

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-908

August 14, 2019

COG OPERATING LLC

Attention: Ms. Jeanette Barron

COG Operating LLC (OGRID 229137) is hereby authorized to surface commingle oil and gas production and off-lease measure from Purple Sage; Wolfcamp (Gas) Pool (Pool code 98220) from the following diversely owned federal leases and wells located in Township 26 South, Range 29 East, NMPM in Eddy County, New Mexico:

Lease: Proposed Hambone Federal Com Well No. 25H Federal Communitization Agreement

Description: W/2 of Section 5 and W/2 of Section 8

Well: Hambone Federal Com Well No. 25H API No. 30-015-45581

Lease: Proposed Hambone Federal Com Well No. 26H Federal Communitization Agreement

Description: E/2 of Section 5 and E/2 of Section 8

Well: Hambone Federal Com Well No. 26H API No. 30-015-45664

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Hambone 8 Federal Tank Battery (CTB), located in Unit N, Section 8, Township 26 South, Range 29 East, NMPM, Eddy 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 oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

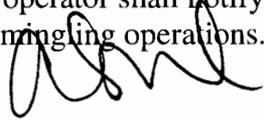
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

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

This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

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.

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



Adrienne Sandoval
Director

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