

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



April 12, 2018

COG OPERATING, LLC
Attention: Ms. Bobbie Goodloe

OFF-LEASE MEASUREMENT

Administrative Order OLM-140
Application Reference No. pMAM1804455758

Reference your application received February 28, 2018

The Oil Conservation Division (Division) authorizes COG OPERATING, LLC (OGRID 229137) (COG) to transport and measure oil production off-lease from the following wells which produce from the WC-015 G-03 S252636M; Bone Spring pool (pool code 97818) in Eddy County, New Mexico.

Jack Federal Well No. 004H (API No. 30-015-42134), Unit B, Section 31, Township 25 South, Range 27 East.

Jack Federal Well No. 005H (API No. 30-015-42135), Unit A, Section 31, Township 25 South, Range 27 East.

The oil and gas production from these wells shall be measured at and sold from Jack Federal Well No. 004H Central Tank Battery (CTB) in B-31-25S-27E, 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) in O-4-26S-32E or the Jal Offload Station (Jal CTB) in D-4-26S-37E.

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

Production from the subject wells shall be determined as follows.

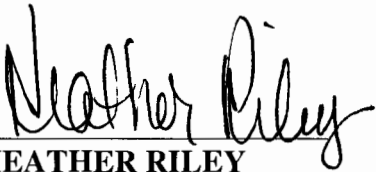
1. Oil shall remain segregated and measured by a LACT meter at the Red Hills CTB or the Jal CTB when it is used.

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

The Division understands that COG has given notice of this application to all working interest owners who are "affected persons," per Subsection A of 19.15.23.9 NMAC.

COG shall notify the Artesia District Office of the Division before starting off-lease measurement.

The approval is subject to like approval by the Bureau of Land Management.



HEATHER RILEY
Director

HR/mam/rbb

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