

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order CTB-680
Administrative Application Reference No. pPRG1323159417

September 11, 2013

COG Production LLC
600 W. Illinois
Midland, TX 79701

Attention: Brian Moriano:

COG Production LLC ("COG") is hereby authorized to surface commingle oil and gas production from the South Coral Canyon; Bone Spring (13354), and from the following State leases and wells:

Red Sauce State Well No. 1H (API No. **30-015-37299**), Unit L, Sect. 8-25 South-30 East
Omelette State Com. Well No. 1H (API No. **30-015-40741**), Unit M, Sect. 8-25 South-30 East

All in NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the wells described above shall be measured and sold at the Central Tank Battery (CTB), located at the Omelette State Com. Well No. 1H in Unit M, Section 8, Township 25 South, Range 30 East, NMPM, Eddy County, New Mexico.

The oil production shall be allocated by the subtraction method. The continuously measured production from the Omelette State Com. Well No. 1H shall be subtracted from the total production of the facility to determine the production allocation for the Red Sauce State Well No. 1H. Natural gas production shall be separately metered from each well. The allocation meters shall be calibrated quarterly.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

This approval is subject to like approval by the State Land Office.

September 11, 2013
Page 2

DONE at Santa Fe, New Mexico, on the date shown above.

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" being more prominent than the last name "Bailey".

Jami Bailey
Division Director

JB/db

cc: Oil Conservation Division – Artesia
New Mexico State Land Office