



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Brukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 6, 2007

COG Operating, LLC
550 West Texas
Suite 1300
Midland, Texas 79701

Attention: Ms Phyllis A. Edwards

Re: **GJ West Coop Unit Well No. 160**
API No. 30-015-35582
Surface Location: 1680' FNL & 2460' FWL, Unit F,
Bottomhole Location: 1650' FNL & 2310' FWL, Unit F,
Section 22, Township 17 South, R-29 East, NMPM,
Eddy County, New Mexico

Administrative Order NSL-5648

Dear Ms. Edwards:

Reference is made to the following:

- (a) COG Operating, LLC's ("COG" or "applicant") initial application for a non-standard well location (*administrative application reference No. pCLP0715053885*) for the GJ West Coop Unit Well No. 160 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 30, 2007; and
- (b) the Division's records pertinent to COG's request.

COG initially filed a request for approval of an unorthodox oil well location for its GJ West Coop Unit Well No. 160 which was to be drilled as a vertical well at an unorthodox oil well location 1680 feet from the North line and 2460 feet from the West line (Unit F) of Section 22, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. The well was proposed to be completed in the Grayburg Jackson Seven Rivers-Queen-Grayburg-Glorieta-Yeso Pool and was to be dedicated to a standard 40-acre spacing and proration unit comprising the SE/4 NW/4 of Section 22.

By letter dated May 29, 2007 that was received by the Division on June 4, 2007, Marbob Energy Corporation, an affected offset operator, objected to COG's application.

By E-mail to the Division dated June 5, 2007, COG advised the Division that due to the objection from Marbob Energy Corporation, it now proposes to directionally drill the GJ West Coop Unit Well No. 160 from an unorthodox surface location **1680 feet from the North line and 2460 feet from the West line (Unit F) to a standard bottomhole location 1650 feet from the North line and 2110 feet from the West line (Unit F) of Section 22.**

COG has notified Marbob Energy Corporation of its intent to directionally drill the subject well to a standard bottomhole location.

The Grayburg Jackson Seven Rivers-Queen-Grayburg-Glorieta-Yeso Pool is currently governed by Division Rule 19.15.3.104.B.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox surface oil well location in the Grayburg Jackson Seven Rivers-Queen-Grayburg-Glorieta-Yeso Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc New Mexico Oil Conservation Division - Artesia