



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

August 18, 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-4937

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 August 1, 2003 (*administrative application reference No. pMES0-321758981*); (ii) your e-mail to Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the Division in Santa Fe on Thursday, August 14, 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 320-acre standard stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629) comprising the E/2 of Section 26, 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. 211 (API No. 30-039-24430), located at a standard gas well location 2275 feet from the North line and 1410 feet from the East line (Unit G) of Section 26.

August 18, 2003

Page 2

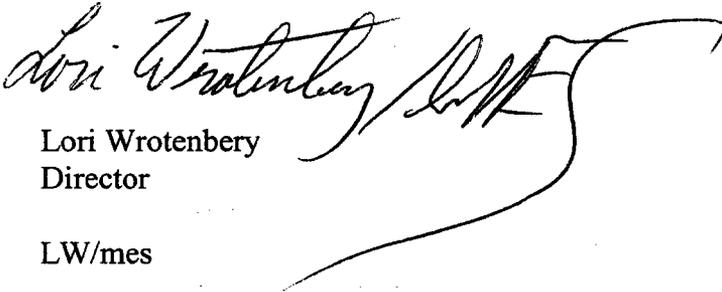
By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described unorthodox infill gas well location to be drilled within this 320-acre coal gas spacing unit is hereby approved:

**Rosa Unit Well No. 211-A
1440' FSL & 25' FEL (Unit I).**

Further, Williams is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing Rosa Unit Well No. 211 with the proposed Rosa Unit Well No. 211-A.

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

Sincerely,



Lori Wrotenbery
Director

LW/mes

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