

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 8, 2008

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

Administrative Order NSL-5869

Re: Rosa Unit Well No. 360A
API No. 30-039-29777
Rio Arriba County

RCVD JUL 14 '08
OIL CONS. DIV.
DIST. 3

Surface Location

1470 FNL and 2095 FEL (Unit G), Section 9-31N-5W

Bottom Hole Location

990 FNL and 2310 FWL (Unit C), Section 9-31N-5W

Dear Ms Rile:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-16353114**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on June 11, 2008, 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 above, to an unorthodox bottom hole gas well location in the Fruitland Coal formation, described above. The W/2 of Section 9 will be dedicated to this well in order to form a standard 320-acre gas spacing unit in the Basin-Fruitland Coal Gas Pool (71629). Spacing in this pool is governed by 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 provide generally for 320-acre units with wells to be located at least 660 feet from any unit boundary. This location is less than 660 feet from the eastern unit boundary.



July 8, 2008

Page 2

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 engineering reasons, due to practical limitations on the distance than can be drilled directionally from the available surface location.

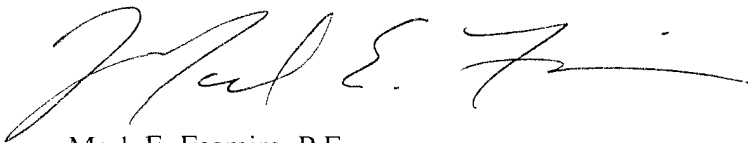
It is also understood that notice of this application to offsetting operators or owners is unnecessary because of common ownership.

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