



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 10, 2007

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

Administrative Order NSL-5699

**Re: Rosa Unit Well No. 85C
API No. 30-039-30220
Unit A, Section 20-31N-5W
Rio Arriba County**

Dear Ms Riley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-25055565**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 5, 2007,

(b) your supplemental communication dated October 9, 2007, and

(c) the Division's records pertinent to this request.

Williams Production Company (Williams) has requested to complete the above-referenced well as a directional well in the Dakota formation. The well was drilled from an orthodox surface location 685 feet from the North line and 835 feet from the East line (Unit A) of Section 20, Township 31 North, Range 5 West, N.M.P.M., in Rio Arriba County, New Mexico, to an unorthodox bottom hole location in the Dakota formation, 2310 feet from the North line and 330 feet from the East line (Unit H) of said section. The N/2 of Section 20 will be dedicated to this well in order to form a standard 320-acre spacing unit in the Basin Dakota Gas Pool (71599). Spacing in this pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as amended by Order No. R-10987-B(2), which generally provide for 320-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the eastern and southern unit boundaries.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location for geologic reasons, based on your interpretation of the drainage patterns of existing Dakota wells.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because ownership of the working interest in the offsetting units towards which this unit encroaches is identical to the subject unit.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location 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 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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