

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



December 26, 2017

ADMINISTRATIVE OFF-LEASE MEASUREMENT ORDER

Administrative Order OLM-124
Application Reference No. pMAM1733859529

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 well which produces from the Jennings; Upper Bone Spring Shale Pool (Pool code 97838) in Lea County, New Mexico:

Lease: Zapata BQZ State Com Well No. 1H State Communitization Agreement
Description : E/2 W/2 of Section 2, Township 26 South, Range 32 East, Lea County, New Mexico
Well: Zapata BQZ State Com Well No. 1H 30-025-40001

The project area for this well comprises the E/2 W/2 of Section 2, Township 26 South, Range 32 East, Lea County, New Mexico.

The commingled gas production from the wells detailed above shall be measured and sold at the gatherer's gas meter located in Unit O, Section 2, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico ("Custody Transfer Point").

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.

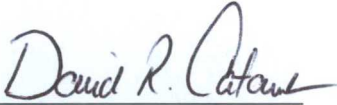
It is also understood that you have given due notice of this application to all working interest owners who are "affected persons," as defined in Division Rule 19.15.23.9 (A) NMAC.

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

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

The approval is subject to like approval by the New Mexico state Land Office.

Done at Santa Fe, New Mexico, on December 26, 2017.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals