

# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



August 4, 2011

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

**Administrative Order NSL-6429**  
**Administrative Application Reference No. pWVJ11-19461643**

COG Operating, LLC  
OGRID 229137  
BC Federal Well No. 62  
API No. 30-025-40098

**Proposed Location:**

	Footages	Unit	Sec.	Township	Range	County
Surface	1105 FNL & 2015 FWL	C	20	17S	32E	Lea
Penetration Point	1459 FNL & 2206 FWL	F	20	17S	32E	Lea
Terminus	1650 FNL & 2310 FWL	F	20	17S	32E	Lea

**Proposed Project Area:**

Description	Acres	Pool	Pool Code
SE/4 NW/4 Sec. 20	40	West Maljamar Yeso	44500

Reference is made to your application received on July 12, 2011

You have requested to drill this directional well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed producing area are less than 330 feet from an outer boundary of the project area.

Oil Conservation Division  
1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone (505) 476-3440 • Fax (505) 476-3462 • [www.emnrd.state.nm.us/OCD](http://www.emnrd.state.nm.us/OCD)



Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for engineering reasons, in order to construct a directional well that could be completed at the desired bottom hole location.

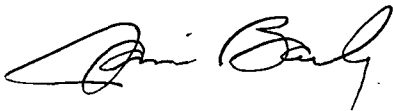
It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

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 [19.15.15.9 NMAC].

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 "Jami Bailey", written in a cursive style.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs  
United States Bureau of Land Management