



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 14, 2010

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

Administrative Order NSL-6179

Re: GJ West Co-op Unit Well No. 306
API No. 30-015
1345 feet FNL and 1550 feet FEL
Unit G, Section 21-17S-29E
Eddy County, New Mexico

Dear Ms. Odom:

Reference is made to the following:

(a) your application (**administrative application reference No. pWVJ10-10330410**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 12, 2010, and

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

COG Operating, LLC [OGRID 229137] (COG) has requested to drill the above-referenced well as a directional well to the Yeso formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 1345 feet from the North line and 1550 feet from the East line
(Unit G) of Section 21, Township 17S, Range 29E, NMPM,
Eddy County, New Mexico

Point of Penetration: 1649 feet from the North line and 1329 feet from the East line
(Unit G) of said section



Terminus 1650 feet from the North line and 1330 feet from the East line
(Unit G) of said section

The SW/4 NE/4 of Section 21 will be dedicated to the proposed well to form a standard, 40-acre spacing unit and project area in the Grayburg-Jackson; Seven 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 unorthodox because the producing interval will be less than 330 feet from the northern and eastern boundaries of the project area, and therefore outside the producing area.

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

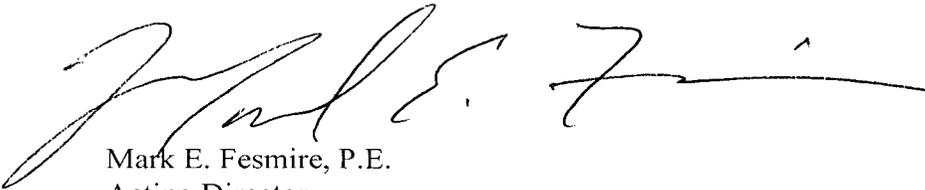
It is our understanding that you are seeking this location to avoid interference with an existing electric power line. It is further understood that notice of this application to offsetting operators or owners is not required due to common ownership.

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.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
 New Mexico State Land Office - Santa Fe