



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 9, 2007

COG Operating, LLC
550 W. Texas
Suite 1300
Midland, Texas 79701

Attention: Ms. Phyllis A. Edwards

Re: **Polaris B Federal Well No. 6**
API No. N/A
Surface Location: 1156' FSL & 1650' FEL, Unit O,
Bottomhole Location: 990' FSL & 1650' FEL, Unit O
Section 9, T-17 South, R-30 East, NMPM,
Eddy County, New Mexico

Administrative Order NSL-5624

Dear Ms. Edwards:

Reference is made to the following:

(a) the application of COG Operating, LLC ("COG" or "applicant") for a non-standard well location (*administrative application reference No. pCLP0712727044*) for the Polaris B Federal Well No. 6 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 4, 2007; and

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

The applicant requests approval of an unorthodox oil well location for its Polaris B Federal Well No. 6 in the Loco Hills Glorieta-Yeso Pool (Oil – 96718) which is to be directionally drilled from an unorthodox surface location 1156 feet from the South line and 1650 feet from the East line (Unit O) of Section 9, to a standard bottomhole location 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 9, both in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. The SW/4 SE/4 of Section 9 is to be dedicated to the well in the Loco Hills Glorieta-Yeso Pool forming a standard 40-acre oil spacing and proration unit.

The Loco Hills Glorieta-Yeso Pool is currently governed by Division Rule No. 19.15.3.104(B).

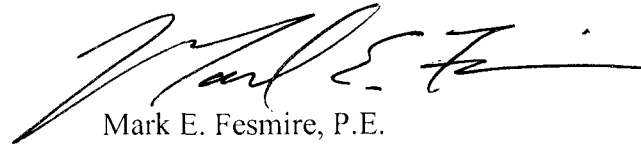
The proposed unorthodox surface well location is necessitated by topographic considerations within the SW/4 SE/4 of Section 9.

It is our understanding that the Polaris B Federal Lease (Lease No. LC-029342B) encompasses the SE/4 of Section 9, and the interest ownership between the SW/4 SE/4 of Section 9 and the NW/4 SE/4 of Section 9, being the affected offset acreage, is identical. Consequently, there are no adversely affected offset operators and/or interest owners.

Division records show that there are no other wells currently producing from the Loco Hills Glorieta-Yeso Pool within the SW/4 SE/4 of Section 9.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Loco Hills Glorieta-Yeso Pool is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", with a stylized flourish at the end.

Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: OCD-Artesia
 Bureau of Land Management-Carlsbad