

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-4034

Order Date: 5/30/2008

Application Reference Number: pKVR0810853441

COG OPERATING LLC
550 W TEXAS, SUITE 1300
MIDLAND, TX 79701

Attention: KANICIA CARRILLO, REGULATORY ANALYST

MOHAWK FEDERAL Well No. 003

API No: 30-015-34901

Unit M, Section 14, 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.

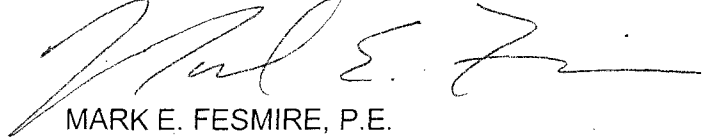
Assignment of allowable to the well and allocation of production from the well shall be done after testing of all intervals to be commingled. The applicant shall submit the allocation percentages to the Division within 60 days following completion of this workover.

REMARKS: The operator shall notify the Artesia District Office of the Division 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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', is written over the printed name.

MARK E. FESMIRE, P.E.
Director

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