



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 30, 2008

Administrative Order NSL-5693-A

Williams Production Company
c/o Holland & Hart, LLP
P.O. Box 2208
Santa Fe, NM 87504-2208

Attn: Ms Ocean Munds-Dry, Attorney

Re: Williams' NSL Application:

Rosa Unit Well No. 60B (API 30-045-34251)
1450' FWL, 275' FSL, N-4-31N-6W NMPM
San Juan County, New Mexico
320 Acre, Gas Spacing Unit
 Proposed Basin Mancos Gas Pool (97232)
 Blanco Mesaverde Gas Pool (72319)
 Basin Dakota Gas Pool (71599)
160 Acre, W/C Gas Spacing Unit
 Wildcat Basin Mancos Gas Pool (97232)

Dear Ms Munds-Dry:

Reference is made to the following:

(a) Williams Production Company ("Williams") application for a non-standard gas well location (*administrative application reference No. pKVR0808540678*) for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 24, 2008;

and

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



Williams Production Company, LLC (Williams) has requested authority to drill the above referenced unorthodox gas well at this non-standard location in order to capture gas reserves from the Mesaverde, Dakota and Mancos in a single wellbore. Williams expects marginal reserves from the Mancos. This multiple completion will help capture the additional Mancos reserves that would not be economical on its own. Allowing a small resource to be developed in conjunction with Basin Dakota and Blanco Mesaverde.

The 343.23 acre Basin Dakota spacing unit consists of the entire Irregular Section 4, except for Tract 37. This non-standard unit was previously approved under Division Administrative Order NSL-5693, dated October 3, 2007, authorized, in part, Williams to drill the above described Rosa Unit Well No. 60B only as an unorthodox Dakota.

The Blanco Mesaverde spacing unit is 346.29 acre consisting of the entire section of this Irregular Section 4.

The shallower Wildcat Basin Mancos in Irregular Section 4 is currently governed by Division Rule 104(C) which requires standard 160 acre spacing.

The well location is to be only 275 feet from the south line of all irregular Section 4 (being the S/2 equivalent) and will be non-standard for both 160 and 320 acre gas pools in the northwest since it is less than 660 feet from the boundary of the quarter section in which it is located.

Williams stated in its application that it operates all of the affected offset acreage and that interest ownership within the proposed proration unit and the affected offset acreage is common throughout. Accordingly, the applicant was not required, and did not provide notice of its application to any offset operator and/or interest owner.

It is understood that drilling and producing Rosa Unit Well No. 60B at this location prevents waste and is in the best interest of conservation.

Pursuant to the authority granted under the provisions of Division Rule 104.F(2), the above-described unorthodox location for all gas producing pools spaced on 320 acres, including but not limited to the Blanco Mesaverde Gas Pool (72319), the Basin Dakota Gas Pool (71599) and for the Proposed Basin Mancos Gas Pool (97232) and 160 acre Wildcat Basin Mancos Pool 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.

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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', followed by a horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/tw

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