

State of New Mexico
Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



Administrative Order CTB-656
Administrative Application Reference No. pKVR1222344716

September 10, 2012

COG Operating, LLC
Attention: Brian Maiorino

RE: Surface Commingling
Raptor 12 State Com. Wells Nos. 1H & 2H

Reference is made to your administrative application received on August 8, 2012.

It is our understanding that you propose to commingle production from diversely owned lands, and different pools, through facilities operated by the above named operator ("Applicant"). By this application you are seeking commingling approval pursuant to Division Rule 19.15.12.10.C(4) NMAC. It is further understood that you have provided notice to all interest owners in accordance with Rule 12.10.C(4)(c), and no objections have been received.

Applicant is hereby authorized to surface commingle oil production from the following pools:

Crow Flats; Abo Pool (Pool Code 97691)
Ishee Lake; Abo Pool (Pool Code 97627)

and from the following wells in Eddy County, New Mexico:

Raptor 12 State Com. Well No. 1H (API No. 30-015-38971), SHL 400 FSL & 200 FWL, Unit letter M; BHL 400 FSL & 330 FEL, Unit letter P; both in Section 12, T16S, R28E, NMPM (160-acre oil, horizontal well project area)

Raptor 12 State Com. Well No. 2H (API No. 30-015-39860), SHL 1980 FSL & 330 FEL, Unit letter I; BHL 1980 FSL & 330 FWL, Unit letter L; both in Section 12, T16S, R28E, NMPM (160-acre oil, horizontal well project area)

It is our understanding that production from both wells is diversely owned. Production will be allocated by monthly well tests.

Off lease storage and sale is approved. The oil and gas from these wells will be measured, and oil will be sold, at the central battery near Well No. 1H in Unit letter M of Section 12. Gas will be sold at DCP sales meter #727906-00 located in the SW/4 SW/4 (Unit M) of Section 11.

This installation shall be constructed and operated in accordance with applicable Division Rules.

The operator shall notify the Artesia District office of the Division prior to implementation of commingling operations. It is also the responsibility of the operator to notify the transporter of this commingling authority.

As per Division Rule 19.15.12.10.C.(4)(h) NMAC, the operator shall not commence commingling prior to approval from the New Mexico State Land Office.

Applicant has not provided notice that it is requesting addition of future wells or additional leases or pools to this commingle as per Rule 12.10.C.(4)(g)(i) NMAC. Therefore, additional wells or pools shall not be included in this surface commingle without the operator again making application and providing notice to all owners.

Sincerely,



JAMI BAILEY
Division Director

JB/db

cc: Oil Conservation Division – Artesia
New Mexico State Land Office