

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Cabinet Secretary

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Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



November 26, 2019

CENTRAL TANK BATTERY

Administrative Order CTB-924

COG Operating, LLC
Attention: Bobbie Goodloe
2208 W. Main Street, Artesia, NM 88210

Pursuant to your application received on October 31, 2019, COG Operating, LLC ('Operator') is hereby authorized to surface commingle oil and gas production and off-lease measure from the wells and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells are located in Section 12, Township 21 South, Range 33 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 its own dedicated three phase separator. 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 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 lease automatic custody transfer ("LACT") meter, and Operator 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 gas gathering point described in Exhibit A 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.

Operator 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.

Operator shall notify the Hobbs District Office before commingling oil and gas production.

Operator shall comply with all Division Rules and Regulations.



Adrienne Sandoval
Director

AS/dm

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Administrative Order: **CTB-924**

Date: **11/26/19**

Operator: **COG Operating, LLC**

Central Tank Battery: **Bobwhite 12 ST Battery**

Central Tank Battery Location: **Section 12, Township 21 South, Range 33 East**

Gas Meter Location: **Section 1, Township 21 South, Range 33 East**

Pools

Pool Name	Pool Code	Pool Name	Pool Code
BERRY; BONE SPRING, NORTH	5535		

Leases

VB 1292-4

VB 1928-1

VO 8252-4

Wells

Well API	Well Name	Pool Code	Location	Train
30-025-43233	Bobwhite 12 State Com 2H	5535	Sec 12-T21S-R33E	
30-025-41137	Bobwhite 12 State Com 3H	5535	Sec 12-T21S-R33E	
30-025-41092	Bobwhite 12 State Com 4H	5535	Sec 12-T21S-R33E	
30-025-43849	Bobwhite 12 State Com 7H	5535	Sec 12-T21S-R33E	
30-025-44270	Bobwhite 12 State Com 12H	5535	Sec 12-T21S-R33E	