

DATE IN <u>7/27/09</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>7/28/09</u>	TYPE <u>NSL</u>	PTF <u>W</u> APP NO. <u>0920928188</u>
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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



Williams
Rosa Unit #0050
30-039-3070
607Z

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 _____

RECEIVED OCD
2009 JUL 27 A 9:42

[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 7/22/09
Title 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

July 22, 2009

Mark E. Fesmire
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

Re: *Request for Administrative Approval of a Non-Standard Basin Mancos and Basin Dakota BHL
Rosa Unit #005D
API # 30-039-30780
SHL: 1485' FNL & 775' FEL, Sec. 26, T31N, R6W
BHL: 2100' FNL & 1750' FEL, Sec. 26, T31N, R6W*

Dear Mr. Fesmire:

Williams Production Co., LLC ("Williams"), pursuant to the provisions of Division Rule 104, hereby seeks administrative approval of an unorthodox location for the Basin Mancos (97232) and the Basin Dakota (71599) formations in Rosa Unit Well #005D. This is a directional well with a bottom hole location of 2100' FNL & 1750' FEL, Sec. 26, T31N, R6W. This well will be a triple completion in the Mesaverde, Basin Mancos and Basin Dakota formations and is part of the Pilot Project pursuant to Order No. R-13123 which allows for one additional Mesaverde infill well on each standard 320-acre gas proration unit.

Pursuant to Order No. R-12984, spacing requirements allow for up to 4 Basin Mancos wells in a standard spacing unit and for wells inside a federal exploratory unit and in a non-participating spacing unit they shall not be closer than 660 feet to the outer boundary of its spacing unit. Additionally, pursuant to Order No. R-10987-B(2), spacing requirements allow for up to 4 Dakota wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Given these requirements, this location is encroaching the south half of Section 26 by 540 feet.

Williams intends to capture the reserves from the Mesaverde, Basin Mancos and Dakota formations with a single well bore. Not only will the multiple completion help capture additional reserves that otherwise would not be able to be economically developed, but utilizing a single well bore for a triple completion will also negate the need for additional disturbance of another wellpad, road, and pipeline.

Mark E. Fesmire
July 22, 2009
Page 2 of 2

The surface for this well is being located on a multi-well pad, therefore, we will be utilizing existing surface disturbance. The bottom hole location was chosen by considering drainage patterns from the existing Mesaverde wells in that spacing unit, i.e. the Rosa Unit #005Y, #005A, #005B, and #005C. Further, drainage patterns from the other offset Mesaverde wells were also considered. They are the Rosa Unit #008, #008A, #008B, and the #008C in the West half of 26, the Rosa Unit #165, #165B, #160A, and #160B in the West half of 25, the Rosa Unit #014A and #014B in the SE of 23, and the Rosa Unit #019, #019B, and #019D in the SW of 24. See attached drainage map.

As the Unit Operator of the Rosa Unit, Williams Production is the only offset operator, thereby this proposed non-standard location would not affect any other operators.

Enclosed for your reference are copies of the Participating Area maps for the Mesaverde and Dakota Formations. All of Section 26 is in the PA in the Mesaverde Formation therefore setback requirements do not apply. The North half (excluding the SE4 of NW4) of Section 26 is in the PA in the Dakota formation but the South half is not, therefore setback requirements do apply. There is no PA in the Mancos so setback requirements apply in that formation as well.

The offset unit's mineral interest owners to the south are common; however, the working interest ownership is uncommon in both the Mancos and Dakota formations so notice is required. See the attached List of Affected Persons.

The spacing unit for the Mesaverde is the east half. The other Mesaverde wells in the spacing unit are the Rosa Unit #005Y, #005A, #005B, and #005C. Spacing for the Mancos and Dakota is the north half. The Rosa Unit #005B is the only other Dakota well in the North half of 26. There are no other Mancos wells.

Should you have any questions or concerns, please don't hesitate to contact me at the phone numbers listed above. You can also contact Vern Hansen at our Tulsa office at (918) 573-6169.

Sincerely,



Heather Riley
Regulatory Specialist

Enc.: 1st page of APD
Plat
Drainage Map
PA Maps (MV & DK)
Mineral ownership map
List of Affected Persons

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

Sign 6/30/09

O.T.F.
C.F.B.
C. C. KELLEY
C. WFS

C. INU
C. D. P. O.
C. R. 5/2
C. S. 2/2

5. Lease Serial No.	NMSF-078771
6. If Indian, Allottee or Tribe Name	NMN78407A-MV/DK Mncs... lease
7. If Unit or CA Agreement, Name and No.	Rosa Unit
8. Lease Name and Well No.	Rosa Unit No. 005D (was 619)
9. API Well No.	3003930780
10. Field and Pool, or Exploratory	Blanco Mesaverde Basin Mancos/Basin Dakota
11. Sec., T., R., M., or Blk. and Survey or Area	Section 26, 31N, 6W
12. County or Parish	Rio Arriba
13. State	NM

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone
2. Name of Operator Williams Production Company, LLC
3a. Address P.O. Box 640 Aztec, NM 87410
3b. Phone No. (include area code) (505) 634-4208
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1485' FNL & 775' FEL At proposed prod. zone 2100' FNL & 1750' FEL
14. Distance in miles and direction from nearest town or post office* approximately 31 miles northeast of Blanco, New Mexico
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 775'
16. No. of Acres in lease 2,560.00
17. Spacing Unit dedicated to this well 320.0 - (N/2)
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50' Rosa 5Y
19. Proposed Depth 8,379'
20. BLM/BIA Bond No. on file 0399 UT0847
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6318' GR
22. Approximate date work will start* July 1, 2009
23. Estimated duration 1 month
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

BLM'S APPROVAL OR ACCEPTANCE OF THIS APPLICATION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER NECESSARY PERMITS OR AUTHORIZATIONS REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

25. Signature 	Name (Printed/Typed) Larry Higgins	Date 6-16-09
Title Drilling COM		
Approved by (Signature) 	Name (Printed/Typed) D. Montenegro	Date 6/29/09
Title AFM	Office FFO	

Application approval 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.

Conditions of approval, if any, are attached.

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 reverse)

Williams Production Company, LLC, proposes to develop the Blanco Mesaverde, Basin Mancos, and Basin Dakota formations at the above described location in accordance with the attached drilling and surface use plans.

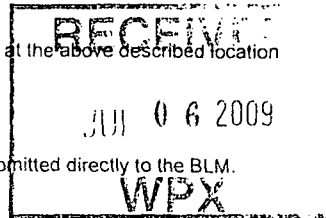
The well pad surface is under jurisdiction of the Bureau of Land Management, Farmington Field Office (BLM/FFO).

This location has been archaeologically surveyed by La Plata Archaeological Consultants. Copies of their report have been submitted directly to the BLM.

No new access road is needed for this well.

This APD is also serving as an application to obtain a pipeline right-of-way. An associated pipeline tie of 70.30 feet would be required for this well.

This well was originally staked as the Rosa Unit No. 619.



OPERATOR

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and an appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO THE ATTACHED "GENERAL" AND "SPECIFIC" CONDITIONS

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

*API Number	*Pool Code	*Pool Name
	97232 / 72319 / 71599	BASIN MANCOS / BLANCO MESAVERDE / BASIN DAKOTA
*Property Code	*Property Name	*Well Number
17033	ROSA UNIT	5D
*OGRID No.	*Operator Name	*Elevation
120782	WILLIAMS PRODUCTION COMPANY	6318'

¹⁰ Surface Location

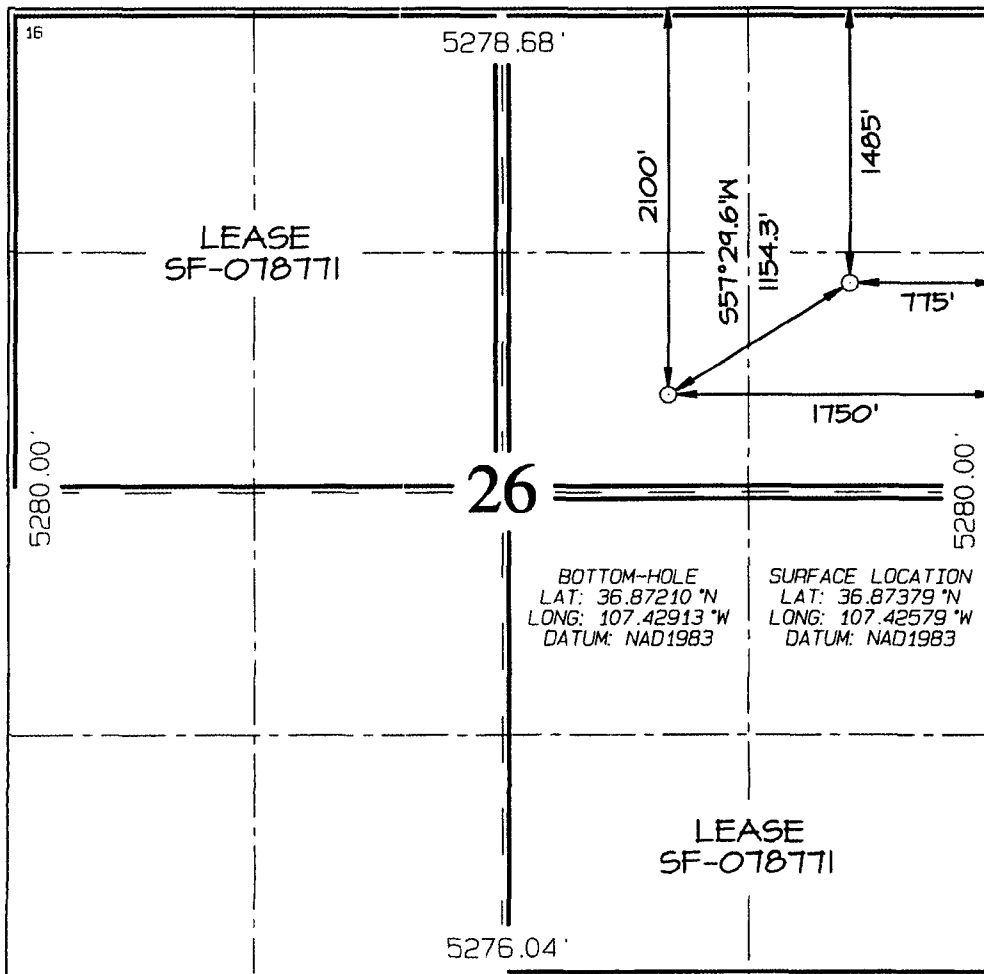
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	31N	6W		1485	NORTH	775	EAST	RIO ARRIBA

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
G	26	31N	6W		2100	NORTH	1750	EAST	RIO ARRIBA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320.0 Acres (E/2) - MV 320.0 Acres (N/2) - MANCOS, DK			

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 _____

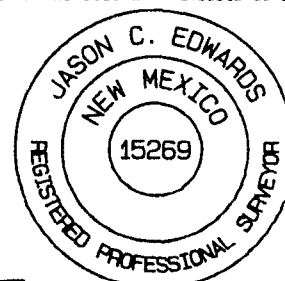
Printed Name _____

¹⁸ SURVEYOR CERTIFICATION

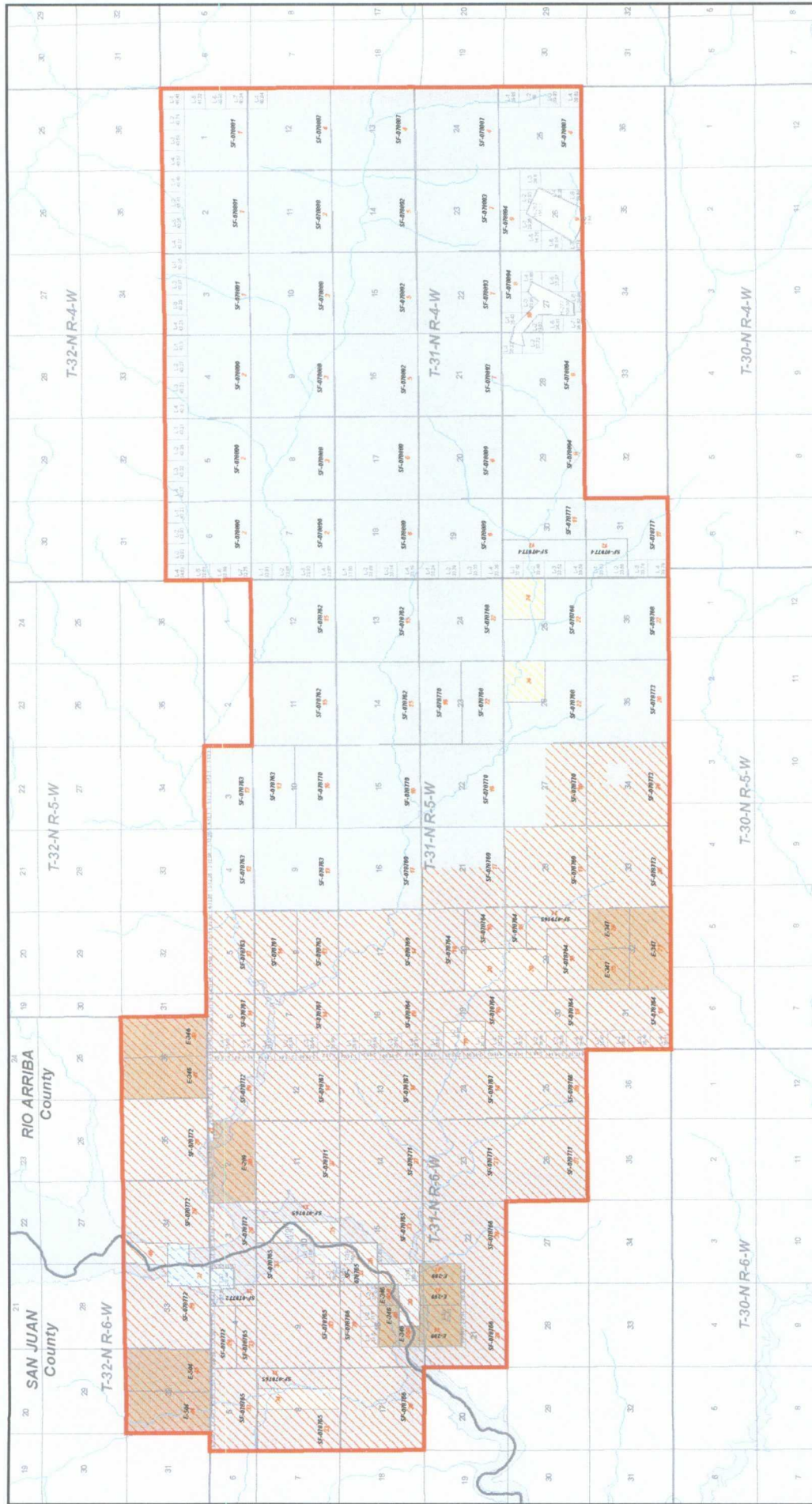
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Date of Survey: MAY 23, 2009

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269



Williams
Exploration & Production

Rosa Unit
Mesaville Formation
San Juan and Rio Arriba Counties, New Mexico

Scale: 1:72,000
Date: 3/7/2007

Williams
Exploration & Production

Rosa Unit
Mesaville Formation
San Juan and Rio Arriba Counties, New Mexico

Scale: 1:72,000
Date: 3/7/2007

San Juan County

Rio Arriba County

Rosa Unit Tract No. XX

Map Document: G:\Projects\San_Juan\Bosca_andParticipating_Areas\rosas_unit_mw_06.mxd
3/7/2007 - 11:03:37 AM



WILLIAMS PRODUCTION COMPANY, LLC
One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
918/573-2878

July 22, 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re: Application of Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Rosa Unit #5D Mancos/Dakota formation well to be drilled to a bottom hole location at 2100 feet from the North line and 1750 feet from the East line of Section 26, Township 31 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on July 22, 2009 by Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Rosa Unit #5D Mancos/Dakota formation well to be drilled to a bottom hole location at 2100 feet from the North line and 1750 feet from the East line of Section 26, Township 31 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

The N/2 of Sec. 26, T31N, R6W, a standard 320.00 acre spacing unit is dedicated to the well.

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.

Enclosures

Sincerely,

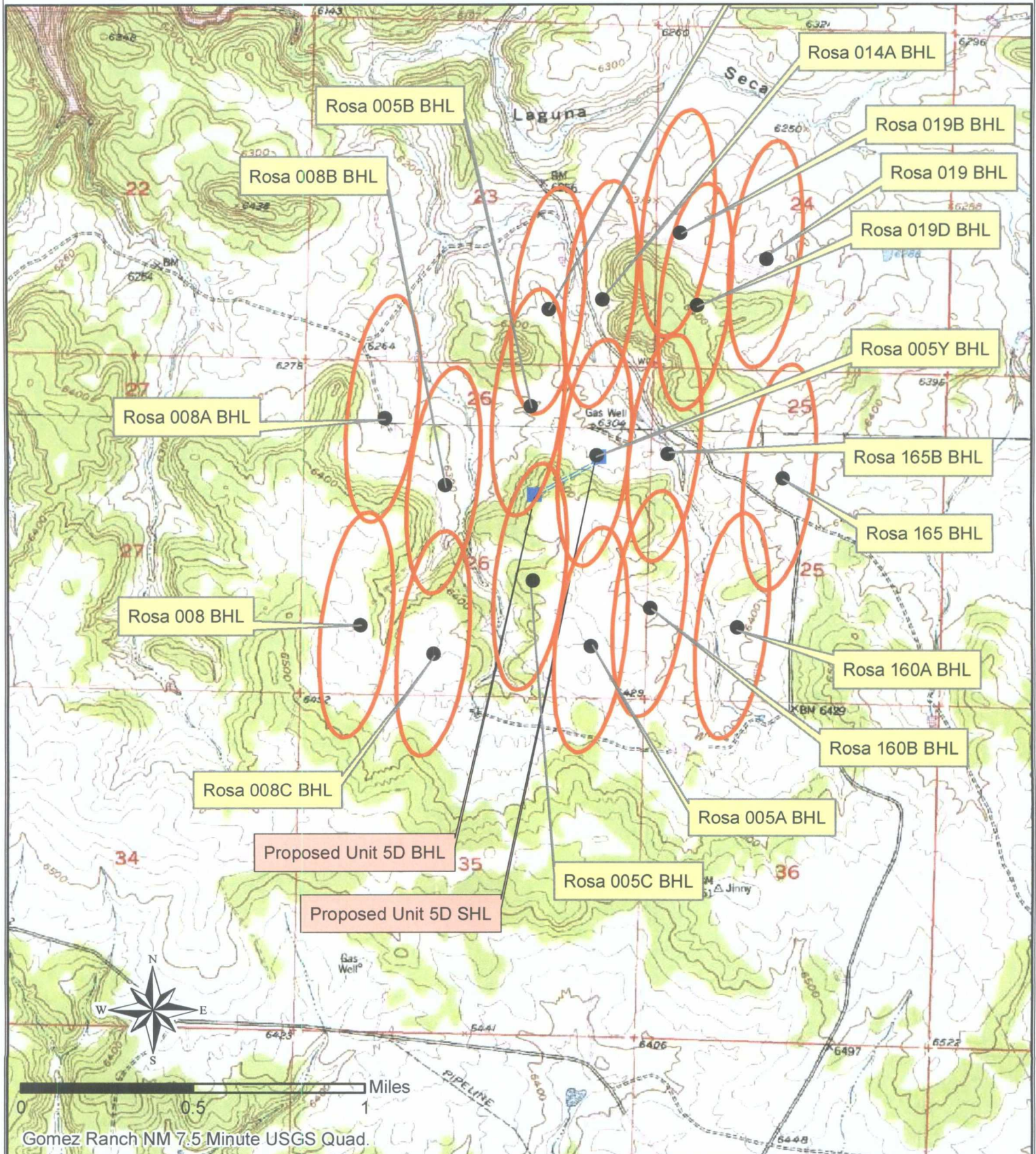
A handwritten signature in black ink, appearing to read "B. West", with a horizontal line drawn through it.

Brennan West
Landman
Williams Production Company, LLC

**Rosa Unit #5D Mancos/Dakota Formation Well
Affected Interest Owners, N/2 of Sec. 26, T31N, R6W
(Dakota Drillblock Owners)**

BP AMERICA PRODUCTION CO.
ATTN: JOHN LARSON
P.O. BOX 3092
HOUSTON, TX 77253-3092

NSL Application Drainage Map
Williams Production Company, LLC
Proposed Rosa Unit No. 5D
T31N, R06W, Section 26 NMPM
Rio Arriba, New Mexico



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, August 17, 2009 2:14 PM
To: 'Riley, Heather '
Subject: Rosa Unit #5D; NSL Application

Dear Ms. Riley

I have examined the referenced NSL Application.

I need some clarification concerning the parties notified. Apparently BP was the only party notified. The list of parties notified is captioned "Affected Interest Owners, N/2 etc (Dakota Drillblock Owners)". As you correctly observe, the unit encroached upon is the S/2 of Section 26. Is BP the drillblock owner for the S/2? Is that the case for the Macos, as well as the Dakota?

Thanks

David K. Brooks
Legal Examiner
505-476-3450

DATE IN 8/3/09	SUSPENSE	ENGINEER Brooks	LOGGED IN 8/3/09	TYPE NSL	APP NO 0921550772
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505
2009 AUG 3 PM 1 01



PTEN
Ojo Encino 21 Fed #1H
High Plains
HPEC (246238)

ADMINISTRATIVE APPLICATION CHECKLIST 1 00

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]
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[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

DD-143(H)

*Core 8989
R 8323*

[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.

Arthur W. Butler III
Print or Type Name

Arthur W. Butler III
Signature

Manager, High Plains Operating Company, LLC
Title

7/31/2009
Date

bbutler@highplainsop.com
e-mail Address

Friday, July 31, 2009

David Brooks
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

**Re: Ojo Encino Entrada Pool—Application for Administrative Approval for
“Unorthodox Location” for directionally drilling the Entrada in the Ojo Encino 21
Federal #1H wellbore**

Dear David:

High Plains Operating Company (HPOC) does hereby apply for administrative approval pursuant to subsection B (3) of NMAC 19.15.3.111 and subsection F of NMAC 19.15.3.104 to drill an “Unorthodox Location” in its proposed Ojo Encino 21 Federal #1H directionally drilled well in the currently abandoned Ojo Encino Entrada pool. HPOC plans a surface location 2,537' FSL & 2,523' FWL (Unit K) of section 21-T20N-R5W, McKinley County, New Mexico. We propose to drill to the south-southeast and plan to penetrate the Entrada reservoir at a point 1,825' FSL and 2,598' FWL of section 21. From this point, we plan to construct a lateral near the top of the Entrada reservoir to a point 332' FSL and 2,331' FEL of section 21—a total planned lateral in the Entrada of 1,534'. See the accompanying C-102.

An unorthodox location is required as the proposed lateral will be closer than the minimum setback requirements to the outer boundaries of the proposed horizontal project area. Our proposed lateral encroaches on Unit N (SE/SW) of section 21. The map on the next page shows the proposed “project area/spacing unit” for HPOC’s proposed directionally drilled Ojo Encino 21 Federal #1H well along with all wells in the area. HPOC is the 100% owner of the interest in section 21 of Federal lease NM[NM 113426, which is shown in yellow on this map. Ownership is the same for this entire lease, which covers the west half and west half of the east half of this section—a total of 480 acres.

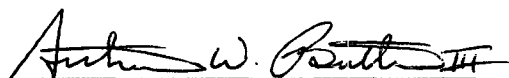
HPOC has carefully studied the 3D seismic available over the project area and has interpreted the producing Entrada dune reservoir to lie in a north-northwest to south-southeast direction. The outline of the interpreted dune is shown on the next page. Due to the large water interval below the relatively thin oil pay in the field, reservoir modeling indicates two distinct benefits of a directionally drilled maximum reservoir contact lateral near the top of the oil reservoir:

1. Water coning is significantly reduced. Oil as a percentage of total fluid produced should be higher.
2. Additional reserves recovered—perhaps as much as 50% additional oil from a single horizontal lateral versus a single vertical wellbore.

So, to conserve waste and maximize recovery from the Ojo Encino Entrada pool, HPOC does respectfully request that administrative approval be granted for an “Unorthodox Location” for its Ojo Encino 21 Federal #1H well.

Please direct any questions to me at the contact points below.

Yours truly,



Arthur W. (Butch) Butler III
Manager—High Plains Operating Company, LLC



DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 48030	*Pool Name OJO ENCINO ENTRADA
*Property Code 37743	*Property Name OJO ENCINO 21 FEDERAL		*Well Number 1 H
*OGRID No. 246238	*Operator Name HIGH PLAINS OPERATING COMPANY, LLC		*Elevation 6792'

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
K	21	20N	5W		2537'	SOUTH	2523'	WEST	McKINLEY

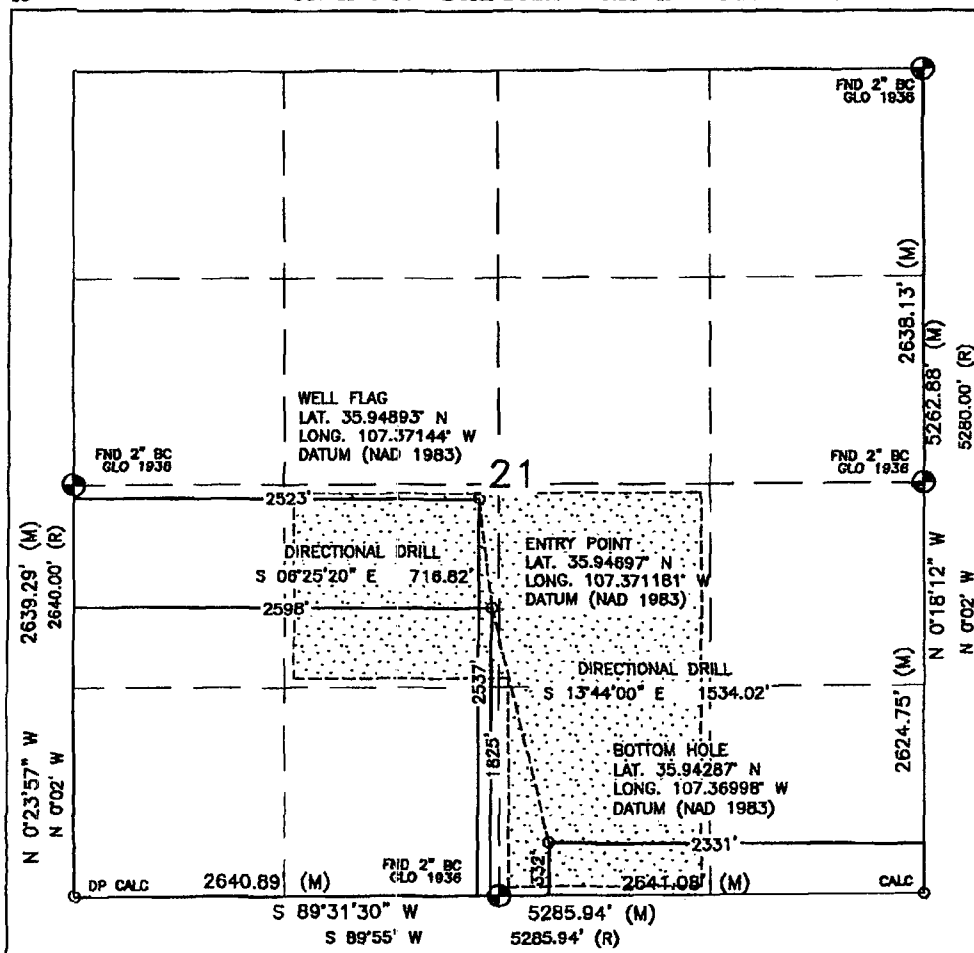
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	21	20N	5W		332'	SOUTH	2331'	EAST	McKINLEY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
120.00 ACRES			

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

16



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 or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

18 SURVEYOR CERTIFICATION

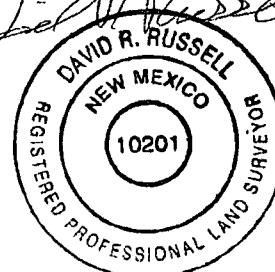
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUNE 26, 2009

Date of Survey _____

Signature and Seal of Professional Surveyor:

W. D. Russell



DAVID RUSSELL

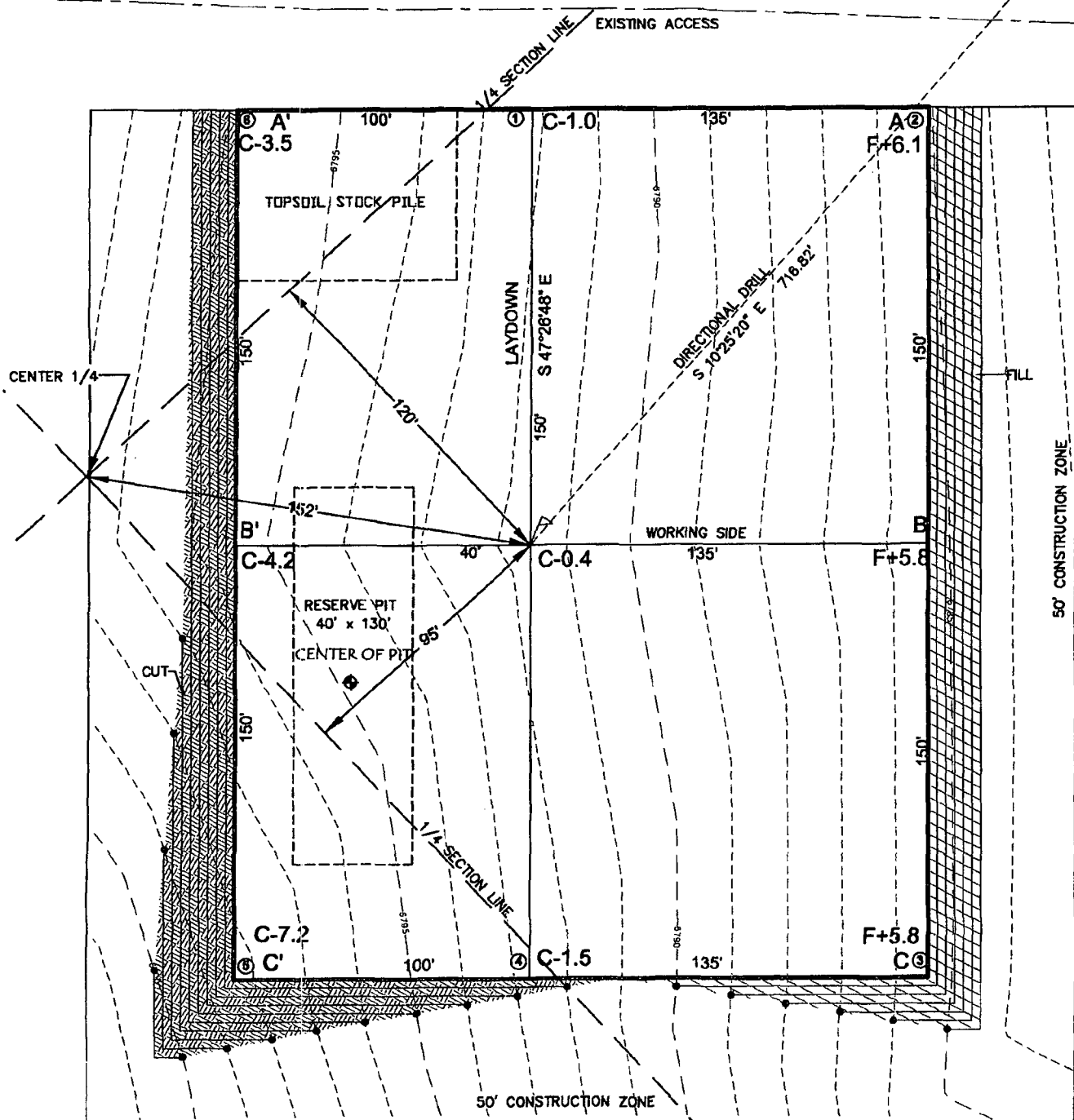
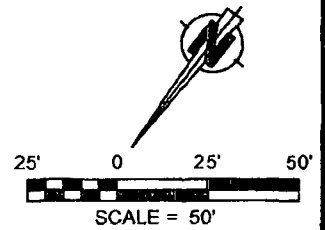
Certificate Number 10201

WELL FLAG

LATITUDE: 36.94893° N
 LONGITUDE: 107.37144° W
 DATUM: NAD 83
CENTER OF PIT
 LATITUDE: 35.94915° N
 LONGITUDE: 107.37139° W
 ELEVATION: 6779.2'
 NAD83 & NAVD88

HIGH PLAINS OPERATING COMPANY, LLC

OJO ENCINO 21 FEDERAL #1 H
 2537' FSL & 2523' FWL
 LOCATED IN THE NE/4 SW/4 OF SECTION 21,
 T20N, R5W, N.M.P.M.,
 MCKINLEY COUNTY, NEW MEXICO
 GROUND ELEVATION: 6792', NAVD 88
 FINISHED PAD ELEVATION: 6791.2', NAVD 88



1 FOOT CONTOUR INTERVAL SHOWN
 SCALE: 1" = 50'
 JOB No.: HPOC001
 DATE: 07/01/09
 DRAWN BY: TWT



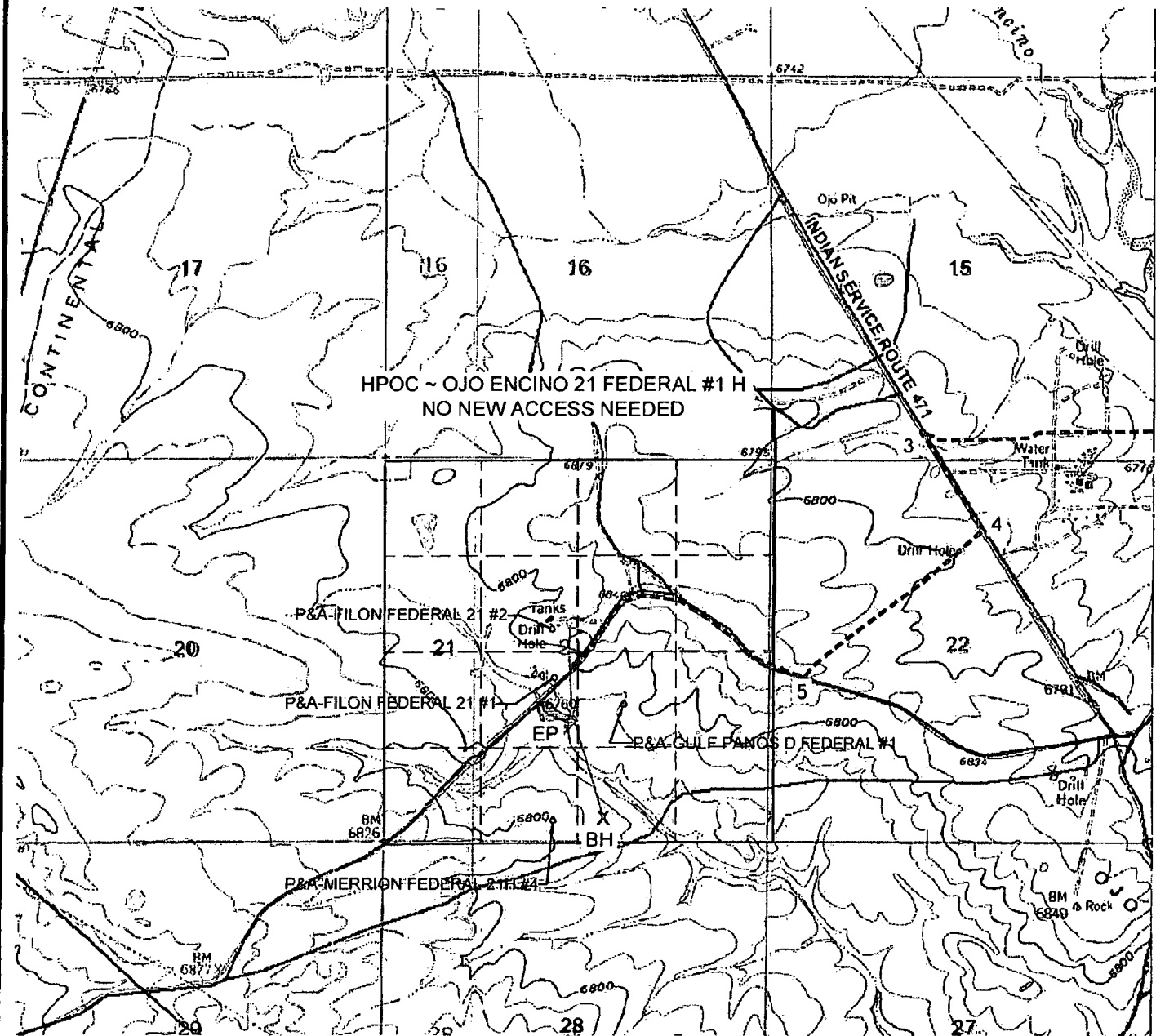
Russell Surveying
 1409 W. Aztec Blvd. #2
 Aztec, New Mexico 87410
 (505) 334-8637

FINISHED PAD ELEVATION: 6791.2', NAVD 88

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(505) 334-8637

HIGH PLAINS OPERATING COMPANY, LLC

OJO ENCINO 21 FEDERAL #1 H
2537' FSL & 2523' FWL
LOCATED IN THE NE/4 SW/4 OF SECTION 21,
T20N, R5W, N.M.P.M.,
McKINLEY COUNTY, NEW MEXICO
GROUND ELEVATION: 6792', NAVD 88
NO NEW ACCESS NEEDED



- 1) IN CUBA, NM., FROM THE INTERSECTION OF HWY 550 & HWY 197, TRAVEL WEST ON HWY 197 FOR 15.3 MILES TO THE OJO ENCINO SCHOOL ROAD (PAVED ROAD).
- 2) TURN RIGHT (WEST) ON OJO ENCINO SCHOOL ROAD AND TRAVEL FOR 13 MILES TO WHERE THE ROAD CURVES FROM DUE WEST TO DUE NORTH.
- 3) TURN LEFT, AT THE REC CENTER, ONTO DIRT ROAD AND GO 0.2 MILES.
- 4) TURN RIGHT AND GO 0.7 MILES.
- 5) TURN RIGHT, OVER CATTLE GUARD AND GO 0.7 MILES TO PROPOSED WELL PAD.

WELL FLAG LOCATED AT LAT. 36.94893° N, LONG. 107.37144° W (NAD 83)

U.S.G.S. QUAD: OJO ENCINO MESA
SCALE: 1" = 2000' (1:24,000)
JOB No.: HPOC001
DATE: 07/01/09

NEW OR RECONSTRUCTED ROADS MUST MEET
SMA DESIGN STANDARDS
INSTALL CULVERTS AS NEEDED



Russell Surveying
1409 W. Aztec Blvd. #2
Aztec, New Mexico 87410
(505) 334-8637

Brooks, David K., EMNRD

To: bbutler@highplainsop.com
Subject: Ojo Encino 21 Fed #1H; NSL Application

Dear Mr. Butler

An examination of the application submitted for this well indicates that the terminus (bottom hole location) encroaches diagonally toward the unit to the southwest, presumably the NW/4 NE/4 of Section 28. We consider a location as encroaching toward a unit that adjoins the subject unit at a point if the location is closer to the common point than the nearest standard location would be.

Accordingly, unless ownership is also identical for the NW/4 NE/4 of Section 28, you will need to provide notice to the operator or owners of that tract. Alternatively, a very minor change of the proposed bottom-hole location would eliminate the encroachment.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Riley, Heather [Heather.Riley@Williams.com]
Sent: Monday, August 24, 2009 3:21 PM
To: Brooks, David K., EMNRD
Subject: RE: Rosa Unit #5D; NSL Application
Attachments: Riley, Heather .vcf

Yes BP is the only owner in the Mancos and Dakota formations in the S/2 of 26.

Heather Riley
Regulatory Specialist
WILLIAMS PRODUCTION CO., LLC
P. O. Box 640
Aztec, NM 87410
(505) 634-4222 (Office)
(505) 634-4205 (Fax)
(970) 749-8747 (Cell)

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, August 17, 2009 2:14 PM
To: Riley, Heather
Subject: Rosa Unit #5D; NSL Application

Dear Ms. Riley

I have examined the referenced NSL Application.

I need some clarification concerning the parties notified. Apparently BP was the only party notified. The list of parties notified is captioned "Affected Interest Owners, N/2 etc (Dakota Drillblock Owners)". As you correctly observe, the unit encroached upon is the S/2 of Section 26. Is BP the drillblock owner for the S/2? Is that the case for the Macos, as well as the Dakota?

Thanks

David K. Brooks
Legal Examiner
505-476-3450

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