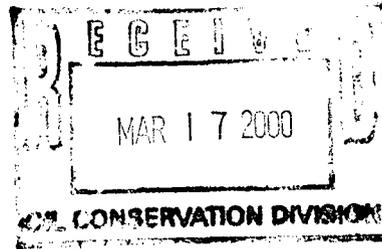


NSL

4/6/00



ENERGY SERVICES
One Williams Center
P.O. Box 3102
Tulsa, Oklahoma 74101
918/573-4592



March 14, 2000

New Mexico Oil Conservation Division
Attn: Mr. Michael Stogner, Chief Hearing Officer
2040 South Pacheco
Santa Fe, NM 87505

Re: Request for Non-Standard Location
Rosa Unit #500
990' FNL, 970' FWL
Section 23(D)-T31N-R4W
Rio Arriba, NM
Basin Fruitland Coal

Dear Mr. Stogner:

Pursuant to the request of the Carson National Forest Service, Jicarilla Ranger District, Williams Production Company (WPX) respectfully requests administrative approval of a non-standard location for the above location.

Attached is a copy of the Forest Service letter requesting the utilization of an existing well bore for a Fruitland Coal well in the western half of Sec. 23-T31N-R4W. WPX supports the Forest Service's request for several reasons.

The attached topographical map shows the difficult terrain in the SW quarter. Although the topography is not so extreme as to rule out all possible locations, Carson Forest and WPX would prefer to utilize the existing road and location. Additionally, rugged terrain necessitated drilling a coal well in the SE quarter of Sec. 22 and WPX would like to distance the Rosa Unit #500 from the existing Rosa Unit #305.

Also attached is a plat showing the proposed spacing unit along with a drawing outlining the drill blocks in this section. Williams is the only offset operator for this location, so no notification of offset operators would be necessary.

Thank you for your consideration of this application. If you have any questions, I can be reached at (918) 573-3913.

Sincerely,

Lance A. Hobbs
Production and Drilling Engineer

CC: BLM - Farmington
NMOCD - Aztec



United States
Department of
Agriculture

Forest
Service

Southwestern Region 3
Carson National Forest
Jicarilla Ranger District

664 East Broadway
Bloomfield, New Mexico 87413
505-632-2956
FAX 505-632-3173

File Code: 2820
Date: 2/23/2000

Lance Hobbs
Williams Production Company
One Williams Center, POB 3102
Tulsa, OK 74101

RE: Unorthodox location for well: Rosa #500, recompletion to Fruitland coal

Dear Mr. Hobbs,

The Jicarilla Ranger District, Carson National Forest is requesting you apply for an unorthodox location as follows, as discussed by your company representative and Camela Hooley of this office:

Rosa #500, T31N R4W Sec.23, 900'FNL/970'FWL

The mineral operator is required to comply with other applicable regulations such as the Endangered Species Act and the Archeological Resources Protection Act under 36CFR228.112(c). The operator is also required under 36CFR228.108(c) to minimize or prevent damage to surface resources. The Carson National Forest Management Plan states that surface resource impacts will be minimized when administering mineral resources.

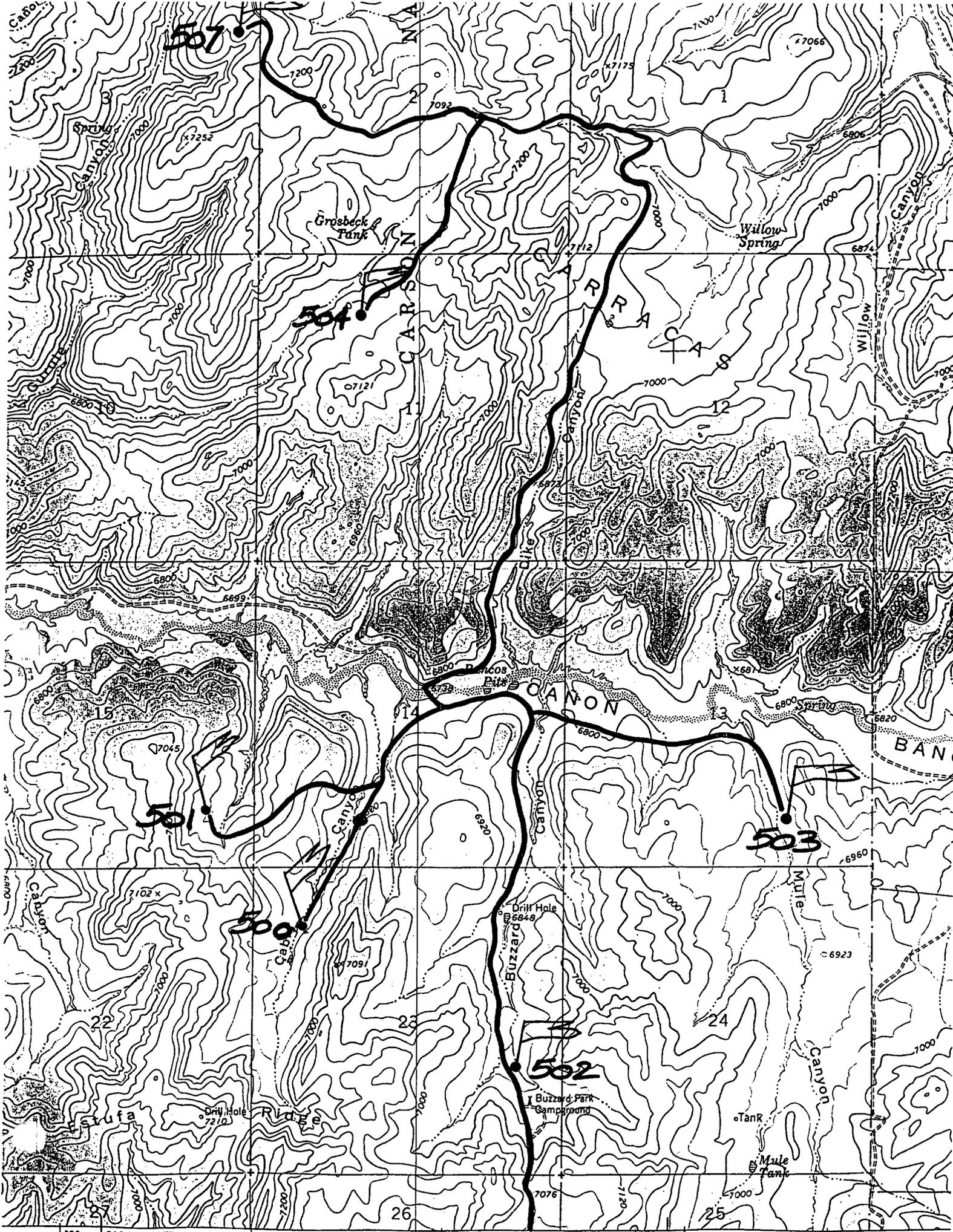
The following conditions apply which require an unorthodox location:

- Archeological resources prevent locating the well in an orthodox location.
- Topography prevents locating the well in an orthodox location.
- Threatened/endangered species concerns prevent locating the well in an orthodox location.
- Prevention of unnecessary resource damage requires the location be unorthodox. Rather than abandoning the existing Rosa #500 (Mesa Verde), and then building another pad in the SW quarter, where terrain is more difficult, the Forest Service requests that you recomplete the existing well to the Fruitland coal.

Thank you for your cooperation in this matter.

Mark S. Catron
District Ranger





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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

District III
300 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26165	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code	⁵ Property Name ROSA UNIT	⁶ Well Number 500
⁷ GRID No.	⁸ Operator Name WILLIAMS PRODUCTION COMPANY	⁹ Elevation 6849'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot ID#	Feet from the	North/South line	Feet from the	East/West line	County
0	23	31N	4W		990	NORTH	970	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ID#	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

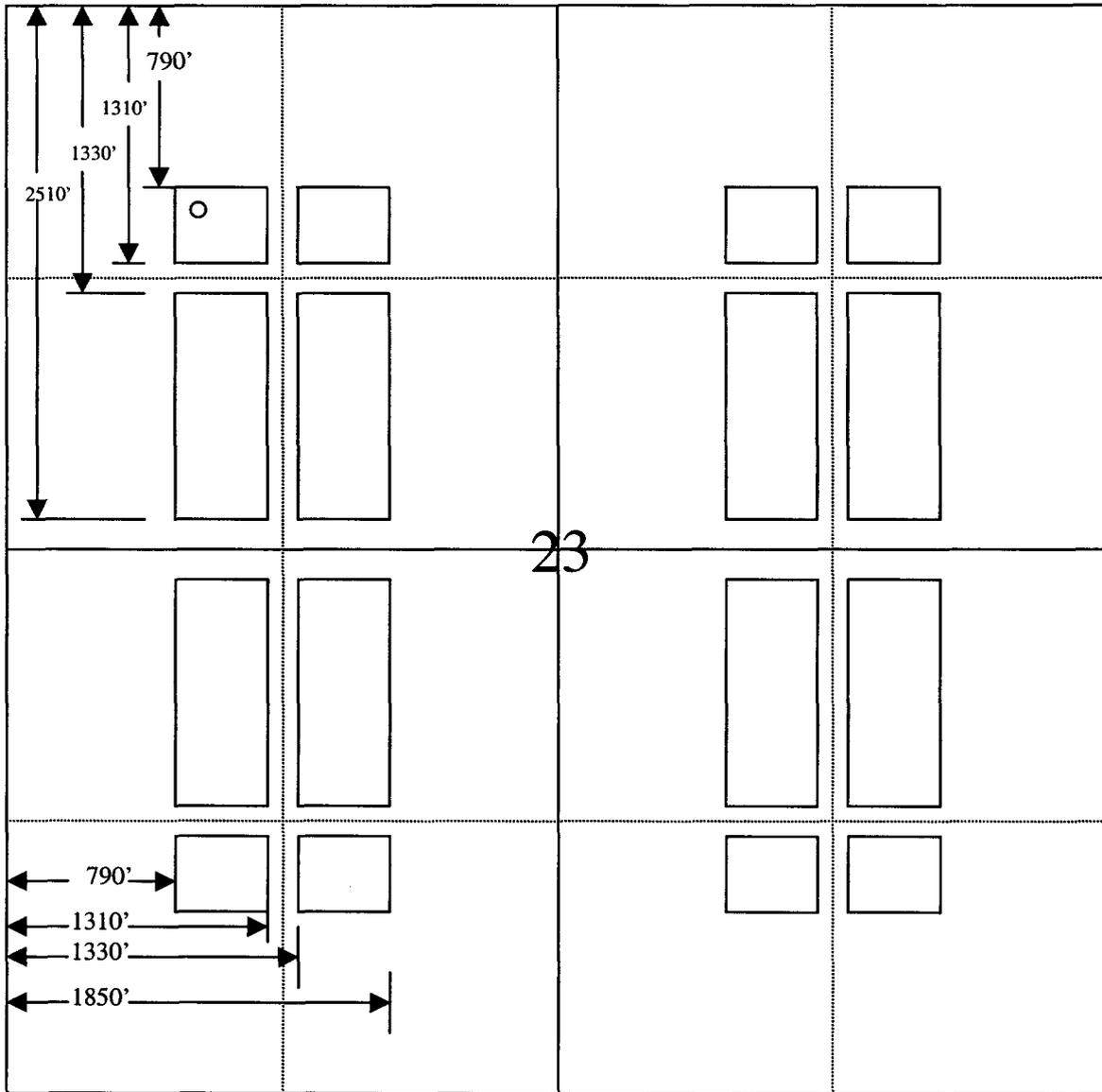
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>5281.32'</p> <p>5280.00'</p> <p>23</p> <p>5283.96'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Lance Hobbs</i></p> <p>Signature</p> <p>Lance Hobbs</p> <p>Printed Name</p> <p>Drilling & Production Engineer</p> <p>Title</p> <p>March 14, 2000</p> <p>Date</p>
		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 31, 1999</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number 6857</p>

Rosa Unit #500

NW/4 NW/4 Sec. 23 31N 04W

990' FNL 970' FWL





**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

March 22, 2000

**Williams Production Company
P. O. Box 3102
Tulsa, Oklahoma 74101**

Attention: Lance A. Hobbs

Re: Administrative application dated March 17, 2000 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, dated October 17, 1988, as amended by Division Orders No. R-8768-A, dated July 16, 1991, and R-8768-B, issued in Case No. 12296 and dated February 10, 2000, to drill the Rosa Unit Well No. 500 (API No. 30-039-26165) at an off-pattern non-standard coal gas well location 990 feet from the North line and 970 feet from the West line (Unit D) of Section 23, Township 31 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, the W/2 of Section 23 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.

Dear Mr. Hobbs:

In reviewing the Division's records of the Rosa Unit Well No. 500, I found that the original *Application for Permit to Drill, Deepen, or Plug Back* ("APD") showed that this well was to have been drilled to a total depth of 6,410 feet in order to test the Blanco-Mesaverde gas producing interval, however the well actually TD'ed at 3,480 feet. Please explain the reason for this discrepancy? Also provide me with a type log from this well with the tops of all formations labeled and marked.

In order to ensure that correlative rights are being adequately protected, please provide me with: (i) a map of the Rosa Unit; and (ii) a map showing the Basin-Fruitland coal gas participating area of the Rosa Unit.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ms

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