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-764 Administrative Application Reference No. pMAM1521845553

August 27, 2015

COG OPERATING, LLC

Attention: Ms. Kanicia Castillo

COG Operating, LLC (OGRID 229137) is hereby authorized to surface commingle oil and gas production from Atoka; Glorieta-Yeso Pool (3250) from the following leases and wells:

Name	API No.	Footages	<u>ULSTR</u>
Lee 3 Fee Well No. 1H	30-015-39586	330° FSL & 380° FWL	M-3-19S-26E
Lee 3 Fee Well No. 2H	30-015-43204	150` FSL & 1650` FWL	N-3-19S-26E
Lee 3 Fee Well No. 3H	30-015-42938	150` FSL & 2310` FEL	O-3-19S-26E
Lee 3 Fee Well No. 5H	30-015-42867	320` FSL & 890` FWL	M-3-19S-26E
Lee 3 Fee Well No. 6H	30-015-41463	150` FSL & 2310` FWL	N-3-19S-26E

The combined project area for these wells include the W/2, and the W/2 E/2 of Section 3, Township 19 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 Lee 3 Fee Well No. 6H Central Tank Battery (CTB), located in Unit N, Section 3, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production for the Lee 3 Fee Well No. 1H and Lee 3 Fee Well No. 5H, which have identical ownership, shall have its own separator which will be measured with a combination of well testing and allocation meters before commingling with production from other wells. The oil and gas production for the Lee 3 Fee Well No. 2H and Lee 3 Fee Well No. 6H, which have identical ownership, shall have its own separator which will be measured with a combination of well testing and allocation meters before commingling with production for the Lee 3 Fee Well No. 2H and Lee 3 Fee Well No. 6H, which have identical ownership, shall have its own separator which will be measured with a combination of well testing and allocation meters before commingling with production from other wells. Production from the Lee 3 Fee Well No. 3H shall be determined by the subtraction method.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).

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Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

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

Done at Santa Fe, New Mexico, on August 27, 2015.

DAVID R. CATANACH Director

DRC/mam

cc: Oil Conservation Division – Artesia