State of New Mexico Energy, Minerals & Natural Resources

Form C-104 Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd , Aztec, NM 87400 ECEIVE DI Conservation Division District III 1220 South St. Francis Dr.

Submit to Appropriate District Office

5 Copies

1220 S. St. Francis Dr., Santa Fe, NM 87595 Santa Fe, NM 87505

I. REOUEST FOR ALLOWABLE AND AU ☐ AMENDED REPORT LOWARLE AND AUTHORIZATION TO TRANSPORT

1,	REQUEST FOR ALLOWABLE AND ACTIO	RIZATION TO TRANSFORT				
Operator name and Addre	ess HOBBSOCD	² OGRID Number				
Cimarex Energy Co. of	Colorado	162683				
PO Box 140907	•	³ Reason for Filing Code/ Effective Date				
Irving, TX 75014		RC – 02-24-08				
⁴ API Number 30 – 025-35946	S Pool Name W25+	6 Pool Code 9663				
⁷ Property Code 300510	⁸ Property Name Bilbrey 32 State Com	9 Weil Number 002				
II 10 Surface Location	nn -					

North/South Line East/West line Lot.Idn Feet from the Feet from the County Ul or lot no. Section Township Range 1330 South 1980 32 21S 32E West Lea K

11 Bottom Hole Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South	line	Feet from the	East/	West line	County
											•
12 Lse Code	e 13 Producing Method Code		14 Gas Coni	¹⁴ Gas Connection Date 15 C-129 Pern		nit Number 16 C-129 Effective Da		Date	ite 17 C-129 Expiration Date		
		F	02-2	4-08							

III. Oil and Gas Transporters ¹⁸ Transporter OGRID ²⁰ POD ²¹ O/G 22 POD ULSTR Location Transporter Name and Address and Description 036785 DCP Midstream, LP G Same as above 10 Desta Drive, Ste 400 West Midland, TX

IV. Produced Water

²⁴ POD ULSTR Location and Description ²³ POD Same as above

V. Well Completion Data								
25 Spud Date 26 Read		eady Date	²⁷ TD	PBTD 28 PBTD	²⁹ Perforations	³⁰ DHC, MC		
07-15-02	02	-24-08	14900'	14085'	13303' – 1360	6'		
31 Hole Size		32 Casing	& Tubing Size	33 Depth Se	t	34 Sacks Cement		
17½"		13%"		765′		615 sx		
12¼"		9%"		4664'		1280 sx		
8¾"		8¾" 7"		12609'		590 sx		
			23/8"	13300'				

35 Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	38 Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure		
	02-24-08	03-12-08	24 hrs	180	1100		
41 Choke Size	⁴² Oil	43 Water	⁴⁴ Gas	⁴⁵ AOF	46 Test Method		
48/64	0	0	10		F		
	the rules of the Oil Conservat t the information given above dge and belief.	is true and complete to					
Printed name: Natal	ie Krueger	/	Title: PETROLEUM ENGINEER				
Title: Reg Tech			Approval Date:	AR 03 2009			
E-mail Address: nkrueger@cimarex.com				2007			
	1						

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, Texas 79701
PHONE 432.571.7800



January 15, 2009

ConocoPhillips Company 600 N. Dairy Ashford Houston, Texas 77252 Attn: Thomas J. Scarbrough

Re:

Bilbrey 32 State Com #2

Section 32, Township 21 South, Range 32 East

Lea County, New Mexico

Dear Mr. Scarbrough:

In 2008, Cimarex Energy Co. ("Cimarex") successfully recompleted the Bilbrey 32 State Com #2 well located in the SW/4 of Section 32, Township 21 South, Range 32 East, Lea County, New Mexico, to the Atoka Formation. ConocoPhillips Company ("Conoco") operates the Bilbrey 32 State Com #1 well located in the NW/4 of the same section, and until February 2006 also produced that well from the Atoka Formation. Since that time the Oil Conservation Division of New Mexico has notified Cimarex that it needs proof that Conoco is in agreement and approves of having the Cimarex-Bilbrey 32 State Com #2 well and the ConocoPhillips-Bilbrey 32 State Com #1 well in the same 320 acre Atoka Formation proration unit. Please confirm on the attached signature page that Conoco is aware and agrees that Cimarex operates the Bilbrey 23 State Com #2 as an Atoka gas well in the SW/4 of Section 32, Township 21 South, Range 32 East, Lea County, New Mexico. It should be noted that Cimarex received a letter dated September 14, 2007 indicating Conoco's intent to recomplete the Bilbrey 32 State Com #1 well to the Strawn Formation.

If the foregoing correctly sets forth our understanding and agreement, kindly indicate your acceptance and concurrence by signing in the space provided below and returning one (1) copy to the undersigned at the above letterhead address.

If you have any questions please contact me at the numbers above.

Very truly yours,

Brian van Staveren Cimarex Energy Co. Cimarex Energy Co.

600 N. Marlenfeld St.

Suite 600

Midland, Texas 79701

PHONE 432.571.7800



The foregoing correctly sets forth our concurrence and agreement and is hereby approved and accepted this 27th day of _______, 2009.

ConocoPhillips Company

115 By: