

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY COG OPERATING, LLC**

ORDER NO. CTB-1164

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. COG Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A ("Application").
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant intends to segregate the oil and gas production from each lease and from each pool within that lease as identified in Exhibit D from the oil and gas production from all other pools and leases prior to measuring the production from each pool and lease with an allocation meter.
4. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.

9. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
11. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The allocation of oil and gas production to each pool and lease identified in Exhibit D shall be determined by separating and metering the production from each pool and lease as described by Group ID in Exhibit D prior to commingling that production with production from any other pool and lease.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ALBERT C. S. CHANG
DIRECTOR**

DATE: 10/11/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1164**

Operator: **COG Operating, LLC (229137)**

Central Tank Battery: **Rock Jelly Federal Com 3C Central Tank Battery**

Central Tank Battery Location: **UL B, Section 3, Township 26 South, Range 29 East**

Central Tank Battery: **Red Hills Offload Station**

Central Tank Battery Location: **UL O, Section 4, Township 26 South, Range 32 East**

Central Tank Battery: **Jal Offload Station**

Central Tank Battery Location: **UL D, Section 4, Township 26 South, Range 37 East**

Gas Title Transfer Meter Location: **UL B, Section 3, Township 26 South, Range 29 East**

Pools

Pool Name	Pool Code
CORRAL CANYON;BONE SPRING, SOUTH	13354

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 105398366 (126288)	W2E2	03-26S-29E
	E2E2	03-26S-29E
CA Bone Spring NMNM 106368119	E2E2	10-26S-29E
	E2E2	15-26S-29E
	W2, W2E2	03-26S-29E
CA Bone Spring NMNM 106369736	W2, W2E2	10-26S-29E
	W2, W2E2	15-26S-29E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
		E2E2	03-26S-29E	
30-015-47583	ROCK JELLY FEDERAL COM #701H	E2E2	10-26S-29E	13354
		E2E2	15-26S-29E	
30-015-47582	ROCK JELLY FEDERAL COM #702H	W2E2	03-26S-29E	13354
		W2, W2E2	03-26S-29E	
30-015-47581	ROCK JELLY FEDERAL COM #703H	W2, W2E2	10-26S-29E	13354
		W2, W2E2	15-26S-29E	
		W2, W2E2	03-26S-29E	
30-015-47580	ROCK JELLY FEDERAL COM #704H	W2, W2E2	10-26S-29E	13354
		W2, W2E2	15-26S-29E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit D

Order: **CTB-1164**
Operator: **COG Operating, LLC (229137)**

Pools

Pool Name	Pool Code
CORRAL CANYON;BONE SPRING, SOUTH	13354

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 106369736	W2, W2E2	03-26S-29E
	W2, W2E2	10-26S-29E
	W2, W2E2	15-26S-29E

Pools within each Lease

Lease	Pool Code	Group ID
CA Bone Spring NMNM 106369736	13354	AA

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Group ID
30-015-47581	ROCK JELLY FEDERAL COM #703H	W2, W2E2	03-26S-29E	AA
		W2, W2E2	10-26S-29E	
		W2, W2E2	15-26S-29E	
30-015-47580	ROCK JELLY FEDERAL COM #704H	W2, W2E2	03-26S-29E	AA
		W2, W2E2	10-26S-29E	
		W2, W2E2	15-26S-29E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 515757

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 515757
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov .	10/15/2025