



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 3, 2007

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

Administrative Order NSL-5693

H
Re: Rosa Unit Well No. 60B
API No. 30-045-34251
Unit N, Section 4-31N-6W San Juan
County

Dear M:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-25055789**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 7, 2007, and

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

Williams Production Company, LLC (Williams) has requested to drill the above-referenced well at an unorthodox gas well location, 275 feet from the South line and 1450 feet from the West line (Unit N) of Section 4, Township 31 North, Range 6 West, N.M.P.M., in San Juan County, New Mexico. All of irregular Section 4 (being the S/2 equivalent) will be dedicated to this well in order to form a standard approximately 320-acre spacing and proration unit in the Bain-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 southern unit boundary.



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

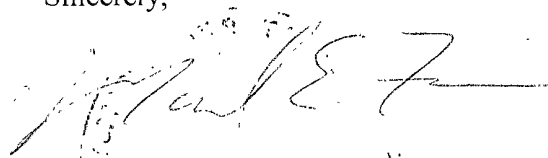
It is our understanding that you are seeking this location for geologic reasons, to avoid interfering with the drainage patterns of existing Dakota wells.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because working interest ownership is common between the subject unit and the offsetting unit towards which this location will encroach.

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 dark ink, appearing to read 'Mark E. Fesmire', with a long horizontal stroke 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