State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin Acting Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



December 8, 2016

ADMINISTRATIVE OFF-LEASE MEASUREMENT ORDER

Administrative Order OLM-115 Application Reference No. pKSC1631935100

COG Operating, LLC Attention: Ms. Debora Willbourn

COG Operating, LLC (OGRID 229137) is hereby authorized to transport and measure gas production off-lease, from the following wells which produce from the Lusk; Bone Spring, North Pool (Pool code 41450) in Lea County, New Mexico:

| Lease: | Pending Spruce Goose Federal Communitization Agreement | |
|---------------|--|--------------|
| Description : | N/2 of Section 7, Township 19 South, Range 32 East, Lea County, New Mexico | |
| Wells: | Spruce Goose Federal Well No. 3H | 30-025-43169 |
| | Spruce Goose Federal Com. Well No. 2H | 30-015-43878 |

The combined project area for these wells includes the N/2 of Section 7, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

The gas production from these wells shall be measured through a dedicated, single-well meter at, and sold from the Piper Federal Well No. 1H Central Tank Battery located in Unit H of Section 12, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico. All meters for the above-referenced wells 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 wells.

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

The operator shall notify the Artesia District Office and 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.

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Done at Santa Fe, New Mexico, on December 8, 2016.

DAVID R. CATANACH Director

DRC/mam

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