New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



Administrative Order DHC-3999

Cimarex Energy Company of Colorado 5215 North O'Connor Blvd Suite 1500 Irving, TX 75039

Attention: Zeno Farris

Esmeralda Federal 24 Well No. 1 API No: 30-025-34484 Unit K, Section 24, Township 19 South, Range 33 East, NMPM Lea County, New Mexico Pool: Undesignated Tonto - Wolfcamp Oil 59500 Names: Undesignated East Gem - Strawn Oil 96244

Reference is made to your recent application for an exception to Rule 303.A. 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 303.C., 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 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The operator shall supply factor percentages for assignment of allowable to the well and allocation of production from the well to the Division within 90 days of completion of this workover.

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.



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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Order approved at Santa Fe, New Mexico on March 14, 2008.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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MARK E. FESMIRE, P.E. Director

cc: Oil Conservation Division – Hobbs Bureau of Land Management – Carlsbad