

RECEIVED

Form 3160-5  
(February 2005)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

AUG 19 2011

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

Farmington Field Office  
Bureau of Land Management

Lease/Serial No  
SF-078777

**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.**

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1 Type of Well  <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2 Name of Operator Williams Production Company, LLC		7. If Unit of CA/Agreement, Name and/or No. Rosa Unit
3a. Address PO Box 640    Aztec, NM 87410		8. Well Name and No. Rosa Unit #601
3b. Phone No (include area code) 505-634-4208		9 API Well No. 30-039-30916
4 Location of Well (Footage, Sec., T., R., M, or Survey Description) 1475' FNL & 1220' FEL, sec 31, T31N, R4W		10. Field and Pool or Exploratory Area Basin MC/Basin DK
		11. Country or Parish, State Rio Arriba

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 recomplete 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 Basin Mancos and Basin Dakota on this well as per attached procedure. Commingle authorization has been filed with the NMOCD. (copy attached)

DHC 3636 AZ



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Larry Higgins	Title Permit Supervisor
Signature <i>Larry Higgins</i>	Date 8-18-11

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by <i>De Hermit</i>	Title 600	Date 8-24-11
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 FFJ	

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 A

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

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	7. Lease Name or Unit Agreement Name: Rosa Unit
2. Name of Operator WILLIAMS PRODUCTION COMPANY	8. Well No. Rosa Unit 601
3. Address of Operator P.O. Box 640, Aztec, NM 87410	9. Pool name or Wildcat BLANCO MV//BASIN DK
4. Well Location (Surface) Unit letter <u>H</u> : <u>1475</u> feet from the <u>NORTH</u> line & <u>1220</u> feet from the <u>EAST</u> line Sec 31 -31N-4W RIO ARRIBA, NM	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6963' 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)
- Pre-approved Pool Division Order R-13122.
  - Pools to be commingled: Basin MC 97232, Basin Dakota 71599.
  - Perforated intervals: Basin MC 6925'-8320', Basin Dakota 8395'-8722'.
  - Fixed percentage allocation based upon production data of 61% Basin MC and 39% Basin Dakota. This is based on the historic production of all wells that have MC/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.
  - Commingling will not reduce the value of reserves.
  - Interest owners in the spacing unit have not been notified of the intent to downhole commingling per order R-12991.
  - 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: 8/16/11

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 #601 (DK/MC)

WELLNAME: Rosa Unit #601  
LOCATION: Sec.31, T31N,R04W  
API No.: 30-039-30916

FIELD: Rosa Unit  
COUNTY: Rio Arriba, NM  
Date: 08/16/2011

**Current Status:** Williams is currently completing the Rosa Unit #601 in the Dakota and Mancos formations. Williams recommends commingling the well after the proposed completion work has been completed.

**Commingle Procedure:**

1. Acidize & fracture stimulate the DK and MC formations
2. Flow back and clean up each formation prior to completion.
3. TIH w/ work string and remove CIBP
4. Clean out to PBTB
5. Complete with single string 2-3/8" tubing, land below DK perms
6. NDBOP. NUWH.
7. Turn well over to production as a commingle

**Allocation Method:** Williams has assembled historic production data used to forecast Mancos production. Williams used this production data to come up with an initial allocation for this commingle. Williams recommends that a spinner survey be performed after production has stabilized, so that allocation percentages can be corrected if need be.

After 18 months of production:

Total Production from well = 222,608 Mcf  
 Total Production from DK = 86,405 Mcf  
 Total Production from MC = 136,202 Mcf

DK allocation =  $DK\ prod / Total\ prod = 86,405\ Mcf / 364,108\ Mcf = 39\%$   
 MC allocation =  $MC\ prod / Total\ prod = 136,202\ Mcf / 364,108\ Mcf = 61\%$