



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**

Governor

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Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division

November 17, 2010

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

**Administrative Order NSL-6302**

**Re: Burch Keely Unit Well No. 601**  
**API No. 30-015**  
**1697 feet FNL & 1332 feet FEL**  
**Unit G, Section 23-17S-29E**  
**Eddy County, New Mexico**

Dear Ms. Odom:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-32133333**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 17, 2010, and

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

COG Operating, LLC (COG) has requested to drill the above-referenced well as a directional well. The well will be drilled from the surface location described in the caption of this letter to an unorthodox bottom hole location in the Grayburg-Jackson; Seven Rivers-Queen-Grayburg-Sand Andres Pool, 1980 feet from the North line and 1330 feet from the East line (Unit G) of Section 23, Township 17 South, Range 29 East, in Eddy County, New Mexico. The SW/4 NE/4 of Section 23 will be dedicated to this well in order to form a standard 40-acre, more or less, spacing unit in the Grayburg-Jackson; Seven Rivers-Queen-Grayburg-Sand Andres Pool (28509).

Spacing in this pool is governed by statewide Rule 15.9, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. The proposed bottom hole location for this well is less than 330 feet from the eastern unit boundary.

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](http://www.emnrd.state.nm.us/ OCD)

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

It is our understanding that you are seeking this location to avoid interference with existing pipelines.

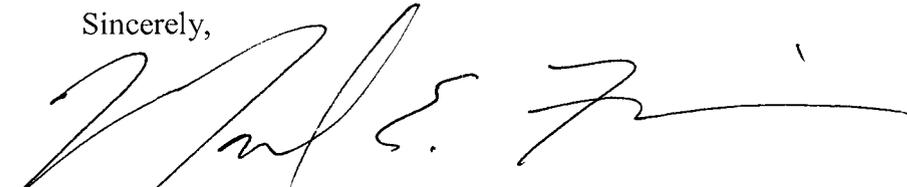
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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', written in a cursive style.

Mark E. Fesmire, P.E.  
Acting Director

MEF/db

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