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

May 2, 2000

Williams Production Company One Williams Center P. O. Box 3102 Tulsa, Oklahoma 74101 Attention: Tracy Ross

Administrative Order NSP-1819

Dear Ms. Ross:

Reference is made to the following: (i) your applications dated April 12, 2000; and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): all concerning Williams Production Company's ("Williams") request for the formation of a non-standard 223.92-acre gas spacing and proration unit (being 70% 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 6 WEST, NMPM

Irregular Section 24: Lots 1 through 4 and the W/2 E/2 (E/2 equivalent).

Gas production from this pool is to be dedicated to Williams' proposed: (i) Rosa Unit Well No. 163 (API No. 30-039-26345) to be drilled at a standard gas well location 1740 feet from the North line and 985 feet from the East line (Unit G) of Section 24; and, (ii) Rosa Unit Well No. 163-A (API No. 30-039-26336) to be drilled as the initial infill well at a standard gas well location 1025 feet from the South line and 790 feet from the East line (Unit O) of Section 24.

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 223.92-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. 163 and 163-A and above-described 223.92-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

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cc: New Mexico Oil Conservation Division - Aztec

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U. S. Bureau of Land Management - Farmington