

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.  30-039-30690
5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name:  Rosa Unit
8. Well No.  Rosa Unit #165D
9. Pool name or Wildcat  BLANCO MV/BASIN MANCOS/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 C : 1280 feet from the NORTH line & 1635 feet from the WEST line Sec 25-31N-6W RIO ARRIBA, NM

10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
 6403' 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 |                      |
| <input checked="" type="checkbox"/> 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: Blanco MV 72319, Basin Mancos 97232, Basin Dakota 71599.
  - Perforated intervals: Blanco MV 5534'-6030', Basin Mancos 6960'-7440', Basin Dakota 8018'-8133'.
  - Fixed percentage allocation based upon production data of 39% Blanco MV, 37% Basin Mancos, and 24% Basin Dakota. This is based on the historic production of all wells that have MV/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.
  - All interest owners in the spacing unit have not been notified of the intent to downhole commingle per order R-12991.
  - The BLM has been notified on sundry notice form 3160-5.

RCVD OCT 16 '09  
 OIL CONS. DIV.  
 DIST. 3

*DHC 3269AZ*

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: 10-15-09

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

APPROVED BY *[Signature]* TITLE Deputy Oil & Gas Inspector, DATE OCT 21 2009  
 Conditions of approval, if any District #3



Exploration & Production

### Production Allocation Recommendation Rosa # 165D (DK/MC/MV)

WELLNAME: Rosa #165D  
LOCATION: Sec.25, T31N,R06W  
API No.: 03-039-30690

FIELD: Rosa Blanco  
COUNTY: Rio Arriba, NM  
Date: 10-15-09

**Current Status:** Williams is currently completing the Rosa #165D in the Dakota, Mancos, and Mesa Verde formations. Williams recommends tri-mingling the well after the proposed completion work has been completed.

**Commingle Procedure:**

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

**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 tri-mingle. 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 = 364,108 Mcf  
 Total Production from DK = 86,405 Mcf  
 Total Production from MC = 136,202 Mcf  
 Total Production from MV = 141,500 Mcf

DK allocation =  $DK\ prod / Total\ prod = 86,405\ Mcf / 364,108\ Mcf = 24\%$   
 MC allocation =  $MC\ prod / Total\ prod = 136,202\ Mcf / 364,108\ Mcf = 37\%$   
 MV allocation =  $MV\ prod / Total\ prod = 141,500\ Mcf / 364,108\ Mcf = 39\%$