



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

January 15, 2008

Phyllis Edwards  
Regulatory Analyst  
COG Operating, LLC  
550 W. Texas Avenue, Suite 1300  
Midland, Texas 79701

RE: **Edward State Well No. 4 (formally Named Leaker CC State Well No. 10)  
1500 feet FSL & 2290 feet FWL (Unit K) (Unorthodox)  
NE/4SW/4 of Section 16, T-17 -S, R-32-E,  
NMPM, Lea County, New Mexico**

**Administrative Order NSL-5763**

Dear Ms Edwards:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR0730229976**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 26, 2007; and

(b) the Division's records pertinent to COG's request.

COG Operating, LLC, requests to drill its Edward State Well No. 4 (formally named Leaker CC State Well No. 10) at an unorthodox Maljamar; Yeso oil well location as referenced above in Section 16, Township 17 South, Range 32 East, N.M.P.M., in Lea County, New Mexico.

The NE/4SW/4 of Section 16 will be dedicated to this well to form a standard 40-acre oil spacing and proration unit. COG Operating, LLC, intends to test the Maljamar; Yeso Oil Pool. This pool is governed by the Division's Statewide Rules and Regulations which provide for wells on 40-acre spacing units to be located no closer than 330 feet to a quarter-quarter section line.

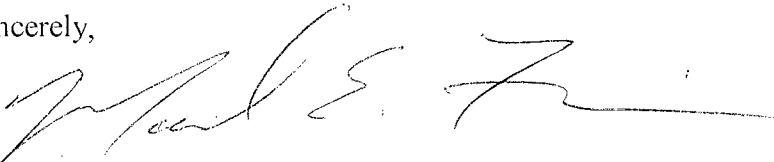
The location of the well is due to the presence of an existing lease road in the area and COG does not wish to drill a directional well to cut drilling costs.

Your application has been duly filed under the provisions of Division Rule 104. F, and notice has been given as required by Rule 1210 A (2).

Pursuant to the authority granted under the provisions of Division Rules 104. F(2), the above-described unorthodox Maljamar; Yeso oil pool location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.  
Director

MEF/re

cc: New Mexico Oil Conservation Division – Hobbs