

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-4820
Order Date: September 12, 2017
Application Reference Number: pMAM1724846084

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

Attention: Ms. Amithy Crawford

Grynberg 11 Federal Com Well No. 1
API No. 30-015-22085
Unit G, Section 11, Township 25 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 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:

| | | |
|-----------------------------|--------------|--------------|
| PURPLE SAGE; WOLFCAMP (GAS) | Pct. Oil: 84 | Pct. Gas: 84 |
| WHITE CITY; PENN (GAS) | Pct. Oil: 16 | Pct. Gas: 16 |

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 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 – 30-015-22085