

May 24, 2011

Via Hand Delivery

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

Case 14667

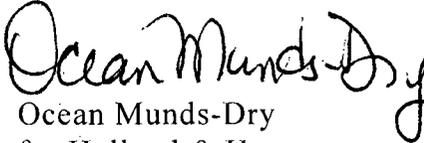
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Re: Application of Williams Production Co., LLC for A Project Area for the Mancos Participating Area in the Rosa Unit, San Juan and Rio Arriba Counties, New Mexico.

Dear Ms. Bailey:

Enclosed is the application of Williams Production Company, LLC in the above-referenced case as well as a copy of a legal advertisement. Williams requests that this matter be placed on the docket for the June 23, 2011 Examiner hearings.

Sincerely,


Ocean Munds-Dry
for Holland & Hart LLP

cc: Mr. Ken McQueen

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF WILLIAMS PRODUCTION CO.,
LLC FOR A PROJECT AREA FOR THE MANCOS PARTICIPATING AREA IN
THE ROSA UNIT, SAN JUAN AND RIO ARRIBA COUNTIES, NEW MEXICO.**

CASE NO. 14667

APPLICATION

WILLIAMS PRODUCTION COMPANY, LLC, (“Williams”) through its undersigned attorneys, hereby makes application to the Oil Conservation Division for designation of a Project Area pursuant to Division Rules 19.15.16.7 and 19.15.16.14 to include all of the Mancos Participating Area within the Rosa Unit, San Juan and Rio Arriba Counties and in support of this application states:

1. Williams is a working interest owner and the designated operator of the Rosa Unit. The horizontal limits of said Unit Area are described as follows:

Township 32 North, Range 6 West

Section 32-36: All

Township 31 North, Range 6 West

Sections 1 -3: All

Sections 4, 5, 8-17, 21-26: All

Township 31 North Range 5 West

Sections 3-36: All

Township 31 North Range 4 West

Sections 1-31: All

2. The Bureau of Land Management has approved a Participating Area for the Mancos formation in the Rosa Unit by geologic inference which covers an area of approximately 24,118.76 acres. Specifically, the Participating Area has been designated for the following lands:

Township 32N-6W

Sections 32-36

Township 31N-6W

Sections 1-5
Sections 8-17
Sections 21-26

Township 31N-5W

Sections 5-8
Sections 17-21
Sections 27-34

3. Williams proposes to designate the Participating Area for the Mancos as one Project Area, excluding uncommitted acreage, which will include existing and future vertical and horizontal wells drilled and completed in the Mancos formation, Basin Mancos Gas Pool for a total Project Area of 23,958.1 acres, more or less. Williams proposes to maintain a 660 feet offset from uncommitted acreage until and unless an agreement is reached with uncommitted interest owners regarding allocation of production.

4. A "project area" is defined as an "area the operator designates on form C-102 that a spacing unit's outer boundaries enclose, a combination of complete, contiguous spacing units or an approved secondary, tertiary or pressure maintenance project." 19.15.16.7(I) NMAC.

5. Granting this application will allow Williams to more efficiently and effectively develop the Mancos formation within the Participating Area.

6. Williams requests that future amendments of the proposed Project Area be amended administratively.

7. Exhibit A to this application is a list of affected persons as defined by Division Rules. Williams has given notice to the listed parties in accordance with Division Rules.

8. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Williams Production Company, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 23, 2011 and, after notice and hearing as required by law, that the application be approved.

Respectfully submitted,

HOLLAND & HART LLP

By: 
Ocean Munds-Dry
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR WILLIAMS PRODUCTION CO., LLC

EXHIBIT A
WILLIAMS PRODUCTION CO., LLC's NOTICE LIST FOR ROSA UNIT

BP America Production Co.
Attn: John Larson, W11 Rm 19.158
501 Westlake Boulevard
Houston, TX 77079-3092

ConocoPhillips Company
Attn: Chief Landman, San Juan/Rockies
P. O. Box 4289
Farmington, NM 87499-4289

Energen Resources MAQ, Inc.
Attn: Dave Poage
2010 Afton Place
Farmington, NM 87401

Riva Oil & Gas, LLC
1645 Court Place, Suite 406
Denver, CO 80202

Adelante Oil & Gas, LLC
P.O. Box 2471
Durango, CO 81302

JMJ Resources, LLC
Attn: James R.J. Strickler
2204 N. Santiago Ave.
Farmington, NM 87401

San Juan Basin Properties, LLC
1499 Blake Street #10C
Denver, CO 80802

T.H. McElvain Oil & Gas, LP
Attn: Rick Harris
1050 17th Street Suite 1800
Denver, CO 80265

James M. Raymond, Attorney-in-Fact
For Charles W. Gray
PO Box 291445
Kerrville, TX 78029-1445

Broome Family Limited Partnership
Attn: George B. Broome
HC-74, Box 62
Pecos, NM 87552

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For Lorryn Gay Hacker
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Kerrville, TX 78029-1445

Tamacam, LLC
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Kerrville, TX 78029

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Dallas, TX 75223

Schultz Management, Ltd.
500 N. Akard, Suite 2940
Dallas, TX 75201

Henrietta Schultz, Trustee
500 North Akard, Suite 2940
Dallas, TX 75201

Elizabeth Jeanne Turner Calloway
P.O. Box 191767
Dallas, TX 75219-1767

Fred E. Turner
4925 Greenville Ave # 852
Dallas, TX 75206

Fred E. Turner LLC
One Energy Square, Ste 852
4925 Greenville Ave.
Dallas, TX 75206-4079

J Glenn Turner Jr LLC
4809 Cole Avenue, Suite 212
Dallas, TX 75205

J Glenn Turner Jr
4809 Cole Avenue, Suite 212
Dallas, TX 75205

Omimex Petroleum Inc.
Attn: Clark P. Storms
7950 John T. White Road
Fort Worth, TX 76120

XTO Energy, Inc.
Attn: Edwin S. Ryan, Jr.
810 Houston St., Ste 2000
Fort Worth, TX 76102-6298

Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

Schalk Development Company
PO Box 25825
Albuquerque, NM 87125

Bureau of Ocean Energy Mgt Reg &
Enforcement
Minerals Management Service
P.O. Box 5810
Denver, CO 80217-5810

New Mexico State Royalty
310 Old Santa Fe Trail
Santa Fe, NM 87501

Bureau of Land Management
Farmington Field Office
1235 La Plata Highway Suite A
Farmington, NM 87401

OCD District 3 Office
1000 Rio Brazos Road
Aztec, New Mexico 87410

CASE 14667: **Application of Williams Production Co., LLC for A Project Area For The Mancos Participating Area In The Rosa Unit, San Juan And Rio Arriba Counties, New Mexico.** Applicant, in the above-styled cause seeks designation of a Project Area for the Mancos Participating Area within the Rosa Unit excluding certain uncommitted acreage for a total of 23,958.1 acres to be dedicated to existing and future vertical and horizontal wells completed in the Mancos formation, Basin Mancos Gas Pool. Said area is located approximately 9 miles southeast of Arbolies, Colorado.