



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



October 14, 2011

COG Operating, LLC
Attn: Ms. Kelly J. Holly
Fasken Center, Tower II
550 West Texas Ave., Suite 1300
Midland, TX 79701

Administrative Order NSL-6484
Administrative Application Reference No. pTWG11-25857550

COG Operating, LLC
OGRID 229137
Dodd Federal Unit Well No. 613
API No. 30-015

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	1201 FNL & 2478 FWL	C	14	17S	29E	Eddy
Penetration Point	1310 FNL & 1980 FWL	C	14	17S	29E	Eddy
Terminus	same as penetration point					

Proposed Project Area:

Description	Acres	Pool	Pool Code
NE/4 NW/4 of Section 14	40	Grayburg Jackson; Seven Rivers-Queen-Grayburg-San Andres	28509

Reference is made to your application received on September 14, 2011.

You have requested to drill this directional well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because the proposed producing interval is less than 330 feet from an outer boundary of the project area.

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
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Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to avoid interference with an archeological site.

It is also understood that notice to offsetting owners or operators is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

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 "Jami Bailey". The signature is fluid and cursive, with a large initial "J" and "B".

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management