



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 29, 2003

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

Telefax No. (505) 327-9834

Administrative Order NSL-4892

Dear Mr. Thompson:

Reference is made to the following: (i) your application on behalf of the operator, Williams Production Company ("Williams") that was submitted to the New Mexico Oil Conservation Division ("Division") on May 29, 2003 (*administrative application reference No. pMES0-315054060*); (ii) Mr. Michael E. Stogner's, Engineer/Chief Hearing Officer in Santa Fe, telephone conversation with Mr. William F. Carr, Legal Counsel for Williams in Santa Fe, on Thursday afternoon May 29, 2003; and (iii) the Division's records in Aztec and Santa Fe: all concerning

Williams's request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, for a non-standard infill gas well location within an existing 232.89-acre gas spacing unit [which unit was the subject of Division Administrative Order NSP-1572 (L), dated May 2, 1989] for the Basin-Fruitland Coal (Gas) Pool (71629) comprising Lots 3 and 4 and the SE/4 of Irregular Section 31, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

This unit is currently dedicated to William's Rosa Unit Well No. 231 (API No. 30-039-24444), located at a location now considered to be standard but unorthodox at the time it was drilled in 1989 [also covered by Division Administrative Order NSP-1572 (L)] 1275 feet from the South line and 730 feet from the West line (Lot 4/Unit N) of Irregular Section 31.

By the authority granted me under the applicable provisions of the special pool rules

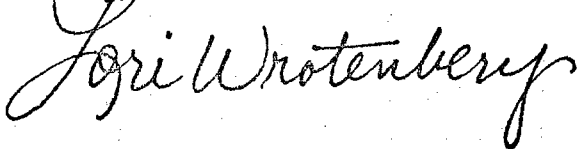
governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described well to be drilled as an unorthodox infill coal gas well on this 232.89-acre gas spacing unit is hereby approved:

**Rosa Unit Well No. 231-A
895' FSL & 170' FEL (Unit P).**

Further, Burlington is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing Rosa Unit Well No. 231 with the proposed Rosa Unit Well No. 231-A.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
William F. Carr, Legal Counsel for Williams Production Company - Santa Fe
File: NSP-1572 (L)