



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

January 8, 2008

COG Operating LLC
Attn: Ms. Phyllis A. Edwards
Fasken Center, Tower II
550 West Texas Ave., Suite 1300
Midland, TX 79701

Administrative Order NSL-5753

**Re: Harvard Federal Well No. 10
Unit E, Section 12-17S-30E
Eddy County**

Dear Ms Edwards:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR07-33135594**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 27, 2007, and

(b) the Division's records pertinent to this request.

COG Operating LLC (COG) has requested to drill the above-referenced well at an unorthodox Yeso oil well location, 1690 feet from the North line and 1055 feet from the West line (Unit E) of Section 12, Township 17 South, Range 30 East, N.M.P.M., in Eddy County, New Mexico. The SW/4 NW/4 of Section 12 will be dedicated to this well in order to form a standard 40-acre spacing unit in the undesignated Loco Hills-Glorieta/Yeso Pool (96718). This pool is governed by statewide Rule 104.B(1), 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 the eastern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location to avoid interference with existing surface improvements.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

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

Sincerely,



MEF Mark E. Fesmire, P.E.
Director

MEF/db

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