

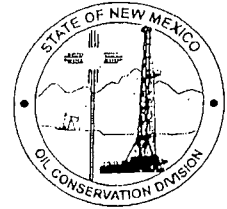
New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 18, 2010

Ms. Ocean Munds-Dry
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, NM 87504

Re: Application of Williams Production Co. LLC for Approval of a Closed-Loop System for the Rosa SWD Well No. 2 and for the In-Place Burial of Drilling Wastes or an Alternative Closure Method and/or Exception to the Pit Rule, Rio Arriba County, New Mexico

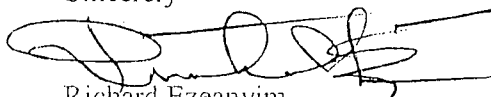
Dear Ocean:

The referenced application appears to seek exceptions to various provisions of 19.15.17 NMAC (also known as "the pit rule").

Rule 17.15 prescribes an administrative procedure for requesting exceptions to provisions of the pit rule. That procedure is commenced by filing an application with the Environmental Bureau in the Division's Santa Fe office.

Because it is apparent that Williams has not exhausted its administrative remedies as provided in Rule 19.15.17.15, this application will not be docketed or set for hearing at this time. If Williams files an application with the Environmental Bureau and that application is denied, Williams will then be entitled to a hearing pursuant to Section 17.15.A(5).

Sincerely


Richard Ezeanyim
Chief Engineer

*Before the OCC
Case 14521
Williams Production Co., LLC
OCD Exhibit 16*

