OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

March 30, 2000

Williams Production Company P. O. Box 3102 Tulsa, Oklahoma 74101 Attention: M. Vern Hansen

Administrative Order NSP-1816

Dear Mr. Hansen:

Reference is made to the following: (i) your initial one page application dated March 8, 2000 that was subsequently deemed incomplete; (ii) the New Mexico Oil Conservation Division's ("Division") initial response from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer in Santa Fe, by letter dated March 22, 2000; (iii) your letter dated March 28, 2000 with the required information attached necessary to complete your request; and (iv) the Division's records in Santa Fe: all concerning Williams Production Company's ("Williams") request to form two lay-down non-standard gas spacing and proration units in the Blanco-Mesaverde Pool within Irregular Section 18, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, as described below:

- (1) Lots 1 and 2 and the NE/4 of Irregular Section 18 comprising 231.89 acres (being 72.46% the size of a regular 320-acre unit for this pool) is to be dedicated to Williams': (i) existing Rosa Unit Well No. 22 (API No. 30-039-07971), located at a standard gas well location 890 feet from the North line and 800 feet from the East line (Unit A) of Section 18; and (ii) proposed Rosa Unit Well No. 22-A to be drilled at a standard gas well location 880 feet from the North line and 260 feet from the West line (Lot 1/Unit D) of Section 18.
- (2) Lots 3 and 4 and the SE/4 of Irregular Section 18 comprising 231.83 acres (being 72.45% the size of a regular 320-acre unit for this pool) is to be dedicated to Williams': (i) proposed Rosa Unit Well No. 182 to be drilled at a standard gas well location 1085 feet from the South line and 790 feet from the West line (Lot 4/Unit N) of Section 18; and (ii) proposed Rosa Unit Well No. 182-A to be drilled at a standard gas well location 1070 feet from the South and East lines (Unit P) of Section 18.

This request has been duly filed under the provisions of Division Rules 605.B and 104.D (2) and the applicable provisions of the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A.

By the authority granted me under the provisions of Division Rule 104.D (2) (b), the two

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above-described non-standard gas spacing and proration units in the Blanco-Mesaverde Pool are hereby approved.

Further, both units will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery

Director

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cc: New Mexico Oil Conservation Division - Aztec

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U. S. Bureau of Land Management - Farmington