

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



August 6, 2019

POOL/LEASE COMMINGLING

Administrative Order PLC-590

COG Operating LLC
Attention: Bobbie Goodloe

Pursuant to your application received on July 16, 2019, COG Operating LLC (OGRID 229137) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following Wildcat pools - or future named Bone Spring formation or Wolfcamp formation pools within the same horizontal extents:

| | |
|-----------------------------------|---------|
| WC-025 G-08 S213304D; BONE SPRING | (96464) |
| WC-025 G10 S213328O; WOLFCAMP | (96217) |

and from wells, their associated leases, pools, identified in the application Exhibit "A" made a part of this order. These wells are located on state leases, state units, and state Communitization Agreements located in, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

The commingled oil production from the wells detailed above shall be measured and sold at the respective central tank batteries described in Exhibit A except when the CTB is over capacity, CTB is in repair, or the pipeline is in repair.

In any of these scenarios, the oil shall be transported to either the Red Hills Offload Station (Red Hills CTB) located in Unit O, Section 4, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico, or the Jal Offload Station (Jal CTB) located in Unit D, Section 4, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

Oil shall remain segregated and measured by a LACT meter at the Red Hills CTB or the Jal CTB when it is utilized. Further, Applicant shall provide a Sundry Notice C-103 when either the Red Hills CTB or the Jal CTB is utilized.

The commingled gas production from the wells detailed above shall be measured at the respective central tank batteries described in Exhibit A, and sold at the gatherer's meter described in Exhibit A.

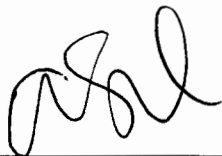
Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.

The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.



Adrienne Sandoval
Director

AS/mam

cc: Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals

Exhibit A

Attachment A: Boone wells

| Boone 16 State Com / Corazon State Unit / Warbler State Com Pool/Lease Commingle | | | | | |
|--|--------------|---|---|-------------------------------|-----------------------------|
| Well Name | API # | Horizontal Spacing (acres) | Pool Name & Code | Oil Battery | Gas Sales Point |
| Boone 16 State Com #1H | 30-025-41200 | E/2 E/2 of Section 16 | WC-025 G-08 S213304D; Bone Spring / 97895 | Boone 16 State Com 2H Battery | P-3-215-33E or D-22-215-33E |
| Boone 16 State Com #2H | 30-025-41049 | W/2 E/2 of Section 16 | WC-025 G-08 S213304D; Bone Spring / 97895 | Boone 16 State Com 2H Battery | P-3-215-33E or D-22-215-33E |
| Boone 16 State Com #4H | 30-025-45599 | W/2 W/2 Section 9 and W/2 W/2 of Section 16 | WC-025 G-08 S213304D; Bone Spring / 97895 | Boone State 160 Battery | P-3-215-33E or D-22-215-33E |
| Boone 16 State Com #3H | 30-025-43553 | W/2 W/2 of Section 9 and W/2 W/2 of Section 16 | WC-025 G10 S2133280; Wolfcamp / 98033 | Boone State 160 Battery | P-3-215-33E or D-22-215-33E |
| | | | | | |
| Corazon State Unit #1H | 30-025-40714 | Lot 1/ Unit A, Lot 8, Lot 9, Lot 16, E/2 SE/4 of Section 3 | WC-025 G-08 S213304D; Bone Spring / 97895 | Corazon Section 3 CTB | P-3-215-33E or D-22-215-33E |
| Corazon State Unit #2H | 30-025-40945 | Lot 2/ Unit B, Lot 7, Lot 10, Lot 15, W/2 SE/4 of Section 3 | WC-025 G-08 S213304D; Bone Spring / 97895 | Corazon Section 3 CTB | P-3-215-33E or D-22-215-33E |
| Corazon State Unit #3H | 30-025-40946 | Lot 3/ Unit C, Lot 6, Lot 11, Lot 14, E/2 SW/4 of Section 3 | WC-025 G-08 S213304D; Bone Spring / 97895 | Corazon Section 3 CTB | P-3-215-33E or D-22-215-33E |
| Corazon State Unit #5H | 30-025-40947 | Lot 4/ Unit D, Lot 5, Lot 12, Lot 13, W/2 SW/4 of Section 3 | WC-025 G-08 S213304D; Bone Spring / 97895 | Corazon Section 3 CTB | P-3-215-33E or D-22-215-33E |
| Corazon State Unit #6H | 30-025-40948 | W/2 W/2 Section 10 | WC-025 G-08 S213304D; Bone Spring / 97895 | Corazon Section 10 CTB | P-3-215-33E or D-22-215-33E |
| Corazon State Unit #7H | 30-025-40949 | E/2 W/2 Section 10 | WC-025 G-08 S213304D; Bone Spring / 97895 | Corazon Section 10 CTB | P-3-215-33E or D-22-215-33E |
| Corazon State Unit #8H | 30-025-40950 | W/2 E/2 Section 10 | WC-025 G-08 S213304D; Bone Spring / 97895 | Corazon Section 10 CTB | P-3-215-33E or D-22-215-33E |
| Corazon State Unit #9H | 30-025-40951 | E/2 E/2 Section 10 | WC-025 G-08 S213304D; Bone Spring / 97895 | Corazon Section 10 CTB | P-3-215-33E or D-22-215-33E |
| | | | | | |
| Warbler State Com #4H | 30-025-43310 | E/2 E/2 Section 21 and E/2 E/2 of Section 28 | WC-025 G-08 S213304D; Bone Spring / 97895 | Boone 16 State Com 2H Battery | P-3-215-33E or D-22-215-33E |

Boone 16 State Com 2H Battery is located in Unit O Section 16

Boone State 160 Battery is located in Unit O of Section 16

Boone 16 State Com 3H Battery is located in Unit O Section 16

Corazon Section 3 CTB is located in Unit N, Section 3

Corazon Section 10 CTB is located in Unit C, Section 10