



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 17, 2007

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

Administrative Order NSL-5701

Re: Rosa Unit Well No. 153C
API No. 30-039-30197
Unit C, Section 17-31N-5W
Rio Arriba County

Dear Ms Riley:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTDS07-26040155**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 14, 2007,
- (b) your supplemental communication dated October 17, 2007, and
- (c) the Division's records pertinent to this request.

Williams Production Company (Williams) has requested to drill the above-referenced well as a directional well from the surface location described in the caption of this letter to an unorthodox bottom hole location in the Dakota formation, 1650 feet from the North line and 2310 feet from the East line (Unit G) of Section 17, Township 31 North, Range 5 West, in Rio Arriba County, New Mexico. The E/2 of Section 17 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 feet from the eastern unit boundary.

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

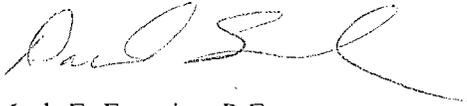
It is our understanding that you are seeking this location for geologic reasons, to avoid interfering with the drainage patterns of existing Dakota wells.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 1210.A(2), in all adjoining units towards which the proposed bottom-hole location encroaches.

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,



 Mark E. Fesmire, P.E.
Director

MEF/db

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