



ConocoPhillips  
2208 West Main Street  
Artesia, New Mexico 88210  
www.conocophillips.com

EE  
August 19, 2021

Attn: Dean McClure  
NM Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval of Lease Commingle (CTB)

Dear Mr. McClure,

COG Production LLC respectfully requests approval for lease commingling for the following wells:

Eata Fajita State 3H  
API# 30-025-40571  
Triple X; Bone Spring, West  
Ut. O, Sec. 8-T24S-R33E  
Lea County, NM

Eata Fajita State 4H  
API# 30-025-41048  
Triple X; Bone Spring, West  
Ut. P, Sec. 8-T24S-R33E  
Lea County, NM

Eata Fajita State 5H  
API# 30-025-41997  
Triple X; Bone Spring, West  
Ut. P, Sec. 8-T24S-R33E  
Lea County, NM

Eata Fajita State 9H  
API# 30-025-42274  
Triple X; Bone Spring, West  
Ut. P, Sec. 8-T24S-R33E  
Lea County, NM

**Oil Production:**

The oil production from all wells will be measured separately by test meter prior to being commingled at the Central Tank Battery located in Ut. O, Sec. 8-T24S-R33E. In the event the CTB is over capacity or in the case of battery or pipeline repairs the oil production from these wells may be transported by truck to either the Red Hills Offload Station, located in Unit O, Section 4-T26S-R32E, or the Jal Offload Station, located in Unit D, Section 4-T26S-R37E, Lea County. In this case, the oil will remain segregated and will be measured by lact meter when offloading at said stations.

**Gas Production:**

The gas production from all wells will be measured separately prior to being commingled and entering a gas flow line to the gas custody transfer meter at the Central Tank Battery located in Ut. O, Sec. 8-T24S-R33E.

Well testing will be by separating and measuring the oil and gas production from the well for a minimum of twenty-four consecutive hours.

No owner notification is necessary. A letter from a certified Landman stating COG Production is 100% working interest owner is enclosed.

Please see the enclosed Administrative Application Checklist, C-107B Application for Surface Commingling, plats for referenced wells, site facility diagram, maps with lease boundaries showing wells and facility locations, and communization agreement application.

Thank you for your attention to this matter.

Sincerely,



Jeanette Barron  
Regulatory Coordinator

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** COG Production, LLC **OGRID Number:** 217955  
**Well Name:** Eata Fajita St 3H-5H & 9H (please see attached) **API:** 30-025-40571  
**Pool:** Triple X; Bone Spring, West **Pool Code:** 96674

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Jeanette Barron

Print or Type Name

Jeanette Barron  
Signature

8/19/21  
Date

575-746-6974  
Phone Number

jeanette.barron@conocophillips.com  
e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: COG Production LLC  
OPERATOR ADDRESS: 2208 W Main Street, Artesia, New Mexico 88210

APPLICATION TYPE:  
 Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

(1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jeanette Barron TITLE: Regulatory Coordinator DATE: 8/19/21

TYPE OR PRINT NAME Jeanette Barron TELEPHONE NO.: 575.748.6974

E-MAIL ADDRESS: jeanette.barron@conocophillips.com



**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
 1000 Rio Brazos Road, Aztec, NM 87410  
 Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

AMENDED REPORT  
 (As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-41048</b>		<sup>2</sup> Pool Code <b>96674</b>		<sup>3</sup> Pool Name <b>Triple X; Bone Spring, West</b>	
<sup>4</sup> Property Code <b>39209</b>		<sup>5</sup> Property Name <b>Eata Fajita State</b>			<sup>6</sup> Well Number <b>4H</b>
<sup>7</sup> OGRID No. <b>217955</b>		<sup>8</sup> Operator Name <b>COG Production LLC</b>			<sup>9</sup> Elevation <b>3601' GR</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>8</b>	<b>24S</b>	<b>33E</b>		<b>190</b>	<b>South</b>	<b>380</b>	<b>East</b>	<b>Lea</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>8</b>	<b>24S</b>	<b>33E</b>		<b>345</b>	<b>North</b>	<b>421</b>	<b>East</b>	<b>Lea</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16				BHL	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Jeanette Barron</i> 8/19/21        Signature Date</p> <p><b>Jeanette Barron</b>        Printed Name</p> <p>jeanette.barron@conocophillips.com        E-mail Address</p> <p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>_____        Date of Survey</p> <p>_____        Signature and Seal of Professional Surveyor:</p> <p style="text-align: center;">REFER TO ORIGINAL PLAT</p> <p>_____        Certificate Number</p>	
			Producing Area 11365-15575'			
						SHL

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State of New Mexico  
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1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
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 AMENDED REPORT  
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-41997		<sup>2</sup> Pool Code 96674	<sup>3</sup> Pool Name Triple X; Bone Spring, West
<sup>4</sup> Property Code 39209	<sup>5</sup> Property Name Eata Fajita State		<sup>6</sup> Well Number 5H
<sup>7</sup> OGRID No. 217955	<sup>8</sup> Operator Name COG Production LLC		<sup>9</sup> Elevation 3599' GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	24S	33E		185	South	1315	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	8	24S	33E		338	North	1328	East	Lea

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. NSL-7131
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>16</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><u>Jeanette Barron</u> 8/19/21 Signature Date</p> <p>Jeanette Barron Printed Name jeanette.barron@conocophillips.com E-mail Address</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>
	<p>REFER TO ORIGINAL PLAT</p>
	<p>Certificate Number</p>

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1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
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 AMENDED REPORT  
(As Drilled)

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-42274		<sup>2</sup> Pool Code 96674		<sup>3</sup> Pool Name Triple X; Bone Spring, West	
<sup>4</sup> Property Code 39209		<sup>5</sup> Property Name Eata Fajita State			<sup>6</sup> Well Number 9H
<sup>7</sup> OGRID No. 217955		<sup>8</sup> Operator Name COG Production LLC			<sup>9</sup> Elevation 3604' GR

<sup>10</sup> Surface Location

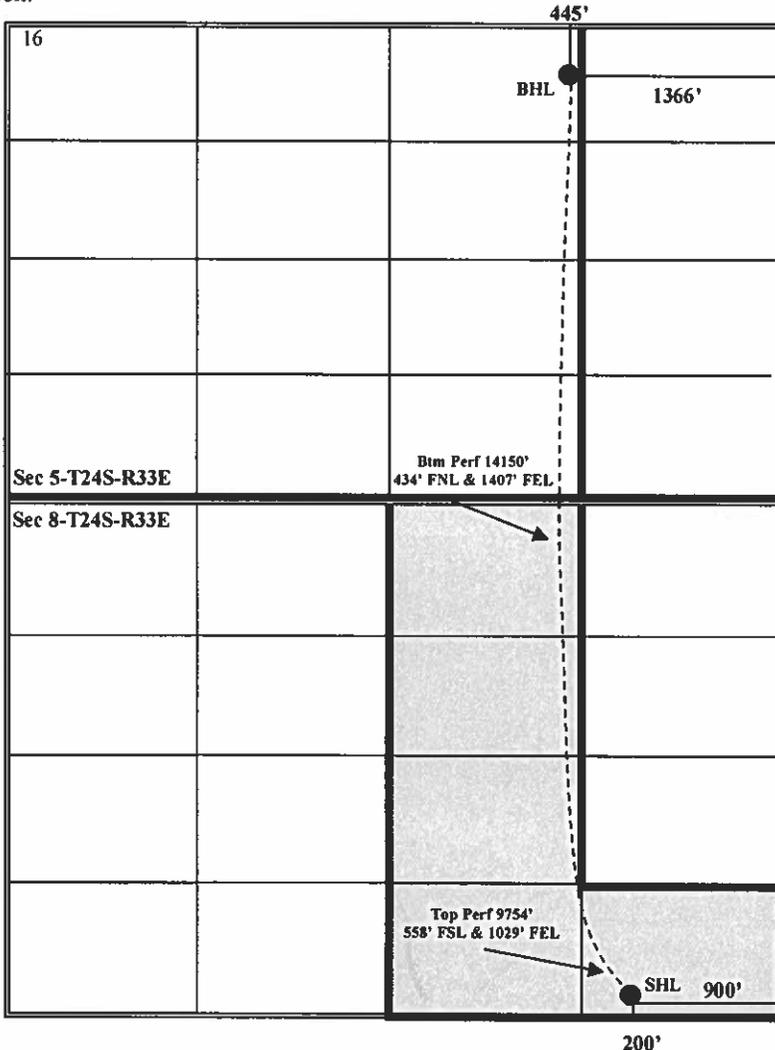
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	24S	33E		200	South	900	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	5	24S	33E		445	North	1366	East	Lea

<sup>12</sup> Dedicated Acres 200	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. NSL Application in Process
--------------------------------------	-------------------------------	----------------------------------	---

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**<sup>17</sup> OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Jeanette Barron*      8/19/21  
Signature      Date

Jeanette Barron  
Printed Name

jeanette.barron@conocophillips.com  
E-mail Address

**<sup>18</sup> SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

\_\_\_\_\_  
Date of Survey

\_\_\_\_\_  
Signature and Seal of Professional Surveyor:

\_\_\_\_\_  
Certificate Number



**EATA FAJITA B CTB**  
 SECTION 8, T24S, R33E, UNIT O  
 COORDS: 32.226327, -103.591804  
 LEA COUNTY, NM

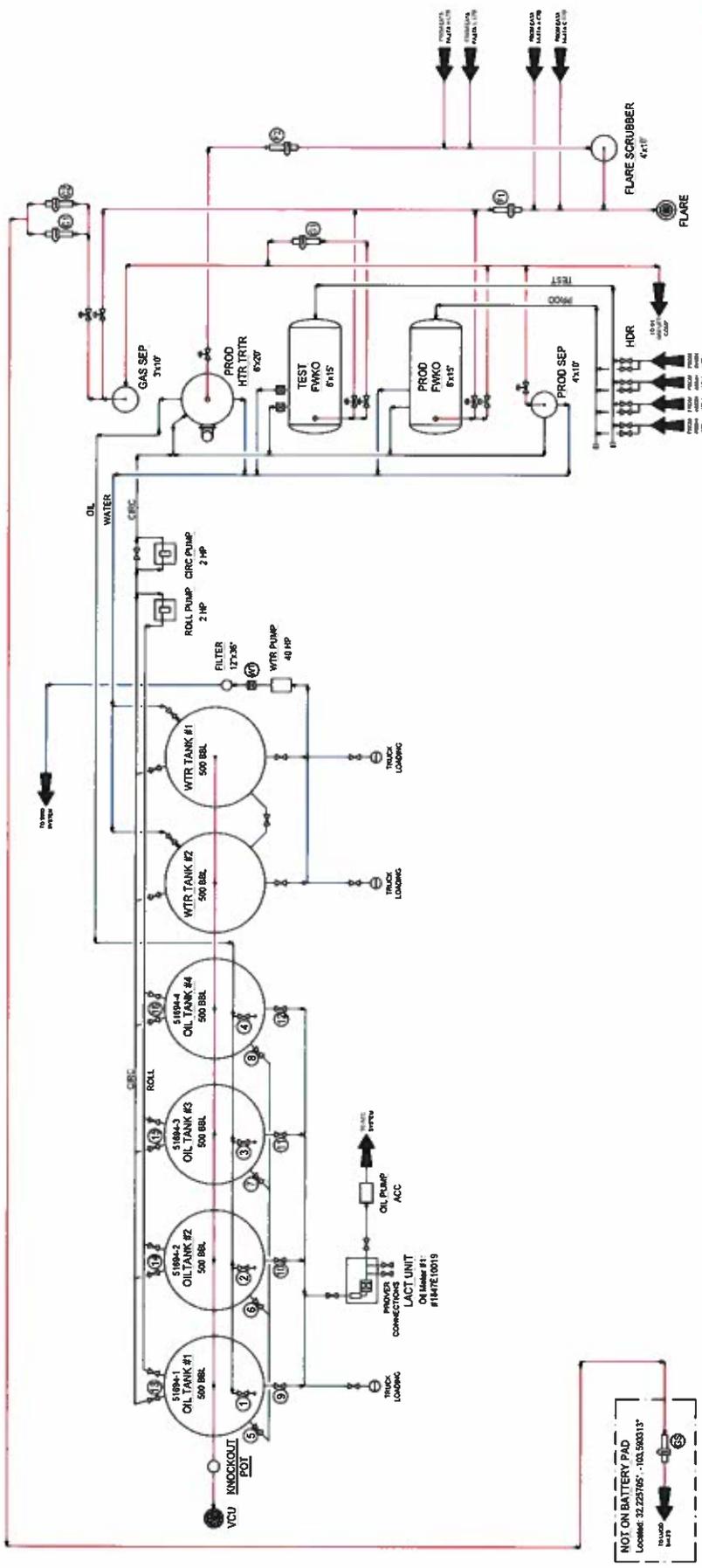
**WELLS:**  
 EATA FAJITA STATE #003H: 30-025-40571  
 EATA FAJITA STATE #004H: 30-025-41048  
 EATA FAJITA STATE #005H: 30-025-41997  
 EATA FAJITA STATE #009H: 30-025-42274

**METERS**  
 Lucid Sales Gas Meter: (GS): #14406  
 Water Transfer Meter: (WT): #413884

**METERS**  
 Gas Test Meter: (G1): #3902144  
 Check Gas Meter: (C1): #3902258  
 Check Gas Meter: (C2): #3902272  
 #94 Gas Lift Meter: (L1): #3902172  
 HP Flare Gas Meter: (F1): #3902187  
 LP Flare Gas Meter: (F2): #3902228

**Production Phase - Oil Tank #1**  
 - Valve 1 open  
 - Valves 2, 3, and 4 closed  
 - Valves 5, 6, 7, and 8 open  
 - Valves 9, 10, 11, and 12 closed  
 - Valve 13 open  
 - Valves 14, 15, and 16 closed

**Sales Phase - Oil Tank #1**  
 - Valve 1 closed  
 - Valves 2, 3, or 4 open  
 - Valve 5 closed  
 - Valves 6, 7, and 8 open  
 - Valve 9 open  
 - Valves 10, 11, and 12 closed  
 - Valve 13 closed  
 - Valves 14, 15, or 16 open



**Legend for Site Diagram**  
 Produced Fluid: [Red line]  
 Produced Oil: [Blue line]  
 Produced Gas: [Green line]  
 Produced Water: [Purple line]  
 Flare/Vent: [Black line]

**NOTES:**  
 Type of Lease: State  
 Lease #: VC210  
 CA #:  
 Property Code: 39209  
 OGRID #: 217955

**CONFIDENTIALITY NOTICE**  
 THIS DRAWING IS PROPERTY OF CONOCO PHILLIPS AND IS LOANED TO YOU FOR YOUR USE ONLY. IT IS SUBJECT TO ALL RIGHTS RESERVED BY CONOCO PHILLIPS AND IS NOT TO BE REPRODUCED, COPIED, OR IN ANY MANNER DISSEMINATED, AND USED FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN PERMISSION OF CONOCO PHILLIPS.

NO.	TITLE
1	ONE CONDUIT CENTER AND MOST SURVEYS ARE IN INDUARY, TEXAS 75701
2	CONO PRODUCTION LLC SITE SECURITY PLANS LOCATED AT:

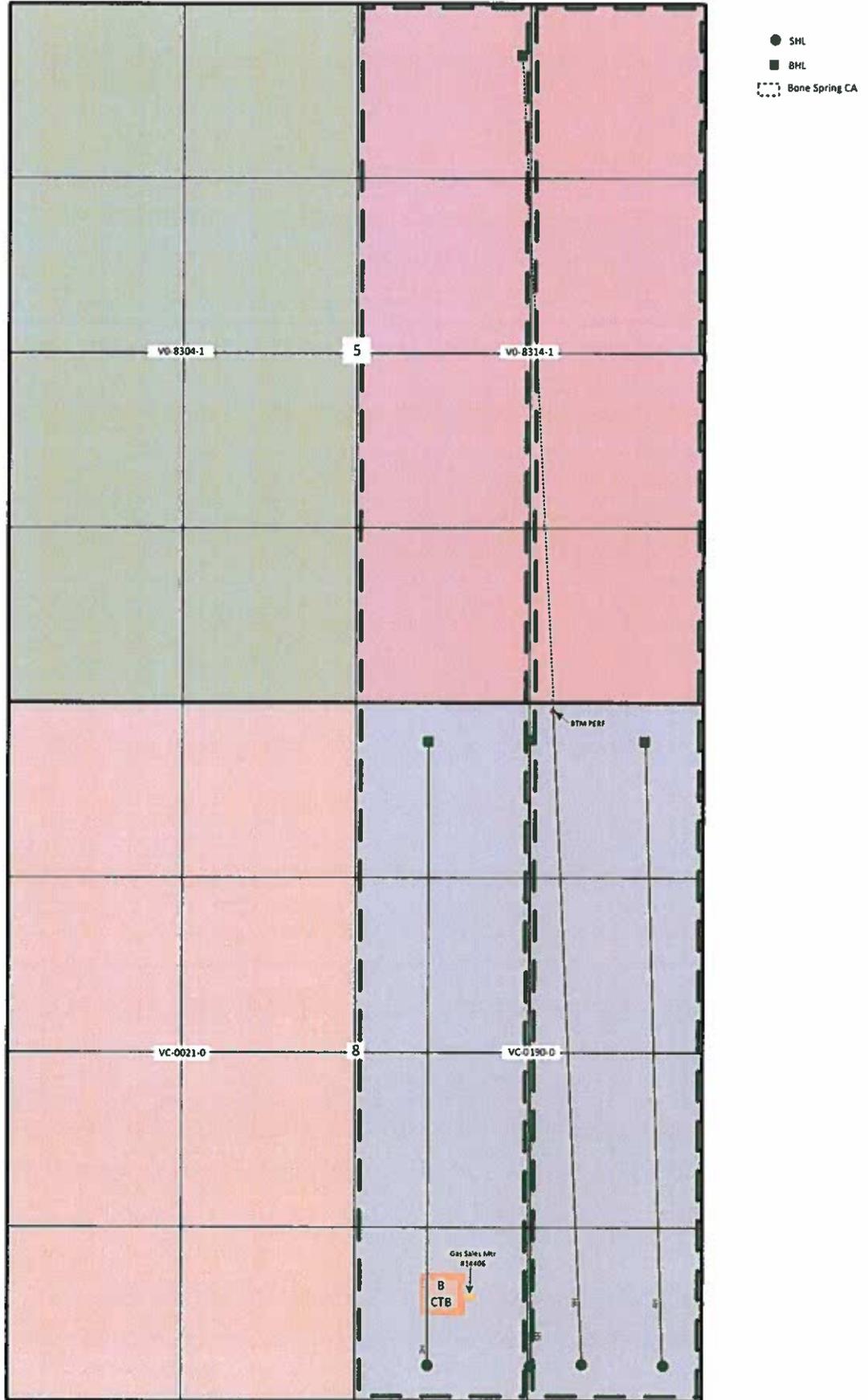
NO.	DATE	DESCRIPTION	BY	CHK APP.	DATE
A	03/02/21	ORIG FOR AS-BUILT	AS	CS	03/02/21
B	03/09/21	REVISED FOR METER #2	AS	CS	03/02/21
C	07/28/21	REVISED FOR METER #3	AS	CS	03/02/21
D	08/07/21	REVISED FOR LEASE #	AS	CS	03/02/21

**ConocoPhillips**  
 DELAWARE BASIN EAST ASSET  
 SITE FACILITY DIAGRAM  
 EATA FAJITA B CTB

LEA COUNTY  
 TRENTP/RWAVE  
 MULTIPLE

REV NO: EATA FAJITA B CTB  
 REV D

### Eata Fajita State Wells



Sec. 5,8-T24S-R33E  
Lea County, NM

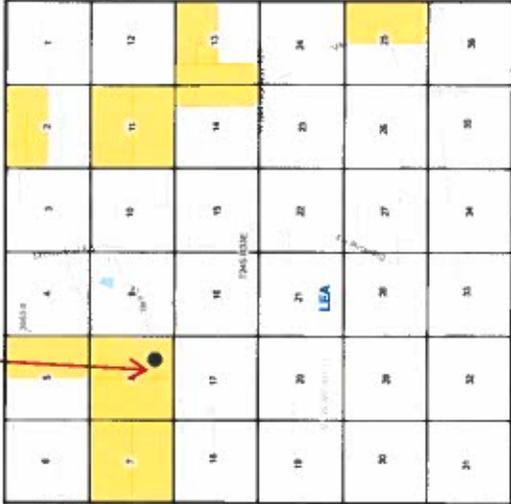


# Eata Fajita St 3H-5H & 9H

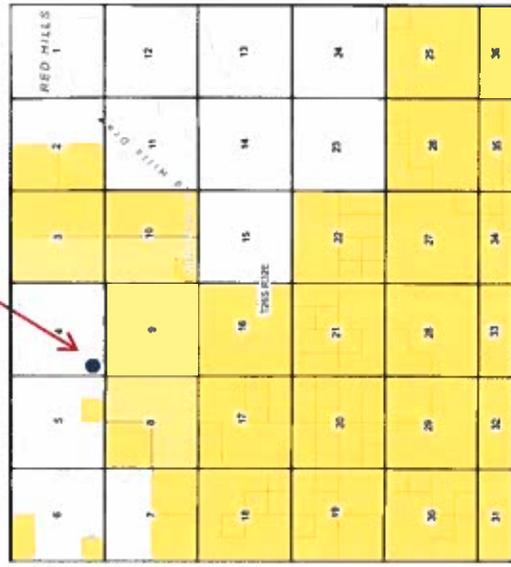
## &

# Red Hills and Jal Offload Station Map

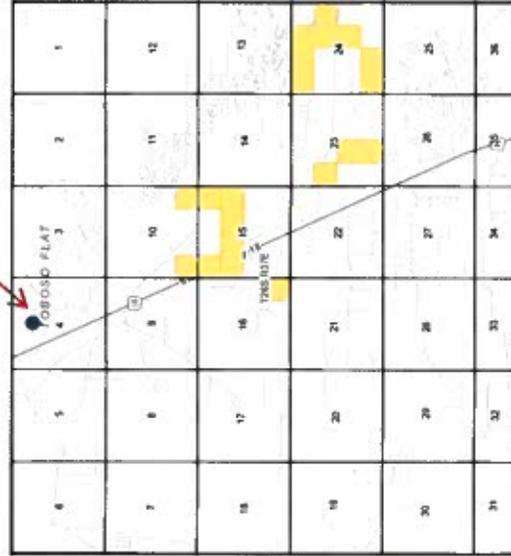
Eata Fajita St 3H-5H & 9H  
Lea County, NM



Red Hills Offload Station  
Lea County, NM



Jal Offload Station  
Lea County, NM





ConocoPhillips  
600 W. Illinois Ave.  
Midland, TX 79701  
[www.conocophillips.com](http://www.conocophillips.com)

8/17/2021

**RE: Eata Fajita State 3H, 4H, 9H ownership**

To Whom It Concerns,

I am the ConocoPhillips landman whose area of responsibility includes the following wells in T24S-R33E, Lea County, New Mexico.

I certify that COG Production LLC, a subsidiary of ConocoPhillips, owns 100% of the working interest in the captioned wells.

Sincerely,

A handwritten signature in black ink, appearing to read "MS" or "MSolomon", written over a faint, illegible background.

Matt Solomon  
Staff Land Negotiator  
[matt.solomon@conocophillips.com](mailto:matt.solomon@conocophillips.com)  
432-685-4352

Eata Fajita St 3H-5H & 9H								
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered
08.19.21	JB	SLO	P O Box 1148	Santa Fe	NM	87504-1148	7017 3040 0000 1205 2033	

EATA FAJITA STATE COM 3H-5H & 9H									
Date Sent	Initials	Name	Address	City	State	ZipCode	Certified Return Receipt No.	Delivered	
08.19.21	JB	SLO	PO BOX	Santa Fe	NM		7017 3040 0000 1205 2033		
02.10.22	JB	Malaga EF7 LLC	PO BOX 470788	Fort Worth	TX	76147	7017 3040 0000 1205 2132		
02.10.22	JB	Malaga Royalty LLC	PO BOX 2064	Midland	TX	79702	7017 3040 0000 1205 2125		

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Barron, Jeanette](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order CTB-1012  
**Date:** Monday, March 7, 2022 4:51:09 PM  
**Attachments:** [CTB1012 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1012 which authorizes COG Production, LLC (217955) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-40571	Eata Fajita State #3H	W/2 E/2	8-24S-33E	96674
30-025-41048	Eata Fajita State #4H	E/2 E/2	8-24S-33E	96674
30-025-41997	Eata Fajita State #5H	E/2 E/2	8-24S-33E	96674
30-025-42274	Eata Fajita State #9H	W/2 E/2, P	8-24S-33E	96674

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY COG PRODUCTION, LLC**

**ORDER NO. CTB-1012**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. COG Production, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
9. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.

10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a

combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
4. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
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**ADRIENNE SANDOVAL**  
**DIRECTOR**

**DATE:** 3/07/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **CTB-1012**

Operator: **COG Production, LLC (217955)**

Central Tank Battery: **Eata Fajita B Central Tank Battery**

Central Tank Battery Location: **Unit O, Section 8, Township 24 South, Range 33 East**

Central Tank Battery: **Red Hills Offload Station**

Central Tank Battery Location: **Unit O, Section 4, Township 26 South, Range 32 East**

Central Tank Battery: **Jal Offload Station**

Central Tank Battery Location: **Unit D, Section 4, Township 26 South, Range 37 East**

Gas Title Transfer Meter Location: **Unit O, Section 8, Township 24 South, Range 33 East**

### Pools

Pool Name	Pool Code
TRIPLE X; BONE SPRING, WEST	96674

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VC 00210000	E/2	8-24S-33E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-40571	Eata Fajita State #3H	W/2 E/2	8-24S-33E	96674
30-025-41048	Eata Fajita State #4H	E/2 E/2	8-24S-33E	96674
30-025-41997	Eata Fajita State #5H	E/2 E/2	8-24S-33E	96674
30-025-42274	Eata Fajita State #9H	W/2 E/2, P	8-24S-33E	96674

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 43411

**CONDITIONS**

Operator: COG PRODUCTION, LLC 600 W. Illinois Ave Midland, TX 79701	OGRID: 217955
	Action Number: 43411
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	3/7/2022