



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 30, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

Attention: **John C. Thompson**
john@walsheng.net

Administrative Order NSL-5101

Dear Mr. Thompson:

Reference is made to the following: (i) your application on behalf of the operator, Williams Production Company, L.L.C. ("Williams") that was submitted to the New Mexico Oil Conservation Division ("Division") on August 23, 2004 (*administrative application reference No. pSEM0-423728836*); (ii) your e-mail to Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the Division in Santa Fe on Friday, August 27, 2004; and (iii) the Division's records in Aztec and Santa Fe: all concerning Williams's request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for a non-standard infill gas well location within an existing 320-acre standard lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629) comprising the N/2 of Section 33, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

This unit is currently dedicated to William's Rosa Unit Well No. 268 (API No. 30-039-24970), located at a standard gas well location 950 feet from the North line and 2350 feet from the East line (Unit B) of Section 33.

Williams Production Company, L.L.C.

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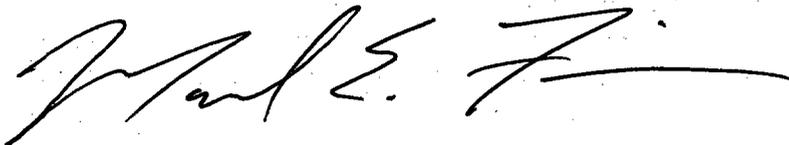
By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described unorthodox infill gas well location to be drilled within this 320-acre coal gas spacing unit is hereby approved:

**Rosa Unit Well No. 268-A
1975' FNL & 440' FWL (Unit E)
(API No. 30-039-27831).**

Further, Williams is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing Rosa Unit Well No. 268 with the proposed Rosa Unit Well No. 268-A.

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

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/mes

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