

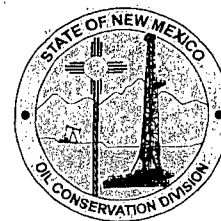


# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



June 3, 2009

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

## Administrative Order NSL-6037

**Re: Rosa Unit Well No. 164C  
API No. 30-039-30109  
1840 feet FSL and 865 feet FEL  
Unit J, Section 1-31N-6W  
Rio Arriba County, New Mexico**

Dear Ms Riley:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-13349561**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on May 13, 2009,

(b) email correspondence in this file, including, specifically, email from Steve Hayden to Ralph Hawks and David Brooks, dated June 2, 2009, and

(c) the Division's records pertinent to this request.

Williams Production Company (Williams) [OGRID 120782] has requested to complete the above-referenced directional well (surface location described in the caption of this letter) at an unorthodox bottom hole location in the Mancos and Dakota formations, 204 feet from the South line and 929 feet from the East line (Unit O) of Section 1, Township 31 North, Range 6 West, in Rio Arriba County, New Mexico. All of Section 1 will be dedicated to this well in order to form a non-standard 306-acre, more or less, spacing unit in the Basin-Mancos Gas Pool (97232) and in the Basin-Dakota Gas Pool (71599).

Spacing Basin Mancos Gas Pool is governed by the Special Rules for the Basin-Mancos Gas Pool, as promulgated in Order R-12984, issued on September 3, 2008, which provide for



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320-acre units, with wells located at least 660 feet from a unit outer boundary. Spacing in the Basin Dakota Gas Pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as most recently amended by Order No. R-10987-B(2), which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary.

This location is less than 660 feet from the southern unit boundary, and therefore unorthodox in both pools.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

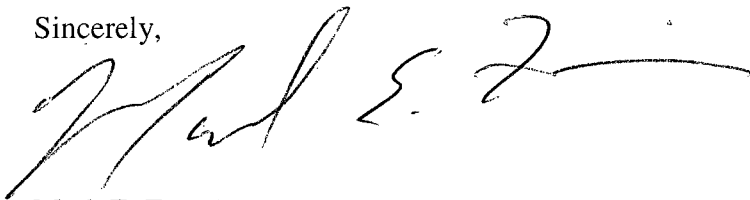
It is our understanding that you are seeking this location in order to utilize an existing wellbore that was previously completed in another formation.

It is also understood that no notice of this application to offsetting owners or operators is necessary due to common ownership.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox 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', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.  
Director

MEF/db

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