



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

June 26, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Telefax No. (505) 327-9834

Attention: John C. Thompson
john@walsheng.net

Administrative Order NSL-4905

Dear Mr. Thompson:

Reference is made to the following: (i) your application on behalf of the operator, Williams Production Company ("Williams") that was submitted to the New Mexico Oil Conservation Division ("Division") on May 29, 2003 (***administrative application reference No. pMES0-315056767***); (ii) Mr. Michael E. Stogner's, Engineer/Chief Hearing Officer in Santa Fe, telephone conversation with Mr. William F. Carr, Legal Counsel for Williams in Santa Fe, on Thursday afternoon May 29, 2003; 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 272.32-acre standard lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (**71629**) comprising Lots 3 and 4, the SW/4, and the W/2 SE/4 of Section 25, Township 31 North, Range 6 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. 218 (**API No. 30-039-24497**), located at standard coal gas well location 1625 feet from the South line and 1940 feet from the West line (Unit K) of Section 25.

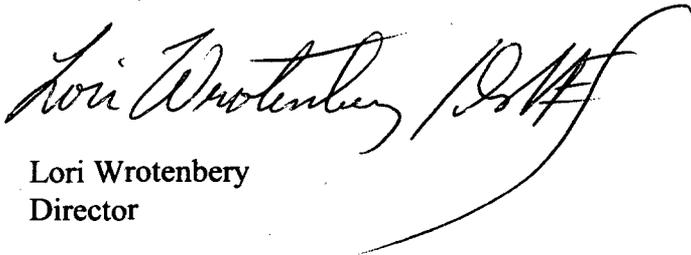
By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described well to be drilled as an unorthodox infill coal gas well on this 272.32-acre gas spacing unit is hereby approved:

Rosa Unit Well No. 218-A
2315' FSL & 860' FEL (Unit J)
(API No. 30-039-27421).

Further, Williams is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing Rosa Unit Well No. 218 with the proposed Rosa Unit Well No. 218-A.

Jurisdiction of this cause 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 "Lori Wrotenbery" followed by a stylized flourish or initials.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management - Farmington
William F. Carr, Legal Counsel for Williams Production Company – Santa Fe