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



July 5, 2018

OFF-LEASE MEASUREMENT

Administrative Order OLM-150

COG OPERATING, LLC

Attention: Ms. Bobbie Goodloe

COG OPERATING, LLC (OGRID 229137) is hereby authorized to transport and measure gas production off-lease, from the following well which produce from the Bone Spring formation, the WC-025 G-09 S253335K; Bone Spring Pool (pool code 97741) and the Red Hills; Wolfcamp (Gas) Pool (pool code 83600) in Lea County, New Mexico:

Red Bull 3 Federal Well No. 1 (API No. 30-025-39812), Unit D, Section 3, Township 26 South, Range 33 East.

The oil production from this well shall be measured at, and sold from, Red Bull 3 Federal Well No. 1 Central Tank Battery (CTB) located in Unit D, Section 3, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

Gas production from this well shall measured at the gatherer's meter located in Unit D, Section 10, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

All meters for the above-referenced well 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.

This permit does not authorize the surface commingling of this oil and gas production with oil and gas 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.

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HEATHER RILEY

Director

HR/mam

cc: Oil Conservation Division – Hobbs district office

Bureau of Land Management - Carlsbad District Office