

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary Designate

Gabriel Wade, Acting Director
Oil Conservation Division



January 10, 2019

OFF-LEASE MEASUREMENT

Administrative Order OLM-162

COG OPERATING, LLC
Attention: Ms. Bobbie Goodloe

COG OPERATING, LLC (OGRID 229137) is hereby authorized to transport and measure oil and gas production off-lease, from the following well which produce from the Bone Spring formation, the Rock Spur; Bone Spring Pool (pool code 52775) in Eddy County, New Mexico:

Pudge Federal Well No. 21H (API No. 30-015-45045), Unit P, Section 31, Township 25 South, Range 29 East.

The oil production from this well shall be measured at, and sold from, Pudge Federal Well No. 21H Central Tank Battery (CTB) located in Unit P, Section 31, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, except when the CTB is over capacity, CTB is in repair, or the pipeline is in repair.

In any of these scenarios, 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.

Oil shall remain segregated and measured by a LACT meter at the Red Hills CTB or the Jal CTB when it is utilized.

Gas production from this well shall be measured at the gatherer's meter located in Unit A, Section 8, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

All meters for the above-referenced well shall be physically separated from facilities for other wells, so that production from the above-referenced 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 oil and gas production from other pools or leases.

OLM-162
COG Operating, LLC
January 10, 2019
Page 2 of 2

It is also understood that you have given due notice of this application to all working interest owners who are "affected persons," as defined in Division Rule 19.15.23.9 (A) NMAC.

The operator shall notify the Artesia District Office of the Division before commencement of Off-Lease Measurement.



Gabriel Wade
Acting Director

GW/mam

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management - Carlsbad