



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



October 5, 2009

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

Administrative Order NSL-5846-A

Re: MC Federal Well No. 33
API No. 30-025-39001
Unit O, Section 21-17S-32E
Lea County

Dear Ms. Edwards:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW09-27833211**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 1, 2009, and

(b) the Division's records pertinent to this request, including the Division's record pertinent to Order NSL-5846.

This order amends and supersedes Order NSL 5846, issued on June 10, 2008.

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: 1160 feet from the South line and 1430 feet from the East line
(Unit O) of Section 21, Township 17S, Range 32E, NMPM,
Lea County, New Mexico

Point of Penetration: 1555 feet from the South line and 1595 feet from the East line
(Unit J) of said section



Terminus 1664 feet from the South line and 1662 feet from the East line
 (Unit J) of said section

The NW/4 SE/4 of Section 21 will be dedicated to the proposed well to form a standard 40-acre, more or less, spacing unit and project area in the West Maljamar-Yeso Pool (44500). 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 southern and eastern boundaries 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).

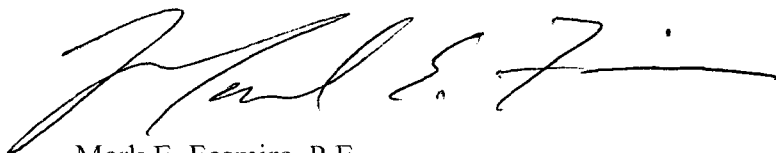
It is our understanding that you are seeking this location for geologic reasons. It is further understood that notice of this application to offsetting operators or owners is not required due to common ownership.

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 'Mark E. Fesmire', with a long horizontal stroke extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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