

DATE <u>2-15-10</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>2-15-10</u>	TYPE <u>NSL</u>	APP NO. <u>1004646044</u>
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RECEIVED
 NEW MEXICO OIL CONSERVATION DIVISION
 2010 FEB 15 - Feb 12 21
 1220 South St. Francis Drive, Santa Fe, NM 87505



Williams Prod.
 (120782)
Cox Canyon #0070

ADMINISTRATIVE APPLICATION CHECKLIST APP # 30-045-33022

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.

Heather R. Riley
 Print or Type Name

Heather Riley
 Signature

Regulatory Specialist 2/1/10
 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

February 9, 2010

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

*Re: Request for Administrative Approval for Non-Standard Mesa Verde Location
Cox Canyon Unit #007B
API # 30-045-33022
Sec. 17, T32N, R11W
BHL: 638' FNL & 2082' FWL*

Dear Mr. Fesmire:

Williams Production Co., LLC ("Williams"), pursuant to the provisions of Division Rule 19.15.15, hereby seeks administrative approval of an unorthodox location for the Blanco Mesa Verde (72319) formation in Cox Canyon Unit #007B. This is a directional well with a bottom hole location of 638' FNL & 2082' FWL, Sec. 17, T32N, R11W. This well was originally staked to a standard bottom hole location; however, during drilling operations the wellbore deviated to the north causing it to become non-standard. See As Drilled Plat attached hereto.

Pursuant to Order No. R-10987-A, wells drilled on a GPU shall be located not closer than 660 feet to the South and North lines nor closer than 660 feet to the East and West lines of a GPU and not closer than 10 feet to any interior quarter of quarter-quarter section line or subdivision inner boundary. Given these requirements, this location is encroaching on the west half of Section 8 by 22 feet.


The surface for this well was located on a multi-well pad utilizing existing surface disturbance. The bottom hole location was chosen by considering drainage patterns from the existing Cox Canyon wells in that spacing unit, i.e. the Cox Canyon Unit #007, #007A, and #007C. Further, drainage patterns from the other offset Mesaverde wells were also considered. They are the Cox Canyon Unit #008 and #008B in the east half of Section 8, Cox Canyon Unit #008A and #008C in the east half of Section 17, and the JE Decker #003A and #003C in the west half of Section 8. See attached drainage map.

Mark E. Fesmire
February 9, 2010
Page 2 of 2

The spacing for the Cox Canyon Unit #007B is W/2 E/2 & E/2 W/2 Sec.17, T32N, 11W 320 acres. The spacing unit we are encroaching upon is an NSP and is comprised of the W/2 of Section 8 and the W/2 W/2 of Section 17. It is operated by Great Western Drilling. Pursuant to NMOCD rules notice has been sent to Great Western Drilling. See attached letter.

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
As Drilled Plat
Drainage Map
Letter to Great Western

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☒

2. NAME OF OPERATOR

Williams Production Company, LLC

3. ADDRESS AND TELEPHONE NO.

P.O. Box 316— Ignacio, Colorado 81137-0316

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)

At surface

1,140' FNL, 1560' FWL (C)

At proposed prod. zone

660' FNL, 1,950' FWL (C)

5. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

7.99 miles NW of Cedar Hill, NM

6. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

+/- 270'

7. NO. OF ACRES IN LEASE

320

8. NO. OF ACRES ASSIGNED TO THIS WELL

320 acres

9. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

+/- 135'

10. PROPOSED DEPTH

+/- 6,101' TVD / 6,186' MD

11. ROTARY OR CABLE TOOLS

Rotary

12. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,659' GR

13. APPROX. DATE WORK WILL START*

June 1, 2005

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" K-55	36#	+/- 300'	150 sacks Type III cement + 2% CaCl ₂ + 1/4 #/sk. Cello-Flakes
8-3/4"	7" K-55	20#	+/- 2,885'	350 sacks Lead and 50 sacks Tail (see Drilling Plan)
6-1/4"	4-1/2" K-55	10.5#	+/- 2,785-6,186'	75 sacks Lead and 110 sacks Tail (see Drilling Plan)

Other Information:

Drilling Plan, Surface Use Plan and pit application are attached.

2005 APR 11 PM 3:23
RECEIVED
OTO FARMING CO. LLC

1. ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Don Hamilton Don Hamilton TITLE Agent for Williams

DATE April 6, 2005

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

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

APPROVED BY H. Manley TITLE AFM

DATE 8-15-05

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the

OPERATION

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

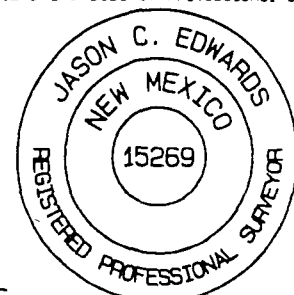
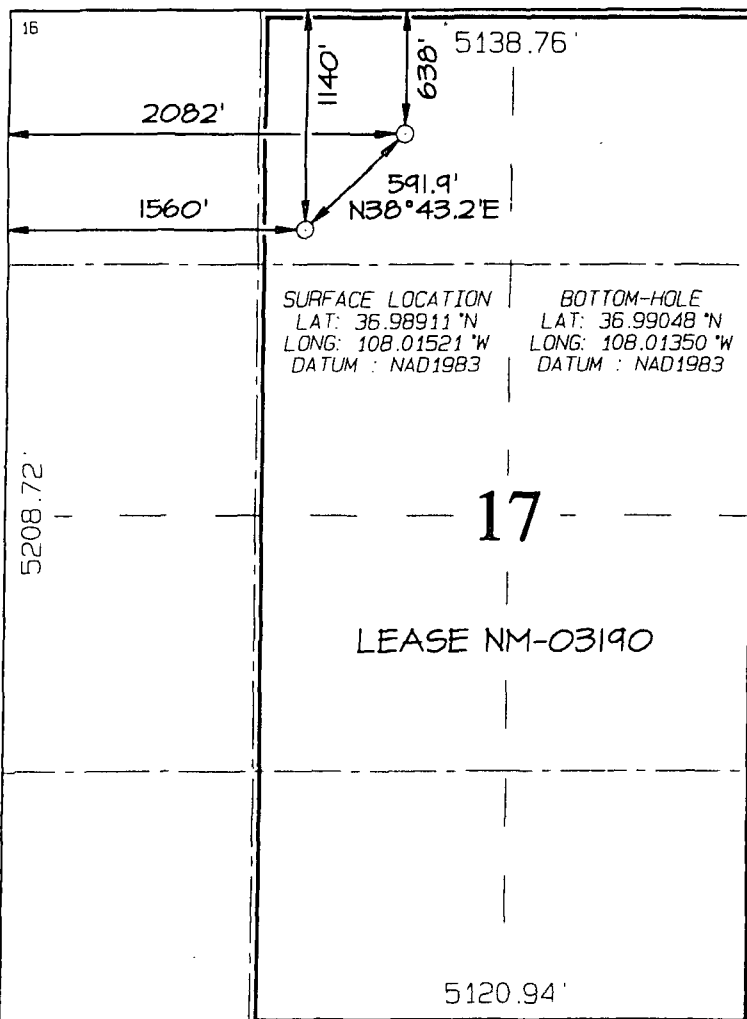
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

As Drilled

'API Number 30-045-33022	'Pool Code 72319	'Pool Name BLANCO MESAVERDE
'Property Code	'Property Name COX CANYON UNIT	'Well Number 7B
'OGRID No. 120782	'Operator Name WILLIAMS PRODUCTION COMPANY	'Elevation 6659

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	17	32N	11W		1140	NORTH	1560	, WEST	SAN JUAN

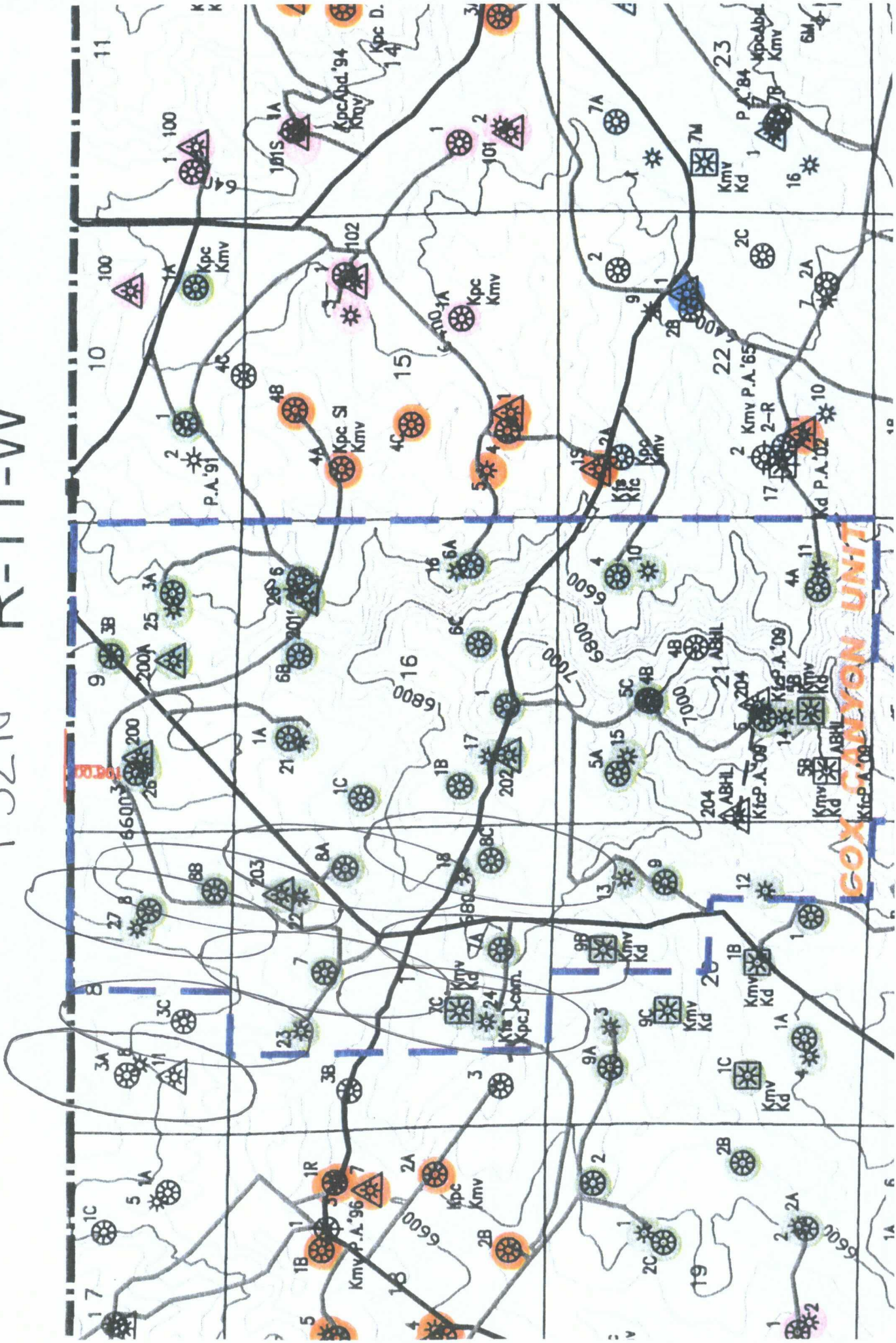
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	17	32N	11W		638	NORTH	2082	WEST	SAN JUAN



JASON C. EDWARDS
Certificate Number 15269

DRAINAGE MAP
COX CANYON #007B

T32N R-11-W





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

February 9, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED OFFSET OPERATORS

Re: Application of Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Cox Canyon Unit #007B Mesaverde formation well to be drilled to a bottom hole location at 638 feet from the North line and 2082 feet from the West line of Section 17, Township 32 North, Range 11 West, N.M.P.M., San Juan 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 this date by Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Cox Canyon Unit #007B Mesaverde formation well to be drilled to a bottom hole location at 638 feet from the North line and 2082 feet from the West line of Section 17, Township 32 North, Range 11 West, N.M.P.M., San Juan and Rio Arriba Counties, New Mexico. The E/2W/2 & W/2E/2 of Sec. 17, T32N, R11W, a non-standard 320.00 acre spacing unit is dedicated to the well.

As an offset operator 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 "Brennan West".

Brennan West
Landman

Cox Canyon Unit #007B Mesaverde Formation Well
Affected Offset Operator
W/2 of Sec. 8 and W/2 W/2 of Sec. 17, T32N, R11W (Mesaverde Drill Block Owners)

Great Western Drilling Company
Attn: San Juan Basin Land Manager
P.O. Box 1659
Midland, TX 79702-1659

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, February 15, 2010 2:43 PM
To: 'Riley, Heather '
Subject: Cox Canyon Unit #7B - NSL Application

Dear Ms. Riley

We are in receipt of the referenced application.

Clearly the unit for this well – the W/2 E/2 and the E/2 W/2 of Section 17 is a non-standard unit. Has this unit been approved in a previous hearing or administrative order? If so, can you supply the order number?

Thanks

David K. Brooks
Legal Examiner

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO



February 16, 1956

C
O
P
Y

Pacific Northwest Pipeline Corp.
Simms Building
Albuquerque, New Mexico

Attention: Mr. James E. Sperling

Administrative Order NW U163

Gentlemen:

Reference is made to your application for approval of a 320-acre non-standard gas proration unit in the Blanco-Mesaverde Gas Pool consisting of the following acreage:

Township 32 North, Range 11 West, NMPM
E/2 W/2 and W/2 E/2 of Section 17

It is understood that this unit is to be ascribed to your Cox Canyon Unit Well No. 7-17 to be located 1540 feet from the North line and 2340 feet from the East line and in the SW/4 NE/4 of Section 17, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico.

Inasmuch as you enclosed waivers from the offset operators agreeing to the formation of the proposed unit, it is possible for immediate approval to be granted. Therefore, by authority granted me under provisions of Rule 1, Section (b)-4 of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, as set forth in Order R-123-D, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 320 acres.

Very truly yours,

W. B. Macey
Secretary-Director

Conservation Commission, Santa Fe
Farmington
Hobbs

Heather Riley
Regulatory Specialist
WILLIAMS PRODUCTION CO., LLC

Brooks, David K., EMNRD

From: Riley, Heather [Heather.Riley@Williams.com]
Sent: Wednesday, February 17, 2010 9:22 AM
To: Brooks, David K., EMNRD
Cc: Higgins, Larry ; Winters, Lacey ; Hansen, Vern
Subject: RE: Cox Canyon Unit #7B - NSL Application

Mr. Brooks,

Here is a letter we found on the OCD website for the Cox Canyon Unit 7-17, API No. 30-045-11455, which references NWU-162. It is not very legible but it appears to approve an NSP for the E/2 W/2 and W/2 E/2 of Section 17, T32N, R11W.

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, February 15, 2010 2:43 PM
To: Riley, Heather
Subject: Cox Canyon Unit #7B - NSL Application

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David K. Brooks
Legal Examiner

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