

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-3390-A

Order Date: July 18, 2016

Application Reference Number: pMAM1619557889

Cimarex Energy Co. of Colorado
600 North Marienfeld Street, Suite 600
Midland, Tx. 79701

Attention: Ms. Amithy Crawford

Chosa Draw 27 Federal Com. Well No. 1
API No. 30-015-32918
Unit B, Section 27, Township 25 South, Range 26 East, NMPM
Eddy County, New Mexico

Pool COTTONWOOD DRAW; UPPER PENN (G) Gas (97354)
Names: SAGE DRAW; WOLFCAMP, EAST (G) Gas (96890)

Reference is made to your recent application for an exception to Division Rule 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 appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since 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 Division Rule 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.

As per the application, the assignment of allowable and allocation of oil and gas production from the subject well for the Cottonwood Draw; Upper Penn (G) Pool and Sage Draw; Wolfcamp, East (G) allocation percentages shall be based on the remaining gas in place (RGIP) calculations, which in turn is based on offset analogy production and well log analysis for each pool.

Assignment of allowable and allocation of production from the well shall be as follows:

SAGE DRAW; WOLFCAMP, EAST (G) POOL	Pct. Oil: 79	Pct. Gas: 79
COTTONWOOD DRAW; UPPER PENN (G)	Pct. Oil: 21	Pct. Gas: 21

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A (6), is not required since the interest ownership between the zones to be commingled is common throughout.

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

This Order is subject to like approval from the Bureau of Land Management.

Applicant has abandoned the Cottonwood Draw; Morrow Pool in the well.

This Order supersedes Administrative Order DHC 3390, issued on January 18, 2005.

Pursuant to Division Rule 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.



David R. Catanach
Director

DRC/mam

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