

State of New Mexico
Energy, Minerals and Natural Resources Department

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ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-899

May 29, 2019

COG OPERATING LLC

Attention: Ms. Debora Wilbourn

COG Operating LLC (OGRID 229137) is hereby authorized to surface commingle oil and gas production and off-lease measure from the Wildcat; Bone Spring Pool (Pool code: 97895) from the following diversely state leases located in Section 15 and Section 27, all in Township 21 South, Range 33 East, Lea County, New Mexico:

| | | |
|--------------|---|------------------|
| Lease: | Huckleberry State Com Well No. 501H Lease | |
| Description: | E/2 E/2 of Section 15 and E/2 E/2 of Section 22 | |
| Well: | Huckleberry State Com Well No. 501H | API 30-025-45231 |

| | | |
|--------------|---|------------------|
| Lease: | Huckleberry State Com Well No. 502H Lease | |
| Description: | W/2 E/2 and W/2 of Section 15 and W/2 E/2 and W/2 of Section 22 | |
| Wells: | Huckleberry State Com Well No. 502H | API 30-025-45232 |
| | Huckleberry State Com Well No. 503H | API 30-025-45233 |
| | Huckleberry State Com Well No. 504H | API 30-025-45234 |
| | Huckleberry State Com Well No. 505H | API 30-025-45235 |
| | Huckleberry State Com Well No. 506H | API 30-025-45236 |
| | Huckleberry State Com Well No. 507H | API 30-025-45237 |

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Huckleberry State Com 22 "N" Central Tank Battery (CTB), located in Unit N, of Section 22, Township 21 South, Range 33 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, Eddy County, New Mexico, or the Jal Offload Station (Jal CTB) located in Unit D, Section 4, Township 26 South, Range 37 East, NMPM, Eddy 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.

Applicant shall provide Sundry Notice C-103 to the Engineering Bureau and District Office when the Red Hills CTB or Jal CTB is utilized.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be measured with allocation meters.

The wells located on the Huckleberry State Com Well No. 502H Lease shall be measured with a combination of metering and well testing prior to commingling. The Huckleberry State Com Well No. 501H shall be separately measured before commingling.

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

Subsequent wells within leases approved by this order may be added to this administrative surface commingling application with a Sundry notice to the Engineering Bureau.

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 approval is subject to like approval from New Mexico State Land Office before commencing commingling operations.

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



Adrienne Sandoval
Director

AS/mam

cc: Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals