

State of New Mexico
Energy, Minerals and Natural Resources Department

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Cabinet Secretary

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Heather Riley, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-848
Administrative Application Reference No. pMAM1801756296

February 26, 2018

COG Operating LLC
Attention: Ms. Amanda Avery

COG Operating LLC (OGRID 229137) is hereby authorized to surface commingle gas production and off-lease measure oil production from the Antelope Ridge; Bone Spring, West Pool (Pool code 2209) from the following diversely owned federal lease located in Section 20, Township 23 South, Range 34 East, Lea County, New Mexico:

Lease:	Federal Lease NMNM18306	
Description:	W/2 of Section 20, Township 23 South, Range 34 East	
Wells:	Stratocaster 20 Federal Well No. 1H	API 30-025-37295
	Stratocaster 20 Federal Well No. 2H	API 30-025-41381

Lease:	Federal Lease NMNM18306	
Description:	E/2 of Section 20, Township 23 South, Range 34 East	
Wells:	Stratocaster 20 Federal Well No. 3H	API 30-025-41447
	Stratocaster 20 Federal Well No. 4H	API 30-025-27051

The combined project area for these wells includes the entire Section 20, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil production from the Stratocaster 20 Federal Well No. 1H and Stratocaster 20 Federal Well No. 2H shall be measured at, and sold from, Stratocaster 20 Federal Well No. 1H Central Tank Battery (Stratocaster 20 Federal Well No. 1H CTB) located in Unit M, Section 20, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, 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. Further, the oil production from this lease shall not be commingled with production from any other lease or pool.

Gas production from the Stratocaster 20 Federal Well No. 1H and Stratocaster 20 Federal Well No. 2H shall be measured separately at the Stratocaster 20 Federal Well No. 1H CTB before commingling at the gatherer's meter located in Unit G, Section 16, or the gatherer's meter located in Unit B, Section 29, all in Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

The oil production for the Stratocaster 20 Federal Well No. 3H and Stratocaster 20 Federal Well No. 4H shall be measured and sold at the Stratocaster 20 Federal Well No. 4H Central Tank Battery (Stratocaster 20 Federal Well No. 4H CTB), located in Unit I of Section 20, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, 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 CTB, or the Jal CTB. Further, the oil production from this lease shall not be commingled with production from any other lease or pool.

Gas production from the Stratocaster 20 Federal Well No. 3H and Stratocaster 20 Federal Well No. 4H shall be measured separately at the Stratocaster 20 Federal Well No. 4H CTB before commingling at the gatherer's meter located in Unit G, Section 16, or the gatherer's meter located in Unit B, Section 29, all in Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

Your application has been duly filed under the provisions of Division Rules 19.15.12.10.C NMAC and 19.15.4.12.A (8) NMAC.

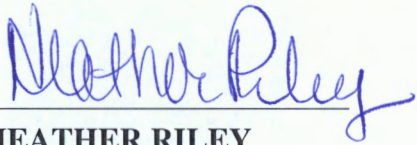
It is also understood that you have given due notice of this application to all owners in the mineral interest estate ("affected parties") as defined in Rule 19.15.12.10.C (4) NMAC.

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

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.

This administrative order is subject to like approval from the Bureau of Land Management.

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



HEATHER RILEY
Director

HR/mam

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