

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

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Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-867

September 5, 2018

COG Operating LLC
Attention: Ms. Bobbie Goodloe

COG Operating LLC (OGRID 229137) is hereby authorized to surface commingle oil production and off-lease measure oil and gas production from the Red Hills; Bone Spring, North Pool (Pool code 96434) from the following diversely owned federal leases located in Section 13, Township 24 South, Range 33 East, Lea County, New Mexico:

Lease: Federal Communitization Agreement NMNM 137697
Description: E/2 W/2 of Section 13, Township 24 South, Range 33 East
Well: Deckard Federal Com Well No. 2H API 30-025-41382

Lease: Federal Communitization Agreement NMNM 137699
Description: E/2 of Section 13, Township 24 South, Range 33 East
Wells: Deckard Federal Com Well No. 3H API 30-025-41383
Deckard Federal Com Well No. 4H API 30-025-41384

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Deckard Federal Com Well No. 2H Central Tank Battery (CTB), located in Unit C of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the wells shall be measured with a combination of metering and well testing at the CTB, 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. Further, the oil production from either of these leases shall not be commingled with production from any other lease or pool, when either the Red Hills CTB or Jal CTB is utilized.

Your application has been duly filed under the provisions of Division Rules 19.15.12.10.C NMAC and 19.15.4.12.A (8) NMAC.

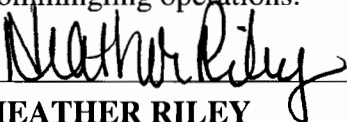
It is also understood that you have given due notice of this application to all owners in the mineral interest estate (“affected parties”) as defined in Rule 19.15.12.10.C (4) NMAC.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This administrative order is subject to like approval from the Bureau of Land Management.

The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.


HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Hobbs
Bureau of Land Management - Carlsbad