



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 31, 2002

Williams Production Company
c/o Walsh Engineering & Production Corp.
7415 East Main
Farmington, New Mexico 87402
Attention: John C. Thompson
walsh2@cyberport.com

Telefax No. (505) 327-9834

Administrative Order NSL-4742

Dear Mr. Thompson:

Reference is made to the following: (i) your initial application on behalf of the operator, Williams Production Company ("Williams") that was submitted to the New Mexico Oil Conservation Division ("Division") on April 12, 2002 (*reference No. pKRV0-210533746*); (ii) the Division's response by letter dated May 21, 2002 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 28, 2002; (iv) your telephone conversations with Mr. Stogner on Friday, May 31, 2002; 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 Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002, for a non-standard infill gas well location within an existing standard 320-acre, more or less, stand-up gas spacing and proration unit for the Basin-Dakota Pool (**71629**) comprising the W/2 equivalent of Section 22, Township 31 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Williams's Rosa Unit Well No. 79 (**API No. 30-039-22539**), located at a standard gas well location 1800 feet from the South line and 1780 feet from the West line (Unit K) of Section 22.

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 22 is hereby approved:

Rosa Unit Well No. 79-B
975' FNL & 2600' FWL (Unit C) - 29-31N-6W
(API No. 30-039-26920).

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Further, both of the aforementioned Rosa Unit Wells No. 79 and 79-B and existing Dakota 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 black ink, appearing to read "Lori Wrotenbery", with a long, sweeping horizontal line extending from the end of the signature across the page.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington
William F. Carr - Santa Fe