



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 12, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Williams Production Company, L.L.C.
c/o **Holland & Hart, L.L.P.**
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: William F. Carr
wcarr@hollandhart.com

Administrative Order NSL-5232

Dear Mr. Carr:

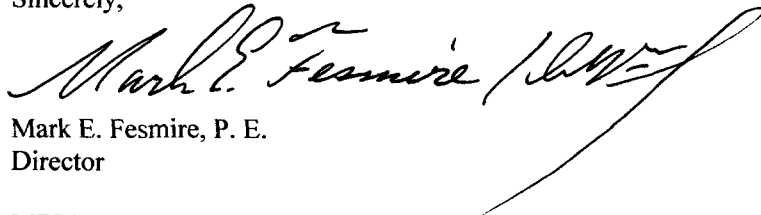
Reference is made to the following: (i) your application that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 8, 2005 (*administrative application reference No. pSEM0-516028460*); and (ii) the Division's records in Aztec and Santa Fe: all concerning Williams Production Company, L. L. C.'s ("Williams") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for the proposed Rosa Unit Com. Well No. 376 (**API No. 30-039-27834**) to be drilled 2120 feet from the North line and 1835 feet from the East line (Unit G) of Section 25, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

The N/2 of Section 25 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing unit within the Basin-Fruitland Coal (Gas) Pool (**71629**).

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*;" and (ii) Division Rules 104.F and 1207.A (2).

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the above-described unorthodox coal gas well location for Williams' proposed Rosa Unit Com. Well No. 376 to be drilled as the spacing unit's initial coal gas well is hereby approved.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

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