	-0.61	0.00	-0.68	0.00	-0.99	0.00	0.84	0.00	0.08
100	0	1.28	49.34	-0.62	0.00	-0.62	0.00	-0.98	0.00	0.70	0.00	0.12
120	0	1.38	56.69	-0.61	0.00	-0.53	0.00	-0.95	0.00	0.58	0.00	0.17
140	0	1.48	64.39	-0.59	0.00	-0.42	0.00	-0.92	0.00	0.49	0.00	0.22

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.
Note 3: The reported CO₂ pressure is actually the calculated CO₂ fugacity. It is usually nearly the same as the CO₂ partial pressure.

Item VIII(a):

Location map of all known water wells in the 2-mile area of interest are shown in the image below. Satellite imagery further suggests C-1546/3284 is located approximately 1,200' FSL & 60' FWL (OSE units = 1,3,3) Sec. 35, T24S-R25E. This well is positioned about 200' SW of the center of Walnut Creek, a major drainage feature on the front of the Capitan exposure. The water well position is on the west bank of the stream, typical for obtaining alluvial recharge from ephemeral stream flow. No hydrogeological connection to the shallow alluvial deposits at the Homer State #2 can be assumed. Other wells to the north of C-1546/3284 are also developed along Walnut Creek. Groundwater recharge and gradient in this local area is from the NNW along Walnut Creek toward the SE.



Item IX:

The Homer State Com #2 will be acidized with approximately 42,000 gals 15% HCl acid.

Item X:

Logs are on file with the OCD.

Item XI:

Water wells within the 1-mile and 2-mile radius of the Homer State Com #2 are discussed in detail in Item VIII above.

Average depth to groundwater:



New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Sub-basin	Use	County	Q1	Q2	Q3	Q4	Sec	Tws	Rng	X	Y	Distance	Depth	Well	Depth	Water	Column
C 02190	C	DOL	ED	3	3	35	24S	25E			559125	3559259*	1464	140				
C 01552	C	STK	ED		3	01	25S	25E			560939	3557820*	1574	71			43	28
C 01546	C	DOL	ED	1	3	3	35	24S	25E		559024	3559358*	1581	350				
														Average Depth to Water:		43 feet		
														Minimum Depth:		43 feet		
														Maximum Depth:		43 feet		

Record Count: 3

Basin/County Search:

Basin: Carlsbad

UTMNAD83 Radius Search (in meters):

Easting (X): 559365

Northing (Y): 3557814

Radius: 1609

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

3/15/11 1:42 PM

WATER COLUMN/ AVERAGE DEPTH
TO WATER

Item XII:

There is no geological evidence of open faults nor hydrologic connection between the disposal zone and any possible underground sources of protectable water.

Cimarex Energy Co. of Colorado
 Homer State Com #2
 1980'FSL & 1250' FSL
 Sec. 2, T25S-R25 Eddy Co. NM

API 30-015-36132

PLUG AND ABANDON WELL DIAGRAM

API: 3001536132
 Operator: Climax Energy Co. of Colorado
 Lease: Homer State Com
 Location: Sec 2, T25S-R25E Eddy Co., NM
 Footage: 1980 FSL, 1250 FWL

Well No: 2

KB: 3582
 GL: 3564

Original Surface Csg

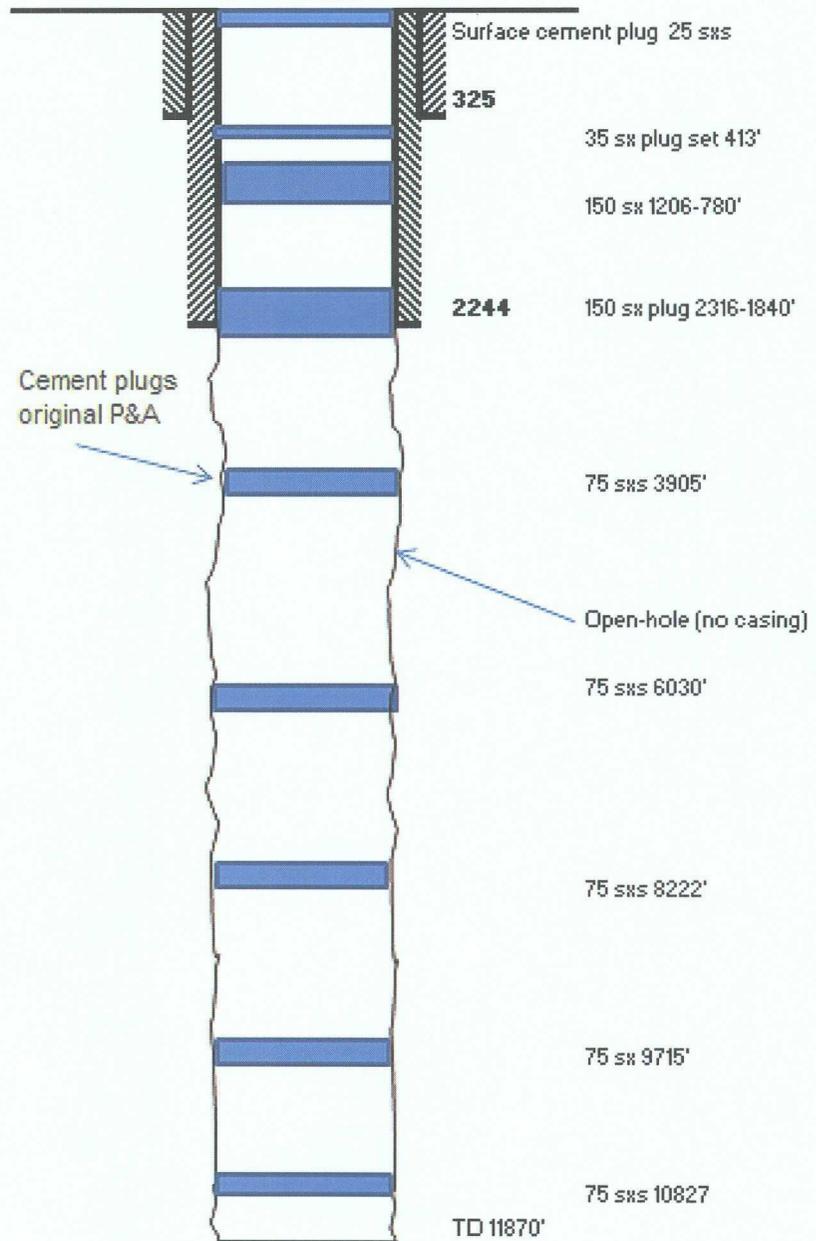
Size: 13-3/8" 48# H-40
 Set @: 325
 Sxs cmt: 340
 Circ: Circulated
 TOC: Surface
 Hole Size: 17-1/2"

Original Intermediate Csg

Size: 9-5/8" 40# J-55
 Set @: 2244
 Sxs cmt: 900
 Circ: Circulated
 TOC: Surface
 Hole Size: 12-1/4"

Original Production Csg

Size: None
 Set @:
 Sxs cmt:
 Circ:
 TOC:
 Hole Size: 7-7/8"



Not to Scale

Cimarex Energy Co. of Colorado
 Homer State Com #2
 1980'FSL & 1250' FSL
 Sec. 2, T25S-R25 Eddy Co. NM

API 30-015-36132

Proposed SWD Completion

API: 3001536132
 Operator: Climax Energy Co. of Colorado
 Lease: Homer State Com
 Location: Sec 2, T25S-R25E Eddy Co., NM
 Footage: 1980 FSL, 1250 FWL

Well No: 2

KB: 3582
 GL: 3564

Original Surface Csg

Size: 13-3/8" 48# H-40
 Set @: 325
 Sxs cmt: 340
 Circ: Circulated
 TOC: Surface
 Hole Size: 17-1/2"

Original Intermediate Csg

Size: 9-5/8" 40# J-55
 Set @: 2244
 Sxs cmt: 900
 Circ: Circulated
 TOC: Surface
 Hole Size: 12-1/4"

Planned Production Csg

Size: 7" 35# L-80
 Set @: 13200
 Sxs cmt: Est: 2600 sxs w/DVT
 Circ: To surface
 Hole Size: 8-5/8"
 PlanTD: 13200

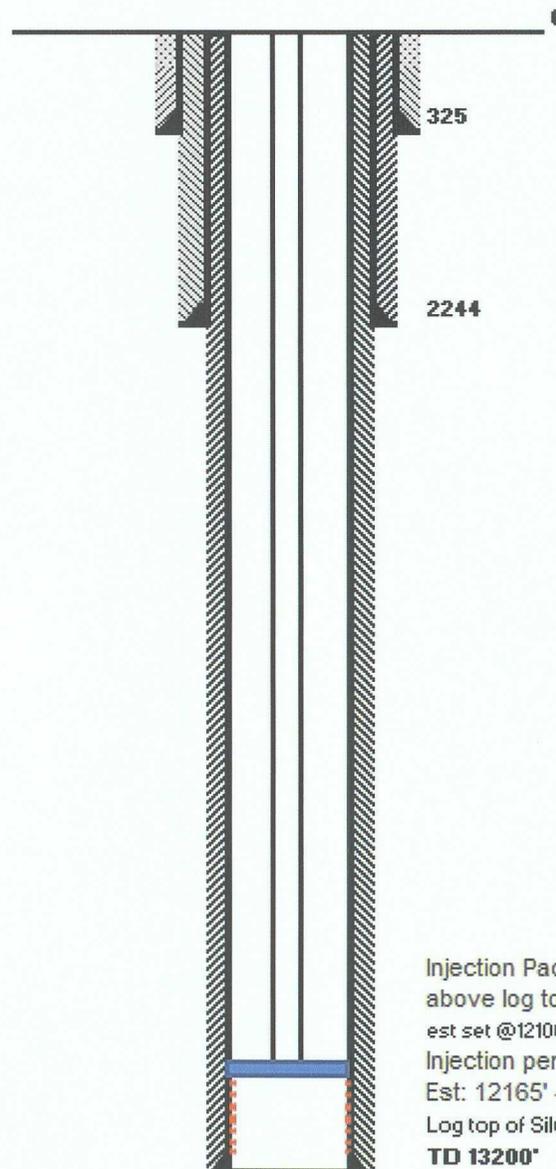
Tubular requirements (made-up):

Approx 12100' 4-1/2" 11.5# J-55 Fiberglass coated
 &" AS-1X or Lok-Set set approx 12100'

Perf and acidized selectively

Load tubing annulus w/corrosion inhibitor

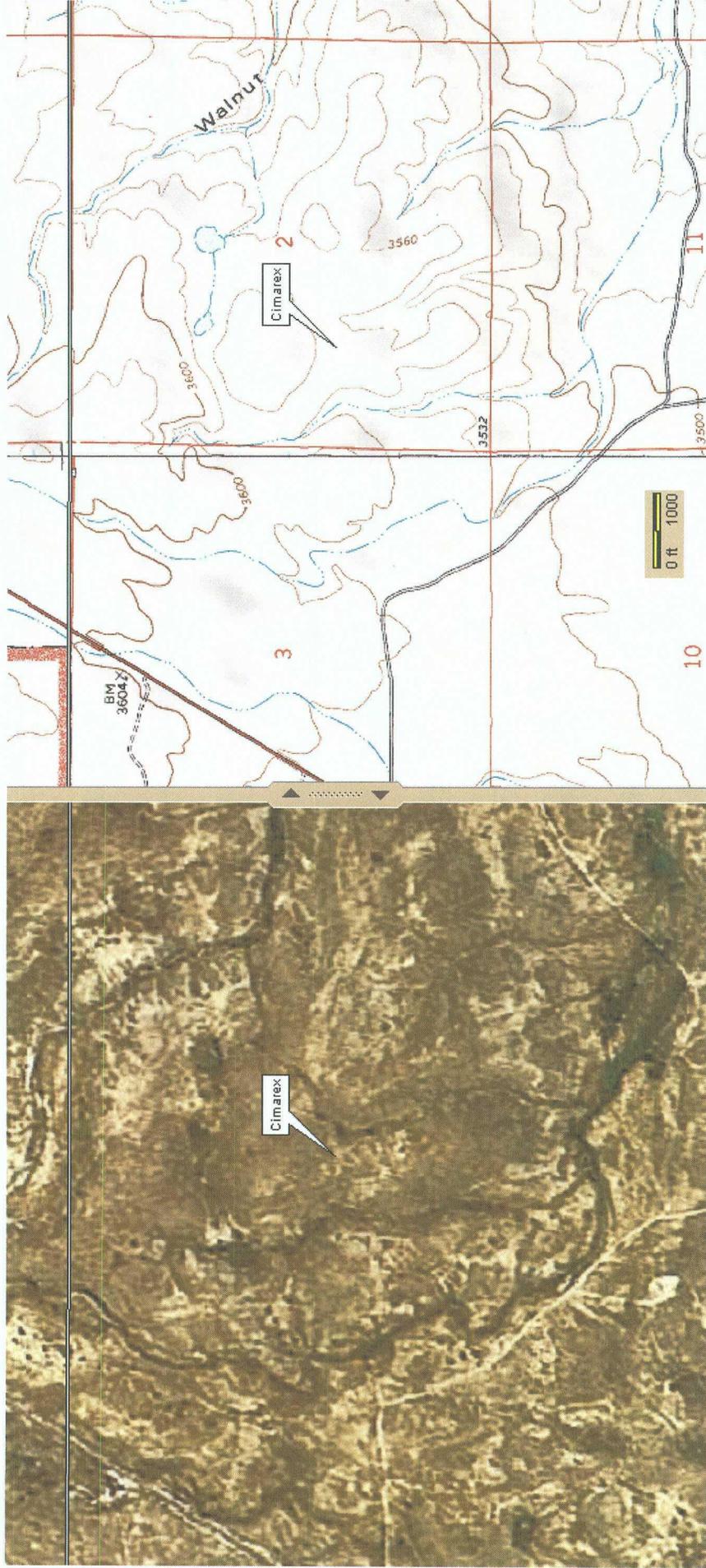
Complete surface head for disposal



Injection Packer set approx 50'
 above log top Siluro-Devonian
 est set @12100'
 Injection perfs:
 Est: 12165' - TD (OA) or
 Log top of Siluro-Devonian to TD
TD 13200'

Not to Scale

SPOT10 Satellite and Matching Topographic Map



Cimarex Energy Co. of Colorado
Homer State Com #2
1980'FSL & 1250' FSL
Sec. 2, T25S-R25 Eddy Co. NM

API 30-015-36132

Item XIII:

Surface and Minerals Owner:

New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504

Operators Notified:

Cabal Energy Corp.
418 West Wall St Suite 1700
Midland TX 79701

COG Operating, LLC
550 W. Texas, Ste. 1300
Midland, TX 79701

JKM Energy, LLC
26 E. Compress Rd
Artesia, NM 88210

Cimarex Energy Co. of Colorado
Homer State Com #2
1980'FSL & 1250' FSL
Sec. 2, T25S-R25 Eddy Co. NM

API 30-015-36132

Legal Notice Publication

Affidavit of Publication

NO. 21609

STATE OF NEW MEXICO

County of Eddy:

Walter L. Green *Walter L Green*

being duly sworn, says that he is the Publisher

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/days on the same

day as follows:

First Publication March 30, 2011
Second Publication _____
Third Publication _____
Fourth Publication _____
Fifth Publication _____

Subscribed and sworn to before me this

30th day of March 2011



OFFICIAL SEAL
Danny Scott
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 3/18/2014

Danny Scott

Danny Scott
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Cimarex Energy Company of Colorado, 600 N. Mariefeld St., Ste 600, Midland, Texas, 432-571-7800, is seeking approval from the New Mexico Oil Conservation Division to re-enter the Cimerax Energy Company of Colorado., Homer State Com No. 2 well API: 30-015-36132, located 1980 feet from the south line and 1250 feet from the west line of Section 2, T25S, R25E, Eddy County, NM, 1.3 miles south of the east junction of NM-7 and US 62-180 at White City, and deepen from 11,870 feet to 13,200 feet and complete for produced non-commercial water disposal.

The proposed disposal interval is the Siluro-Devonian formation through casing perforations in the Siluro-Devonian at approximately 12,165ft to TD 13,200 feet (OA).

Cimarex plans to dispose of a maximum of 3,000 BWPD with a maximum pressure of 2,433 psi, or as controlled by actual disposal depth.

Parties with questions regarding this proposal can contact Cimarex at the address or phone number above.

Interested parties must file objections or requests for hearing within 15 days of publication to the Oil Conservation Division: 1220 S. St. Francis Dr., Santa Fe, NM 87505.

Published in the Artesia Daily Press, Artesia, N.M., March 30 2011. Legal No. 21609

Cimarex Energy Co. of Colorado
 Homer State Com #2
 1980'FSL & 1250' FSL
 Sec. 2, T25S-R25 Eddy Co. NM

API 30-015-36132

Certified Mail Notification Receipts

7010 0780 0002 2613 4164

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MIDLAND TX 79701

Postage	\$	\$1.39
Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.49

Postmark Here: **BOSWELL NM MAR 30 2011 88201 03/30/2011**

Sent To: **Cabal Energy Corp.**
 Street, Apt. No., or PO Box No.: **418 West Wall St. Ste 1700**
 City, State, ZIP+4: **Midland, TX 79701**

PS Form 3800, August 2006 See Reverse for Instructions

7010 0780 0002 2613 4171

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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SANTA FE NM 87504

Postage	\$	\$1.39
Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.49

Postmark Here: **BOSWELL NM MAR 30 2011 88201 03/30/2011**

Sent To: **New Mexico State Land Office**
 Street, Apt. No., or PO Box No.: **P.O. Box 1148**
 City, State, ZIP+4: **Santa Fe, NM 87504**

PS Form 3800, August 2006 See Reverse for Instructions

7010 0780 0002 2613 4157

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

MIDLAND TX 79701

Postage	\$	\$1.39
Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.49

Postmark Here: **BOSWELL NM MAR 30 2011 88201 03/30/2011**

Sent To: **COG Operating, LLC**
 Street, Apt. No., or PO Box No.: **550 W. Texas, Ste. 1300**
 City, State, ZIP+4: **Midland, TX 79701**

PS Form 3800, August 2006 See Reverse for Instructions

7010 0780 0002 2613 4195

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

ARTESIA NM 88210

Postage	\$	\$1.39
Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.49

Postmark Here: **BOSWELL NM MAR 30 2011 88201 03/30/2011**

Sent To: **JKM Energy, LLC**
 Street, Apt. No., or PO Box No.: **26 E. Compress Rd**
 City, State, ZIP+4: **Artesia, NM 88210**

PS Form 3800, August 2006 See Reverse for Instructions

Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1218 Permit Date 5/3/11 UIC Qtr (A) (M/J)

Wells 1 Well Name(s) HOMER STEEL #2

API Num: 30-0 6-36132 Spud Date: 5/23/08 New/Old N (UIC primacy March 7, 1982)

Footages 1980 FSL/1250 FWL Unit L Sec 2 Tsp 25S Rge 25E County EDDY

General Location: 1.3 mi S. of NM-US 62-180 (WHITE CITY)

Operator: CIMAXX Energy Co. of COLORADO Contact Kay Annor

OGRID: 162683 RULE 5.9 Compliance (Wells) 5/11/11 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed Current Status: DRY MONITOR TEST P&A 6/30/08

Planned Work to Well: Re-enter, Repair Run CSG, Perf, inj.

Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Well Details:

	Sizes Hole.....Pipe		Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New <input type="checkbox"/> Existing <input checked="" type="checkbox"/> Surface	17 1/2	13 3/8	325	-	340 SX	CIRC
New <input type="checkbox"/> Existing <input checked="" type="checkbox"/> Interm	12 1/4	9 5/8	2244	-	1900 SX	CIRC
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> LongSt	8 3/4	7"	13200	yes	≈ 2800 SX	CIRC
New <input type="checkbox"/> Existing <input type="checkbox"/> Liner	7 1/2		(11870 old TD)			
New <input type="checkbox"/> Existing <input type="checkbox"/> OpenHole			13200 NEW TD			

Depths/Formations:

	Depths, Ft.	Formation	Tops?
Formation(s) Above	1527	LAMAR	<input checked="" type="checkbox"/>
	12165	SILVER DEV	<input checked="" type="checkbox"/>
Injection TOP:	12165	Dev.	Max. PSI <u>2433</u> OpenHole <input type="checkbox"/> Perfs <input checked="" type="checkbox"/>
Injection BOTTOM:	13200	Dev.	Tubing Size <u>4 1/2</u> Packer Depth <u>12100</u>
Formation(s) Below			

Handwritten scribble

Capitan Reef? (Potash? Noticed? [WIPP? Noticed?] Salado Top/Bot 523-1200 Cliff House?

Fresh Water: Depths: _____ Formation allowed Wells? yes Analysis? yes Affirmative Statement

Disposal Fluid Analysis? Sources: CIMAXX OPERATIONS: MONROE, ATOKA, CISCO, WC/DEL

Disposal Interval: Analysis? Production Potential/Testing: NO TRAP, NO PROD IN AREA

Notice: Newspaper Date 3/30/11 Surface Owner S. L.O. Mineral Owner(s) _____

RULE 26.7(A) Affected Persons: Cabal/COG/JKM

AOR: Maps? Well List? Producing in Interval? No Wellbore Diagrams?

.....Active Wells 0 Repairs? _____ Which Wells? _____

.....P&A Wells 0 Repairs? _____ Which Wells? _____

Issues: _____ Request Sent _____ Reply: _____