



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 4, 2008

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

Administrative Order NSL-5777

Re: Rosa Unit Well No. 80B
API No. 30-039-30184
1565 feet FNL, 835 feet FWL
Unit E, Section 8-31N-5W
Rio Arriba County

Dear MS. Riley:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-01131146**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 11, 2008, and

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

Williams Production Co., LLC (Williams) has requested to complete 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, 590 feet from the North line and 737 feet from the West line (Unit D) of Section 8, Township 31 North, Range 5 West, in Rio Arriba County, New Mexico. The W/2 of Section 8 will be dedicated to this well in order to form a standard 320-acre gas spacing and proration 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 most recently amended by Order No. R-10987-B(2), which generally provide for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the northern 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 because of an inadvertent deviation of this direction well from its intended bottom hole location 660 feet from the north line. The well will also be completed in the Blanco-Mesaverde Gas Pool, but the completion location in that pool will be standard.

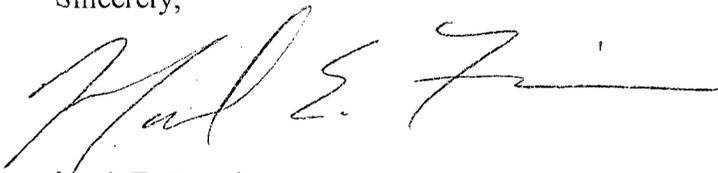
It is also understood that notice of this application to offsetting operators or owners is unnecessary because working interest ownership of the offsetting spacing unit towards which this location encroaches is identical with the subject unit.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

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