

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



October 17, 2019

POOL/LEASE COMMINGLING

Administrative Order PLC-603

COG Operating, LLC
Attention: Jeanette Barron
2208 W. Main Street, Artesia, NM 88210

Pursuant to your application received on August 26, 2019, COG Operating, LLC ("COG") is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

San Lorenzo; Bone Spring	(53600)
Red Bluff; Bone Spring	(50990)

and from the wells and associated leases identified in the application, which is attached as Exhibit A and incorporated by reference into this Order. The wells are located in Section 21, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico.

Production from the wells shall be determined as follows:

The oil and gas production from each well shall flow into a dedicated system of separators as described in Exhibit A. The production stream shall be separated into 3 independent streams and each stream shall be measured individually before commingling. Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

The commingled oil production from the wells shall be measured and sold at the respective central tank batteries ("CTB") described in Exhibit A, 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.

The commingled gas production from the wells shall be measured at the CTB using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

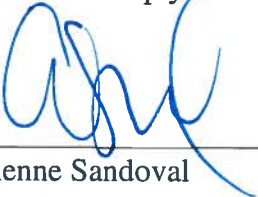
COG may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

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

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

COG shall notify the Artesia District Office before commingling oil and gas production.

COG shall comply with all Division Rules and Regulations.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Artesia District Office
 New Mexico State Land Office