State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



March 29, 2018

OFF-LEASE MEASUREMENT

Administrative Order OLM-143 Application Reference No. pMAM1806742577

COG OPERATING, LLC
Attention: Ms. Bobbie Goodloe

COG OPERATING, LLC (OGRID 229137) is hereby authorized to transport and measure oil and gas production off-lease, from the following well which produces from the Bone Spring formation, Willow Lake; Bone Spring, West Pool (pool code 96415) in Eddy County, New Mexico:

Munnynthabank State Well No. 2H (API No. 30-015-40622), Unit B, Section 34, Township 24 South, Range 27 East.

The oil production from this well shall be measured at, and sold from, Munnynthabank State Well No. 2H Central Tank Battery (CTB) located in Unit B, Section 34, Township 24 South, Range 27 East, NMPM, Eddy 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, 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.

The gas production from this well shall be measured at, and sold from Munnynthabank State Well No. 1H Central Tank Battery (Munnynthabank State Well No. 1H CTB) located in Unit H, Section 34, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico

All meters for the above-referenced wells shall be physically separated from facilities for other wells, so that production from the above-referenced well will not be commingled prior to measurement with production from any other well.

Oil shall remain segregated and measured by a LACT meter at the Red Hills CTB or the Jal CTB when it is utilized.

This permit does not authorize the surface commingling of this oil and gas production with oil production from other pools or leases.

It is also understood that you have given due notice of this application to all working interest owners who are "affected persons," as defined in Division Rule 19.15.23.9 (A) NMAC.

The operator shall notify the Artesia District Office of the Division before commencement of Off-Lease Measurement.

HEATHER RILEY

Director

HR/mam

cc: Oil Conservation Division – Artesia District Office

New Mexico State Land Office - Oil, Gas, and Minerals