

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



November 6, 2014

Ms. Ocean Munds-Dry, Senior Attorney
COG Operating, LLC
1048 Paseo De Peralta
Santa Fe, NM 87501

RE: Request for Extension to Commence Drilling of the Lee 3 Fee Well No. 8H Pursuant to Division Order No. R-13774/Case No. 15051

Dear Ms. Munds-Dry:

Reference is made to your request on behalf of COG Operating, LLC ("COG") received by the Division on November 5, 2014, for the Lee 3 Fee Well No. 8H (API No. 30-015-41512) with a surface location in Unit letter P of Section 3, Township 19 South, Range 26 East, NMPM.

It is our understanding that COG still intends to drill the proposed well but is unable to meet the obligation date of November 30, 2014, included in Ordering Paragraph (5) of Order No. R-13774. COG has stated that additional time is required to compile production data from recently completed wells in the vicinity which will assist COG in determining the economic viability of the proposed location for this well.

The Division has reviewed your request and hereby extends the final date to commence the drilling of this well to November 30, 2015. All other provisions of Order No. R-13774 remain in full force and effect.

If you have any questions, please contact Phillip Goetze at 505.476.3466.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia District Office
Case No. 15051
Well File API 30-015-41512