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

APPLICATION FOR OFF-LEASE MEASUREMENT SUBMITTED BY COG OPERATING, LLC

ORDER NO. OLM-187

<u>ORDER</u>

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

FINDINGS OF FACT

- 1. COG Operating, LLC ("Applicant") submitted a complete application to off-lease measure the oil and gas production ("Application") from the wells, pool, and lease identified in Exhibit A.
- Applicant provided notice of the Application to all persons owning a working interest in the oil and gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
- 3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

- 4. 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, and 19.15.23 NMAC.
- 5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
- 6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

- 1. Effective February 25, 2020, Applicant is authorized to off-lease measure oil and gas production from the wells, pool, and lease identified in Exhibit A.
- 2. The oil and gas production from the wells identified in Exhibit A shall be physically separated from the oil and gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC.

- 3. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.
- 4. Applicant shall measure the commingled gas at the central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
- 5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- 6. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it is deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DATE:

1020

ADRIENNE SANDOVAL DIRECTOR

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-187 Operator: COG Operating, LLC (229137) Central Tank Battery: Myox 21 State West Central Tank Battery Central Tank Battery Location (NMPM): Section 21, Township 25 South, Range 28 East Central Tank Battery: Red Hills Offload Station Central Tank Battery Location (NMPM): Section 4, Township 26 South, Range 32 East Central Tank Battery: Jal Offload Station Central Tank Battery Location (NMPM): Section 4, Township 26 South, Range 37 East Gas Custody Transfer Meter Location (NMPM): Section 21, Township 25 South, Range 28 East Pools

Pool Name
PURPLE SAGE; WOLFCAMP (GAS)

Pool Code 98220

Leases as defined in 19.15.12.7(C) NMAC				
Lease	Location (NMPM)			
Wolfcamp Com Agreement	W/2 Sec 16, W/2 Sec 21	T25S-R28E		

Wells					
Well API	Well Name	Location (NMPM)	Pool Code	Trair	
30-015-44937	Myox 21 State Com 41H	M-21-25S-28E	98220		
30-015-44000	Myox 21 State Com 31H	M-21-25S-28E	98220		
30-015-44006	Myox 21 State Com 33H	N-21-25S-28E	98220		
30-015-45373	Myox 21 State Com 35H	N-21-25S-28E	98220		
30-015-44680	Myox 21 State Com 51H	M-21-25S-28E	98220		
30-015-44002	Myox 21 State Com 32H	M-21-25S-28E	98220		
30-015-45376	Myox 21 State Com 34H	N-21-25S-28E	98220		