

Ocean Munds-Dry
omundsdry@hollandhart.com

May 22, 2007

Via Hand Delivery

Mark E. Fesmire, P.E., Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13939

2007 MAY 22 PM 4 33

**Re: Application of Williams Production Co., LLC for amendment of
Order R-2046, San Juan and Rio Arriba Counties, New Mexico.**

Dear Mr. Fesmire:

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 21, 2007 Examiner hearings.

Sincerely,

A handwritten signature in black ink that reads "Ocean Munds-Dry".

Ocean Munds-Dry
for Holland & Hart LLP

cc: Mr. Vern Hansen

Holland & Hart LLP

Phone [505] 988-4421 **Fax** [505] 983-6043 **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 CO., LLC FOR
AMENDMENT OF ORDER NO. R-2046,
SAN JUAN AND RIO ARriba COUNTIES,
NEW MEXICO.

CASE NO. 13939

MAY 22 PM 4 33

APPLICATION

WILLIAMS PRODUCTION COMPANY, LLC, ("Williams") through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order amending Order No. R-2046, to delete certain non-standard gas proration units within the Basin-Dakota Pool in Township 31 North, Ranges 5, and 6 West, NMPM, San Juan and Rio Arriba Counties and in support of this application states:

1. Williams is a working interest and the designated operator of the Rosa Unit located in part in Township 31 North, Ranges 5 and 6 West and has the right to drill therein.

2. Division Order No. R-2046, dated August 14, 1916, established a large number of non-standard gas proration units for the Basin-Dakota Gas Pool, including the following:

Township 31 North, Range 5 West

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>
F	336.42	6 All
		7 NW/4
G	323.79	7 SW/4
		18 W/2

		19	NW/4, N/2 SW/4
H	327.63	19	S/2 SW/4
		30	W/2
		31	W/2

Township 31 North, Range 6 West

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
C	353.00	3	All
		4	That portion of Tract 37 lying in Section 4.
D	343.23	4	All, except that portion of Tract 37 lying in this section.
G	318.50	12	SE/4, W/2 NE/4, SE/4 NE/4
		13	NE/4
H	335.66	13	SE/4
		24	E/2
I	337.04	25	E/2
		36	NE/4

3. The non-standard units were created due to irregular sections resulting from survey corrections in the United States Public Lands Survey.

4. Drilling patterns in this area have historically not followed the orientation of the spacing units as designated in Order R-2046. The Participating Areas within the Rosa Unit also do not follow these pre-designated spacing units.

5. To better comport with existing drilling patterns and to permit future drilling, Williams proposes these non-standard units consist of the following acreage:

Township 31 North, Range 5 West

<u>Tract</u>	<u>Section</u>	
1	6	All
2	7	N/2
3	7	S/2
4	18	N/2

5	18	S/2
6	19	N/2
7	19	S/2
8	30	N/2
9	30	S/2
10	31	N/2
11	31	S/2

Township 31 North, Range 6 West

Tract Section

12	3	All
13	4	All, including that portion listed on the H.S.G. survey
14	12	N/2
15	12	S/2
16	13	E/2
17	13	W/2
18	24	E/2
19	24	W/2
20	25	N/2
21	25	S/2

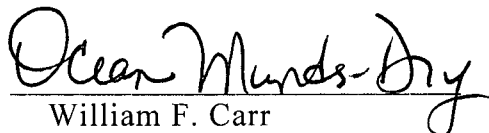
6. Exhibit A to this application is a list of affected persons as defined by Division Rules. Williams has given notice to the listed parties in accordance with Division Rules.

7. 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 21, 2007 and, after notice and hearing as required by law, that the application be approved.

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., LLC

EXHIBIT A
WILLIAMS PRODUCTION CO., LLC's APPLICATION
TO AMEND ORDER R-2046

BP AMERICA PRODUCTION CO.
ATTN: JOHN LARSON, WL1 RM 19.158
501 WESTLAKE BOULEVARD
HOUSTON, TX 77079-3092

MS. ELIZABETH T. CALLOWAY
P.O. BOX 191767
DALLAS, TX 75219-1767

J. GLENN TURNER, JR. LLC
3838 OAK LAWN
SUITE 1450
DALLAS, TX 75219

MARY FRANCES TURNER, JR TRUST
ATTN: BARRY L. DOMINICK
TX1-2931
P O BOX 660197
DALLAS, TX 75266-0197

PATRICIA P. SCHIEFFER TRUST,
BANK OF AMERICA, N.A. AGT
ATTN: JEFF ANDERSON
P.O. BOX 2546
FORT WORTH, TX 76113-2546

MS. VICTORIA WEBB
806 CORDOVA
DALLAS, TX 75223

SACRAMENTO MUNICIPAL UTILITIES
DISTRICT
ATTN: THOMAS INGWERS

P. O. BOX 15830
SACRAMENTO, CA 95852-1830

MINERALS MANAGEMENT SERVICE
P.O. BOX 5810
DENVER, CO 80217-5810

NEW MEXICO STATE ROYALTY
310 OLD SANTA FE TRAIL
SANTA FE, NM 87501

SCHULTZ MANAGEMENT, LTD.
500 N. AKARD, SUITE 2940
DALLAS, TX 75201

FRED E. TURNER, LLC
4925 GREENVILLE AVE., SUITE 852
DALLAS, TX 75206-4079

XTO ENERGY, INC.
ATTN: EDWIN S. RYAN, JR.
810 HOUSTON STREET, STE 2000
FORT WORTH, TX 76102-6298

MR. JOHN TURNER
PMB 285
317 SIDNEY BAKER SOUTH #400
KERRVILLE, TX 78028

FOREST OIL CORPORATION
ATTN: KEN MCPHEE
707 17th STREET
DENVER, CO 80202

HENRIETTA E. SCHULTZ, TRUSTEE
500 NORTH AKARD, SUITE 2940
DALLAS, TX 75201

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

CASE /3939: **Application of Williams Production Co., LLC for amendment of Order No. R-2046, San Juan and Rio Arriba Counties, New Mexico.** Applicant, in the above-styled cause seeks the amendment of Division Order R-2046 to delete certain non-standard spacing and proration units for the Basin-Dakota Gas Pool in Township 31 North, Ranges 5 and 6 West, NMPM, San Juan and Rio Arriba Counties and creating new non-standard spacing units consistent with current drilling patterns. Said area is located approximately 9 miles southeast of Arbolies, Colorado.