



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 12, 1997

Williams Production Company
c/o Walsh Engineering & Production Corp.
7415 East Main
Farmington, New Mexico 87402
Attention: Paul C. Thompson

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OIL CON. DIV.
DIST. 3

*Administrative Order NSL-3897
(Non-Standard Subsurface Location/Producing Area)*

Dear Mr. Thompson:

Reference is made to your application on behalf of the operator, Williams Production Company ("Williams"), dated September 5, 1997 for a non-standard infill subsurface gas producing area/bottomhole infill gas well location, pursuant to Division General Rules 104.F, 111.C(2), and 111.A(7), in an existing standard 320-acre gas spacing and proration unit ("GPU") comprising the W/2 of Section 13, Township 31 North, Range 6 West, NMPM, Rio Arriba County, New Mexico within the Blanco-Mesaverde Pool for Williams' proposed Rosa Unit Well No. 66-M (API No. 30-039-25747), to be drilled at surface location 2565 feet from the North line and 2350 feet from the West line (Unit F) of said Section 13. F-13-31-6

Said GPU is currently dedicated to Williams' Rosa Unit Well No. 10 (API No. 30-039-07964), located at a standard gas well location 890 feet from the South line and 990 feet from the West line (Unit M) of said Section 13.

It is our understanding that the proposed Rosa Unit Well No. 66-M is to be directionally drilled and completed in order to further develop both the Basin-Dakota and Blanco-Mesaverde Pools whereby the subsurface location within the deeper Basin-Dakota Pool is to be within a producing area that will be considered "standard", however the shallower Blanco-Mesaverde interval is to be within a producing area that will be considered "unorthodox".

The geological explanation submitted with this application indicates that directional drilling of the Rosa Unit Well No. 66-M is an attempt to intersect naturally occurring fractures in both pools.

All of said Section 13 and all of the surrounding sections thereto (Sections 11, 12, 14, 23, and 24 of Township 31 North, Range 6 West, NMPM, Rio Arriba County, New Mexico and Sections 7, 18, and 19 of Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico) are included in Williams Production Company's Rosa Unit Area in which Williams Production Company is the operator; therefore, there are no affected off set operators other than themselves.

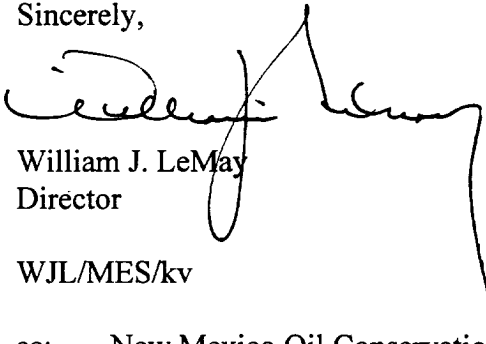
The applicable drilling window or "producing area" within the Blanco-Mesaverde Pool for said wellbore shall include that area within the subject 320-acre gas spacing and proration unit comprising the W/2 of said Section 13 that is:

- (a) no closer than 790 feet to the North, West, and South lines of the NW/4 of said Section 13; and,
- (b) no closer than 566 feet from the east line of the subject unit boundary.

By the authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-8170, as amended, the above-described non-standard subsurface infill gas producing area/bottomhole infill gas well location for the Rosa Unit Well No. 66-M is hereby approved.

The operator shall comply with all provisions of Division General Rule 111 applicable in this matter.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Aztec ✓
U. S. Bureau of Land Management - Farmington, New Mexico