



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 11, 2008

Phyllis Edwards
Regulatory Analyst
COG Operating, LLC
550 W. Texas Avenue, Suite 1300
Midland, Texas 79701

RE: **West Pearl "36" State Well No. 1 (API No. 30-025-38079)
1980 feet FNL & 1740 feet FWL (Unit F) (Unorthodox)
SE/4NW/4 of Section 36, T-19 -S, R-34-E,
NMPM, Lea County, New Mexico**

Administrative Order NSL-5760

Dear Ms Edwards:

Reference is made to the following:

- (a) your application (**administrative application reference No. pKVR0730544539**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 1, 2007; and
- (b) the Division's records pertinent to COG's request.

COG Operating, LLC, requests to re-complete its West Pearl "36" State Well No. 1 at an unorthodox Lea Bone Springs oil well location as referenced above in Section 36, Township 179South, Range 34 East, N.M.P.M., in Lea County, New Mexico.

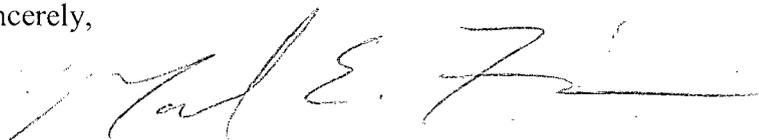
The SE/4NW/4 of Section 36 will be dedicated to this well to form 80-acre oil spacing and proration unit. COG Operating, LLC, intends to plug back from the Lea Morrow North Gas Pool to the Lea Bone Spring Oil Pool. This pool is governed by the Special Rules and Regulations for the Lea Bone Springs Pool as promulgated in Order No. R-1827-A dated December 21, 1961. This order provides that the initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of any quarter-quarter section on which the well is located

Your application has been duly filed under the provisions of Division Rules 104. F. It is our understanding that the offsetting acreage has interest ownership identical in all respects, therefore no notice of this application is required.

Pursuant to the authority granted under the provisions of Division Rules 104. F(2), the above-described unorthodox Lea Bone Springs oil pool location is hereby approved.

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 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division – Hobbs