

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



November 7, 2019

POOL/LEASE COMMINGLING

Administrative Order PLC-617

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

Pursuant to your application received on October 7, 2019, COG Operating, LLC ("COG") is hereby authorized to surface commingle oil and gas production and off-lease measure from the pools, wells, and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells are located in Section 3, Township 26 South, Range 35 East, NMPM, Lea 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. The production stream shall be separated into three 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 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 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 Bureau of Land Management before commencing commingling operations.

COG shall notify the Hobbs 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 – Hobbs District Office
 Bureau of Land Management

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Administrative Order: **PLC-617**

Date: **11/07/19**

Operator: **COG Operating, LLC.**

Central Tank Battery: **Hennin Federal 3B CTB**

Central Tank Battery Location: **Section 3, Township 26 South, Range 35 East**

Pools

Pool Name	Pool Code	Pool Name	Pool Code
WC-025 G-08 S253534O; BONE SPRING	97088		
WC-025 G-09 S263504N; WOLFCAMP	98117		

Leases

NMNM120365

Wells

Well API	Well Name	Pool Code	Location	Train
30-025-44640	Hennin Federal 12H	97088	Sec 3-T26S-R35E	
30-025-44641	Hennin Federal 24H	98117	Sec 3-T26S-R35E	