



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

October 5, 2007

COG Operating LLC  
Attn: Ms. Phyllis Edwards  
550 W. Texas Ave, Suite 1300  
Midland, TX 79701

**Administrative Order NSL-5695**

**Re: State S-19 Well No. 33  
Unit L, Section 19-17S-29E  
Eddy County**

Dear Ms Edwards:

Reference is made to the following:

(a) your application (**administrative application reference No. pDKB07-27735709**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 7, 2007, and

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

COG Operating LLC (COG) has requested to drill the above-referenced well at an unorthodox well location, 1650 feet from the South line and 1250 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. COG proposes to dedicate Lot 3 (NW/4 SW/4 equivalent) of Section 19 to this well in order to form a proposed non-standard 27.40-acre spacing and proration unit in the Empire-Glorieta/Yeso Pool (96210). This pool is governed by statewide Rule 104., which provides for 40-acres 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).

It is our understanding that you are seeking this location for geologic reasons.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because COG owns 100% of the working interest in the offsetting unit towards which the proposed location will encroach.

This approval is CONDITIONAL, HOWEVER, upon approval of the proposed 27.40-acre non-standard spacing and proration unit, which is the subject of a separate administrative application.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.  
Director

MEF/db

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