



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

AUG - 6 2008
OCD-ARTESIA

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-4069

Order Date: 7/24/2008

Application Reference Number: pKVR0819953695

COG OPERATING LLC
550 W Texas Ave, Suite 1300
MIDLAND, TX 79701

Attention: KANICIA CORRILLO, REGULATORY ANALYST

TEXACO BE Well No. 008
API No: 30-015-35253
Unit B, Section 16, Township 17 South, Range 30 East, NMPM
Eddy County, New Mexico

Pool: GRAYBURG JACKSON;SR-Q-G-SA Oil 28509
Names: LOCO HILLS; GLORIETA-YESO Oil 96718

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.

Assignment of allowable to the well and allocation of production from the well shall be done after testing of all intervals to be commingled. The applicant shall submit the allocation percentages to the Division 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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, ESQ. P.E.
Director

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