October 1, 2012

COG Operating, LLC
Attn: Ms. Kelly J. Holly

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6685
Administrative Application Reference No. pDKB1227562232

COG Operating LLC
OGRID 229137
Petrus D Well No. 11
API No. 30-025-40745

Proposed Location:

Footages	Unit	Section	Township	Range	County
1630 FSL & 990 FEL	I	11	17S	33E	Lea

Proposed Unit:

Description	Acres	Pool	Pool Code
NE/4 SE/4 of Section 11	40	Maljamar; Grayburg-San Andres	43329

Reference is made to your application received on October 1, 2012.

You have requested to drill or re-complete this 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. This location is less than 330 feet from a unit boundary.

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 existing underground pipelines.
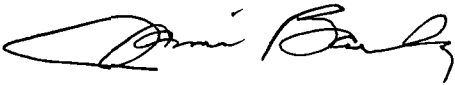
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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 [19.15.15.9 NMAC].

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

Sincerely,

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs