



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 31, 2002

Williams Production Company
c/o Walsh Engineering & Production Corp.
7415 East Main
Farmington, New Mexico 87402
Attention: John C. Thompson
walsh2@cyberport.com

Telefax No. (505) 327-9834

Administrative Order NSL-4743

Dear Mr. Thompson:

Reference is made to the following: (i) your initial application on behalf of the operator, Williams Production Company ("Williams") that was submitted to the New Mexico Oil Conservation Division ("Division") on April 22, 2002 (reference No. pKRV0-211352305); (ii) the Division's response by letter dated May 21, 2002 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe denying this application; (iii) your re-submittal of this application to the Division on May 28, 2002; and (iv) the Division's records in Aztec and Santa Fe: all concerning Williams's request for an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, dated June 30, 2000, as amended by Division Orders No. R-10987-B (1), dated August 10, 2000, and R-10987-B (2), dated January 29, 2002. The E/2 of Section 9, Township 31 North, Range 6 West, NMPM, San Juan County, New Mexico is to be dedicated to Williams's proposed well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool (71629).

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox gas well location in Section 9 is hereby approved:

Rosa Unit Well No. 156-B
1660' FSL & 2625' FEL (Unit J). - 9-31N-6W

Further, the aforementioned well and spacing unit will be subject to all existing rules,

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regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a stylized flourish or set of initials.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
William F. Carr - Santa Fe