



# New Mexico Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

*Daniel Sanchez*  
Acting Division Director  
Oil Conservation Division

**Harrison H. Schmitt**  
Cabinet Secretary-Designate



February 1, 2011

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

## Administrative Order NSL-6326

**Re: Continental State Well No. 5**  
**API No. 30-015**  
**990 feet FNL & 280 feet FWL**  
**Unit D, Section 15-27S-29E**  
**Eddy County, New Mexico**

Dear Ms. Holly:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-02151648**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 21, 2011, and

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

COG Operating, LLC [OGRID 229137] (COG) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The NW/4 NW/4 of Section 15 will be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the Grayburg Jackson; Seven Rivers-Queen Grayburg-San Andres Pool (28509). 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 less than 330 feet from the western unit boundary.

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

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)



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

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 'Daniel Sanchez', with a long horizontal flourish extending to the right.

Daniel Sanchez  
Acting Director

DS/db

cc: New Mexico Oil Conservation Division – Hobbs  
New Mexico State Land Office – Santa Fe