State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-747 Administrative Application Reference No. pMAM1507159456

April 7, 2015

COG Operating, LLC Attention: Ms. Kanicia Castillo

COG Operating, LLC (OGRID 229137) is hereby authorized to surface commingle oil and gas production from Penasco Draw; SA-Yeso (Assoc) Pool (50270) from the following leases and wells:

Name	API No.	Footages	<u>ULSTR</u>
Falabella 31 Fee No. 1H	30-015-40814	150` FSL & 380` FWL	4-31-18S-26E
Falabella 31 Fee No. 2H	30-015-40262	150` FSL & 1590` FWL	N-31-18S-26E
Falabella 31 Fee No. 5H	30-015-42891	150` FSL & 929` FWL	4-31-18S-26E
Falabella 31 Fee No. 6H	30-015-40211	150` FSL & 2223` FWL	N-31-18S-26E

The project area for these wells include the W/2 of Section 31, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Falabella 31 Fee No. 1H central tank battery (CTB), located in Lot 4, of Section 31, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

The oil and gas production for the Falabella 31 Fee No. 2H, Falabella 31 Fee No. 5H, and the Falabella 31 Fee No. 6H shall be based on individual metering. The oil and gas production for the Falabella 31 Fee No. 1H shall be based on the total battery production minus the metered oil and gas production for the other wells in the surface commingling application. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

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

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

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It is our understanding that notices of Application has been provided to all owners of interest in the subject wells. No objection has been received by the Division during the objection period.

Done at Santa Fe, New Mexico, on April 7, 2015.

DAVID R. CATANACH Director

DRC/mam

cc: Oil Conservation Division – Artesia