

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



June 6, 2013

ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-673
Administrative Application Reference No. pPRG1313759194

COG Operating LLC
Attention: Mr. Brian Maiorino

RE: Surface Commingling

Reference is made to your administrative application received on May 16, 2013.

It is our understanding that you propose to commingle production from diversely owned lands, limited to one common source of supply, 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 and gas production from the North Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565) from the following wells located in Section 2, Township 20 South, Range 25 East, in Eddy County, New Mexico:

Grave Digger Federal Com. Well No. 1H (API No. 30-015-37665), SHL 330 FNL & 380 FWL, (Unit D [Lot 4]); BHL 322 FSL & 384 FWL, (Unit M) (160-acre oil, horizontal well project area comprising W/2 W/2 of Section 2)

Grave Digger State Com. Well No. 6H (API No. 30-015-40955), SHL 210 FNL & 2630 FEL, (Unit B [Lot 2]); BHL 330 FSL & 2600 FEL, (Unit O) (160-acre oil, horizontal well project area comprising W/2 E/2 of Section 2)

Grave Digger State Com. Well No. 7H (API No. 30-015-40956), SHL 240 FNL & 991 FEL, (Unit A [Lot 1]); BHL 330 FSL & 993 FEL, (Unit P) (160-acre oil, horizontal well project area comprising E/2 E/2 of Section 2)

It is our understanding that production from these wells is diversely owned. Production will be allocated by separately metering production at each well. Meters will be calibrated as required by Rule 19.15.12.10.C(2) NMAC.

Off lease storage and sale is approved. The oil from these wells will be stored and sold at the central battery near the Grave Digger Federal Com Well No. 1H in the Northwest Quarter of Section 2.

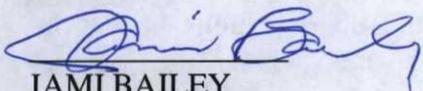
This installation shall be constructed and operated in accordance with applicable Division Rules.

The operator shall notify the Artesia District office of the Division prior to implementation of commingling operations, and shall 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 United States Bureau of Land Management and 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
United States Bureau of Land Management