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|----------------|----------|-------------|------------------|---------|-------------------|
| DATE IN 8.5.11 | SUSPENSE | ENGINEER DB | LOGGED IN 8.5.11 | TYPE SD | APP NO 1121749751 |
|----------------|----------|-------------|------------------|---------|-------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Williamz
Rosa Unit #243A
 30-039-29509

ADMINISTRATIVE APPLICATION CHECKLIST

2011/6

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

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[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners**
- [B] ☒ Offset Operators, Leaseholders or Surface Owner**
- [C] ☐ Application is One Which Requires Published Legal Notice**
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO**
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,**
- [F] ☐ Waivers are Attached**

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Heather Riley

Print or Type Name

Heather Riley
 Signature

Regulatory Specialist, Sr.

Title

8/4/11

Date

Heather.riley@williams.com
 e-mail Address



P. O. Box 640
Aztec, NM 87410
(505) 634-4222
(505) 634-4205 (fax)
Heather.Riley@williams.com

August 4, 2011

Jami Bailey
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

2011
RECEIVED

Re: Application of Williams Production Company for Administrative Approval of the Simultaneous Dedication of the West-Half of Section 36, Township 32 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico to its proposed Rosa Unit Well No. 243A and the existing Rosa Unit Well No. 243

Dear Ms. Bailey:

Williams Production Company is the operator of a 320-acre spacing unit in the Basin Fruitland Coal Pool (**Pool Code 71629**) comprised of the West-half of Section 36, Township 32 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This spacing unit is dedicated to Williams' Rosa Unit Well No. 243 which has been vertically drilled and produces from the Fruitland Coal formation.

Williams seeks administrative approval of the simultaneous dedication of this 320-acre spacing unit to the following two gas wells:

- A. the **Rosa Unit Well No. 243 (API No. 30-039-24367)** vertically drilled from a surface location 1150 feet from the South line and 910 feet from the West line of said Section 36; and
- B. the proposed **Rosa Unit Well No. 243A (API No. 30-039-29509)** to be horizontally drilled from a surface location 1030 feet from the North line and 1920 feet from the West line to a proposed end point or bottomhole location 1250 feet from the South line and 2159 feet from the West line of said Section 36.

Rosa Unit Well No. 243 is at a standard location in the Fruitland Coal formation pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool. Williams now intends to horizontally drill and complete its proposed Rosa Unit Well No. 243A to be drilled to the targeted subsurface end-point or bottomhole location 1250 feet from the South line and 2159 feet from the West line (Unit N) of Section 36. Williams proposes to drill this well in compliance with the set-back requirements of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as amended by NMOCD order number R-13200.

Attached hereto as **Exhibit A** is a copy of a plat for this well that shows the proposed surface and bottomhole location of the well. An official C-102 will be submitted to the OCD offices at a later date.

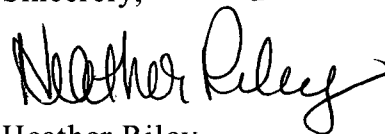
Exhibit B is a map of offset operators around the spacing unit in Section 36, T32N - R6W. Williams is the operator of all offsetting spacing units within Rosa Unit. Energen Resources is the operator of all the affected offsetting spacing units located outside of the Rosa Unit.

Williams has mailed, via USPS Certified Mail, Notice to the offset working interest owners and offset operators that this application has been submitted. A copy of the List of Offset Owners and Offset Operators as well as the Notice is attached hereto as **Exhibit C**.

The simultaneous dedication of the West-Half of said Section 36 to the Rosa Unit Well No. 243 and Rosa Unit Well No. 243A will afford Williams the opportunity to efficiently produce the Fruitland Coal formation under this spacing unit. Williams' proposed simultaneous dedication of these wells does not exceed the number of wells allowed by Division Rule for this spacing unit.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Heather Riley", with a stylized flourish at the end.

Heather Riley
Regulatory Specialist-Senior
Williams Production Co.

Enclosures

Exhibit "A"

Well Location and Acreage Dedication Plat

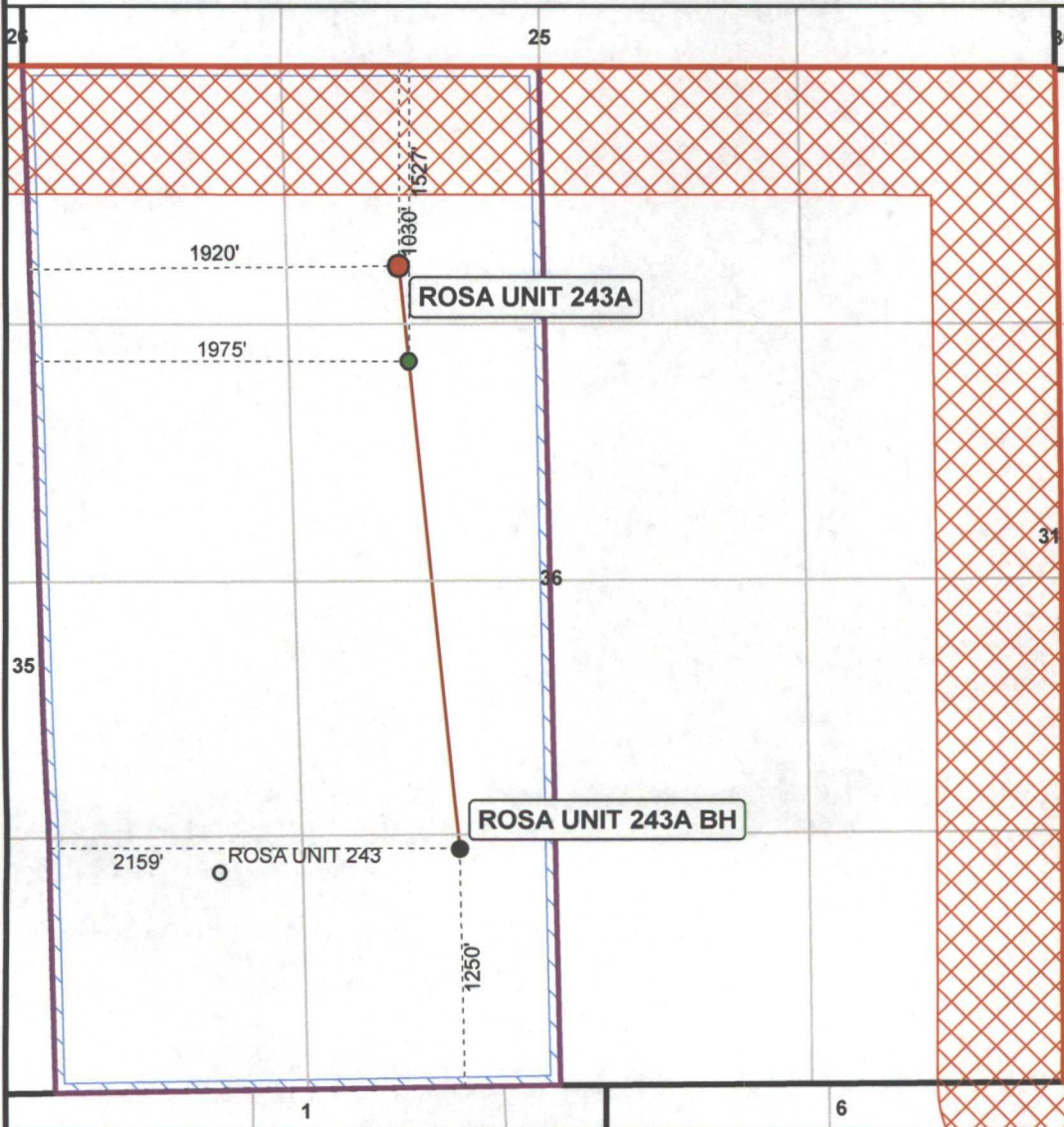
| | | |
|----------------------------|--|-----------------------------------|
| API Number 30-039-29509 | Pool Code 71629 | Pool Name BASIN FRUITLAND COAL |
| Property Code 17033 | Property Name ROSA UNIT | Well Number 243A |
| OGRID No. 120782 | Operator Name WILLIAMS PRODUCTION COMPANY | Elevation 6654' |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/Sorth line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| C | 36 | 32N | 6W | | 1030 | NORTH | 1920 | WEST | RIO ARRIBA |

Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/Sorth line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| N | 36 | 32N | 6W | | 1250 | SOUTH | 2159 | WEST | RIO ARRIBA |



| Coordinates | | |
|-------------|-----------|-------------|
| SH | LAT | LONG |
| NAD 27 | 36.941311 | -107.410877 |
| NAD 83 | 36.941317 | -107.41148 |
| BH | | |
| NAD 27 | 36.932978 | -107.40984 |
| NAD 83 | 36.932983 | -107.410443 |
| POE | | |
| NAD 27 | 36.939945 | -107.410707 |
| NAD 83 | 36.939951 | -107.41131 |



Legend

- Surface Location
- Proposed Bottom Hole Location
- Point of Entry
- Other Fruitland Well
- Spacing Unit
- Spacing Unit Buffer - 50'
- Federal Unit Buffer - 660'

Williams Exploration & Production Williams



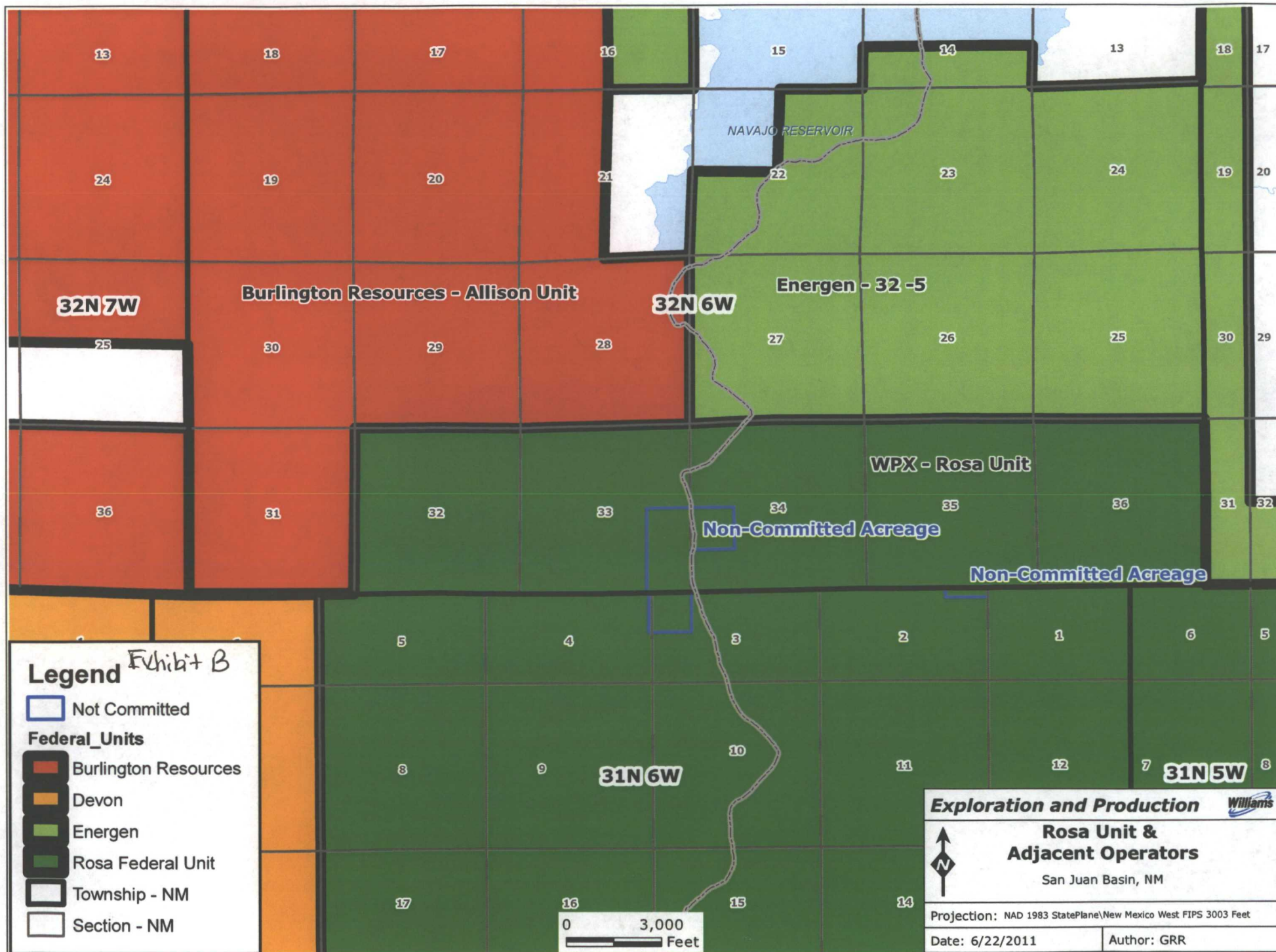
Rosa Unit #243A
Rio Arriba Co., NM

1 inch = 1,000 feet

Projection: NAD 1927 StatePlane
New Mexico West FIPS 3003

Date: 8/3/2011

Author: SCH



Rosa Unit #243A
Offset Owners & Operators

BP AMERICA PRODUCTION CO.
ATTN: DONNA JONES
P.O. BOX 3092
HOUSTON, TX 77253

MR. FRED E. TURNER, L.L.C.
4925 GREENVILLE AVENUE, STE 852
DALLAS, TX 75206-4079

MS. ELIZABETH T. CALLOWAY
P.O. BOX 191767
DALLAS, TX 75219-1767

MR. J. GLENN TURNER, JR., L.L.C.
4809 COLE, SUITE 212
DALLAS, TX 75205

MR. JOHN TURNER
P.O. BOX 329
PORT ARANSAS, TX 78373

SACRAMENTO MUNICIPAL UTILITIES DISTRICT
ATTN: BOB SHIPLEY
P.O. BOX 15830
SACRAMENTO, CA 95852-1830

MARY FRANCES TURNER, JR TRUST
ATTN: SHERI ANDERSON
TX1-2931
P.O. BOX 660197
DALLAS, TX 75266-0197

OMIMEX PETROLEUM, INC.
ATTN: CLARK P. STORMS
7950 JOHN T. WHITE ROAD
FORT WORTH, TX 76120

CONOCOPHILLIPS COMPANY
ATTN: CHIEF LANDMAN, SJ/ROCKIES
P.O. BOX 4289
FARMINGTON, NM 87499-4289

ENERGEN RESOURCES
ATTN: DAVID M. POAGE
2010 AFTON PLACE
FARMINGTON, NM 87401



P. O. Box 640
Aztec, NM 87410
(505) 634-4222
(505) 634-4205 (fax)
Heather.Riley@williams.com

August 4, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re: Application of Williams Production Company for simultaneous dedication, Rio Arriba County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Williams Production Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking the simultaneous dedication of the Rosa Unit Well No. 243A and the Rosa Unit Well No. 243 to the W/2 of Section 36, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico. 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Very truly yours,

A handwritten signature in black ink that reads "Heather Riley".

Heather Riley
Regulatory Specialist, Sr.
Williams Production Co.

Enclosures