



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



July 25, 2008
Administrative Order NSL-5883

Williams Production Company, LLC
Attention: Ms. Heather Riley
P.O. Box 640
Aztec, NM 87410

RCVD AUG 6 '08
OIL CONS. DIV.
DIST. 3

RE: Williams' NSL Application: Rosa Unit Well No. 381A (API No. 30-039-30236)

Lot M, 430' FSL, 1120' FWL, Unit M (Surface Location)
W/2 of Section 11, T31N, 5W, NMPM, Rio Arriba, NM
Lot P, 660 FSL, 50' FEL, Unit M (Bottom Hole Location)
E/2 of Section 10, T31N, R6W, NMPM, Rio Arriba, NM
320 Acre Gas Spacing Unit
Basin Fruitland Coal Pool (71629)

Dear Ms. Riley;

Reference is made to the following:

- (a) Williams Production Company ("Williams") application for a non-standard gas well location (**administrative application reference No. *pKVR0817253806***) for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 20, 2008; and
- (b) the Division's records pertinent to Williams' request.

Williams has requested authority to drill the above referenced well at this non-standard location in order to capture gas reserves from the Fruitland Coal Formation. Due to topographical constraints the well surface location is in the W/2 of Section 11 and the bottom hole location will be in the SE/4 of Section 10. Pursuant to Order No. R-8768-B, as amended, this location is non-standard to the east by 610 feet.



Administrative Application: NSL-5883
Williams Production Company
July 25, 2008
Page 2 of 2

This unit is currently dedicated to William's Rosa Unit Well No. 381 (**API No. 30-039-27041**), located at a non-standard gas well surface location 1425 feet from the North line and 495 feet from the West line (Unit E) of Section 11 and a bottom hole location of 1425 feet from the North line and 10 feet from the East line (Unit H) of Section 10.

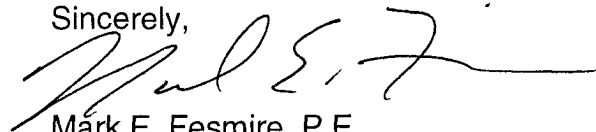
It is our understanding that notice of this application to offsetting operators or owners is unnecessary because working interest ownership is 100% Williams between the subject unit and the offsetting unit towards which this location will encroach.

Pursuant to the authority granted under the provisions of Division Rule 104.F(2), the above-described unorthodox location for all gas producing pools spaced on 320 acres, including but not limited to the Basin Fruitland Coal Gas Pool (71729) is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

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

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/tw

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