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 Production, LLC
Attention: Ms. Bobbie Goodloe

OFF-LEASE MEASUREMENT

Administrative Order OLM-144 Application Reference No. pMAM1807534178

Reference your application received March 16, 2018

The Oil Conservation Division (Division) authorizes COG Production, LLC (OGRID 217955) (COG) to transport and measure oil production off-lease from the following well which produce from the Bone Spring formation, the Willow Lake; Bone Spring, West pool (pool code 96415) in Eddy County, New Mexico:

Bullseye 22 State Com Well No. 001H (API No. 30-015-40162), Unit D, Section 22, Township 24 South, Range 27 East.

The oil and gas production from this well shall be measured at and sold from Bullseye 22 State Com Well No. 001H Central Tank Battery (CTB) in D-22-24S-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 you have 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.

HEATHER RILEY

Director

HR/mam/rbb

cc: Oil Conservation Division – Artesia District Office

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