

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
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Cabinet Secretary

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Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



October 17, 2019

OFF-LEASE MEASUREMENT

Administrative Order OLM-169

COG Operating, LLC
Attention: Delilah Flores
2208 W. Main Street, Artesia, NM 88210

Pursuant to your application received on July 24, 2019, COG Operating, LLC ("COG") is hereby authorized to transport and measure oil and gas production off-lease from the Mortarboard Federal Com #13H (30-025-44725) which shall produce from the Red Hills; Bone Spring, North pool (96434) in Lea County, New Mexico. The well is located in Section 1, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.

The oil and gas production from the well shall be measured and sold at the on lease central tank battery ("CTB"), except when the CTB is over capacity or unavailable due to maintenance, or the pipeline is unavailable due to maintenance, in which case 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. When oil is transported to either the Red Hills CTB or Jal CTB, it shall remain segregated and measured by a lease automatic custody transfer ("LACT") meter, and COG shall submit a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

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 production from other pools or leases.

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

COG shall notify the Hobbs District Office before commencement of off-lease measurement.

COG shall comply with all Division Rules and Regulations.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Hobbs District Office
 Bureau of Land Management