Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

September 24, 2009

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

Administrative Order NSL-6088

Re: **GJ West Coop Unit Well No. 267**
API No. 30-015
1040 feet FSL and 330 feet FWL
Unit M, Section 22-17S-29E
Eddy County, New Mexico

Dear Ms. Odom:

Reference is made to the following:

(a) your application **(administrative application reference No. pWVJ09-26554811)** submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 22, 2009, 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 oil well location, described above in the caption of this letter. The SW/4 SW/4 of Section 22 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Grayburg Jackson-7 Rivers/Queen/Grayburg/Glorieta/Yeso Pool (97558). 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 northern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 14.12.A(2).

It is our understanding that you are seeking this location to avoid interference with existing pipelines.
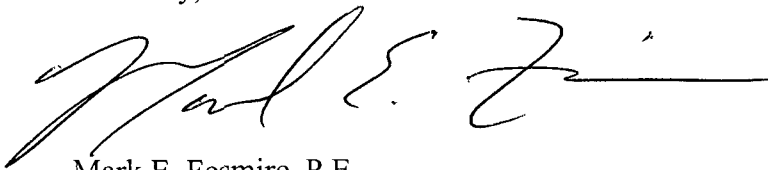
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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.

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

Sincerely,

Mark E. Fesmire, P.E.
Director

MEF/db