Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO.
30-025-36569

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name
Laguna Deep Unit

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

8. Well Number
008

2. Name of Operator
~~Gruy Petroleum Management Co.~~ Cimarex

9. OGRID Number
162683

3. Address of Operator
PO Box 140907; Irving, TX 75014-0907

10. Pool name or Wildcat
Gem; Morrow, East (Gas)

4. Well Location
Unit Letter M : 660 feet from the South line and 660 feet from the West line
Section 25 Township 19S Range 33E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3602' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ **Depth to Groundwater** _____ **Distance from nearest fresh water well** _____ **Distance from nearest surface water** _____

Pit Liner Thickness: _____ **Below-Grade Tank: Volume** _____ **bbls; Construction Material** _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:		Add Morrow Perfs	☒	OTHER:			☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The Laguna Deep Unit No. 8 is currently producing from the Morrow (13378'-13398') and was shut in on July 18, 2006. Cimarex proposes to re-enter, dump 35' cement on top of CIBP already in hole @ 13350', and perf as follows:

Perf Morrow 13250'-13254' and 13204'-13209' 6 spf 54 holes. Set RBP below perfs @ 13275' and test. If swab tests indicate, acidize w/ 1000 gal gas well acid and ball sealers. If either zone appears water productive, move RBP and isolate each zone. If neither is water productive, move RBP to 13190' w/ sand and perf further. If zones are wet, squeeze 13204'-13254' perfs.

Next, perf Morrow 13170'-13174' 6 spf 24 holes. If zone is tight w/ no water, acidize w/ 800 gal gas well acid. Decide at that time whether to frac or to put well on production for extended flow test.

Received
Hobbs
OCD

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.**

SIGNATURE Natalie Krueger TITLE Reg Analyst 1 DATE December 20, 2006

Type or print name Natalie Krueger email address: nkrueger@cimarex.com Telephone No. 972-401-3111

For State Use Only

APPROVED BY: Chris Williams TITLE DISTRICT SUPERVISOR/GENERAL MANAGER DATE FEB 23 2007

Conditions of Approval (if any):

RECOMMENDED RECOMPLETION PROCEDURE

REVISED 10/27/06

LAGUNA DEEP UNIT #8
LEA COUNTY, NEW MEXICO

WELL DATA

SPUD DATE:	21-Aug-2005
PERM. ZERO PT.:	KB=3,631', DF=3,630', GL=3,602'
TOTAL DEPTH:	13,660'
SURFACE CSG:	13-3/8" (17-1/2" hole), 48#, H-40 @ 502'
INTER CSG:	9-5/8" (12-1/4" hole), 40#, J-55 @ 4,775'
PROD CSG:	5-1/2" (8-3/4" hole), 17#, P-110, LT&C @ 13,665' DV Tool @ 9,965'; FC @ 13,559'.
Existing Perfs:	13,378-398'
Prod Packer:	Arrowset @ 13280' with 1.875" Otis Profile Nipple and 1.781" Seating Nipple
Tubing:	2-7/8" 6.5#, L-80, EUE

OBJECTIVE: Recomplete to Middle Morrow.

*** * * * * SAFETY IS TOP PRIORITY * * * * ***

CURRENT STATUS:

The production equipment has been pulled and a bridge plug set above the Lower Morrow Perfs at 13,350' w/ 35' of cement. PBTD is 13,315'.

PROCEDURE:

1. Circulate hole clean and test bridge plug to 1500 psi from surface. Rig up swab equipment and swab fluid level down to a depth of 7000'.

2. RU Wireline Service Company. Dump bail cement on top of CIBP. Perforate Middle Morrow from **13250-54'** and **13204-09'** (6 spf, 120 deg phasing). **Note: Monitor surface pressure for 30 minutes after perforating first set of perfs at 13250-54'.** Correlate to Halliburton's Dual Laterolog/Micro-Guard Open Hole log dated 28-Oct-2005. Note any pressure changes at surface following to. RD Wireline.

3. Bleed off casing pressure at surface (if possible). TIH with RBP (with ball catcher) and packer on tubing. Set RBP below perforations at +/-13,275'. Move packer uphole to 13,190' and set. Test to 1000 psi. Swab test perforations from 13204-09 and 13250-54'. If swab results indicate that the zones are tight, but not water productive, acidize perfs using 1000 gallons gas well acid and ball sealers for diversion. Record 1 second pressure data for an hour following acid job. Flow and swab back load. Obtain overnight SITP after recovering load.

4. If any question about one or both zones being water productive, move packer downhole and swab test lower zone. After sufficient swabbing, move release packer, latch onto plug and set plug at 13240'. Test plug to 1500 psi. Move packer uphole and set at 13190'. Test to 1000 psi. Swab test perforations from 13204-09'.

5. Kill tubing with 45 barrels 7% KCl. Release packer and latch onto plug. A) If neither zone is water productive, move plug uphole and set at 13,190'. Test plug to 1500 psi. (Check with wireline to determine if it is necessary to spot sand on top of RBP before perforating.) TOH with tubing and

packer. B.) If bottom zone(s) are wet, TOH with tubing, packer and RBP and prepare to set cement retainer and squeeze.)

6. TIH with tubing openended and swab fluid level down to 7000'. TOH with tubing.

7. Rig up Wireline. Perforate Middle Morrow from **13,170-74'** (6 spf, 120 deg phasing). RD Wireline.

8. TIH with RBP retrieving tool, packer and tubing. Set packer at 13,080 and test to 1000 psi. Swab test perforations. If swab results indicate that the zone is tight, but not water productive, acidize perfs using 800 gallons gas well acid. Record 1 second pressure data for an hour following acid job. Flow and swab back load. Obtain overnight SITP after recovering load.

9. Evaluate all zone tests and make decision regarding whether to proceed with frac or put well on production for extended flow test. Also, we will probably want to change our tubing to 2-3/8" once the recompletion is final.