

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey
Division Director
Oil Conservation Division



August 30, 2011

Williams Production Company Attn: Ms. Heather Riley P.O. Box 640 Aztec, NM 87410

Administrative Order SD-201116

Re: Rosa Unit Well No. 243A

API No. 30-039-29509

1030 feet FNL & 1920 feet FWL

Unit C, Section 36, Twsp 32N, Range 6W

Rio Arriba County, New Mexico

Dear Ms. Riley:

Reference is made to the following:

- (a) your application (administrative SD application reference No. pTGW11-21749751) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 5, 2011; and
 - (b) the Division's records pertinent to your request.

Williams Production Company [OGRID 120782] (Williams) has requested to simultaneously dedicate the W/2 of Section 36, Township 32 North, Range 6 West in Rio Arriba County, New Mexico, in the Basin Fruitland Coal Gas Pool (71629), to:

(a) its proposed Rosa Unit Well No. 243A (API No. 30-039-29509) (the proposed well), a horizontal gas well to be drilled from a surface location 1030 feet from the North line and 1920 feet from the West line (Unit C) of Section 36 to point of penetration of the Basin Fruitland Coal Gas Pool, 1527 feet from the North line and 1975 feet from the West line (Unit F) of said



section, and thence to a terminus, or bottom-hole location, 1250 feet from the South line and 2159 feet from the West line (Unit N) of said section; and

(b) its existing Rosa Unit Well No. 243 (API No. 30-039-24367) (the existing well), a vertical gas well drilled to the Basin Fruitland Coal Gas Pool, located 1150 feet from the South line and 910 feet from the West line (Unit M) of Section 36.

The W/2 of Section 36 is a standard 320-acre gas spacing unit in the Basin Fruitland Coal Gas Pool. Applicable well density rules for this pool allow two wells to be completed in the unit, but require that the wells be in different quarter sections. Because the proposed well will be completed within both quarter sections of this 320-acre unit, including the northeast quarter, in which the existing well is also completed, division approval for simultaneous dedication is required.

Your application has been duly filed under the provisions of Division Rules 15.11.C [19.15.15.11.C NMAC] and 4.12.A [19.15.4.12.A NMAC].

It is our understanding you have proposed the simultaneous dedication of this unit to the two wells described for geological reasons, in order to prevent waste and maximize production from this unit. We further understand that all affected persons in offsetting units within the Fruitland Coal formation have been duly notified of this application.

Pursuant to the authority granted by Rule 15.11.C, the above-described simultaneous dedication is herby approved.

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

Sincerely,

Jami Bailey Director

JB/db

cc: New Mexico Oil Conservation Division – Aztec United States Bureau of Land Management