

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 26, 2016

ADMINISTRATIVE OFF-LEASE MEASUREMENT ORDER

Administrative Order OLM-101
Application Reference No. pMAM1609651748

COG Operating, LLC
Attention: Ms. Amanda Avery

COG Operating, LLC (OGRID 229137) is hereby authorized to transport and measure gas production off-lease, from the following well which produces from the Red Hills; Bone Spring, North Pool in Lea County, New Mexico:

Picasso Federal Well No. 2 H (API No. 30-025-41905), Unit O, Section 9, T-24S, R-34E

The project area for this well includes the W/2 E/2 of Section 9.

The gas production from this well shall be measured at, and sold from, the EOG Resources, Inc. Jolly Roger 16 State Well No. 1 H Central Tank Battery located in Unit C of Section 16, Township 24 South, Range 34 East, NMPM, Lea 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.

Production from the subject wells shall be determined as follows:

The gas production from this well shall be separately metered using allocation meters.

The surface commingling of gas with production from other pools or leases is NOT authorized.

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

The approval is subject to like approval by the Bureau of Land Management.

Done at Santa Fe, New Mexico, on April 26, 2016.

A handwritten signature in black ink, appearing to read "David R. Catanach", written over a horizontal line.

DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Hobbs
Bureau of Land Management – Carlsbad