

3/14/08 DATE IN	SUSPENSE	Brooks ENGINEER	3/17/08 LOGGED IN	NSP TYPE	PKVR0807753447 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



APR 14 PM 3 35

Williams Production CO

Rosa Unit # 166B

ADMINISTRATIVE APPLICATION CHECKLIST

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 _____

[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.

Ocean Monds Dry
Print or Type Name

Ocean Monds Dry
Signature

Attorney
Title

3-14-08
Date

omondsdry@hollandhart.com
e-mail Address



March 14, 2008

VIA HAND-DELIVERY

Mark Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Williams Production Company for administrative approval of a 232.69 acre non-standard gas spacing unit for its Rosa Unit Well No. 166B in Irregular Section 30, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

Dear Mr. Fesmire:

N/H
Williams Production Company ("Williams"), pursuant to the provisions of Division Rule 104 D (2)(b) and (c) adopted on January 18, 1996, hereby seeks administrative approval of a 232.69-acre non-standard gas spacing and proration unit for the Rosa Unit Well No. 166B to be drilled to test the Mancos formation at a location 2305 feet from the North and East lines in Irregular Section 30, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico.

Williams will test the Mancos formation in the Basin Mancos Gas Pool (97232). This new pool has been proposed -- but not yet approved -- by the Division along with special pool rules which require standard spacing gas proration units to be 320 acres. Williams is also completing this well in the Mesaverde and Dakota formations.

(72314) 4 well per 320 4 well per (71599)
This non-standard gas spacing and proration unit is necessary because of a variation in the legal subdivision of the United States Public Land Surveys. This unit is comprised of contiguous lots which lie wholly within a single governmental section and are joined by a common side.

Attached as **Exhibit A** is the C-102 showing the subject spacing unit. **Exhibit B** is a plat showing the offsetting spacing units. Williams is the operator of the Rosa Unit and accordingly of the adjoining spacing units. BP America Production Company is the only

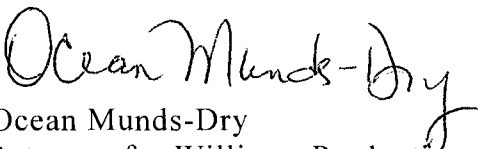


other working interest owner in the adjoining spacing units. **Exhibit C** is a waiver of objection letter from BP. Accordingly, no notice is required.

Williams plans to spud this well in a few weeks. **Williams therefore respectfully requests your expedited review of this application.**

Your attention to this application is appreciated.

Very truly yours,


Ocean Munds-Dry
Attorney for Williams Production Co.

cc: OCD - Aztec
Mr. Vern Hansen

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W Grand Avenue, Artesia, NM 88210

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

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-29841	² Pool Code 72319 / 71599	³ Pool Name BLANCO MESAVERDE / BASIN DAKOTA
⁴ Property Code 17033	⁵ Property Name ROSA UNIT	⁶ Well Number 166B
⁷ GRID No. 120782	⁸ Operator Name WILLIAMS PRODUCTION COMPANY	⁹ Elevation 6385'

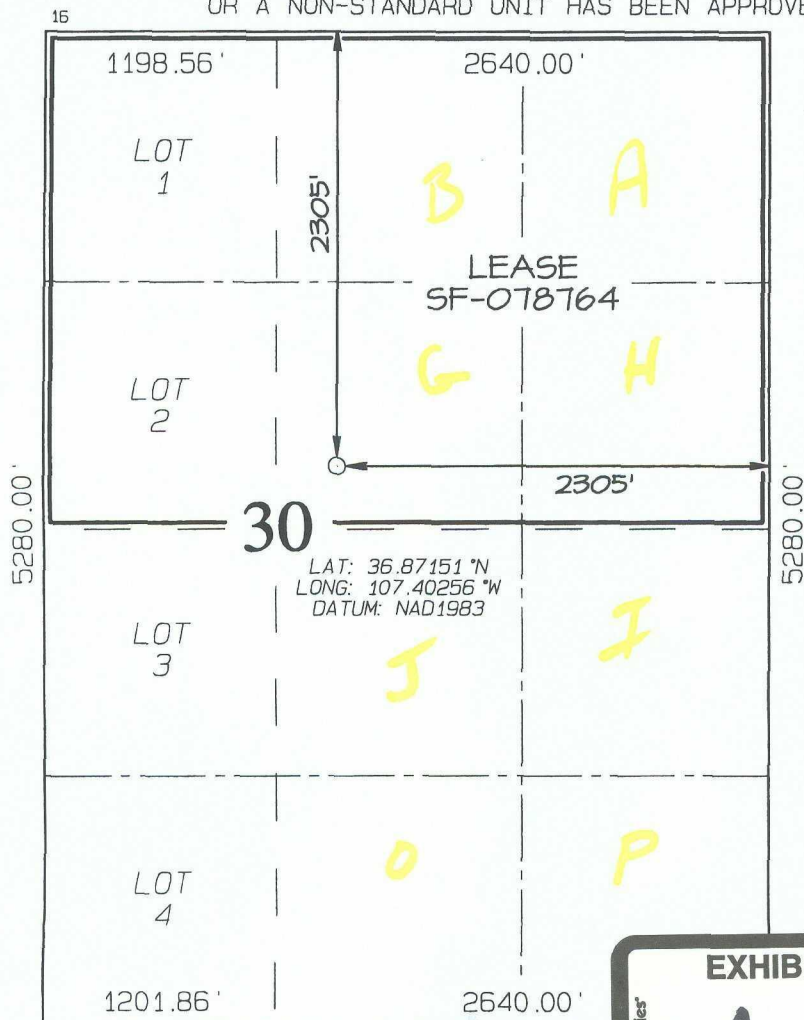
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	30	31N	5W		2305	NORTH	2305	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
									Rio Arriba
¹² Dedicated Acres 232.69 Acres - (N/2)					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Date

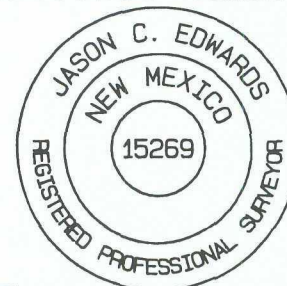
Printed Name

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Survey Date: OCTOBER 4, 2005

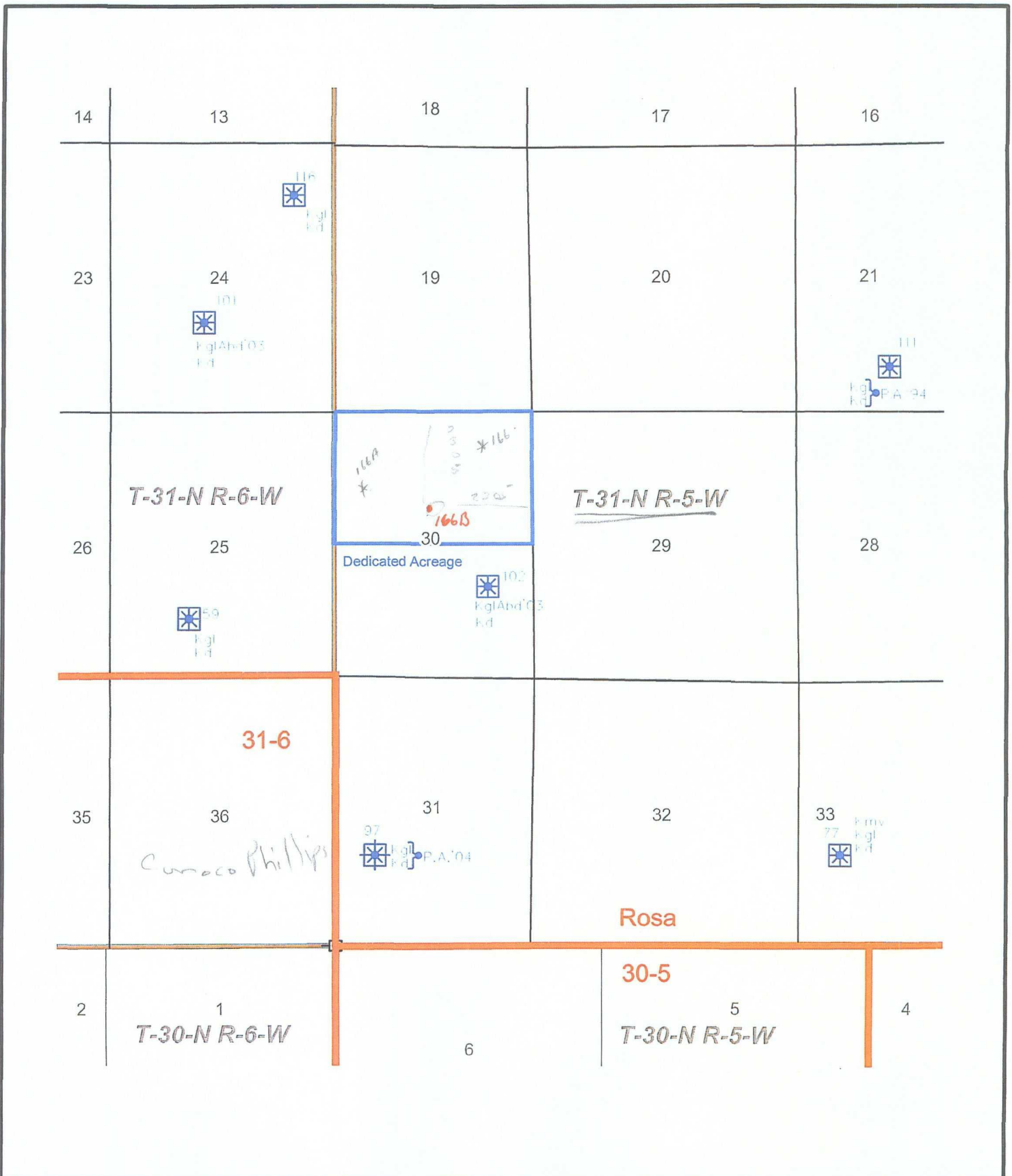
Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

EXHIBIT

A



March 13, 2008



VIA FACSIMILE

BP America Production Company
P.O. Box 3092
Houston, TX 77253

WILLIAMS PRODUCTION COMPANY, LLC
One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
918/573-6169

Attention: John Larson
Fax # (281) 366-7099

Re: Rosa Unit Well No. 166B
Section 30, Township 31 North, Range 5 West
Rio Arriba County, New Mexico

2699 in San Juan Co.

Mr. John Larson:

Williams Production Company, LLC (Williams) as Rosa Unit Operator will be submitting an application to the New Mexico Oil Conservation Division for a non-standard spacing unit for its Rosa Unit Well No. 166B to be drilled 2305 feet from the North and East lines of Section 30, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. Williams has dedicated a 232.69-acre non-standard spacing unit in the N/2 of Section 30 to this well. Pending special pool rules for the Basin Mancos Pool provide that a 320-acre spacing unit should be dedicated to this well.

Division Rules provide a 20-day notice period before an application will be approved unless the applicant obtains waivers from affected parties. Williams plans to spud this well early April as soon as the BLM seasonal drilling restrictions are lifted in the Rosa Unit. We therefore urgently request your waiver of objection to Williams' application. We respectfully request you that you sign this letter and either return it by e-mail, fax, or overnight delivery as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss please feel free to call me at (918) 573-6169. My fax # is (918) 573-1963.

Sincerely,


M. Vern Hansen
Senior Staff Landman

BP America Production Company agrees to waive objection to Williams's application for a non-standard spacing unit of the Rosa Unit Well No. 166B.

By: John W. Larson Project Engineer
Name & Title:
Date: 3/13/08





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

May 25, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Williams Production Company

One Williams Center

P. O. Box 3102

Tulsa, Oklahoma 74101

Attention: Tracy Ross

Administrative Order NSP-1821

Dear Ms. Ross:

Reference is made to the following: (i) your applications dated May 15, 2000; and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): all concerning Williams Production Company's ("Williams") request for the formation of a non-standard 232.69-acre gas spacing and proration unit (being 72.72% the size of a regular 320-acre unit for this pool) consisting of the following acreage in the Blanco-Mesaverde Pool:

RIO ARRIBA COUNTY, NEW MEXICO

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Irregular Section 30: Lots 1 and 2 and the NE/4 (N/2 equivalent).

L Drive
Gas production from this pool is to be dedicated to Williams' proposed: (i) Rosa Unit Well No. 166 (API No. 30-039-26275) to be drilled at a standard gas well location 1165 feet from the North line and 995 feet from the East line (Unit A) of Section 30; and (ii) Rosa Unit Well No. 166-A (API No. 30-039-26282) to be drilled as the initial infill well at a standard gas well location 1680 feet from the North line and 790 feet from the West line (Lot 2/Unit F) of Section 30.

The application has been duly filed under the provisions of Division Rules 605.B and 104.D(2).

By the authority granted me under the provisions of Division Rule 104.D (2) (b), the above-described 232.69-acre non-standard gas spacing and proration unit in the Blanco-Mesaverde Pool is hereby approved.

Further, both of the aforementioned Rosa Unit Well Nos. 166 and 166-A and above-described 232.69-acre non-standard gas spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington

Warnell, Terry G, EMNRD

From: Ocean Munds-Dry [Omundsdry@hollandhart.com]
Sent: Tuesday, April 22, 2008 8:41 AM
To: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD
Cc: Brooks, David K., EMNRD; Jones, William V., EMNRD
Subject: RE: Administrative Applications for Williams Production Company

Is it possible to grant these applications but classify them as "Undesignated Basin Mancos" and then when the pool rules are eventually approved, they could be re-classified as "Designated"?

From: Ezeanyim, Richard, EMNRD [mailto:richard.ezeanyim@state.nm.us]
Sent: Tuesday, April 22, 2008 8:40 AM
To: Warnell, Terry G, EMNRD; Ocean Munds-Dry
Cc: Brooks, David K., EMNRD; Jones, William V., EMNRD
Subject: RE: Administrative Applications for Williams Production Company

Terry and Ocean:

We cannot hold these applications until the Undesignated Mancos Gas Pool is established. Nobody knows when this will be done, so the only alternative is to set it for hearing. The administrative applications will be returned to the operator. If there are any questions, please let me know. Thank you.

Richard

From: Warnell, Terry G, EMNRD
Sent: Monday, April 21, 2008 5:01 PM
To: omundsdry@hollandhart.com
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Jones, William V., EMNRD; Warnell, Terry G, EMNRD
Subject: Administrative Applications for Williams Production Company

Dear MS Munds-Dry:

OCD has been reviewing your three (3) Administrative Applications for Williams Production Company in their Rosa Unit.

NSP	for 166B	API 30-039-29841	G-30-31.0N-05W	Rio Arriba	3-14-08
NSL	for 166B	API 30-039-29841	G-30-31.0N-05W	Rio Arriba	3-17-08
NSL	for 60B	API 30-045-34251	N-04-31.0N-06W	San Juan	3-24-08

All 3 involve the proposed (but not established) Basin Mancos Gas Pool. Unfortunately OCD can not approve Administrative Applications until the pool rule for the Basin Mancos Gas Pool is established.

We either hold these applications until that time or set hearings.

Please let me know how you wish to proceed.