



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-4279

Order Date: 5/14/2010

Application Reference Number: pTGW1012442626

CIMAREX ENERGY CO. OF COLORADO
600 N. Marienfeld Street, Suite 600
Midland TX 79701

Attention: Zeno Ferris

CYPHER 36 STATE COM Well No. 001
API No: 30-015-37508
Unit A, Section 36, Township 25 South, Range 25 East, NMPM
Eddy County, New Mexico

Pool:	UNDES. COTTONWOOD SPRING;UPPER PENN (GAS)	Gas 75330
Names:	UNDES. WHITE CITY;WOLFCAMP, SOUTH (GAS)	Gas 97592

Reference is made to your recent application for an exception to Rule 12.9A. 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 Rule 12.11A., 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 Division 12.11A.(6), 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.



Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.


MARK E. FESMIRE, P.E.
Acting Director

MEF/wvj

cc: Oil Conservation Division – Artesia
State Land Office - Oil, Gas, and Minerals Division

District I
1625 N. Finch Drive, Hobbs, NM 88240
District II
1304 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Bravo Road, Artec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Cimarex Energy Co. of Colorado 600 N. Marienfeld St., Ste. 600; Midland, TX 79701
Operator Address
Cypher 36 State Com 001 A-36-25S-25E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 162683 Property Code 37995 API No. 30-015-37508 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE <i>UNDES</i>	INTERMEDIATE ZONE	LOWER ZONE <i>UNDES Cisco Canyon Wildcat</i>
Pool Name	White City; Wolfcamp, South (Gas)		<i>Cisco Canyon Wildcat</i>
Pool Code	97592		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9100-10302		Cisco-Canyon 10302-10599
Method of Production (Flowing or Artificial Lift)	Flowing		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Within 150% of bottom perfs		
Oil Gravity or Gas BTU (Degree API or Gas BTU)	To be supplied		To be supplied
Producing, Shut-In or New Zone	New Zone		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: To be supplied Rates:	Date: Rates:	Date: To be supplied Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas	Oil Gas	Oil Gas

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?
Are all produced fluids from all commingled zones compatible with each other?
Will commingling decrease the value of production?
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?
NMOCD Reference Case No. applicable to this well:

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Zeno Farris* TITLE Manager Operations Administration DATE April 30, 2010
TYPE OR PRINT NAME Zeno Farris TELEPHONE NO. (432)-680-1938
E-MAIL ADDRESS zfarris@cimarex.com