



## 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



November 13, 2008

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

NOV 2 4 2008 OCD-ARTESIA

**Administrative Order NSL-5961** 

Re: Skelly Unit Well No. 986 API-No. 30-015-36446-

1650 feet FNL and 1550 feet FWL

Unit F. Section 22-17S-31E Eddy County, New Mexico

Dear Ms Odom:

Reference is made to the following:

- (a) your application (administrative application reference No. pKVR08-28957079) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 14, 2008, and
  - (b) the Division's records pertinent to this request.

COG Operating, LLC (COG) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The SE/4 NW/4 of Section 22 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Fren-Glorieta/Yeso Pool (26770). This pool is governed by statewide Rule 104.B(1), 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 104.F and 1210.A(2).

It is our understanding that you are seeking this location because of sand dunes.



November 13, 2008 Page 2

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 104.F(2), 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 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P.E.

Director

MEF/db

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