



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 9, 2008

Williams Production Co., LLC

Attn: Ms. Heather Riley

P.O. Box 640

Aztec, NM 87410

Administrative Order NSL-5755

Re: Rosa Unit Well No. 370
API No. 30-039-29984
10 feet FSL and 1635 feet FWL
Unit N, Section 19-31N-4W
Rio Arriba County

RCVD JAN 18 '08
OIL CONS. DIV.

DIST. 3

Dear Ms Riley:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR07-33241901**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on November 28, 2007, and

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

Williams Production Co., LLC (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 Fruitland Coal formation, 1170 feet from the South line and 1945 feet from the West line (Unit N) of Section 19, Township 31 North, Range 4 West, in Rio Arriba County, New Mexico. Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 19 will be dedicated to this well in order to form a non-standard 293.24-acre spacing unit in the Basin-Fruitland Coal Gas Pool (71629). This location is governed by Rule 7.A(1) of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as amended by Order No. R-8768-F, effective July 17, 2003, which provides generally that a well shall be located at least 660 feet from any unit boundary. This location is less than 660 feet from the eastern unit boundary.

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

8

It is our understanding that you are seeking this location for geologic reasons, in order to avoid interference with existing wells producing from the Fruitland Coal formation.


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,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

 Mark E. Fesmire, P.E.
Director

MEF/db

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