

Approved Administrative Order

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Cabinet Secretary

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Adrienne Sandoval, Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-909

September 4, 2019

COG OPERATING LLC

Attention: Ms. Jeanette Barron

COG Operating LLC (OGRID 229137) is hereby authorized to surface commingle oil and gas production and off-lease measure from Willow Lake; Bone Spring, Southeast Pool (Pool code 96217) from the following diversely owned federal leases and wells located in Township 25 South, Range 29 East, NMPM in Eddy County, New Mexico:

Lease: Federal Communitization Agreement NMNM 124451
Description: N/2 SW/4 of Section 20, Township 25 South, Range 29 East, NMPM
Well: Shocker 20 Federal Com Well No. 1H API No. 30-015-36430

Lease: Federal Communitization Agreement NMNM 124150
Description: E/2 E/2 of Section 21, Township 25 South, Range 29 East
Well: White Federal Com Well No. 1H API No. 30-015-36185

Lease: Federal Communitization Agreement NMNM 124192
Description: Entire Section 19, Township 25 South, Range 29 East
Wells: Showstopper 19 Federal Com Well No. 3H API No. 30-015-37682
Showstopper 19 Federal Com Well No. 4H API No. 30-015-37374
Showstopper 19 Federal Com Well No. 5H API No. 30-015-37373
Showstopper 19 Federal Com Well No. 6H API No. 30-015-37480
(collectively "Showstopper 19 Federal Com Wells")

The oil production for the Shocker 20 Federal Com Well No. 1H shall be measured and sold at the Shocker 20 Federal Com Well No. 1H Battery (Shocker 20 Federal Com Well No. 1H CTB) located in Unit L, Section 20, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, except when the Shocker 20 Federal Com Well No. 1H CTB is over capacity, is in repair, or the pipeline is in repair. The gas production from the Shocker 20 Federal Com Well No. 1H shall be measured at the Shocker 20 Federal Com Well No. 1H CTB prior to commingling

The oil production for the White Federal Com Well No. 1H shall be measured and sold at the White Federal Com Well No. 1H Battery (White Federal Com Well No. 1H Battery CTB) located

in Unit M, Section 19, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, except when the White Federal Com Well No. 1H Battery CTB is over capacity, in repair, or the pipeline is in repair. The gas production from the White Federal Com Well No. 1H shall be measured at the White Federal Com Well No. 1H Battery CTB prior to commingling.

The oil and gas production for the Showstopper 19 Federal Com 3H Well shall be measured and sold at the Showstopper 19 Federal Com No. 3H Battery (Showstopper 19 Federal Com No. 3H Battery CTB) located in Unit P, Section 19, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, except when the Showstopper 19 Federal Com No. 3H Battery CTB is over capacity, is in repair, or the pipeline is in repair.

The oil and gas production for the Showstopper 19 Federal Com 6H Well shall be measured and sold at the Showstopper 19 Federal Com No. 6H Battery (Showstopper 19 Federal Com No. 6H Battery CTB) located in Unit M, Section 19, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, except when the Showstopper 19 Federal Com No. 3H Battery CTB is over capacity, is in repair, or the pipeline is in repair.

The oil and gas production for the Showstopper 19 Federal Com Well No. 4H and Showstopper 19 Federal Com Well No. 5H shall be measured and sold at the Showstopper 19 Federal Com No. 4H Battery (Showstopper 19 Federal Com No. 4H Battery CTB) located in Unit O, Section 19, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, except when the Showstopper 19 Federal Com No. 4H Battery CTB is over capacity, is in repair, or the pipeline is in repair.

Since the Showstopper 19 Federal Com Wells are on Federal Communitization Agreement NMNM 124192, the Applicant may change the dedicated wells at their respective batteries within this lease that produce from the Willow Lake; Bone Spring, Southeast Pool, without notice to the affected parties.

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, Eddy County, New Mexico, or the Jal Offload Station (Jal CTB) located in Unit D, Section 4, Township 26 South, Range 37 East, NMPM, Eddy County, New Mexico. Further, the oil production from either of these leases shall not be commingled with production from any other lease or pool, when either the Red Hills CTB or Jal CTB is utilized.

Applicant shall provide Sundry Notice C-103 to the Engineering Bureau and District Office when the Red Hills CTB or Jal CTB is utilized.

The commingled gas production shall be sold at the gatherer's meter located in Unit D, Section 21, Township 21 South, Range 29 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be measured with allocation meters.

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.

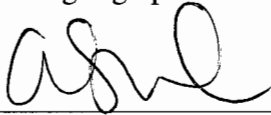
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

Subsequent wells within leases approved by this order may be added to this administrative surface commingle application with a Sundry notice to the Engineering Bureau.

This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

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



Adrienne Sandoval
Director

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad