



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 8, 2010

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

Administrative Order NSL-6160

Re: Cox Canyon Well No. 7B
API No. 30-045-33022
1140 feet FNL and 1560 feet FWL
Unit C, Section 17-32N-11W
San Juan County, New Mexico

Dear Ms. Riley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-04646044**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 15, 2010, and

(b) the Division's records pertinent to this request.

Williams Production Company [OGRID 120782] (Williams) has drilled the above-referenced well as a directional well to the Mesa Verde formation at a non-standard bottom hole location 638 feet from the North line and 2082 feet from the West line of Section 17, Township 32 North, Range 11 West, NMPM, in San Juan County, New Mexico.

The W/2 E/2 and the E/2 W/2 of Section 17 will be dedicated to the proposed well. This is an existing, non-standard 320-acre, more or less, gas spacing and proration unit in the Blanco Mesa Verde Gas Pool (72319), established by Administrative Order NWU-162, issued on February 16, 1956. Spacing in this pool is governed by Rules I.A and I.C of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1), effective December 2, 2002, which generally provide for 320-acres units, with wells located at least 660 feet from a unit outer boundary. This location is unorthodox because the bottom hole location is less than 660 feet from the northern unit boundary.



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Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

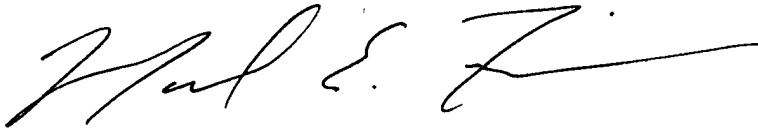
It is our understanding that you are seeking this location because the wellbore was inadvertently deviated farther to the north than intended. It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location 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 5.9.

Jurisdiction of this case 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 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management