State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Secretary Adrienne Sandoval, Director Oil Conservation Division



November 1, 2019

OFF-LEASE MEASUREMENT

Administrative Order OLM-175

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

Pursuant to your application received on September 17, 2019, COG Operating, LLC ("COG") is hereby authorized to transport and measure oil and gas production off-lease from the wells and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells produce from the Delaware River; Bone Spring pool (16800) and are located in Section 32, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico.

The oil production from the wells shall be measured by a lease automatic custody transfer ("LACT") meter and sold at the respective central tank battery ("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 LACT meter, and COG shall submit a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

The gas production from the wells shall be measured by an automatic custody transfer meter and sold at the respective CTB described in Exhibit A.

All meters for the wells shall be physically separated from facilities for other wells, so that production from the wells 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 New Mexico State Land Office before commencing commingling operations.

COG shall notify the Artesia 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 – Artesia District Office New Mexico State Land Office

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Administative Order: OLM-175

Date: 11/01/19

Operator: COG Operating, LLC

Central Tank Battery: Myox 32 State Com 1H Battery

Central Tank Battery Location: Section 30, Township 25 South, Range 28 East

Pools

Pool Name

Pool Code

Pool Name

Pool Code

Delaware River; Bone Spring

16800

Leases

VB 5751

Wells

Well API 30-015-41641 30-015-41642 **Well Name**

Myox 32 State 1H Myox 32 State 3H

Pool Code 16800

16800

Location

Sec 32-T25S-R28E Sec 32-T25S-R28E Train