



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



September 16, 2008

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

**Administrative Order NSL-5929**

**Re: JC Federal Well No. 30  
API No. 30-025  
330 feet FSL and 1130 feet FEL  
Unit P, Section 21-17S-32E  
Lea County, New Mexico**

Dear Ms. Edwards:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-19735283**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 14, 2008, and re-filed on September 15, 2008 (**administrative application reference No. pDKB08-26031716**);

(b) supplemental information that you furnished by email on September 15, 2008, and

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

COG Operating, LLC (COG) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The SE/4 SE/4 of Section 21 will be dedicated to this well in order to form a standard 40-acre spacing unit in the West Maljamar-Yeso Pool (44500). This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the western unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).



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It is our understanding that you are seeking this location because sand dunes preclude surface siting of the proposed well at a standard location in this unit.

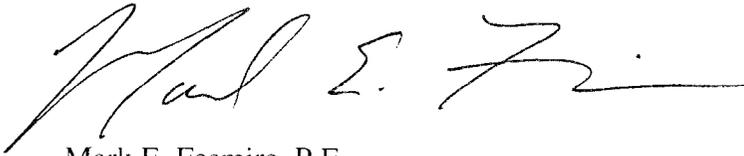
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 104.F(2), 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 40.

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.  
Director

MEF/db

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