



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



May 25, 2010

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

Administrative Order NSL-6204

Re: Miranda Federal Well No. 14
API No. 30-015 - 38051
2528 feet FNL and 2309 feet FWL
Unit F, Section 9-17S-30E
Eddy County, New Mexico

Dear M:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-14449457**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 24, 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: 2528 feet from the North line and 2309 feet from the West line
(Unit F) of Section 9, Township 17S, Range 30E, NMPM,
Eddy County, New Mexico

Point of Penetration: 2300 feet from the North line and 2319 feet from the West line
(Unit F) of said section

Terminus 2310 feet from the North line and 2310 feet from the West line
(Unit F) of said section



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The SE/4 NW/4 of Section 9 will be dedicated to the proposed well to form a standard 40-acre spacing unit and project area in the Loco Hills Glorieta-Yeso Pool (96718). 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 a portion of the producing interval will be less than 330 feet from the southern and eastern unit 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 due to sand dunes. It is further understood 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management