



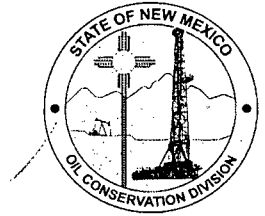
New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



March 15, 2011

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

Administrative Order NSL-6349

Re: Foster Eddy Well No. 34
API No. 30-015
2046 feet FNL & 315 feet FEL
Unit H, Section 17-17S-31E
Eddy County, New Mexico

Dear Ms. Holly:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-05454574**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 23, 2011, and

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

COG Operating, LLC [OGRID 229137] (COG) has requested to drill the above-referenced well as a directional well to the Yeso formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 2046 feet from the North line and 315 feet from the East line
(Unit H) of Section 17, Township 17S, Range 31E, NMPM,
Eddy County, New Mexico

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



Point of Penetration: 1630 feet from the North line and 382 feet from the East line
(Unit H) of said section

Terminus 1650 feet from the North line and 330 feet from the East line
(Unit H) of said section

The SE/4 NE/4 of Section 17 will be dedicated to the proposed well to form a standard, 40-acre oil spacing unit and project area in the undesignated Cedar Lake Glorieta-Yeso Pool (96831). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 330 feet from the northern boundary of the project area, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location due to surface concerns. It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, 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 5.9.

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 'J. Daniel Sanchez', with a stylized flourish at the end.

J. Daniel Sanchez
Acting Director

JDS/db

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