NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

August 4, 1999

Williams Production Company c/o Walsh Engineering & Production Corporation 7415 East Main

Farmington, New Mexico 87402 Zosa Lunt 162

Attention: Paul C. Thompson

OIL COM. DIV.

Administrative Order NSP-1805

Dear Mr. Thompson:

Reference is made to the following: (i) your application dated July 26, 1999 on behalf of the operator, Williams Production Company ("Williams"); and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): all concerning Williams' request for the formation of a nonstandard 232.79-acre gas spacing and proration unit (being 73% the size of a regular 320-acre unit for this pool) consisting of the following acreage in the Blanco-Mesaverde Pool:

RIO ARRIBA COUNTY, NEW MEXICO TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Irregular Section 30: Lots 3 and 4 and the SE/4 (S/2 equivalent).

Gas production from this pool is to be dedicated to Williams' proposed: (1) Rosa Unit Well No. 162 (API No. 30-039-26069) to be drilled at a standard gas well location 1850 feet from the South line and 790 feet from the West line (Lot 3/Unit K) of Section 30; and, (ii) Rosa Unit Well No. 162-A (API No. 30-039-26122) to be drilled as the initial infill well at a standard gas well location 1850 feet from the South line and 1610 feet from the East line (Unit J) of Section 30.

The application has been duly filed under the provisions of Division Rules 605.B and 104.D(2).

By the authority granted me under the provisions of Division Rule 104.D(2)(b), the above-described 232.79-acre non-standard gas spacing and proration unit in the Blanco-Mesaverde Pool is hereby approved.

Further, both of the aforementioned Rosa Unit Well Nos. 162 and 162-A and above-described 232.79-acre non-standard gas spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

New Mexico Oil Conservation Division - Aztec cc:

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U. S. Bureau of Land Management - Farmington



WALSH

ENGINEERING & PRODUCTION CORP.

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

July 26, 1999

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

Re: Non-Standard Gas Unit
Williams Production Company
Rosa Unit #162
1850' FSL, 790' FWL
Section 30, T31N R5W
Rio Arriba, NM
Blanco Mesa Verde

Dear Ms. Wrotenbery,

This is a request on behalf of Williams Production Company for administrative approval for a non-standard gas unit in the Blanco Mesa Verde pool for the referenced well. The proposed spacing unit is the southeast quarter and lots 3 and 4 of Section 30, T31N, R5W, which is 232.79 acres due to a variation in the legal subdivision of the U.S. Public Land Surveys.

As the Unit Operator of the Rosa Unit, Williams Production is the offset operator in all directions except to the southwest (Section 36, T31N, R6W) where Phillips petroleum is the operator of the San Juan 31-6 Unit. A waiver from Phillips is attached.

Attached is a map showing the offset ownership and 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: David Spitz, WPC NMOCD Aztec NM BLM Farmington NM

ONLY COUNTY DILLY

District I PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Departmen

Form C-102 Revised February 21, 1994 Instructions on back

District II PO Drawer DO, Artesia, NM 88211-0719

District III

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

1000 R10 Brazos Rd., Aztec, NM 87410 District IV PO Box 2088, Santa Fe, NM 87504-2088

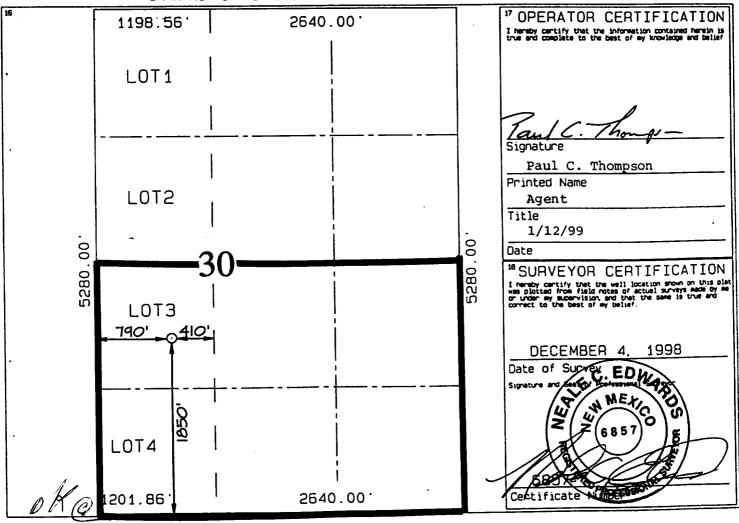
99 JAN 14 PH 12: 38 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number	Pool Code	³Pool Name	
	72319	Blanco Mesa Verde	
*Property Code	Property Name		Well Number
008480	ROSA UNIT		162
OGRIO No.	^e Operator Name		*Elevation
120782	WILLIAMS PRO	DUCTION COMPANY	6402

¹⁰ Surface Location Feet from the County UL or lot no. Section Lot lo North/South line Feet from the East/Mest line RIO 790 SOUTH WEST 31N 1850 K 30 **5W** ARRIBA 11 Bottom Hole Location If From Surface Different North/South line Feet from the UL or lot no. Lot Ion Feet from the East/Nest line County ⁸⁵ Order No. 12 Dedicated Acres 13 Joint or Infill ¹⁴ Consolidation Code 232.79

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



WILLIAMS PRODUCTION COMPANY (NON-TANDARD PRORATION UNIT APPLICATION

	ROSA UNIT	ROSA UNIT	ROSA UNIT
	24	19	20
	WILLIAMS	WILLIAMS	WILLIAMS
	ROSA UNIT	ROSA UNIT	ROSA UNIT
	25	30 Rosa Unit #162 #162A X	29
	WILLIAMS	WILLIAMS	WILLIAMS
•	SAN JUAN 31-6 UNIT	ROSA UNIT	ROSA UNIT
T31N _	36	31	32
	PHILLIPS PETROLEUM	WILLIAMS	WILLIAMS
T30N	R5W	R6W	

R5W

R6W



ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting Lease Management Contract Pumping

Farmington, New Mexico 87402 (505) 327-4892

July 26, 1999

Phillips Petroleum Company 5525 Highway 64 Farmington, NM 87401

Williams Production Company

Non-standard Proration Unit Application

Rosa Unit #162 and #162A Section 30, T31N, R5W Rio Arriba Co., NM

Land Manager,

Williams Production Company has applied to the New Mexico Oil and Gas Conservation Division for administrative approval for a non-standard proration unit in the Blanco Mesa Verde pool for the referenced wells. Section 30 is not a full 640 acres due to a variation in the legal subdivision of the U. S. Public Land Surveys.

As an offset operator (Section 36, T31N, R6W) you are being notified of this application pursuant to NMOCD rules. If you object to this application, please notify the NMOCD with in 20 days of receipt of this letter. If you don't object to this application, Williams would appreciate your signing the waiver below.

Sincerely,

Paul C. Thompson, PE

Phillips Petroleum has no objection to Williams Production Company's application for a non-standard proration unit for Section 30, T31N, R5W.

Date: 7/27/99

PHILLIPS PETROLEUM COMPANY