

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



**June 10, 2008**  
**Administrative Order NSL-5846**

COG Operating, LLC  
Attn: **Ms. Phyllis Edwards**  
550 W. Texas Av, Suite 1300  
Midland, TX 79701

Dear Ms. Phyllis Edwards

**COG's NSL Application: MC Federal Well No. 33**

1160' FSL, 1430' FEL, Unit O  
Section 21 T17S, R32E, NMPM, Lea County, New Mexico  
Maljamar Yeso West Oil Pool (44500)

Reference is made to the following:

- (a) your application (*administrative application reference No. pKVR0813030345*) for a non-standard well location for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 8, 2008, and
- (b) the Division's records pertinent to this request.

COG Operating, LLC (COG) has requested authority to drill and complete its MC Federal Well No. 33 at an unorthodox Maljamar; Yeso West oil well location, 1160 feet from the South line and 1430 feet from the East line (Unit O) of Section 21, Township 17 South Range 32 East, N.M.P.M., in Lea County, New Mexico. The SW/4 SE/4 of Section 21 will be dedicated to this well in order to form a standard 40-acre oil spacing unit in the Maljamar; Yeso West Pool (44500). The pool is governed by statewide Rule 104.B (1), which provides for 40-acre units, with well located at least 330 feet from a unit outer boundary. The requested location is less than 330 feet from the unit boundary due to pipeline constrictions.



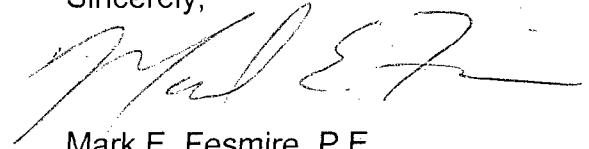
Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2)

It is also understood that notice of this application to offsetting operators or owners is unnecessary because COG owns 100% of the working interest in the proposed unit and in the offsetting units towards which this location encroaches.

Pursuant to the authority granted under the provisions of Division Rule 104.F(2), the above-described unorthodox 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', written in a cursive style.

Mark E. Fesmire, P.E.  
Division Director

MEF/tw

cc: New Mexico Oil Conservation Division – Hobbs  
United States Bureau of Land Management - Carlsbad