



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

30 015 34691

December 06, 2007

Phyllis Edwards
Regulatory Analyst
COG Operating, LLC
550 W. Texas Avenue, Suite 1300
Midland, Texas 79701

DEC 26 2007
OCD-ARTESIA

RE: **Mimosa State Well No. 4**
1403 feet FSL & 1103 feet FWL (Unit K) (Unorthodox)
NE/4SW/4 of Section 30, T-17 -S, R-29-E,
NMPM, Eddy County, New Mexico

Administrative Order NSL-5736

Dear Ms Edwards:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR0729928093**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 24, 2007; and

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

COG Operating, LLC, requests to drill its Mimosa State Well No. 4 at an unorthodox Empire; Yeso oil well location as referenced above in Section 30, Township 17 South, Range 29 East, N.M.P.M., in Eddy County, New Mexico.

The NE/4SW/4 of Section 30 will be dedicated to this well to form a standard 40-acre oil spacing and proration unit. COG Operating, LLC, intends to test the Empire; Yeso Oil Pool. 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.

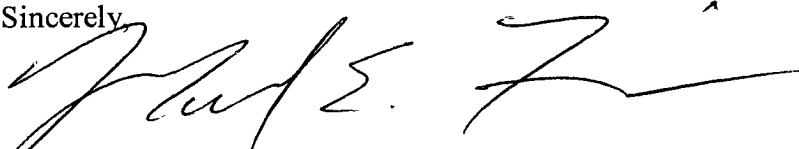
The location of the well is due to the presence of a pipeline in the area and COG does not wish to drill a directional well to cut drilling costs.

Your application has been duly filed under the provisions of Division Rules 104. F. It is our understanding that the offsetting acreage has interest ownership identical in all respects, therefore no notice of this application is required.

Pursuant to the authority granted under the provisions of Division Rules 104. F(2), the above-described unorthodox Empire; 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', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division - Artesia