



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

January 15, 2008

Phyllis Edwards
Regulatory Analyst
COG Operating, LLC
550 W. Texas Avenue, Suite 1300
Midland, Texas 79701

RE: **Juniper State Well No. 5**
990 feet FSL, 100 feet FEL (Unit P) Section 17 Surface Location
990 feet FSL, 100 feet FEL (Unit P) Entry Point (Unorthodox)
990 feet FSL, 330 feet FWL (Unit M) Section 16 Terminus
SE/4SE/4 of Section 17, and SW/4SW/4 of Section 16, T-17 -S, R-30-E,
NMPM, Eddy County, New Mexico

Administrative Order NSL-5762

Dear Ms Edwards:

Reference is made to the following:

- (a) your application (**administrative application reference No. pKVR0729937364**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 23, 2007; and
- (b) the Division's records pertinent to COG's request.

COG Operating, LLC, requests to drill its Juniper State Well No. 5 at an unorthodox Empire; Yeso oil well location as referenced above in Sections 16 and 17, Township 17 South, Range 30 East, N.M.P.M., in Eddy County, New Mexico.

The SW/4SW/4 of Section 16 and the SE/4SE/4 of Section 17, Township 17 South, Range 30 East will be dedicated to this well to form 80-acre project area or oil spacing and proration unit. COG Operating, LLC, intends to test the Empire; Yeso Oil Pool. This pool is governed by the Division's Statewide Rules and Regulations which provide for wells on 40-acre spacing units to be located no closer than 330 feet to a quarter-quarter section line.

It is our understanding that this well had to be drilled at a non-standard location due to the presence of the Loco Hills Salt Water Disposal (SWD) facility in the area.

Your application has been duly filed under the provisions of Division Rule 104. F., and notice has been given as required by Rule 1210 A (2).

Pursuant to the authority granted under the provisions of Division Rule 104. F(2), the above-described unorthodox Empire; Yeso oil pool 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 black ink, appearing to read 'Mark E. Fesmire', followed by a horizontal line extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division - Artesia