

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	WELL API NO. 30-045-33018
2. Name of Operator WILLIAMS PRODUCTION COMPANY	5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/>
3. Address of Operator P.O. Box 640, Aztec, NM 87410	6. State Oil & Gas Lease No.
4. Well Location (Surface) Unit letter <u>K</u> : 1485 feet from the <u>SOUTH</u> line & 1940 feet from the <u>WEST</u> line Sec 17-32N-11W SAN JUAN, NM	7. Lease Name or Unit Agreement Name: Cox Canyon Unit
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6737' GR	8. Well No. 7C
	9. Pool name or Wildcat BLANCO MV/BASIN DK

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: COMMINGLING AUTHORIZATION

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-11363.
 - Pools to be commingled: Blanco MV 72319, Basin Dakota 71599.
 - Perforated intervals: Blanco MV 4929' - 5972', Basin Dakota 7900' - 8076'.
 - Fixed percentage allocation based upon production data of 77% Blanco MV and 23% Basin Dakota. This is based on the production of all wells in the 32-11 township that have MV/DK production. This allocation may be adjusted at a later date based on further testing.
 - Commingling will not reduce the value of reserves.
 - All interest owners in the spacing unit have been notified of the intent to downhole commingling.
 - The BLM has been notified on sundry notice form 3160-5.

RCVD JUN 25 '08

ONC 2900AZ OIL CONS. DIV.

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

SIGNATURE Larry Higgins

TITLE: Drlg COM

DATE: 6-24-08

DIST. 3

Type or print name Larry Higgins

Telephone No: (505) 634-4208

(This space for State use)

APPROVED

BY

TITLE

Deputy Oil & Gas Inspector,

DATE

JUN 30 2008

Conditions of approval, if any:

District #3

June 24, 2008

To: Cox Canyon Unit #7C Owners of Interest

RE: Permit to Down-hole Commingle
Cox Canyon Unit #7C
NE/4 SW/4 Sec. 17, T32N, R11W
San Juan County, New Mexico

Ladies and Gentlemen,

In accordance with the New Mexico Oil Conservation Division Rule 303 governing down hole commingling, you are hereby notified that Williams Production Company, LLC, as operator of the referenced well, intends to down-hole commingle production from the Blanco Mesaverde and Basin Dakota pools. These pools are pre-approved for commingling by the State of New Mexico Oil Conservation Division (NMOCD) of the Energy, Minerals and Natural Resources Department. As such, Williams Production Company, LLC is required to submit application to the NMOCD of our intent to commingle the two zones.

The lease on which this well is located is owned by the United States of America and is committed to the Cox Canyon Unit I sec. No. 946. This well is interior to the Cox Canyon Unit boundaries. The Mesaverde Participating Area Owners own the Mesaverde production, the Dakota production is currently owned by the Dakota drill block owners.

The attached documentation outlines the allocation method and provides the pertinent data supporting our application to commingle this well.

Any objections to the application must be filed with NMOCD within 20 days of receipt of this letter and supporting documentation

Sincerely,

M. Vern Hansen
Senior Staff Landman
Williams Production Company, LLC
Enclosures

Cox Canyon Unit #7C
Interest Owners

Assistant District Manager, Minerals
Bureau of Land Management
Farmington Resource Area
1235 LaPlata Highway
Farmington, NM 87401

Commissioner of Public Lands
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504-1148

BP America Production Co.
Attn: John Larson
P.O. Box 3092
Houston, TX 77253

ConocoPhillips Company
Attn: Chief Landman, San Juan/Rockies
P.O. Box 4289
Farmington, NM 87499-4289

Burlington Resources
Attn: Cherylene Charley
P.O. Box 4289
Farmington, NM 87499-4289

XTO Energy
Attn: Edwin S. Ryan, Jr.
810 Houston St., Ste 2000
Fort Worth, TX 76102-6298

Elliott Hall Co.
P.O. Box 1231
Ogden, UT 84402

William H. Johns
74 Ken Rd.
Dexter, NM 88230

Elliott Industries
P.O. Box 3300
Roswell, NM 88202

Bobbylee Wilson
1707 Mariners Cy, APT B
Fort Pierce, FL 34950

Callie King
2023 M ½
Galveston, TX 77550

Helena Strong McCue
2 Wilson St.
Rochester, NH 03867

Joan Payne
302 Wemberly Dr.
Simpsonville, SC 29671-3839

Leo C. Simms
7707 N. Brookline Dr., Apt. 217
Madison, WI 83719-3532

Nancy Bork
678 Scarlet Oak Circle, Unit 110
Altamonte Springs, FL 32701-6503

Robert Otto Graf
1202 Monticeto Ln.
Stafford, TX 77477

Virginia Sharp
P.O. Box 430
Conrad, IA 50621

Howard R. Carter
398 Honeysuckle Ln.
Longview, TX 75605

Tamanaco Oil Corp.
PMB 325
13170-B Central Ave SE
Albuquerque, NM 87123

Dolores H. Singleton &
Jan Singleton Ayerst, Joint Tenants
53 Seabreeze Ave.
Delray Beach, FL 33483-7014

The H & N Carter Rev. Trust
Nancy N. & Sabra Lynn Carter, Trustees
398 Honeysuckle Ln.
Longview, TX 75605

Bobby Ray & Jane H. Baldock
3994 S. Springs Loop Rd.
Roswell, NM 88203