



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 25, 1998

Williams Exploration and Production Company
P. O. Box 3102
Tulsa, Oklahoma 74101
Attention: Sterg Katirgis, Senior Engineer

Administrative Order NSL-4069

Dear Mr. Katirgis:

Reference is made to the following: (i) your original application filed with the Division on June 1, 1998; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner, Engineer with the Division in Santa Fe, dated June 3, 1998; (iii) your telephone conversation with Mr. Stogner last week; (iv) your response by letter dated June 18, 1998; and, (v) the records of the Division in Santa Fe: all concerning Williams Exploration and Production Company's ("Williams") request for a non-standard Blanco-Mesaverde infill gas well location in an existing non-standard 223.28-acre gas spacing and proration unit ("GPU") for the Blanco-Mesaverde Pool (approved by Division Administrative Order NSP-1638-A, dated March 23, 1995) comprising Lots 1 through 4 and the W/2 E/2 (E/2 equivalent) of irregular Section 13, Township 31 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This GPU is currently dedicated to Williams' Rosa Unit Well No. 125-E (API No. 30-039-25526), located at a standard gas well location 1670 feet from the South line and 1035 feet from the East line (Unit J) of Section 13.

It is our understanding that the well to be considered in this application, the Rosa Unit Well No. 125 (API No. 30-039-25144), was drilled in 1991 by Amoco Production Company and completed in the Basin-Dakota Pool at an unorthodox gas well location (approved by Division Administrative Order NSP-1638(L), dated October 24, 1991) 970 feet from the North line and 1190 feet from the East line (Unit B) of Section 13. The nonproductive Basin-Dakota interval has been abandoned and the well has been recompleted up-hole into the Blanco-Mesaverde Pool.

Pursuant to the "*Special Rules and Regulations for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987, the location of the Rosa Unit Well No. 125 is also unorthodox.

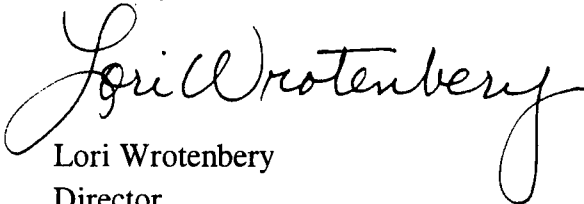
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This application has been duly filed under the provisions of Division Rules 104.F and 605.B of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox Blanco-Mesaverde "infill" gas well location for the Rosa Unit Well No. 125 is hereby approved. Both of the aforementioned wells and GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Further, all provisions of said Administrative Orders NSP-1638(L) and NSP-1638-A shall remain in full force and effect until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSP-1638(L)
NSP-1638-A