



New Mexico Energy, Minerals and Natural Resources Department

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Oil Conservation Division



Administrative Order OLM-58

February 23, 2012

COG Operating, LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701

Attention: Netha Aaron:

COG Operating, LLC. ("COG") is hereby authorized to measure **oil and gas production** Off-Lease from the following wells which are producing from Wildcat; Abo-Wolfcamp Pool (97715) in Chaves County, New Mexico:

Hercules Federal Com Well No. 1H (**API 30-005-27999**)
Section 15, T-15-S, R-31-E.

Hercules Federal Com Well No. 2H (**API No. 30-005-29049**)
Section 15, T-15-S, R-31-E.

Hercules Federal Com Well No. 3H (**API No. 30-005-29050**)
Section 15, T-15-S, R-31-E.

The project area for each of these three horizontal wells is 160 acres, and the wells are producing under a Communitization Agreement of Federal Lease Number NM-105885 and State Lease Number V0-8010, with each lease comprising of 80 acres.

The oil and gas production from these wells shall be measured and sold at the Hercules Federal Com Well No. 2H Tank Battery located in Section 15, T-15-S, R-31-E, NMPM, in Chaves County, New Mexico.

The surface commingling of oil and gas production is **NOT** authorized.

The operator shall notify the Hobbs district office of the Division before commencement of Off-Lease Measurements.



This approval is subject to like approval from the Bureau of Land Management (BLM) before commencing the commingling operations.



Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Hobbs
Bureau of Land Management BLM - Roswell