

DATE IN 6-7-04	SUSPENSE 6/24/04	ENGINEER Stogner	LOGGED IN 6-9-04	TYPE NSL	APP NO. PSEM0416153178
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Williams

ADMINISTRATIVE APPLICATION CHECKLIST

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.

WILLIAM F. CARR *William F. Carr* ATTORNEY 6-7-04
 Print or Type Name Signature Title Date

wcarr@hollandhart.com
 e-mail Address

RECEIVED

JUN - 7 2004

Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505

June 7, 2004

BY HAND DELIVERY

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

Re: Application of Williams Production Company, LLC for administrative approval of an unorthodox bottomhole location for its Rosa Unit Com Well No. 129B to be drilled from a standard surface location 1660 feet from the South line and 1875 feet from the West line (Unit K) to an unorthodox bottomhole location 1290 feet from the South line and 400 feet from the West line (Unit L) of Section 34, Township 32 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

Dear Mr. Fesmire:

Pursuant to the provisions of Rule II of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool adopted by Order No. R-10987-A, effective February 1, 1999, and amended by Order No. R-10987-A(1) effective December 2, 2002, Williams Production Company, LLC hereby seeks administrative approval of an unorthodox bottomhole location for its Rosa Unit Com Well No. 129B at a point 1290 feet from the South line and 400 feet from the West line of Section 34, Township 32 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. This well will be drilled to a depth sufficient to test all formations from the surface through the Mesaverde formation. The principal objective in the well is the Mesaverde formation, Blanco-Mesaverde Gas Pool. A standard 320-acre spacing and proration unit comprised of the W/2 of Section 34 is dedicated to the well in the Mesaverde formation.

The surface location for the well is on the same pad as the Rosa Unit Well Nos. 129, 129A and 358. The bottomhole location was selected to avoid potential Mesaverde production interference with (i) the Rosa Unit Well No. 129 to the East, (ii) the Rosa Unit Well No. 169A, a directional Mesaverde well to the south and, to a lesser degree, (iii) the Rosa Unit Well No. 129, a directional Mesaverde well to the north. The sand thickness is consistent across the area in question and therefore the location was selected to minimize potential interference from offset wells and to thereby maximize



production. Attached hereto as **Exhibit A** is a plat showing the subject spacing unit, the proposed unorthodox well location and the adjoining spacing units, offsetting wells and the boundary of the Rosa Unit. **Exhibit B** to this application is a copy of Division Form C-102 that identifies the proposed 320-acre W/2 standard gas spacing or proration unit to be dedicated to the well and the surveyed surface location for the well.

This pool is governed by the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool which provide for gas wells to be located on standard spacing units containing 320 acres with wells to be located no closer than 660 feet from the outer boundary of the spacing unit. Although these Special Pool Rules waive the 660 foot set back requirement for wells in federal exploratory units, that exemption does not apply here because the 40-acre tract in the NW/4 SW/4 equivalent of Section 34 is not committed to the Rosa Unit and this GPU is also adjacent to an existing or prospective GPU containing a non-committed tract. See, Rule I.C(2). Accordingly, the 660-foot set back requirement applies to this well and this location is unorthodox in the Blanco-Mesaverde Gas Pool because it is 400 feet from the West line of the dedicated spacing unit – or 260 feet closer to the spacing unit boundary than permitted by the applicable pool rules.

Pursuant to Rule II of the Special Pool Rules for the Blanco Mesaverde Gas Pool, a copy of this application, including a copy of the plat described above has been sent to all affected parties by certified mail-return receipt requested in accordance with Rule 1207 (A)(5). These affected parties are identified on **Exhibit C** to this application and have been advised that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days from the date this notice was sent.

Enclosed in hard copy and disc is a proposed administrative order of the Division.

Your attention to this application is appreciated.

Very truly yours,

William F. Carr
of Holland & Hart^{LLP}

WFC:keh
Enclosures

cc: M. Vern Hansen, CPL

3705639579

02/19 '04 07:55 NO.027 02/04

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088 Santa Fe NM 87504-2088

AMENDED REPORT

14.17

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 17033	*Property Name ROSA UNIT COM		*Well Number 129B
*OGRID No 120762	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6360'

¹⁰ Surface Location

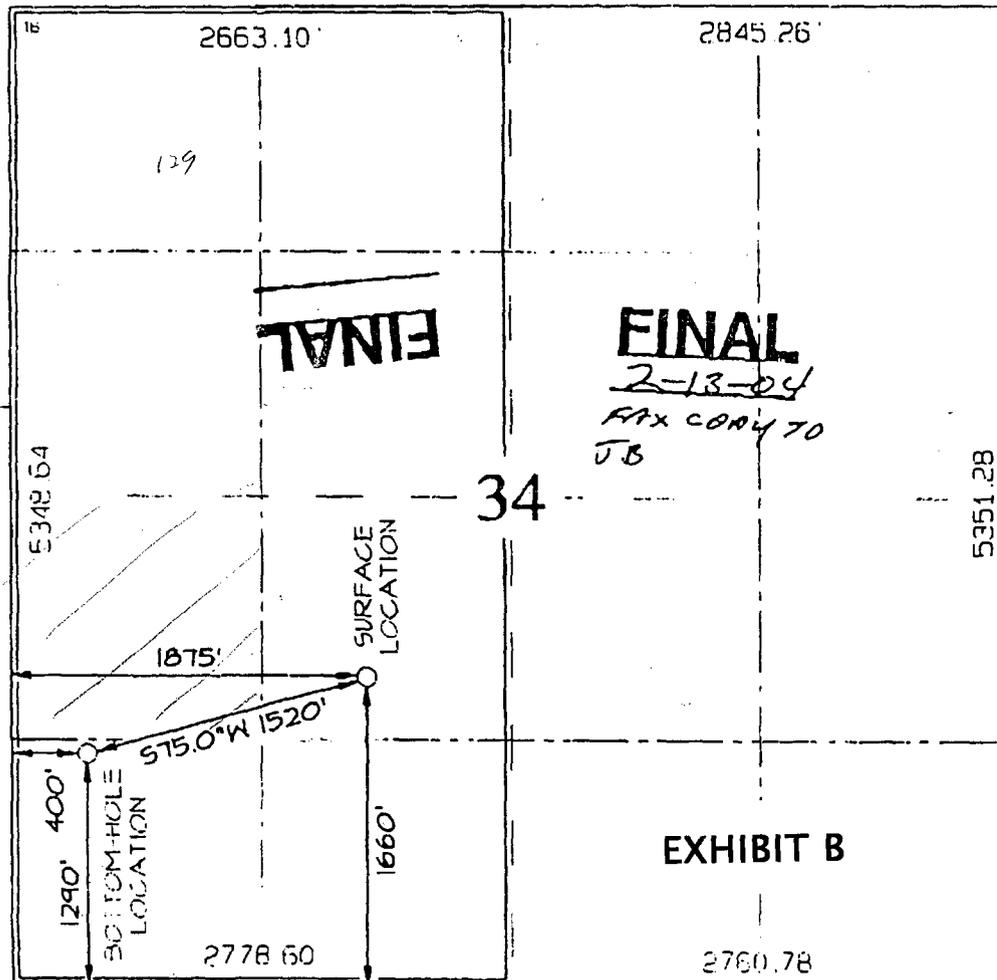
Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
K	34	32N	6W	1660	SOUTH	1875	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
M	34	32N	6W	1290	SOUTH	400	WEST	RIO ARriba

*Dedicated Acres 320.0 Acres - (W/2)	*Joint or Infill	*Consolidation Code	*Order No
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____
Printed Name _____
Title _____
Date _____

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Revised: FEBRUARY 10, 2004
Date of Survey: MARCH 28, 2002

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

EXHIBIT B

EXHIBIT C

**Offset Owners
Non-committed Tract Owners
Rosa Unit Com #129B**

BP America Production Company
Attn: Bryan G. Anderson
501 Westlake Park Blvd. (77079)
P.O. Box 3092
Houston, TX 77253-3092

SMUD
Attn: Thomas Ingwers
P. O. Box 15830
Sacramento, CA 95852-1830

San Juan Basin Properties, LLC
1499 Blake Street, #7K
Denver, Colorado 80202

James B. Fullerton
1645 Court Place, #406
Denver, Colorado 80202

T. H. McElvain Oil & Gas, LP
Attn: Mona Binion
1050 17th Street, Suite 1800
Denver, Colorado 80265

George B. Broome
Attn: Mona Binion
1050 17th Street, Suite 1800
Denver, Colorado 80265

J&M RAYMOND, LTD.
P. O. Box 291445
Kerrville, Texas 78029-1445

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

James M. Raymond, Trustee of the
Maydell Miller Mast Trust
P. O. Box 291445
Kerrville, Texas 78029-1445

June __, 2004

Williams Production Company, LLC
c/o Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504

Attention: William F. Carr

Administrative Order NSL-_____

Dear Mr. Carr:

Reference is made to the following: (i) your application dated June 7, 2004 on behalf of the operator, Williams Production Company ("Williams"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Williams' request for approval of an unorthodox bottomhole gas well location in the Mesaverde formation, Blanco-Mesaverde Gas Pool for its Rosa Unit Com Well No. 129B 1290 feet from the South line and 400 feet from the West line of Section 34, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This pool is governed by the Special Pool Rules and Regulations for the Blanco-Mesaverde Gas Pool adopted by Division Order No. R-10987-A, effective February 1, 1999, and amended by Order No. R-10987-A(1) effective December 2, 2002.

The W/2 of Section 34, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico is dedicated to this well to form a standard 320-acre spacing and proration unit.

This application has been duly filed under the provisions of Rule II of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool and Rule 104 of the General Rules of the Oil Conservation Division.

The data submitted with this application indicates that the well will be drilled on an existing pad at a standard surface location 1660 feet from the South line and 1875 feet from the West line and then directionally drilled to an unorthodox bottomhole location 1290 feet from the South line and 400 feet from the West line in the Mesaverde formation .

By the authority granted me under the provisions of Rule II of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, the following described unorthodox bottomhole gas well location within this 320-acre unit is hereby approved:

**Rosa Unit Com Well No. 129B
1290' FSL & 400' FWL (Unit M)**

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P.E.
Director

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad

June 7, 2004

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED WORKING INTEREST OWNERS

Re: Application of Williams Production Company LLC for administrative approval of an unorthodox bottomhole well location for its Rosa Unit Com Well No. 129B, 1290 feet from the South line and 400 feet from the West line of Section 34, Township 32 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application and attached plat 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 Rosa Unit Com Well No. 129B, 1290 feet from the South line and 400 feet from the West line of Section 34, Township 32 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty days from this date. If no objection is received within this twenty-day period, this application for unorthodox bottomhole well location may be approved.

Very truly yours,



William F. Carr
Attorney for Williams Production Company, LLC

Enclosures

cc: M. Vern Hansen, CPL
Williams Production Company, LLC