

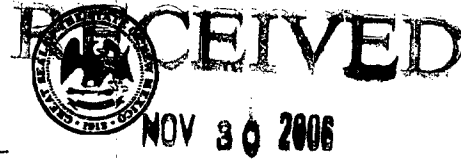
DATE IN 12/1/06	SUSPENSE	ENGINEER BROOKS	LOGGED IN 12/4/06	TYPE NSP	APP NO. 2050633851706
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



2006 DEC 1 AM 10 45

ADMINISTRATIVE APPLICATION CHECKLIST

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
- ☐ NSL ☒ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
- ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- ☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

COG Operating
State 5-19 #30
1911

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners

- [B] ☐ Offset Operators, Leaseholders or Surface Owner

- [C] ☐ Application is One Which Requires Published Legal Notice

- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

- [F] ☐ Waivers are Attached

NOV 29 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jerry W. Sherrell
Print or Type Name

Jerry W. Sherrell
Signature

Production Clerk
Title

11/27/06
Date

jerrys@mackenergycorp.com
e-mail Address



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

November 27, 2006

*Oil Conservation Division
Attn: Mike Stogner
1220 South St. Francis Drive
Santa Fe, NM 87505*

Dear Mr. Stogner:

Mack Energy contract operator for COG Operating LLC respectfully requests an administrative approval without notice and hearing of the following Non Standard Spacing Unit.

The well location and legal description is as follows:

*State S-19 #30
400 FSL & 430 FWL
Sec. 19-T17S-R29E
Eddy County, New Mexico*

30-015-35241

The well will be completed in the Empire Yeso Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division this is Lot 4 and is 27.50 acres which is less than 70% of a 40 acre Unit therefore a Non Standard Spacing Unit (Exhibit A).*

Please note that COG is the operator of the offsetting proration units in the Empire Yeso Pool, therefore no other operators are required to be notified. This location is not encroaching the offsetting units. The proposed location is the second Empire Yeso well in this Lot.

Oil Conservation Division

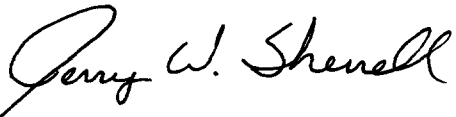
November 27, 2006

Page 2

Thank you for your assistance in this matter. If you have any questions, please feel free to call me at (505) 748-1288.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink, reading "Jerry W. Sherrell". The signature is written in a cursive style with a large, looping "J" and "S".

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

DISTRICT I
1626 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96210	Pool Name Empire Yeso	22260
Property Code 302569	Property Name STATE S-19	Well Number 30	
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3659'	

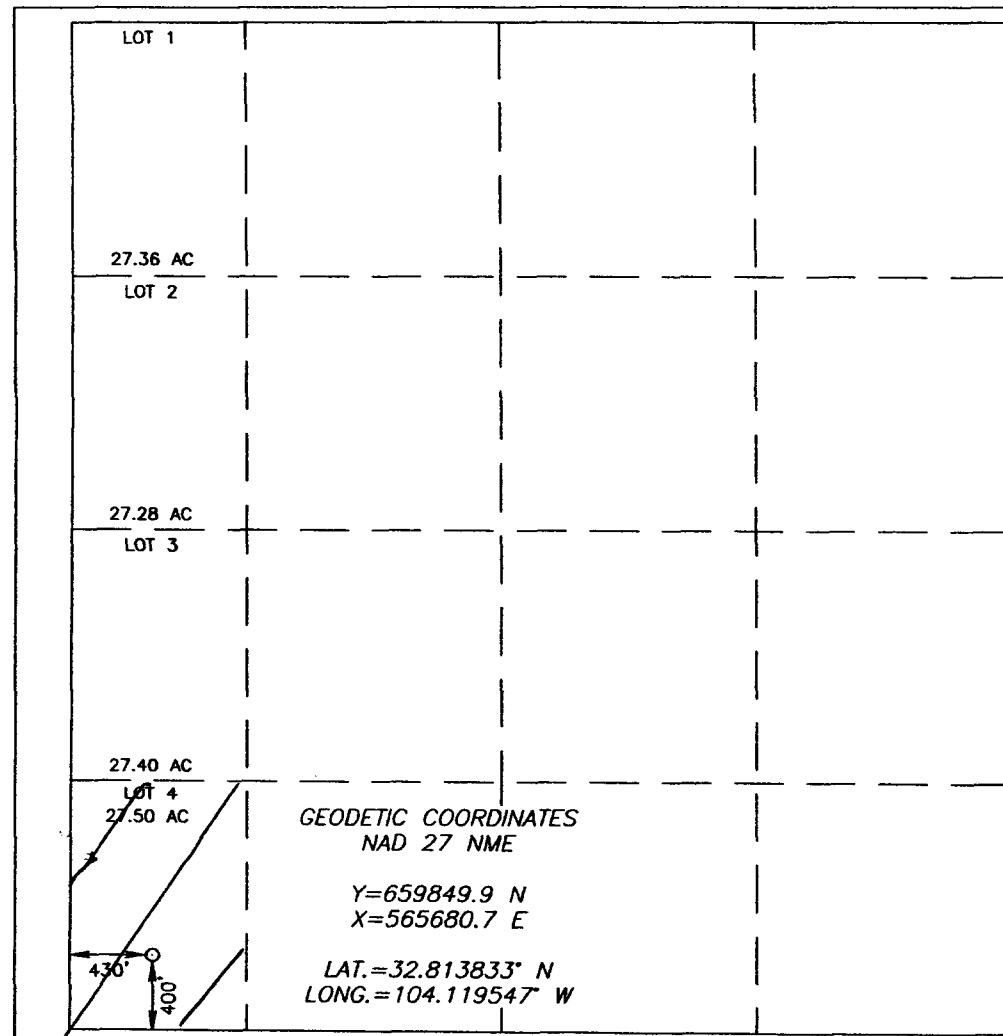
Surface Location

UL or lot No. 4	Section 19	Township 17-S	Range 29-E	Lot Idn	Feet from the 400	North/South line SOUTH	Feet from the 430	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 27.50	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jerry W. Sherrell 11/27/06
Signature Date

Jerry W. Sherrell
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 9, 2006

Date Surveyed	LA
Signature & Seal of Professional Surveyor	
Certification No. GARY EIDSON	12841

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, January 02, 2007 10:44 AM
To: 'Jerry Sherrell'
Subject: State S-19 #30 and 31; NSP applications

Dear Mr. Sherrell

I have for review the referenced applications.

Your letters indicate that no notice was given because COG is operator of all offsetting units. Notice to working interest owners would still be required if working interest ownership in the subject units and the respective offsetting units is not uniform.

Can you confirm, as to each of these applications, that working interest ownership in the relevant zone is uniform as to the subject unit and the offsetting units as to each application?

Thanks

David K. Brooks
Assistant General Counsel
505-476-3450

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, January 03, 2007 1:55 PM
To: 'Jerry Sherrell'
Subject: State S-19 #30 and 31; NSP applications

Dear Jerry

OCD will require that notice of these applications be sent to all affected persons [See Rule 1210(A)(2)(a) for definition] in all spacing units adjacent to the proposed non-standard units.

When you have mailed these notices please furnish us a copy of your notice letter and a list of the names and address of persons to whom it was sent for each application.

If you have any questions, feel free to call or email me.

Sincerely

David K. Brooks
Assistant General Counsel
505-476-3450

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, January 08, 2007 4:49 PM
To: 'Jerry Sherrell'
Subject: State S-19 #30 and 31; NSP applications

Dear Mr. Sherrell

I have received copies of the notices you sent of these administrative applications to Cimarex Energy Co., Devon Energy Corporation and Marbob Energy Corporation.

The Division records, if I am reading them correctly, show the following as offset operators:

east, southeast and south of both units - COG
west of both units - Cimarex
northeast of the Lot 3 - Clayton Williams

I find no producing wells shown in the Empire Yeso north or northwest of Lot 3, or southwest of Lot 4.

I assume Cimarex was noticed because of their offsetting wells to the west.

Why were Devon and Marbob noticed? Are they working interest owners in offsetting units operated by COG? If so, are they all of the working interest owners in offsetting units operated by COG where working interest ownership is not identical to that in Lots 3 and 4?

Why was Clayton Williams not notified? I realize that it is possible that Unit F of Section 19 does not actually touch Lot 3, but it would appear to do so from the C-102 furnished. If it does touch at a point, then it is an "adjoining spacing unit." See Rule 7.A(3).

What about the working interest owners in Lot 2 and in the units to the northwest of Lot 3 and to the southwest of Lot 4, where there are apparently no producing Yeso wells? Working interest owners in these units would need to be noticed unless COG owns the entire working interest in these units, or the working interest ownership in these units is identical to that in Lots 3 and 4.

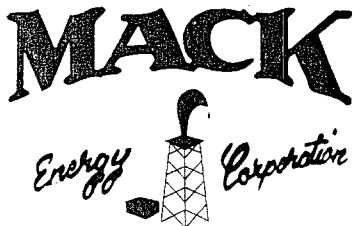
I will need answers to these questions in order to determine compliance of these applications with the requirements of which I previously advised you.

Thanks in advance for your attention.

Sincerely

David K. Brooks
Assistant General Counsel
505-476-3450

1/8/2007



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

2007 JAN 8 PM 1 49

January 4, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8595

Cimarex Energy Co
6215 N. O'Connor Blvd., Ste 1500
Irving, TX 75039

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

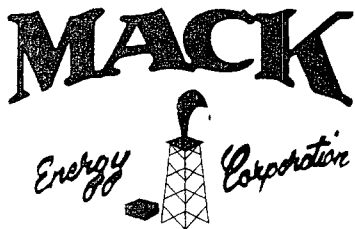
Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

2007 JAN 8 PM 1 49

January 4, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8601

Devon Energy Corporation
20 N. Broadway Ste 1500
Oklahoma City, OK 73102-8260

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

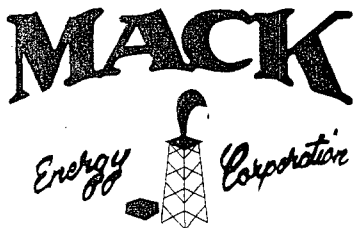
Sincerely,

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 4, 2007

2007 JAN 8 PM 1 49
VIA CERTIFIED MAIL 7006 0100 0002 8524 8618

Marbob Energy Corporation
P.O. Box 227
Artesia, NM 88211-0227

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures

We are unable to find any Yeso production in Unit Letters H, I, or P of Section 24, or Unit Letter A of Section 25, T17S, R28E.

All of Section 24 is subject to an Operating Agreement covering depths from 2300 feet to 10,896 feet below the surface. Our records indicate Devon is the Operator. We are also aware that Magnum Hunter (predecessor to Cimarex) was unsuccessful in drilling some Yeso wells in Section 24. In order of be safe, we notified both companies. The working interest owners of record in Unit Letters H and I are:

COG Oil & Gas LP
Fasken
ExxonMobil Corporation
Devon Energy Corporation

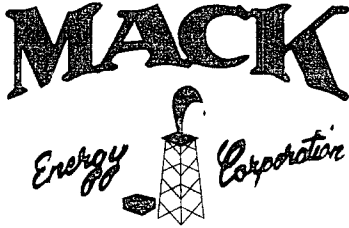
The working interest owners of record in Unit Letter P are:

Fasken
COG Oil & Gas LP
SDX Resources Group

Marbob is the Operator of Yeso rights in a large portion of Section 25, T17S, R28E, and we mistakenly thought the Operating Agreement covered Unit Letter A. It does not. The working interest owners of record for Unit Letter A as to those depths from 4200 feet to the top of the Abo formation are:

BP America Production Company
Yates Petroleum Corporation
Marathon Oil Company
Dominion
Marbob Energy Corporation
Pitch Energy Corporation

Clayton Williams is the Operator of Yeso rights in the N/2 of Section 19, T17S, R29E. COG Operating LLC is the Operator of Yeso rights in the N/2 of Section 30.



2007 JAN 19 PM 2 06

Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8700

Clayton Williams Inc.
6 Desta Dr. Ste. 6500
Midland, TX 79705

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8670

BP America Production Co.
501 Westlake Park Blvd.
Houston, TX 77079-2604

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

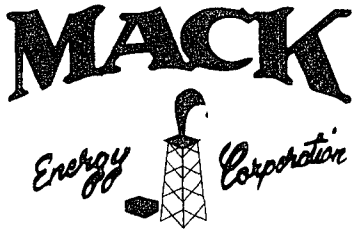
Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8656

COG Operating LLC
550 W. Texas Suite 1300
Midland, TX 79701

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

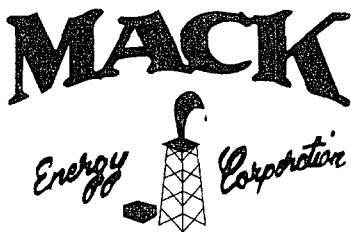
Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8694

*Dominion Exploration & Production Inc.
14000 Quail springs Pkwy. Suite 600
Oklahoma City, OK 73134*

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

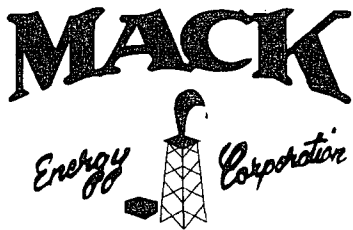
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Sincerely,

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8649

ExxonMobil Corporation
PO Box 4610
Houston, TX 77210

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

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Sincerely,

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8632

*Fasken Oil and Ranch, LTD
303 W. Wall Street, Suite 1800
Midland, TX 79701*

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8717

Marathon Oil Company
P. O. Box 4814
Houston, TX 77210-4814

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

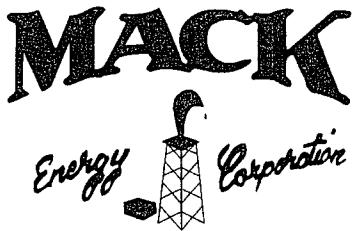
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Sincerely,

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



Post Office Box 960
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Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8724

Pitch Energy Corporation
P.O. Box 227
Artesia, NM 88211-0227

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8663

SDX Resources, Inc.
511 W Ohio Ave., Ste 601
Midland, TX 79701-4338

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

January 15, 2007

VIA CERTIFIED MAIL 7006 0100 0002 8524 8687

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210-2177

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy contract operator for COG Operating LLC has requested administrative approval from the NMOCD for two orthodox Empire Yeso oil well locations within two Non Standard Spacing Units. The State S-19 #30 is located in Lot 4, 400 FSL & 430 FWL of Section 19-T17S-R29E, Eddy County, New Mexico. The State S-19 #31 is located in Lot 3, 1650 FSL & 330 FWL of Sec. 19 T17S R29E, Eddy County, New Mexico.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the Non Standard Spacing Unit location if no objection has been made within the 20 days after proof of notification has been received.

Sincerely,

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures