OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505

March 3, 1998

Williams Production Company c/o Walsh Engineering & Production Corporation 7415 East Main Farmington, New Mexico 87402 Attention: Paul C. Thompson

OIL CON. DIV.

Administrative Order NSL-3956

Dear Mr. Thompson:

Reference is made to your application dated February 27, 1998 for an unorthodox Blanco-Mesaverde "infill" gas well location on an existing standard 320-acre gas spacing and proration unit ("GPU") for said Blanco-Mesaverde Pool comprising the N/2 of Section 33, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. Said GPU is currently dedicated to the Rosa Unit Well No. 147 (API No. 30-039-25514), located at a standard gas well location 1110 feet from the North line and 1675 feet from the West line (Unit C) of said Section 33.

By the authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-8170, as amended, the following described well to be drilled at an unorthodox "infill" gas well location in said Section 33 is hereby approved:

> Rosa Unit Well No. 147-A 1850' FNL - 1295' FEL (Unit H)

Both the Rosa Unit Well Nos. 147 and 147-A are to be dedicated to the subject GPU. Further said wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest New Mexico.

Sincerely,

notenbery Lori Wrotenbery

Director

LW/MES/kv

New Mexico Oil Conservation Division - Aztec cc: U. S. Bureau of Land Management - Farmington



WALSHI

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting Lease Management Contract Pumping 7415 East Main Farmington, New Mexico 87402 (505) 327-4892

February 27, 1998

Ms. Lori Wrotenbery New Mexico Oil Conservation Division 2040 S. Pacheco Santa Fe, NM 87505

Re: Non-Standard Location
Williams Production Company
Rosa Unit #147A
1850' FNL, 1295' FWL
Section 33, T31N R5W
Rio Arriba County, NM
Blanco Mesa Verde

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OIL COM. DIV. DIST. 3

Dear Ms. Wrotenbery,

This is a request on behalf of Williams Production Company for administrative approval for a non-standard gas location in the Blanco Mesa Verde pool for the referenced well.

The proposed spacing unit is the north half of Section 33, T31N, R5W, which is 320 acres. The proposed location encroaches on the 130' setback required from the quarter-quarter section line. Williams prefers not to move the well because of the steep hillside just to the east of the proposed location. Any other locations would require the construction of additional access road and unnecessary cuts in an area that is important for big game habitat.

As the Unit Operator of the Rosa Unit, Williams Production is the only offset operator. Attached is a plat indicating the well location and proposed spacing unit.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.

President, Walsh Engineering

cc: NMOCD Aztec NM
BLM Farmington NM