RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0299870 IN THE SANDBAR (BONE SPRING) FIELD, CULBERSON COUNTY TEXAS

FINAL ORDER APPROVING THE APPLICATION OF COG OPERATING, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS TANK BATTERIES AND WELLS, SANDBAR (BONE SPRING) FIELD, CULBERSON COUNTY TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on April 18, 2016, the presiding Examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the Examiners' report and recommendation, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that COG Operating, LLC is hereby granted an exception to Statewide Rule 32 for a period of one year, commencing March 2, 2016 and expiring March 1, 2017, for the following tank batteries:

- Aldrin 2801 Tank Battery (Lease ID 278649) for a maximum volume of 350 Mcf per day (Mcfd);
- Armstrong 2803 Tank Battery (Lease ID 278421) for a maximum volume of 650 Mcfd;
- Armstrong N 2802 Tank Battery (Lease ID 276246) for a maximum volume of 500 Mcfd;
- Backswing 2002 Tank Battery (Lease ID 277804) for a maximum volume of 500 Mcfd;
- Carpenter A Unit 201 Tank Battery (Lease ID 277811) for a maximum volume of 300 Mcfd;
- Carpenter D Unit 204 Tank Battery (Lease ID 278362) for a maximum volume of 300 Mcfd;
- DR State East 2003 Tank Battery (Lease ID 277724) for a maximum volume of 350 Mcfd;

- DR State East 3003 Tank Battery (Lease ID 278364) for a maximum volume of 650 Mcfd;
- DR State East 3403 Tank Battery (Lease ID 278574) for a maximum volume of 1,000 Mcfd;
- Grissom 1802 Tank Battery (Lease ID 278427) for a maximum volume of 900 Mcfd;
- Horn Splitter 1003 Tank Battery (Lease ID 278551) for a maximum volume of 3,800 Mcfd;
- Mitchell 801 Tank Battery (Lease ID 278648) for a maximum volume of 350 Mcfd;
- Owl Hills 1402 Tank Battery (Lease ID 278644) for a maximum volume of 250 Mcfd;
- Shepard 813 Tank Battery (Lease ID 804132) for a maximum volume 1,000 Mcfd;
- Wetherbee 405 Tank Battery (Lease ID 787781) for a maximum volume of 1,300 Mcfd;
- Brunson 1002 Tank Battery (Lease ID 44375) for a maximum volume 500 Mcfd; and
- Ludeman I 1402 Tank Battery (Lease ID No. 46851) for a maximum volume of 500 Mcfd.

The authority is granted, provided all production is reported on the appropriate Commission forms. The operator shall file the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the appropriate Commission required administrative Statewide Rule 32 Exception gas flaring fee for each tank battery.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date Commission Order is signed

Done this 21st day of June, 2016.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated June 21, 2016)