

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 8, 2007

Williams Production Company
P.O. Box 3102 MS 25-2
Tulsa, Oklahoma 74101

Attention: Ms. Tracy Ross

Re: **Rosa Unit Well No. 360**

API No. 30-039-29882

Surface Location: 310' FNL & 150' FWL, Unit D, Section 16

Bottomhole Location: 666' FSL & 654' FWL, Unit M, Section 9

Both in Township 31 North, Range 5 West, NMPM,

Rio Arriba County, New Mexico

Administrative Order NSL-5562

Dear Ms. Ross:

Reference is made to the following:

- (a) Williams Production Company's ("Williams") application for a non-standard well location (*administrative application reference No. pTDS0702450486*) for the Rosa Unit Well No. 360 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on January 23, 2007; and
- (b) the Division's records pertinent to Williams's request.

Williams requests authority for an unorthodox bottomhole well location in the **Basin-Fruitland Coal Gas Pool** (71629) for its existing Rosa Unit Well No. 360 which has been drilled from a surface location 310 feet from the North line and 150 feet from the West line (Unit D) of Section 16, to an unorthodox bottomhole location 666 feet from the South line and 654 feet from the West line (Unit M) of Section 9, both in Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. The W/2 of Section 9 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit ("GPU") in the Basin-Fruitland Coal Gas Pool. The Basin-Fruitland Coal Gas Pool is currently governed by special pool rules established by Division Order No. R-8768, as amended. Pursuant to these rules, wells that are located within federal exploratory units may be drilled no closer than 660 feet to the outer boundary of the federal exploratory unit, nor closer than 10 feet from any section, quarter-section, or interior quarter-quarter section line or subdivision inner boundary, provided that:

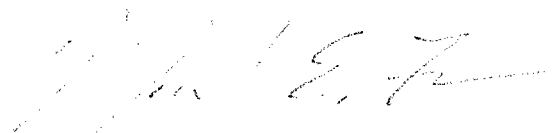
- (a) if the well is located within the federal exploratory unit but adjacent to an existing or prospective GPU containing a non-committed tract or partially committed tract, the well shall be located no closer than 660 from the outer boundary of its GPU;
- (b) if the well is located within a participating area (PA) but adjacent to an existing or prospective GPU that is not within the same PA, the well shall be located no closer than 660 feet from the outer boundary of the PA;
- (c) if the well is located within the federal exploratory unit but in an existing or prospective GPU that is a non-participating GPU, the well shall be located no closer than 660 feet from the outer boundary of its GPU.

The subject well is slightly unorthodox with respect to the distance from the West boundary of its GPU. The subject well is located within the Rosa Unit, as is the affected offset acreage. Williams stated that it operates the affected offset acreage in the Basin-Fruitland Coal Gas Pool, consequently, the applicant was not required, and did not provide notice of its application to any party.

Division records show that the Rosa Unit Well No. 360 will be the only well producing from the Basin-Fruitland Coal Gas Pool within the W/2 of Section 9.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox bottomhole gas well location in the Basin-Fruitland Coal Gas Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MES/drc

cc: New Mexico Oil Conservation Division - Aztec
Bureau of Land Management-Farmington