



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



July 24, 2009

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

Administrative Order NSL-6056-A

Re: **MC Federal Well No. 49**
API No. 30-025-
940 feet FNL and 1000 feet FWL
Unit A, Section 21, T-17S, R-17S
Lea County, New Mexico

Dear Ms. Edwards:

Reference is made to the following:

- (a) your request to amend Division Order No. NSL-6056 (*administrative application reference No. pTGW0918255347*) for the MC Federal Well No. 49 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 1, 2009,
- (b) your supplemental email dated July 15, 2009, and
- (c) the Division's records pertinent to COG's request, including the Division's records pertinent to Administrative Order NSL-6056.

COG Operating, LLC [OGRID 229137] ("COG") has requested authority to drill the above referenced well at an unorthodox oil well location, described above in the caption of this letter. The NE/4 NE/4 of Section 21 will be dedicated to this well in order to form a standard 40-acre spacing unit in the West Maljamar-Yeso Pool (44500). This pool is governed by statewide Rule 15.9.A, 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 western boundary.



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Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location to avoid interference with an existing pipeline and comply with the BLM's request.

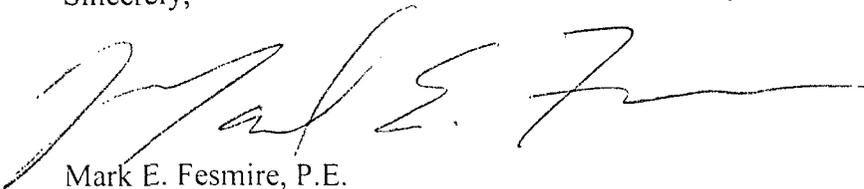
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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.

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', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Division Director

MEF/tw

cc: New Mexico Oil Conservation Division - Hobbs
Bureau of Land Management-Carlsbad