

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
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Cabinet Secretary-Designate

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



August 22, 2011

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

Administrative Order SD-201114

Re: Rosa Unit Well No. 354
API No. 30-039-26412
2127 feet FNL & 2010 feet FEL
Unit G, Section 19, Twsp 31N, Range 4W
Rio Arriba County, New Mexico

Dear Ms. Riley:

Reference is made to the following:

(a) your application (**administrative SD application reference No. pTGW11-20844238**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 27, 2011; and

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

Williams Production Company [OGRID 120782] (Williams) has requested to simultaneously dedicate an existing standard gas spacing unit consisting of the E/2 Section 19, Township 31 North, Range 4 West in Rio Arriba County, New Mexico, in the Basin Fruitland Coal Gas Pool (71629), to:

(a) its Rosa Unit Well No. 354 (API No. 30-039-26412) (the proposed well), an existing vertical well that it proposes to re-complete as a horizontal gas well, to be drilled from a surface location 2127 feet from the North line and 2010 feet from the East line (Unit G) of Section 19 to point of penetration of the Basin Fruitland Coal Gas Pool, 2523 feet from the North line and 2068 feet from the East line (Unit G) of said section, and thence to a terminus, or bottom-hole



location, 150 feet from the South line and 2458 feet from the East line (Unit O) of said section; and

(b) its existing Rosa Unit Well No. 354A (API No. 30-039-27832) (the existing well), a vertical gas well drilled to the Basin Fruitland Coal Gas Pool, located 1330 feet from the South line and 835 feet from the East line (Unit I) of Section 19.

The E/2 of Section 19 is a standard 320-acre, more or less, gas spacing unit in the Basin Fruitland Coal Gas Pool. Applicable well density rules for this pool allow two wells to be completed in the unit, but require that the wells be in different quarter sections. Because the proposed well will be completed within both quarter sections of this 320-acre unit, including the quarter section in which the existing well is also completed, division approval for simultaneous dedication is required.

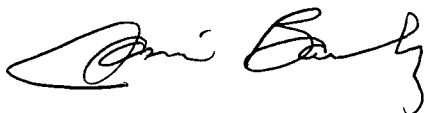
Your application has been duly filed under the provisions of Division Rules 15.11.C [19.15.15.11.C NMAC] and 4.12.A [19.15.4.12.A NMAC].

It is our understanding you have proposed the simultaneous dedication of this unit to the wells described for geological reasons, in order to prevent waste and maximize production from this unit. We further understand that all affected persons in offsetting units within the subject pool have been duly notified of this application.

Pursuant to the authority granted by Rule 15.11.C, the above-described simultaneous dedication is hereby approved.

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 "Jami Bailey", with a stylized flourish at the end.

Jami Bailey
Director

JB/db

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