



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



May 1, 2009

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

Administrative Order NSL-5908-A

Re: Mesilla State Well No. 10
API No. 30-015-
1290 feet FNL and 1440 feet FWL
Unit C, Section 16-17S-30E
Eddy County, New Mexico

Dear Ms. Odom:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-09937447**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 9, 2009, and

(b) the Division's records pertinent to this request, including the Division's records pertinent to original Administrative Order NSL-5908.

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 NE/4 NW/4 of Section 16 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Loco Hills-Glorieta/Yeso Pool (96718). 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 southern and western unit boundaries.

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

It is our understanding that you are seeking this location to avoid interference with existing pipelines that cross the unit.



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This order is being re-issued because original Order NSL-5908 was issued with the understanding that notice of the application to offsetting operators or owners was unnecessary due to common ownership. You have now advised us that is not the case. It is understood that you have now given due notice of the present application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the 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 the first name "Mark" being the most prominent part.

Mark E. Fesmire, P.E.
Director

MEF/db

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