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OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

MAR 28 2008

HOBBS OCD

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.)

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

2. Name of Operator

Cimarex Energy Co. of Colorado

3. Address of Operator

PO Box 140907; Irving, TX 75014-0907

4. Well Location

SHL Unit Letter A : 1050 feet from the North line and 1210 feet from the East line
Section 36 Township 19S Range 33E NMPM County Lea

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

3617' 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☒
OTHER: Add Bone Spring & DHC w/ Strawn ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ P AND A ☐
CASING/CEMENT JOB ☐
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.

Well producing from Strawn 12170'-12210' (CIBP @ 13000' w/ 35' cmt covering Morrow 13021'-13533').

Cimarex proposes to add Bone Spring perfs and downhole commingle with existing Strawn perfs as follows:

- Kill Well.
- Perf Bone Spring 9506'-10206' 3 spf, 120° phasing, 183 total holes. Set RBP @ 10300' and acidize w/ 4000 gal 7.5% HCl Bone Spring Acid & 250 ball sealers. Swab back load and release RBP.
- Install tubing and pump and turn to sales as pumping DHC Gem; Strawn and Apache Ridge; Bone Spring oil well.

C-107-A is being submitted for the proposed DHC operations. Ownership in both zones is identical. Please see attached procedure.

Conditions of Approval:

OCD requires the Operator to complete a 24 hours production test and submit on form C-104 Request for Allowable before producing this well. Accompanied by Subsequent report on C-103 with dates and what was done, along with tubing size and depth

DHC-4003

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 ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.SIGNATURE Natalie Krueger TITLE Regulatory Analyst DATE March 20, 2008Type or print name Natalie Krueger email address: nkrueger@cimarex.com Telephone No. 469-420-2723

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APPROVED BY: [Signature] TITLE PETROLEUM ENGINEERDATE MAY 09 2008

Conditions of Approval (if any):

API # 30-025-35971
1050' FNL & 1210' FEL
Section 36, 19S, R-33E
Lea County, New Mexico

1. SUBMIT SD AND DHC APPLICATIONS TO STATE. MUST HAVE APPROVAL TO BOTH PRIOR TO RIGGING UP. (NSL FOR BONE SPRING AND STRAWN PREVIOUSLY APPROVED.) SET PUMPING UNIT AND INSTALL ELECTRICAL SERVICE PRIOR TO WORKOVER.
2. MIRU PULLING UNIT. ORDER ADDITIONAL 900' OF TUBING TO BE USED IN STEP 4. ATTEMPT TO SURFACE PLUNGER. IF PLUNGER WILL NOT SURFACE, RIG UP SWAB AND SWAB IN ORDER TO SURFACE PLUNGER.
3. BLOW DOWN TUBING AND CASING AND ALLOW WELL TO KILL ITSELF IF POSSIBLE. IF NOT, KILL TUBING AND CASING WITH 4% KCL (WITH SCALE INHIBITOR). ND WELLHEAD AND NU BOP.
4. PICK UP EXTRA JOINTS TO LOWER TUBING AND TAG PBTD AT +/-12,965'. REPORT PBTD TO MIDLAND AND TOH WITH TUBING, LAYING DOWN ADDITIONAL JOINTS. (IF IT IS NECESSARY TO CLEANOUT WELLBORE, USE HYDROSTATIC BALER ON TUBING.)
5. RIG UP WIRELINE. MAKE GAUGE/RING RUN TO PBTD. RECORD THIS DEPTH FOR COMPARISON TO TUBING TALLY PBTD. **CORRELATE PERFS TO SCHLUMBERGER SCMT RUN 10/08/07 WHICH IS 10' SHALLOW TO OPENHOLE LOGS.** PERFORATE BONE SPRING PERFS USING 3 SPF, 120 DEG PHASING AND PREMIUM CHARGES AS FOLLOWS:

9506-26' (61 HOLES)	9534-44' (31 HOLES)	10176-206' (91HOLES)	SCMT DEPTH
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6. RIH W/ PACKER AND RBP (WITH BALL CATCHER). SET RBP AT 10300' (WIRELINE DEPTH) AND TEST TO 1000 PSI. SET PACKER AT 9400'. ACIDIZE USING 4000 GALLONS 7.5% HCL BONE SPRING ACID AND 250 BALL SEALERS AT MAX RATE OF 5 BPM. SWAB BACK LOAD UNTIL PH > 5.5. SCALE SQUEEZE USING 2 DRUMS INHIBITOR IN 200 BBLS 4% KCL. RELEASE PACKER AND LOWER TO LATCH RBP. RELEASE RBP AND TOH WITH TUBING, PACKER AND RBP.
7. RIH W/ BHA PER DAVID HAYES DESIGN – USE QUINN FRAC PUMP OR CLOSE TOLERANCE PUMP WITH STROKE THROUGH EXTENSION SINCE STRAWN PREVIOUSLY FRAC'D. SET PUMP ~40' BELOW BOTTOM STRAWN PERF. SET TAC AT ~11400'. ND BOP AND NU WELLHEAD. RIH WITH PUMP AND RODS. RDMO PULLING UNIT.
8. BEGIN PUMPING WELL FROM STRAWN AND BONE SPRING. SUBMIT FOLLOW UP PRODUCTION TEST FOR ALLOCATION OF BONE SPRING AND STRAWN PRODUCTION.
9. MONITOR SCALE INHIBITOR RESIDUALS MONTHLY AND RESQUEEZE DOWN BACKSIDE WHEN PHOSPHATE RESIDUAL LESS THAN 5 PPM.

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