

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

AUG - 4 2008

SUNDRY NOTICES AND REPORTS ON WELLS

HOBBS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Cimarex Energy Co. of Colorado

3a. Address

PO Box 140907; Irving, TX 75014-0907

3b. Phone No. (include area code)

972-401-3111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

990 FSL & 1980 FWL

26-19S-33E

5. Lease Serial No.

NM-030941

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Laguna Deep Unit

NM-70966-A - Initial Morrow PA

8. Well Name and No.

Laguna Deep Unit Federal No. 2

9. API Well No.

30-025-26440

10. Field and Pool, or Exploratory Area

Gem; Morrow (Gas)

11. County or Parish, State

Lea County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Recomplete Bone Spring | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input checked="" type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, included estimated starting date of any proposed work and approximate duration thereof.

If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This well was initially completed in 01/80 in the Morrow @ 13381'-13390.' In 03/94, a CIBP was w/ 11' cmt was set @ 13150' and more Morrow perfs were added @ 13069'-13125.' In 05/03, more Morrow perfs were added @ 13158'-13166.' Well has been shut in since 01/08. **Plug Morrow Perfs**

Cimarex proposes to perform the following recompleation operations in order to convert this well to a Bone Spring oil well:

- TOOH w/ tbg. Run CBL from TOL to 6000' (across proposed perforation zone).
- **Perf** 2nd Bone Spring Limestone 10526'-10583' w/ 3 spf, 120° phasing, 172 holes. **Perf** Bone Spring Airstrip Sand and Dolomite 9388'-9418' w/ 3 spf, 120° phasing, 91 holes. **Perf** 1st Bone Spring Sand 9314'-9320' and 9308'-9312' w/ 3 spf, 120° phasing, 32 holes.
- Set RBP @ 10620' and PKR @ 10475' to acidize 10526'-10583' w. 5700 gal 15% NeFe Bone Spring Acid Blend and 258 ball sealers.
- Move RBP to 9500' and PKR to 9340' to acidize 9388'-9418' w/ 2250 gal 7½% NeFe Bone Spring Acid Blend and 137 ball sealers.
- Move RBP to 9350' and PKR to 9220' to acidize 9308'-9320' w/ 750 gal 7½% NeFe Bone Spring Acid Blend and 48 ball sealers.
- Move RBP to 9500' and release PKR to Frac w/ 75K# 20/40 Versaprop w/ Resin-coated Tail-in w/ scale inhibitor.
- Remove RBP and install production tubing string and pumping unit. Turn to sales as **Teas; Bone Spring** oil well.

Please see attached Recompleation procedure and C-102.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Natalie Krueger

Signature

Title

Regulatory Analyst

Date

June 20, 2008

APPROVED

JUL 26 2008

JAMES A. AMOS
SUPERVISOR-EPS

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Chris Williams

Title

Date

Conditions of Approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

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 30-025-26440 | | ² Pool Code 58960 | | ³ Pool Name Teas; Bone Spring | |
| ⁴ Property Code 300522 | | ⁵ Property Name Laguna Deep Unit Federal | | | ⁶ Well Number 002 |
| ⁷ OGRID No. 162683 | | ⁸ Operator Name Cimarex Energy Co. of Colorado | | | ⁹ Elevation 3595.6' 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 26 | 19S | 33E | | 990 | SOUTH | 1980 | WEST | Lea |

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 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code U | ¹⁵ Order No. |
|-------------------------------------|-------------------------------|---------------------------------------|-------------------------|

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.

| | | | | |
|----|--|--|--|---|
| 16 | | | | 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> <u>Zeno Farris</u> 06-20-08 Signature Date Zeno Farris Printed Name |
| | | | | |
| | | | | 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> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number |
| | | | | |

1980'

NM-030941

996

LAGUNA DEEP UNIT FEDERAL #2 BONE SPRING RECOMPLETION

API # 30-025-26440

990' FSL & 1980' FWL

Section 26, T19S, R33E

Lea County, New Mexico

GL : 3596'
KB : 3620.5'
TD DRILLER : 13490'
SURF CSG : 13-3/8" OD 48#/FT H-40 @ 1370' Cmtd W/ 1200 SX.(CIRC)
INTER CSG : 7" OD 26#/FT N-80 @ 12300' Cmtd W/ 2000 SX. DV Tools @ 3396' & 8480'
ABANDONED LINER : 5" 18# S-95 @ 13489'. Cmtd w/ 250 SX. TOL @12086'
CIBP : 12990'
TUBING: 2-7/8" N-80 6.5# EUE 8rd (376 JOINTS), 2-7/8" SN, EOT @ 11,895'.

BONE SPRING

1. MIRU PULLING UNIT. ND WELLHEAD AND NU BOPS. CIRCULATE WELL WITH ~400 BBLS OF 4% KCL IF NECESSARY. TOOH WITH TUBING. LOAD THE HOLE AND PRESSURE TEST TO 4000 PSI.
2. MIRU WIRELINE. MAKE GAUGE RING RUN TO TOP OF LINER AT 12086'. RUN CBL FROM TOP OF LINER TO 6000', WHILE RUNNING CBL MAINTAIN 1000 PSI ON CASING. CHECK CBL TO MAKE SURE CEMENT IS GOOD ACROSS BONE SPRING PERFORATIONS. PERFORATE 2ND BONE SPRING LIMESTONE FROM (10526'-10583') WITH 3 SPF, 120 DEG PHASING, 172 HOLES. PERFORATE AIRSTRIP SAND AND DOLOMITE FROM (9388'-9418') WITH 3 SPF, 120 DEG PHASING, 91 HOLES, PERFORATE 1ST BONE SPRING SAND (9314'-9320') & (9308'-9312') WITH 3 SPF, 120 DEG PHASING, 32 HOLES. MONITOR FLUID LEVEL IN AND OUT OF HOLE. RDMO WIRELINE.
3. RU BJ STIMULATION. TIH WITH 7" RBP W/ BALL CATCHER AND 7" TREATING PACKER ON 2-7/8" TUBING, TESTING TUBING IN HOLE TO 7000 PSI. SET RBP AT 10620' AND SET 7" TREATING PACKER AT 10475'. BREAKDOWN PERFORATIONS FROM (10526'-10583') USING 5700 GALLONS 15% NEFE BONE SPRING ACID BLEND AND 258 BALL SEALERS MAX RATE 8 BPM MAX PRESSURE = 7000 PSI. **RECORD 1 SECOND DATA FOR 1 HOUR FOLLOWING ACID JOB.** SWAB PERFS DOWN TO SN ON DAY OF ACID JOB. RECORD CUT AND FLUID ENTRY FOR THE FIRST RUN THE FOLLOWING DAY. CONSULT WITH ENGINEERING BEFORE PROCEEDING TO STIMULATION OF UPPER ZONES. OBTAIN WATER ANALYSIS AFTER LOAD RECOVERED AND DELIVER TO BJ CHEMICAL.
4. RELEASE 7" TREATING PACKER AT 10475'. GO DOWN AND PICK UP RBP AT 10620'. PULL UP AND SET RBP AT 9500'. SET PACKER AT 9490' AND PRESSURE TEST RBP TO 4000 PSI DOWN TUBING. RELEASE PACKER AND MOVE UP AND SET PACKER AT 9340'.
5. RU BJ STIMULATION. BREAKDOWN PERFORATIONS FROM (9388'-9418') USING 2250 GALLONS 7.5% NEFE BONE SPRING ACID BLEND AND 137 BALL SEALERS MAX RATE=5 BPM MAX PRESSURE=7000 PSI. **RECORD 1 SECOND DATA FOR 1 HOUR FOLLOWING ACID JOB AND FACTOR RESULTS INTO FRAC DECISION.** SWAB PERFS DOWN TO SN ON DAY OF ACID JOB. RECORD CUT AND FLUID ENTRY FOR THE FIRST RUN THE FOLLOWING DAY. CONSULT WITH ENGINEERING.

6. RELEASE PACKER AT 9340'. PICK UP RBP AT 9500' AND SET AT ~9350'. SET PACKER AT 9340'. TEST RBP TO 2500 PSI. RELEASE PACKER AND SET AT 9220'. RU BJ STIMULAYION. BREAKDOWN PERFORATIONS FROM (9308'-9312') & (9314'-9320') USING 750 GALLONS 7.5% NEFE BONE SPRING ACID BLEND AND 48 BALL SEALERS MAX RATE 5 BPM MAX PRESSURE = 7000 PSI. **RECORD 1 SECOND DATA FOR 1 HOUR FOLLOWING ACID JOB AND FACTOR RESULTS INTO FRAC DECISION.** SWAB PERFS DOWN TO SN ON DAY OF ACID JOB. RECORD CUT AND FLUID ENTRY FOR THE FIRST RUN THE FOLLOWING DAY. CONSULT WITH ENGINEERING.
7. RELEASE 7" TREATING PACKER AT 9220' AND RBP AT 9500' AND TOOHH WITH TOOLS AND 2-7/8' TUBING. REMOVE BALL CATCHER. RIH WITH PACKER AND RBP. SET RBP AT 9500'. TEST RBP TO 2500 PSI. TOOHH WITH TUBING AND PACKER. ND BOP, NU FRAC VALVE. RIG UP CSG SAVER AND FLOWBACK MANIFOLD. FRACTURE STIMULATE WITH 75K# 20/40 VERSAPROP WITH RESIN COATED TAIL-IN DOWN 7" CASING. INCLUDE SCALE INHIBITOR IN FRAC FLUIDS. FLOWBACK IMMEDIATELY BEGINNING AT 1.5 BPM UNTIL WELL DIES. REPORT FLOW RESULTS OF UPPER ZONE AND REPORT TO ENGINEERING.
8. RIH WITH RETRIEVING HEAD AND TUBING. TAG SAND. WASH SAND OFF OF RBP. RETRIEVE RBP AT 9500' (REVERSE RIG OR FOAM UNIT). TOOHH WITH TUBING AND RBP.
9. RIH WITH 2-7/8 TUBING AND BHA CONFIGURED FOR PUMPING AND SET EOT @ ~10560'.
10. INSTALL PUMPING EQUIPMENT AND OBTAIN PRODUCTION TEST FROM COMMINGLED 1ST AND 2ND BONE SPRING PAY.
11. HAVE BJ MONITOR SCALE INHIBITOR RESIDUALS MONTHLY. OBTAIN DYNO CARD AND FLUID LEVEL AFTER WELL HAS BEEN PUMPING FOR 10 DAYS.