

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 17, 2015

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-424
Administrative Application Reference No. pMAM1517752836

Cimarex Energy Company
Attention: Ms. Hope Knauls

Pursuant to your application received on June 26, 2015, Cimarex Energy Company (OGRID 215099) is hereby authorized to surface commingle oil and gas production from the following pools located Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico;

Forty Niner Ridge; Bone Spring	(24720)
WC-015 G-06 S233036D; Bone Spring	(97944)

and from the following diversely owned federal leases in said Section, Township, and Range in Eddy County, New Mexico.

Lease: Federal Lease NMNM-114978
Description: E/2 Section 23 and entire Section 25
Well: Forty Niner Ridge 23 Federal Well No. 1H, Forty Niner Ridge 23 Federal Well No. 1H, and Sandy Federal Well 23H

Lease: Federal Lease NMNM-114356
Description: entire Section 24
Well: Sandy Federal Well 20H, Sandy Federal Well 21H, Sandy Federal Well 22H

The commingled oil and gas production from the wells detailed above shall be measured and sold at the forty Niner Ridge Drill Island central tank battery (CTB) in Unit P of Section 23, Township 23South, Range 30 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

Each of the wells will be equipped with continuous metering separators for oil production. Each leases shall have separate tanks. Oil will be sold by truck load LACT.

Each well shall have its own gas allocation meter. The gas production will be allocated on a daily basis on the volume measured at the allocation meter, and then commingled and sold at the CDP sales meter.

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

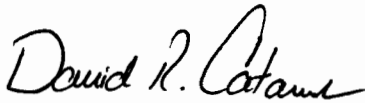
The operator shall notify the transporter of this commingling authority.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).

This approval is subject to like approval from the Bureau of Land Management before commencing commingling operations.

The operator shall notify the Artesia District office of the Division upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, on July 17, 2015.



DAVID R. CATANACH
Director

DRC/mam

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