



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 18, 2005

Mark Fesmire

Director

Oil Conservation Division

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

Attention: Jan Preston Spradlin, CP
Senior Landman

Administrative Order NSL-5259

Dear Ms. Spradlin:

Reference is made to the following: (i) your application (administrative application reference No. pMESO-519941451) filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico, by on June 30, 2005; (ii) the Division's initial response on July 18, 2005 from Mr. Michael E. Stogner, Engineer in Santa Fe, New Mexico by letter requesting additional information; (iii) your e-mail response of July 28, 2005 with the necessary information to complete this application; and (iv) the Division's records in Hobbs and Santa Fe: all concerning COG Operating LLC's ("COG") request for an exception to Rule 4 of the "Temporary Special Rules and Regulations for the Southeast Hat Mesa-Delaware Pool," as promulgated by Division Order No. R-12203, issued in Case No. 13289 on September 2, 2004, for the existing Minis "1" Federal Well No. 4 (API No. 30-025-36956), located at an unorthodox oil well location 2310 feet from the North line and 330 feet from the West line (Lot 5/Unit E) of Irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.

Lots 3, 4, 5, and 6 of Irregular 1 is to be dedicated to this well in order to form a standard 157.66-acre oil spacing and proration unit for the Undesignated Southeast Hat Mesa-Delaware Pool (97210).

This application has been duly filed under the provisions of: (i) Rule 5 of the special rules for the Southeast Hat Mesa-Delaware Pool; and (ii) Division Rules 104.F and 1207.A (2).

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By the authority granted me under the provision Rule 5 of these special pool rules and Division Rule 104.F (2), the unorthodox Southeast Hat Mesa-Delaware oil well location for the above-described Minis "1" Federal Well No. 4 is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Hobbs
U.S. Bureau of Land Management - Carlsbad
Mr. William F. Carr, Legal Counsel for Samson Resources Company - Santa Fe
Mr. James Bruce, Legal Counsel for COG Operating, LLC - Santa Fe
Case No. 13289