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*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

PATRICK H. LYONS  
COMMISSIONER

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

Amended Letter

January 3, 2007

Miller Stratvert P.A.  
P. O. Box 1986  
Santa Fe, NM 87504-1986

Attention: Mr. J. Scott Hall

Re: Application of COG Operating LLC to Expand the  
Vertical Limits of the Unitized Formation (Third Expansion) for the  
Grayburg-Jackson West Cooperative Unit Agreement  
Lea County, New Mexico

Dear Mr. Hall:

We are in receipt of your letter of December 22, 2006 requesting preliminary approval of the third amendment to the terms of the Grayburg-Jackson West Cooperative Unit Agreement to extend the vertical limits of the unitized formation to include all formations from the top of the Seven Rivers formation to the top of the Abo formation to include the Blinberry formation.

The Commissioner of Public Lands hereby grants preliminary approval to your request to amend the Grayburg-Jackson West Cooperative Unit Agreement.

When submitting your application for final approval please include the following:

1. Application for final approval together with the amended agreement form.
2. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
3. Amended Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
4. A copy of your 2007 Plan of Development.
5. A re-designation of well names and numbers or a listing of all wells (and API's) in the unit.
6. Please submit a revised Exhibit "B" if there have been changes made to any of the exhibits.

**-State Land Office Beneficiaries -**

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

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Your \$180.00 filing fee has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

PH/JB/pm

pc: Reader File,  
NMOCD – Attn: Mr. David Catanach