



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 29, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

COG Operating LLC
Fasken Center, Tower II
550 West Texas Ave., Suite 1300
Midland, Texas 79701

Attention: Jan Preston Spradlin, CPL
jspradlin@conchoresources.com

Administrative Order NSL-5246

Dear Ms. Spradlin:

Reference is made to the following: (i) your application filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 5, 2005 (***administrative application reference No. pSEM0-518728752***); and (ii) the Division's records in Hobbs and Santa Fe: all considering COG Operating LLC's ("COG") request for an unorthodox oil well location in the Justis Blinebry-Tubb-Drinkard Pool (34220) for the proposed M. D. Self Well No. 8 to be drilled 1350 feet from the North line and 1650 feet from the West line (Unit F) of Section 6, Township 26 South, Range 38 East, NMPM, Lea County, New Mexico. Pursuant to Division Rule 104.B (1), the SE/4 NW/4 of Section 6 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit within this pool.

Your application has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

It is the Division's understanding that all of Section 6 is included within a single Federal lease issued by the U. S. Bureau of Land Management (***U. S. Government lease No. NM-0889***) with common mineral interest in which COG is the leasehold operator.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location within the Justis Blinebry-Tubb-Drinkard Pool is hereby approved.

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

Sincerely

Mark E. Fesmire, P. E.
Director

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad