

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



July 25, 2008
Administrative Order NSL-5882

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

RE: Williams' NSL Application: Rosa Unit Well No. 374 (API No. 30-039-30112)

1145' FNL, 2305' FEL, Unit B (non-standard for gas production)
NE/4 of Section 16, T31N, R5W, NMPM, Rio Arriba County, NM
320 Acre Gas Spacing Unit (E/2 of Section 16)
Basin Fruitland Coal Pool (71629)

Dear Ms. Riley;

Reference is made to the following:

- (a) Williams Production Company ("Williams") application for a non-standard gas well location (***administrative application reference No. pKVR0817943500***) for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 26, 2008; and
- (b) the Division's records pertinent to Williams' request.

Williams has requested authority to drill the above referenced well at this non-standard location in order to capture gas reserves from the Fruitland Coal Formation. The E/2 of Section 16, a standard 320.00 acre spacing unit is dedicated to the well. The well location is to be only 336.98 feet from the west line of the E/2 of Section 16 and will be non-standard for 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 – per Division Rule 104C.



Williams application indicated that the well location is necessary for surface topography and archeological constraints. Consideration was also given to the concerns of drainage interference from the existing and proposed wells.


It is further understood that notice of this application to offsetting operators or owners is unnecessary because working interest ownership is 100% Williams. As the Rosa Unit Operator, Williams is the only offset operator and this proposed non-standard location would not affect any other operators.

Pursuant to the authority granted under the provisions of Division Rule 9 (B) of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the application of Williams for exception to Division Rules 111.A (13) and 111.C (2) and RULE 7 of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool (**71629**), 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,



Mark E. Fesmire, P.E.
Director

MEF/tw

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