



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3754

COG Operating LLC
550 W. Texas
Suite 1300
Midland, TX 79701

Attention: Jerry Sherrell (agent)

McIntyre DK Federal Well No. 14
API No. 30-015-34537
Unit O, Section 17, Township 17 South, Range 30 East, NMPM,
Eddy County, New Mexico
Loco Hills-Paddock (96718) and
Grayburg Jackson-SR Q G SA (28509) Pools

Dear Mr. Sherrell:

Reference is made to your recent application on behalf of COG Operating LLC for an exception to Rule 303.A. of the Division Rules and Regulations to permit the subject well to commingle production from the subject pools in the wellbore. It appearing that the well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Orders which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within this well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be as follows.

Loco Hills-Paddock Oil Pool	Oil-20%	Gas-20%
Grayburg Jackson-SR Q G SA Oil Pool	Oil-80%	Gas-80%

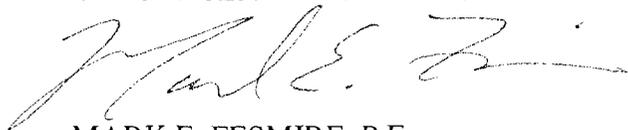
These percentages shall be amended only with written permission of the Division.

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on July 25, 2006.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

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