



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joa nna Prukop

Cab i net Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 12, 2007

COG Operating LLC
c/o Jerry W. Sherrell
Mack Energy Corporation
P.O. Box 960
Artesia, NM 88211

Administrative Order NSP-1912

Re: **State S-19 Well No. 31**
API No. 30-015-35242
L-19-17S-29E, Eddy County

Dear Mr. Sherrell:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS06-33851360**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on behalf of COG Operating LLC (COG) on December 1, 2006,

(b) supplemental materials that you submitted on January 3, January 8 and January 19, 2007, and

(c) the Division's records pertinent to your request.

COG has requested to dedicate its State S-19 Well No. 31 (API No. 30-015-35242), located 1650 feet from the South line and 330 feet from the West line (Unit L) of Section 19, Township 17 South, Range 29 East, N.M.P.M., in Eddy County, New Mexico, to a non-standard 27.4-acre oil spacing and proration unit in the Empire Yeso Pool (22260), comprising all of Lot 3 (NW/4 SW/4 equivalent) of Section 19.

This request is governed by statewide Rules 104.B(1), providing for 40-acre oil spacing units, and 104.D(2) authorizing the Division to grant exceptions to the standard spacing requirements to conform to irregularities in official surveys.

Your application on behalf of COG has been duly filed under the provisions of Rules 104.D(2) and 1210.A(3).

It is our understanding that Lot 3 of Section 19 is an official governmental subdivision, and is the equivalent of the NW/4 SW/4 of that Section, the deficient acreage being the result of a survey irregularity.

We also understand that you have duly notified all "affected persons" in all offsetting spacing units in the Empire Yeso Pool of this application, in accordance with Rule 1210.A and the Division's directives.

Pursuant to the authority granted me under the provisions of Division Rule 104.D(2)(b), the above-described non-standard spacing and proration unit is hereby approved.

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

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

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