

**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-958

ORDER

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

FINDINGS OF FACT

1. COG Operating, LLC (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. To the extent that ownership is diverse, 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 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, and 19.15.12 NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
8. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
9. 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) and (C)(4)(h) NMAC.

10. 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 and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. The oil and gas production from each well shall be separated and metered prior to commingling.
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 a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and 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. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
7. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

DATE: Jul 27, 2020

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-958

Operator: COG Operating, LLC (229137)

Central Tank Battery: Blue Jay Federal 1H Battery

Central Tank Battery Location (NMPM): Unit O, Section 18, Township 20 South, Range 35 East

Central Tank Battery: Red Hills Offload Station

Central Tank Battery Location (NMPM): Unit O, Section 4, Township 26 South, Range 32 East

Central Tank Battery: Jal Offload Station

Central Tank Battery Location (NMPM): Unit D, Section 4, Township 26 South, Range 37 East

Gas Custody Transfer Meter Location (NMPM): Unit O, Section 18, Township 20 South, Range 35 East

Pools

Pool Name	Pool Code
WC-025 G-08 S203506D; BONE SPRING	97983

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)
NM 136936	E/2 E/2 Sec 18-T20S-R35E
NMNM 119759	W/2 E/2 Sec 18-T20S-R35E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-025-42338	Blue Jay Federal 1H	O-18-20S-35E	97983	
30-025-43533	Blue Jay Federal Com 2H	P-18-20S-35E	97983	