



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

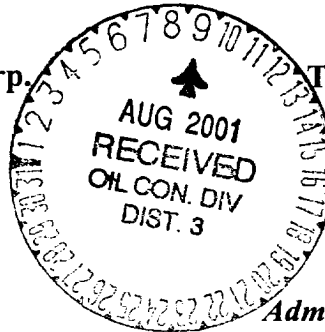
GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

August 3, 2001

Lori Wrotenberg
Director
Oil Conservation Division

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

Attention: John C. Thompson



Telefax No. (505) 327-9834

Administrative Order NSL-4622

Dear Mr. Thompson:

Reference is made to the following: (i) Williams Production Company's ("Williams") original application (*application reference No. pKRV0-109635851*) filed by Mr. Steve Nelson that was submitted to the New Mexico Oil Conservation Division ("Division") on April 4, 2001; (ii) the Division's responses by letters dated May 7 and 22, 2001 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe **denying** this application; (iii) your re-submittal of this application to the Division on May 24, 2001 (*application reference No. pKRV0-115537241*); (iv) your undated letter to Mr. Steve Hayden that was forwarded to the Santa Fe office on August 3, 2001; and (v) the Division's records in Aztec and Santa Fe: all concerning Williams's request for an exception to the well location requirements 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 Order No. R-10987-B (1), dated August 10, 2000, for a non-standard infill gas well location within an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the W/2 of Section 17, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Williams's Rosa Unit Well No. 68 (**API No. 30-039-22123**), located at a standard initial gas well location 1850 feet from the South line and 790 feet from the West line (Unit L) of Section 17.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

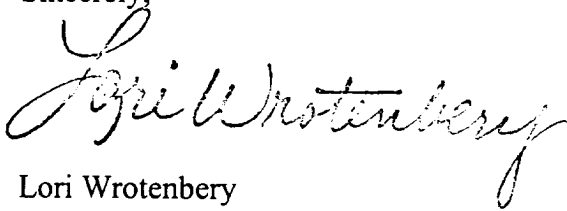
By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 17 is hereby approved:

Rosa Unit Well No. 31-B
570' FNL & 515' FWL (Unit D) - 17-31-5
(API No. 30-039-26579)

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Further, both of the aforementioned Rosa Unit Wells No. 68 and 31-B and existing gas spacing and proration unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in cursive script, reading "Lori Wrotenbery". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Lori Wrotenbery
Director

LW/MES/kv

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