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August 2, 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 14727*

**Re: Application of Williams Production Co., LLC for A Project Area for the Fruitland Coal 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 September 1, 2011 Examiner hearings.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
for Holland & Hart<sup>LLP</sup>

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 FRUITLAND COAL PARTICIPATING  
AREA IN THE ROSA UNIT, SAN JUAN AND RIO ARRIBA COUNTIES, NEW  
MEXICO.**

CASE NO. 14727

**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 Fruitland Coal 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 Fruitland Coal formation in the Rosa Unit which covers an area of approximately 30,759.78 acres. Williams proposes to designate most of the Participating Area for the Fruitland Coal as one Project Area, specifically for the following lands:

**Township 32 North Range 6 West**

Sections 32-36

**Township 31 North Range 6 West**

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

**Township 31 North Range 5 West**

Sections 4-7  
Section 8 S/2  
Section 9  
Section 10 N/2  
Section 13 W/2  
Sections 16-22  
Sections 23 S/2  
Section 24 W/2  
Section 25  
Section 26 S/2  
Section 27 W/2  
Sections 28-35  
Section 36 W/2

**Township 31 North Range 4 West**

Section 19  
Section 20 W/2  
Section 29  
Section 30 W/2  
Section 31 W/2

3. Williams proposes to dedicate this Project Area, excluding uncommitted acreage, to existing and future vertical and horizontal wells drilled and completed in the

Fruitland Coal formation, Basin Fruitland Coal Gas Pool for a total Project Area of 30,759.78 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 Fruitland Coal 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 September 1, 2011 and, after notice and hearing as required by law, that the application be approved.

Respectfully submitted,

HOLLAND & HART LLP

By:

*Ocean Munds-Dry*

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: DONNA JONES  
P.O. BOX 3092  
HOUSTON, TX 77253

MR. FRED E. TURNER, L.L.C.  
4925 GREENVILLE AVENUE, SUITE 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

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

MARY FRANCES TURNER, JR TRUST  
c/o JPMORGAN CHASE BANK, N.A., TRUSTEE  
ATTN: LESLIE TIPPING  
P.O. BOX 2605  
FORT WORTH, TX 76113

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

BURLINGTON RESOURCES  
P.O. BOX 4289  
FARMINGTON, NM 87499-4289

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

Riva Oil & Gas, LLC  
621 17<sup>th</sup> Street, Suite 1040  
Denver, CO 80293

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

J & M Raymond, Ltd.  
P.O. Box 291445  
Kerrville, TX 78029-1445

James M. Raymond, Attorney-in-Fact  
For Charles W. Gay  
P.O. Box 291445  
Kerrville, TX 78029-1445

James M. Raymond, Attorney-in-Fact  
For Lorryn Gay Hacker  
P.O. Box 291445  
Kerrville, TX 78029-1445

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

Tamacam, LLC  
P.O. Box 291445  
Kerrville, TX 78029

Jicarilla Apache Energy Corporation  
Attn: Jesse Evans  
P.O. Box 710  
Dulce, NM 87528

Energen Resources  
Attn: David Poage  
2010 Afton Place  
Farmington, NM 87401

ADELANTE OIL & GAS, LLC  
PO BOX 2471  
DURANGO, CO 81302

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

Devon Energy  
Attn: Janet Wooldridge  
20 N. Broadway  
Oklahoma City, OK 73102-8260

Patricia P. Schieffer  
Bank of America, N.A. Agent  
Attn: Bill Bledsoe  
P.O. Box 2546  
Fort Worth, TX 76113-2546

JMJ RESOURCES, LLC  
ATTN: JAMES STRICKLER  
4402 N. SANTIAGO AVE.  
FARMINGTON, NM 87401

CASE 14727 **Application of Williams Production Co., LLC for A Project Area For The Fruitland Coal 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 Fruitland Coal Participating Area within the Rosa Unit excluding certain uncommitted acreage for a total of 30,759.78 acres to be dedicated to existing and future vertical and horizontal wells completed in the Fruitland Coal formation, Basin Fruitland Coal Gas Pool. Said area is located approximately 9 miles southeast of Arboles, Colorado.