

**BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT**

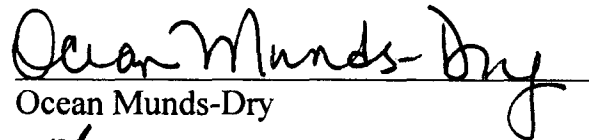
**IN THE MATTER OF THE APPLICATION OF  
WILLIAMS PRODUCTION COMPANY FOR TWO  
NON-STANDARD GAS PRORATION UNITS IN  
THE BASIN-DAKOTA POOL, SAN JAN COUNTY,  
NEW MEXICO.**

**CASE NO. 13766**

**AFFIDAVIT**

STATE OF NEW MEXICO        )  
                                          ) ss.  
COUNTY OF SANTA FE        )

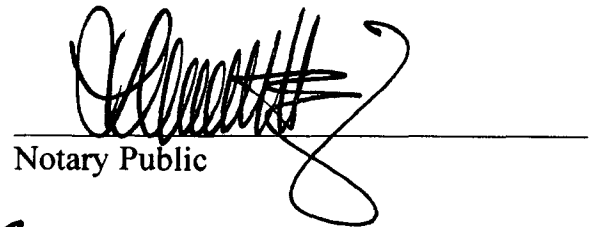
Ocean Munds-Dry, attorney in fact and authorized representative of Williams Production Company, the Applicant herein, being first duly sworn, upon oath, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

  
Ocean Munds-Dry

SUBSCRIBED AND SWORN to before me this 3<sup>rd</sup> day of August 2006 by Ocean Munds-Dry.



**OFFICIAL SEAL  
LISAMARIE ORTIZ  
NOTARY PUBLIC-STATE OF NEW MEXICO**  
My commission expires 1/14/07

  
Notary Public

My Commission Expires: January 14, 2007

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 13766       Exhibit No. 4  
Submitted by:  
Williams Production Company  
Hearing Date: September 14, 2006

**EXHIBIT A**

**APPLICATION OF  
WILLIAMS PRODUCTION CO.  
FOR TWO NON-STANDARD SPACING UNITS  
SECTION 8 AND 17, TOWNSHIP 32 NORTH, RANGE 11 WEST, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO.**

Great Western Drilling Co.  
P. O. Box 1659  
Midland, TX 79702-1659

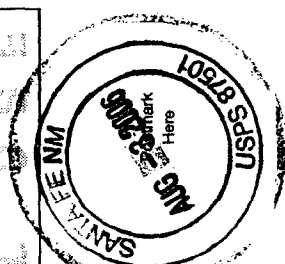
U.S. Postal Service

**CERTIFIED MAIL RECEIPT**

(Domestic Mail Only, No Insurance Coverage Provided)

06mD  
W, 11.4 mg

Postage	\$ 1.87
Certified Fee	2.40
Return Receipt Fee	1.85
Restricted Delivery Fee	
(Endorsement Required)	
Total Postage & Fees	\$ 5.12



Sent To

Great Western Drilling Co.

P. O. Box 1659

Midland, TX 79702-1659

PS Form 3800

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Great Western Drilling Co.  
P. O. Box 1659  
Midland, TX 79702-1659

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

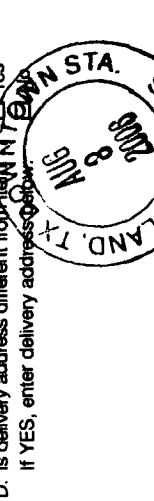
Signature *[Signature]* Date *8/24/00*

C. Signature *[Signature]*

☒ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☒ No

If YES, enter delivery address below:



3. Service Type

☒ Certified Mail ☐ Express Mail

☐ Registered ☒ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes ☒ No

2. Article Number (Copy from 7001 1140 0002 9558 9923)

PS Form 3811, July 1999

Domestic Return Receipt

102585-00-14-0852

HOLLAND & HART<sup>LLP</sup>



Ocean Munds-Dry  
omundsdry@hollandhart.com

August 1, 2006

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

Re: Application of Williams Production Company for approval two non-standard spacing units, San Juan County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Williams Production Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking an exception to the spacing provisions of the Basin-Dakota Pool (71599) allowing development of Dakota gas production on the same two spacing and proration units previously approved for the Blanco-Mesaverde Pool (72319) in Sections 8 and 17 of Township 32 North, Range 11 West, NMPM. These two spacing units comprise the following lands: (1) E/2 W/2, W/2 E/2 of Section 17 containing 320 acres; (2) E/2 of Section 8, E/2 E/2 of Section 17 containing 328.28 acres.

This application has been set for hearing before a Division Examiner on August 31, 2006. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Sincerely,

Ocean Munds-Dry  
ATTORNEY FOR WILLIAMS PRODUCTION CO.

Holland & Hart<sup>LLP</sup>

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

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

**IN THE MATTER OF THE APPLICATION  
OF WILLIAMS PRODUCTION COMPANY  
FOR TWO NON-STANDARD GAS PRORATION  
UNITS IN THE BASIN-DAKOTA POOL,  
SAN JUAN COUNTY, NEW MEXICO**

**CASE NO. \_\_\_\_\_**

**APPLICATION**

Williams Production Company ("Williams") through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order authorizing two non-standard gas proration units in the Basin-Dakota Pool, San Juan County, New Mexico and in support of its application states:

1. Williams is the operator of the Cox Canyon Unit located in Sections 8, 9, 16, 17, 20, 21 and 28, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico.
2. Williams seeks an exception to the spacing provisions of the Basin-Dakota Pool (71599) to allow development of Dakota gas production on two spacing and proration units ("GPU") previously approved for the Blanco-Mesaverde Pool (72319).
3. These two GPU's comprise the following lands: (1) E/2 W/2, W/2 E/2 of Section 17 containing 320 acres; (2) E/2 of Section 8 and the E/2 /E/2 of Section 17 containing 328.28 acres.
4. The spacing unit in Section 17 was approved for the Blanco-Mesaverde Gas Pool by Administrative Order NWU-162 on February 16, 1956.
5. The spacing unit in Section 8 and Section 17 was approved by Order R-784 on April 16, 1956.

6. Acreage requirements within the Basin-Dakota Prorated Gas Pool are governed by the "Special Rules for the Basin-Dakota Pool," as promulgated January 29, 2002, in Division Order R-10987(B)(2). These rules establish a standard GPU in the Basin-Dakota Pool as 320 acres, more or less, comprising any two contiguous quarter section that is a legal subdivision. The spacing units described above do not meet these requirements.

7. Williams is interested in drilling new wells in these spacing units to be completed in both the Mesaverde and Dakota formations.

8. Exhibit A to this application is a list of affected persons as defined by Division Rules. Williams has given notice to the listed parties and advised that if they have objection to this application it must be filed in writing in the Division's Santa Fe office within twenty days from the date this notice was sent.

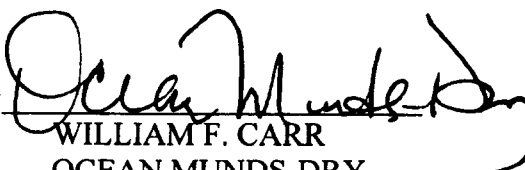
9. Approval of these non-standard spacing units will prevent waste and will protect correlative rights.

WHEREFORE, Williams Production Company requests this application be set for hearing before a Division Examiner on August 31, 2006 and, after notice and hearing as required by law, the Division enter its order approving the two non-standard gas proration units in the Basin-Dakota Pool, San Juan County, New Mexico.

Respectfully Submitted,

HOLLAND & HART LLP

By:

  
WILLIAM F. CARR  
OCEAN MUNDS-DRY  
Post Office Box 2208  
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR WILLIAMS PRODUCTION CO

**CASE \_\_\_\_\_: Application of Williams Production Company for two non-standard spacing units, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an exception to the spacing provisions of the Basin-Dakota Pool (71599) allowing development of Dakota gas production on the same two spacing and proration units previously approved for the Blanco-Mesaverde Pool (72319) in Sections 8 and 17 of Township 32 North, Range 11 West, NMPM. These two spacing units comprise the following lands: (1) E/2 W/2, W/2 E/2 of Section 17 containing 320 acres; (2) E/2 of Section 8 and E/2 E/2 of Section 17 containing 328.28 acres. Said area is located approximately 11 miles north of Aztec, New Mexico.



# AFFIDAVIT OF PUBLICATION

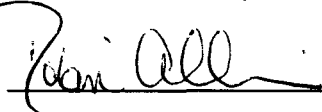
Ad No. 53845

## STATE OF NEW MEXICO County of San Juan:

ROBIN ALLISON, being duly sworn says:  
That she is the CLASSIFIED MANAGER of  
THE DAILY TIMES, a daily newspaper of  
general circulation published in English at  
Farmington, said county and state, and that  
the hereto attached Legal Notice was  
published in a regular and entire issue of the  
said DAILY TIMES, a daily newspaper duly  
qualified for the purpose within the meaning of  
Chapter 167 of the 1937 Session Laws of the  
State of New Mexico for publication and  
appeared in the Internet at The Daily Times  
web site on the following day(s):

Monday, August 7, 2006.

And the cost of the publication is \$123.70.

  
ON 8/15/06 ROBIN ALLISON  
appeared before me, whom I know personally  
to be the person who signed the above  
document.

  
My Commission Expires November 17, 2008.

## COPY OF PUBLICATION

### NOTICE OF PUBLICATION

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DE  
PARTMENT  
OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conserva  
tion Division hereby gives notice pursuant to law  
and the Rules and Regulations of the Division of the  
following public hearing to be held at 8:15 A.M. on  
August 31, 2006, in the Oil Conservation Division  
Hearing Room at 1220 South St. Francis, Santa Fe,  
New Mexico, before an examiner duly appointed for  
the hearing. If you are an individual with a disabili  
ty who is in need of a reader, amplifier, qualified sign  
language interpreter, or any other form of auxiliary  
aid or service to attend or participate in the hearing,  
please contact Florene Davidson at 505-476-3458  
or through the New Mexico Relay Network, 1-800-  
659-1779 by August 21, 2006. Public documents in  
cluding the agenda and minutes, can be provided in  
various accessible forms. Please contact Florene  
Davidson if a summary or other type of accessible  
form is needed.

STATE OF NEW MEXICO TO:  
All named parties and persons  
having any right, title, interest  
or claim in the following cases  
and notice to the public.

(NOTE: All land descriptions herein refer to the New  
Mexico Principal Meridian whether or not so stated.)

### CASE 13766:

Application of Williams Production Company for two  
non-standard spacing units, San Juan County, New  
Mexico. Applicant in the above-styled cause seeks  
an exception to the spacing provisions of the Basin-  
Dakota Pool (71599) allowing development of Dako  
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ration units previously approved for the Blanco-  
Mesaverde Pool (72319) in Sections 8 and 17 of  
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E/2 W/2, W/2 E/2 of Section 17 containing 320  
acres; (2) E/2 of Section 8 and E/2 E/2 of Section 17  
containing 328.28 acres. Said area is located ap  
proximately 11 miles north of Aztec, New Mexico.

Given under the Seal of the State of New Mexico Oil  
Conservation Commission at Santa Fe, New Mexico  
on this 2nd day of August 2006.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Mark E. Feamire, P.E., Director

Legal No. 53845 published in The Daily Times, Farm  
ington, New Mexico on Monday, August 07, 2006.