



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 8, 2003

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

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

Administrative Order NSL-4911

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") by telefax on July 1, 2003 (*administrative application reference No. pPLR0-318239255*); (ii) your e-mail concerning this application to Mr. Michael E. Stogner's, Engineer/Chief Hearing Officer in Santa Fe on Tuesday morning, July 1, 2003; (iii) your telephone conversation with Mr. Stogner on Thursday morning July 3, 2003; (iv) the supplemental information submitted by telefax on July 3, 2003; and (v) the Division's records in Aztec and Santa Fe: all concerning Williams's request for an exception to the well location and well density requirements [subparts II.B (1) (a) and II.C (1)] provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002, for a non-standard first optional infill gas well location in the same quarter section as the initial well within an existing 272.32-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool (71599) comprising Lots 3 and 4, the SW/4, and the W/2 SE/4 (S/2 equivalent) of Section 25, Township 31 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

This unit is currently dedicated to Williams's Rosa Unit Well No. 59 (API No. 30-039-23270), located within the SW/4 of Section 25 at a standard gas well location 1120 feet from the South line and 1560 feet from the West line (Unit N) of Section 25.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable provisions of the Basin-Dakota special pool rules [see subpart II.B (1) (d)].

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 25 is hereby approved:

Rosa Unit Well No. 160-B
1425' FSL & 50' FWL (Unit L)
(API No. 30-039-26962).

Further, the proposed Rosa Unit Well No. 160-B and existing Rosa Unit Well No. 59 and existing 272.32-acre Dakota gas spacing and proration unit shall be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

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