New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary JAMI BAILEY Division Director Oil Conservation Divisio



Administrative Order DHC-4417 Order Date: 7/11/2011 Application Reference Number: pUNK1118248548

CIMAREX ENERGY CO. OF COLORADO 600 N. MARIENFELD ST, SUITE 600 MIDLAND, TX 79701

Attention: Zeno Farris

OZLEY 25 FEDERAL Well No. 001 API No: 30-015-34684 Unit P, Section 25, Township 24 South, Range 25 East, NMPM Eddy County, New Mexico Pool: UNDES. WALNUT CANYON; UPPER PENN (G) Gas 97566 Names: WC;BLACK RIVER;WOLFCAMP,SW(G) Gas 97693

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this workover.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 * Phone: (505) 476-3440 * Fax (505) 476-3462* <u>http://www.emnrd.state.nm.us</u> Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

6 JAM BAILEY

Director

JB/wvjj

cc: Oil Conservation Division – Artesia Bureau of Land Management - Carlsbad