

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order CTB-649

August 1, 2012

COG Operating, LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701

Attention: Brian Maiorino:

COG Operating, LLC is hereby authorized to surface commingle oil and gas production from the Wildcat; Abo-Wolfcamp Pool from the following Federal and State Leases and wells.

Hercules Federal Com Well No. 1H (**API 30-005-27999**), Section 15, T-15-S, R-31-E.

Hercules Federal Com Well No. 2H (**API No. 30-005-29049**), Section 15, T-15-S, R-31-E.

Hercules Federal Com Well No. 3H (**API No. 30-005-29050**), Section 15, T-15-S, R-31-E.

Hercules Federal Com Well No. 4H (**API No. 30-005-29076**), Section 15, T-15-S, R-31-E.

All in NMPM, Chaves County, New Mexico

The project area for each of these four horizontal wells is 160 acres, and the wells are producing under a Communitization Agreement of Federal Lease Number NM-105885 and State Lease Number V0-8010, with each lease comprising of 80 acres.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located in Unit D, of Section 15, Township 15 South, Range 31 East, NMPM, Chaves County, New Mexico.

The oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated monthly.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

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FURTHER: The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.

This approval is subject to like approval from the Bureau of Land Management (BLM) and the State Land Office (SLO) before commencing the commingling operations.

DONE at Santa Fe, New Mexico, on August 1, 2012.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written above the printed name.

Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Hobbs
Bureau of Land Management BLM – Roswell
State Land Office (SLO) –Oil Gas and Minerals Division