

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 04 2011

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Farmington Field Office
Bureau of Land Management

5. Lease Serial No. _____
State - E289

6. If Indian, Allottee or Tribe Name _____

7. If Unit of CA/Agreement, Name and/or No
Rosa Unit

8. Well Name and No.
Rosa Unit-COM #148

9. API Well No.
30-039-25493

10. Field and Pool or Exploratory Area
Blanco MV/Basin DK

11. Country or Parish, State
Rio Arriba, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
Williams Production Company, LLC

3a. Address
PO Box 640 Aztec, NM 87410

3b. Phone No. (include area code)
505-634-4208

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)
445' FSL & 2460' FEL, Sec 2, R31N, T06W

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Commingle _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	_____
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	_____

13 Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Williams Production plans to commingle the Blanco Mesa Verde and Basin Dakota on this well as per attached procedure. Commingle authorization has been filed with the NMOCD. (copy attached)

DHC 3635 AZ



14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
Larry Higgins

Title Permit Supervisor

Signature *Larry Higgins*

Date 8/4/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *Joe Hewitt*

Title GCD

Date 8-8-11

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office FFD

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

NMOCD AV

Submit 3 Copies
 To Appropriate
 District Office
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-103
 Revised 1-1-89

OIL CONSERVATION DIVISION

2040 South Pacheco
 Santa Fe, NM 87505

DISTRICT II
 811 South First, Artesia NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-039-25493
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FED
6. State Oil & Gas Lease No. E-289
7. Lease Name or Unit Agreement Name: Rosa Unit
8. Well No. Rosa Unit COM 148
9. Pool name or Wildcat BLANCO MV//BASIN DK

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 WILLIAMS PRODUCTION COMPANY

3. Address of Operator
 P.O. Box 640, Aztec, NM 87410

4. Well Location (Surface)
 Unit letter 0 : 445 feet from the SOUTH line & 2460 feet from the EAST line Sec 2 -31N-6W RIO ARRIBA, NM

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
 6326' GR

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

- | | | | |
|---|------------------|----------------------------|----------------------|
| PERFORM REMEDIAL WORK | PLUG AND ABANDON | REMEDIAL WORK | ALTERING CASING |
| TEMPORARILY ABANDON | CHANGE PLANS | COMMENCE DRILLING OPNS. | PLUG AND ABANDONMENT |
| PULL OR ALTER CASING | | CASING TEST AND CEMENT JOB | |
| X OTHER: <u>COMMINGLING AUTHORIZATION</u> | | OTHER: _____ | |

- 1) Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). Data below to satisfy NM OCD Rule 303.C.3 (b) (i)-(vii)
- i. Pre-approved Pool Division Order R-13122.
 - ii. Pools to be commingled: Blanco MV 72319, Basin Dakota 71599.
 - iii. Perforated intervals: Blanco MV 5324'-5967', Basin Dakota 7891'-8012'.
 - iv. Fixed percentage allocation based upon production data of 54% Blanco MV and 46% Basin Dakota. This is based on the historic production of all wells that have MV/DK production. See attached recommendation for details. This allocation may be adjusted at a later date based on a spinner survey after production has stabilized.
 - v. Commingling will not reduce the value of reserves.
 - vi. Interest owners in the spacing unit have not been notified of the intent to downhole commingle per order R-12991.
 - vii. The BLM has been notified on sundry notice form 3160-5.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Larry Higgins TITLE: Permit Supv DATE: 8/3/11

Type or print name Larry Higgins Telephone No: (505) 634-4208

(This space for State use)

APPROVED

BY _____ TITLE _____ DATE _____

Conditions of approval, if any:



Exploration & Production

**Production Allocation Recommendation
ROSA UNIT #148
Mesa Verde/Dakota**

<u>WELLNAME:</u>	Rosa Unit #148	<u>FIELD:</u>	San Juan
<u>LOCATION:</u>	SW/4 SE/4 Section 2,T31N, R6W	<u>COUNTY:</u>	Rio Arriba
<u>API No.:</u>	30-039-25493	<u>Date:</u>	August 3, 2011

Current Status: The Rosa #148 is currently a dual completion well producing from the Mesa Verde and Dakota formations. Williams recommends commingling this well.

Commingle Procedure:

- Mesa Verde tubing will be pulled
- Dakota tubing will be pulled
- Production packer will be removed
- Well will be cleaned out to PBTD at 8048'
- A single string of 2-3/8" tubing will be run to ~8000'
- One set of wellhead facilities will be removed
- Well will be produced as a MV/DK commingle

Allocation Method: Historic production data from both zones in this well was gathered and analyzed. Average production was considered to calculate baseline allocations. Williams will run a completion profiler once the well is commingled to re-evaluate allocation percentages.

Average production used for baseline allocation:

Total Production from well = 102.5 Mcfd
Total Production from MV = 55.2 Mcfd
Total Production from DK = 47.3 Mcfd

MV allocation = MV production / Total production = 55.2 Mcfd / 102.5 Mcfd = **54%**

DK allocation = DK production / Total production = 47.3 Mcfd / 102.5 Mcfd = **46%**