



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

January 17, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COG Operating LLC
Fasken Center, Tower II
550 West Texas Ave., Suite 1300
Midland, Texas 79701

Attention: Michael M. Gray

CORRECTED *Division Administrative Order NSL-5104*

Dear Mr. Gray:

Per your e-mail dated September 10, 2004 calling my attention to an error in Division Administrative Order NSL-5104, dated September 3, 2004.

The location of the Hopi "35" State Com. Well No. 1 (API No. 30-025-36885) in two intendantsances was incorrectly referenced to be in "*Section 11*"; the correct location is "*Section 35, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico.*"

The corrections set forth in this order shall be entered retroactively as of September 3, 2004; further, all other provisions of Division Administrative Order NSL-5104 shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink that reads "Mark E. Fesmire, P.E." with a stylized flourish at the end.

Mark E. Fesmire, P.E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office -- Santa Fe
File: NSL-5104

Stogner, Michael

From: Mike Gray [mgray@conchoresources.com]
Sent: Friday, September 10, 2004 1:24 PM
To: MSTOGNER@state.nm.us
Subject: NSL-5104

Michael,

I failed to catch a typo in the draft of this NSL. The drillsite section is Section 35, not Section 11. Please send us a corrected Order

Thanks

Mike Gray
COG Operating LLC
mgray@conchoresources.com
(432) 685 4349

This email has been scanned by the MessageLabs Email Security System.
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September 3, 2004

COG Operating LLC
Fasken Center, Tower II
550 West Texas Ave., Suite 1300
Midland, Texas 79701

Attention: Michael M. Gray
mgray@conchoresources.com

Administrative Order NSL-5104

Dear Mr. Gray:

Reference is made to the following: (i) your application dated August 26, 2004 (*administrative application reference No. pSEM0-424726939*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all considering COG Operating LLC's ("COG") request for an unorthodox Morrow gas well location for its proposed Hopi "35" State Com. Well No. 1 to be drilled 2154 feet from the South line and 1392 feet from the West line (Unit K) of Section 35, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico.

The S/2 of **Section 11**, being a standard 320-acre lay-down deep gas spacing unit pursuant to Division Rule 104.C (2) for a wildcat Morrow gas test, is to be dedicated to this well.

Your application has been duly filed under the provisions of Division Rule 104.F.

The geologic interpretation submitted with this application, based on 3-D seismic, indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard within the western portion of the subject 320-acre unit.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Morrow gas well location for COG's proposed Hopi "35" State Com. Well No. 1 within the S/2 of **Section 11** is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/mes

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe