

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



June 5, 2018

OFF-LEASE MEASUREMENT

Administrative Order OLM-147

COG PRODUCTION, LLC
Attention: Ms. Bobbie Goodloe

COG PRODUCTION, LLC (OGRID 217955) is hereby authorized to transport and measure oil production off-lease, from the following wells which produce from the Delaware Mountain group, the Cotton Draw; Delaware, Southeast Pool (pool code 96629) in Lea County, New Mexico:

King Tut Federal Well No. 1H (API No. 30-025-41542), Lot 1/Unit D, Section 30, Township 24 South, Range 32 East.

King Tut Federal Well No. 2H (API No. 30-025-41558), Unit C, Section 30, Township 24 South, Range 32 East.

King Tut Federal Well No. 3H (API No. 30-025-41559), Unit B, Section 30, Township 24 South, Range 32 East.

King Tut Federal Well No. 4H (API No. 30-025-41560), Unit A, Section 30, Township 24 South, Range 32 East.

The oil and gas production from this well shall be measured at, and sold from, King Tut Federal Well No. 1H Central Tank Battery (CTB) located in Lot 1/Unit D, Section 30, Township 24 South, Range 32 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.

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:

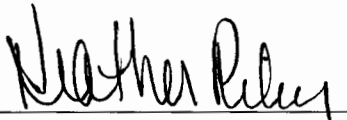
Oil shall remain segregated and measured by a LACT meter at the Red Hills CTB or the Jal CTB when it is utilized.

This permit does not authorize the surface commingling of this oil 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 Hobbs District Office of the Division before commencement of Off-Lease Measurement.

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



HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Hobbs
bureau Of Land Management – Carlsbad