

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



June 29, 2010

Administrative Order DHC-4288
Application Reference Number: pTGW1017649669

Cimarex Energy Co. of Colorado
Attn: Mr. Zeno Farris
600 N. Marienfeld St., Suite 600
Midland, TX 79701

Re: Scarlet 34 Federal Well No. 1
API No. 30-015-37817

Pools: Wildcat Wolfcamp
Wildcat Cisco-Canyon

Dear Mr. Farris:

Reference is made to your application for an exception to Division Rule 12.9.A to permit down hole commingling of production from the subject pools within the above-described wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11.A., 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.

In accordance with Division Rule 12.11.A(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

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

Pool: Wildcat Wolfcamp	Pct Gas: To be supplied	Pct Oil: To be supplied
Pool: Wildcat Cisco-Canyon	Pct Gas: To be supplied	Pct Oil: To be supplied

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>

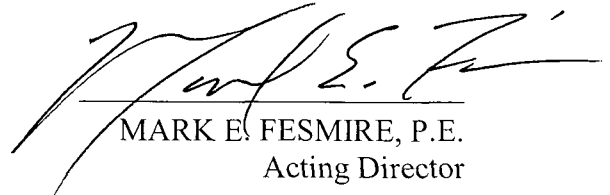


It is our understanding that allocation percentages will be determined from well tests after the well has been drilled and completed. The production allocation percentages of oil and gas between these pools shall be reported to the Division's Santa Fe office within 60 days following completion of this well.

It is also understood that ownership of all interest in the pools from which production is being commingled is identical.

The operator shall notify the Division's Artesia 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Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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/db

cc: Oil Conservation Division – Artesia
United States Bureau of Land Management