

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-4801-A
Order Date: September 1, 2017
Application Reference Number: pMAM172435540

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

Attention: Ms. Amithy Crawford

Estill AD Federal Well No. 2
API No. 30-015-33336
Unit H, Section 19, Township 24 South, Range 26 East, NMPM
Eddy County, New Mexico

Pool	WHITE CITY; PENN (GAS)	Gas (87280)
Names:	PURPLE SAGE; WOLFCAMP (GAS)	Gas (98220)

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 White City; Penn (Gas) Pool and Purple Sage; Wolfcamp (Gas) Pool shall be based on the production log that was ran in the subject well over the two different pools.

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

PURPLE SAGE; WOLFCAMP (GAS)	Pct. Oil: 83	Pct. Gas: 83
WHITE CITY; PENN (GAS)	Pct. Oil: 17	Pct. Gas: 17

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12 A (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 Supersedes Administrative Order DHC-4801, issued on December 6, 2016. Applicant determined allocation percentages in the amended application based on a production log of the subject well, and not the area-wide allocation method used in the previous administrative order. Further, the amended order updated the pool designation from the Black River; Wolfcamp, SW (Gas) Pool which has been abolished, to the Purple Sage; Wolfcamp (Gas) Pool.

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

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
Well file – 30-015-33336