

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



January 23, 2018

OFF-LEASE MEASUREMENT

Administrative Order OLM-104-A
Application Reference No. pMAM1800255198

COG PRODUCTION, LLC
Attention: Ms. Bobbie Goodloe

COG Production, LLC (OGRID 217955) is hereby authorized to transport and measure oil production off-lease, from the following well which produces from the Bone Spring Formation – the Corral Canyon; Bone Spring, South Pool (13354) in Eddy County, New Mexico:

Reposado Federal Well No. 3H (API No. 30-015-40652), Lot 3/ Unit C, Section 2, Township 26 South, Range 29 East.

The project area for this horizontal well includes the E/2 W/2 of Section 35, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico.

The oil and gas production from this well shall be measured at, and sold from, Reposado Federal Well No. 3H Central Tank Battery (CTB) located in Lot 3/ Unit C, Section 2, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, except when the CTB is over capacity, CTB is in repair, or the pipeline is in repair.

In any of these scenarios, the oil shall be transported to the Red Hills Offload Station (Red Hills CTB) located in Unit O, Section 4, Township 26 South, Range 32 East, NMPM, Lea County, New Mexico.

All meters for the above-referenced well shall be physically separated from facilities for other wells, so that production from the above-referenced well will not be commingled prior to measurement with production from any other well.

Production from the subject well shall be determined as follows:

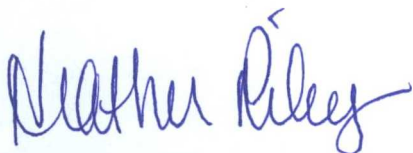
Oil shall remain segregated and measured by a LACT meter at the Red Hills CTB when it is utilized.

This permit does not authorize the surface commingling of this oil production with oil production from other pools or diversely owned lands.

It is also understood that you have given due notice of this application to all working interest owners who are "affected persons," as defined in Division Rule 19.15.23.9 (A) NMAC.

This administrative order supersedes Administrative Order OLM-104, issued on May 17, 2016. This administrative order allows for the measurement of oil production when the CTB is over capacity, CTB is in repair, or pipeline repairs.

The operator shall notify the Artesia District Office of the Division before commencement of Off-Lease Measurement.

A handwritten signature in blue ink, appearing to read "Heather Riley", is written over a horizontal line.

Heather Riley
Director

HR/mam

cc: Oil Conservation Division – Artesia District Office
Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office