



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: **Texaco BE Well No. 9H**
890 feet FNL, 2510 feet FEL (Unit B) Surface Location
890 feet FNL, 2510 feet FEL (Unit B) Entry Point (Unorthodox)
990 feet FNL, 330 feet FEL (Unit A) Terminus
N/2NE/4 of Section 16, T-17 -S, R-30-E,
NMPM, Eddy County, New Mexico

Administrative Order NSL-5761

Dear Ms Edwards:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS0729049762**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 16, 2007; and

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

COG Operating, LLC, requests to drill its Texaco BE Well No. 9H at an unorthodox Loco Hills; Glorieta-Yeso oil well location as referenced above in Section 16, Township 17 South, Range 30 East, N.M.P.M., in Eddy County, New Mexico.

The N/2NE/4 of Section 16 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 Loco Hills; Glorieta-Yeso Oil Pool (96718). 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.

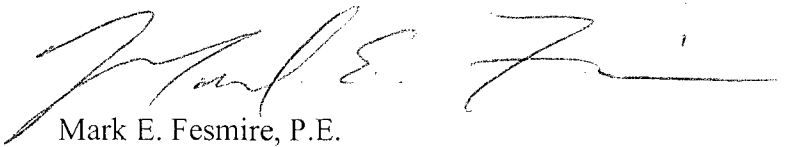
COG intends to drill this horizontal well in order to maximize hydrocarbon production from this pool.

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

Pursuant to the authority granted under the provisions of Division Rules 104. F(2), the above-described unorthodox Loco Hills; Glorita-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 long horizontal flourish.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division - Artesia