

DATE IN <u>8/3/07</u>	SUSPENSE	<u>BROOKS</u> ENGINEER	LOGGED IN <u>8/6/07</u>	TYPE <u>NSL</u>	APP NO. <u>PTDS072183666</u>
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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*  
 5673  
*Roseville*

### 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

2007 AUG 3 AM 9 32  
 RECEIVED

[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.

Heather R. Key      Heather R. Key      Regulatory Specialist 08/07  
 Print or Type Name      Signature      Title      Date  
heatherkey@williams.com  
 e-mail Address



P. O. Box 640  
Aztec, NM 87410  
(505) 634-4222  
(505) 634-4205 (fax)  
Heather.riley@williams.com

August 2, 2007

Mark E. Fesmire  
NEW MEXICO OIL CONSERVATION DIVISION  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

*Re: Request for Administrative approval for non-standard Mesaverde & Dakota  
Location  
Rosa Unit #168C  
API # (Not assigned yet)  
NE4 Sec. 28, T31N, R5W  
1,275' FNL & 280' FEL*

Dear Mr. Fesmire:

Williams Production Co., LLC, is requesting administrative approval to construct the Rosa Unit #168C as a dual Mesaverde/Dakota with both formations being non-standard. Pursuant to Order No. R-10987-A(1), spacing requirements allow for up to 4 Mesaverde wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Additionally, pursuant to Order No. R-10987-B(2), spacing requirements allow for up to 4 Dakota wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Given these requirements, this location is non-standard to the east by 380 feet for both formations.

Williams intends to make the well a dual well thereby capturing the reserves from the Dakota with a single well bore. By itself the Dakota in this area is at best very marginal economically and a dual completion helps capture additional reserves from the Dakota that otherwise would not be able to be economically developed. Utilizing a single well bore for a dual completion would also negate the need for additional disturbance of another wellpad, road, and pipeline.

Mark E. Fesmire

August 2, 2007

Page 2 of 2

The surface location was picked by considering drainage patterns from the offset Mesaverde wells. In particular, the drainage patterns we are trying to avoid are from the Rosa Unit #168A in the northeast of 28, the Rosa Unit #168 in the southeast of 28, the Rosa Unit #168B in the southeast of 28, the Rosa Unit 186 in the northwest of 27, and the Rosa Unit #132 in the southwest of 22. See drainage map.

As the Unit Operator of the Rosa Unit, Williams Production is the only offset operator, thereby this proposed non-standard location would not affect any other operators.

The offset unit's working interest owners to the east are SMUD, BP and Williams which are common owners to the Mesaverde PA only in different percentages. No interested party letters were sent out.

The offset unit's mineral owners to the east are common with the subject unit therefore there are no "affected persons."

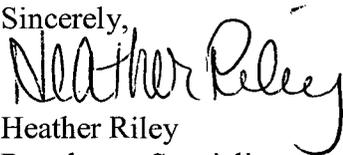
Enclosed for your reference are copies of the Participating Area maps for the Mesaverde and Dakota Formations. As you can see, the east half of section 28 is not in a PA, nor is the offset acreage for the Dakota formation. All of section 28 and the south half of section 27 are in a PA for the Mesaverde Formation.

The spacing unit for the Mesaverde is the east half and the other Mesaverde wells in the spacing unit are the Rosa Unit #168 and #168A. We are currently seeking a permit to drill for the #168B.

The spacing unit for the Dakota is the east half and there are no other Dakota wells in the spacing unit.

Should you have any questions or concerns, please don't hesitate to contact me at the phone numbers listed above. You can also contact Vern Hansen at our Tulsa office at (918) 573-6169.

Sincerely,



Heather Riley

Regulatory Specialist

Enc.: Plat  
Topographic map  
Drainage Map  
PA Maps (MV & DK)

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
1301 W Grand Avenue, Artesia, NM 88210

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

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 72319 / 71599		<sup>3</sup> Pool Name BLANCO MESAVERDE / BASIN DAKOTA	
<sup>4</sup> Property Code 17033		<sup>5</sup> Property Name ROSA UNIT			<sup>6</sup> Well Number 168C
<sup>7</sup> OGRID No. 120782		<sup>8</sup> Operator Name WILLIAMS PRODUCTION COMPANY			<sup>9</sup> Elevation 6793'

<sup>10</sup> Surface Location

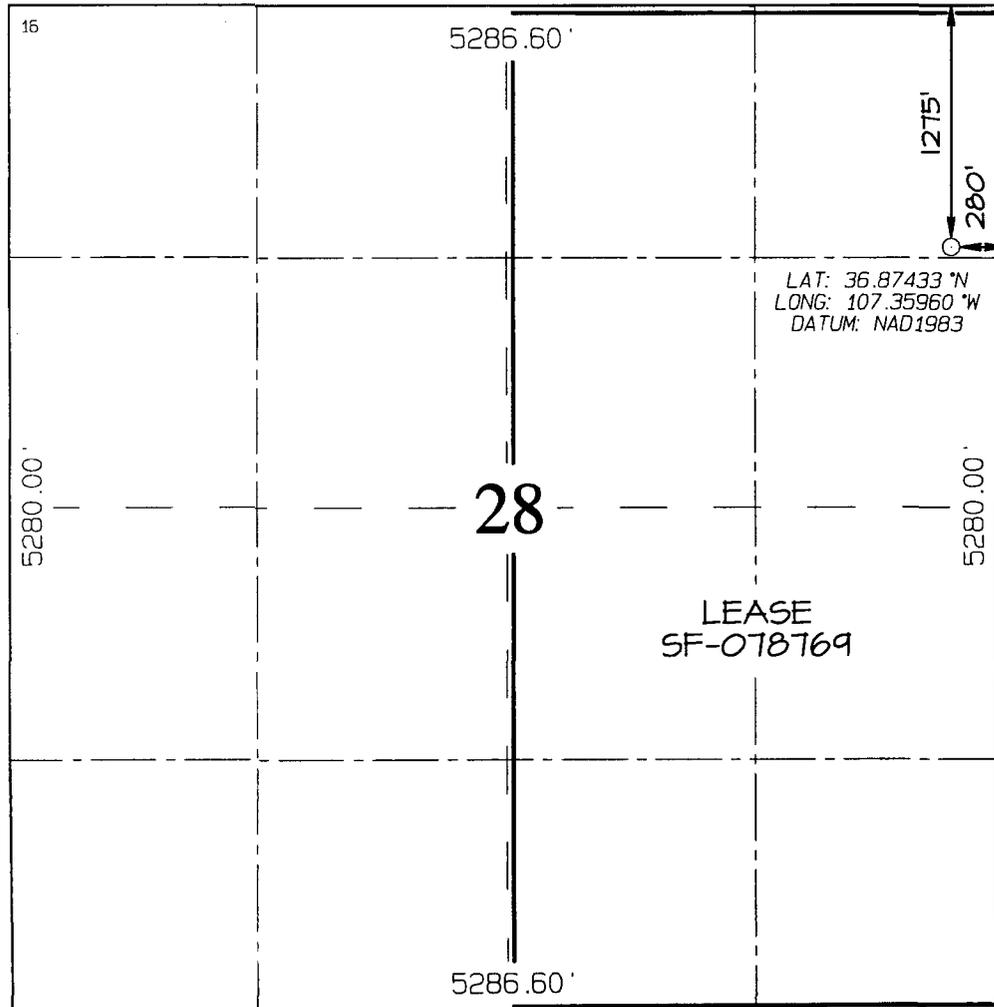
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	31N	5W		1275	NORTH	280	EAST	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 320.0 Acres - (E/2)	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

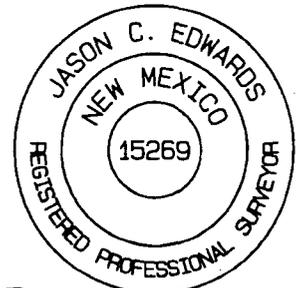


<sup>17</sup> OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_

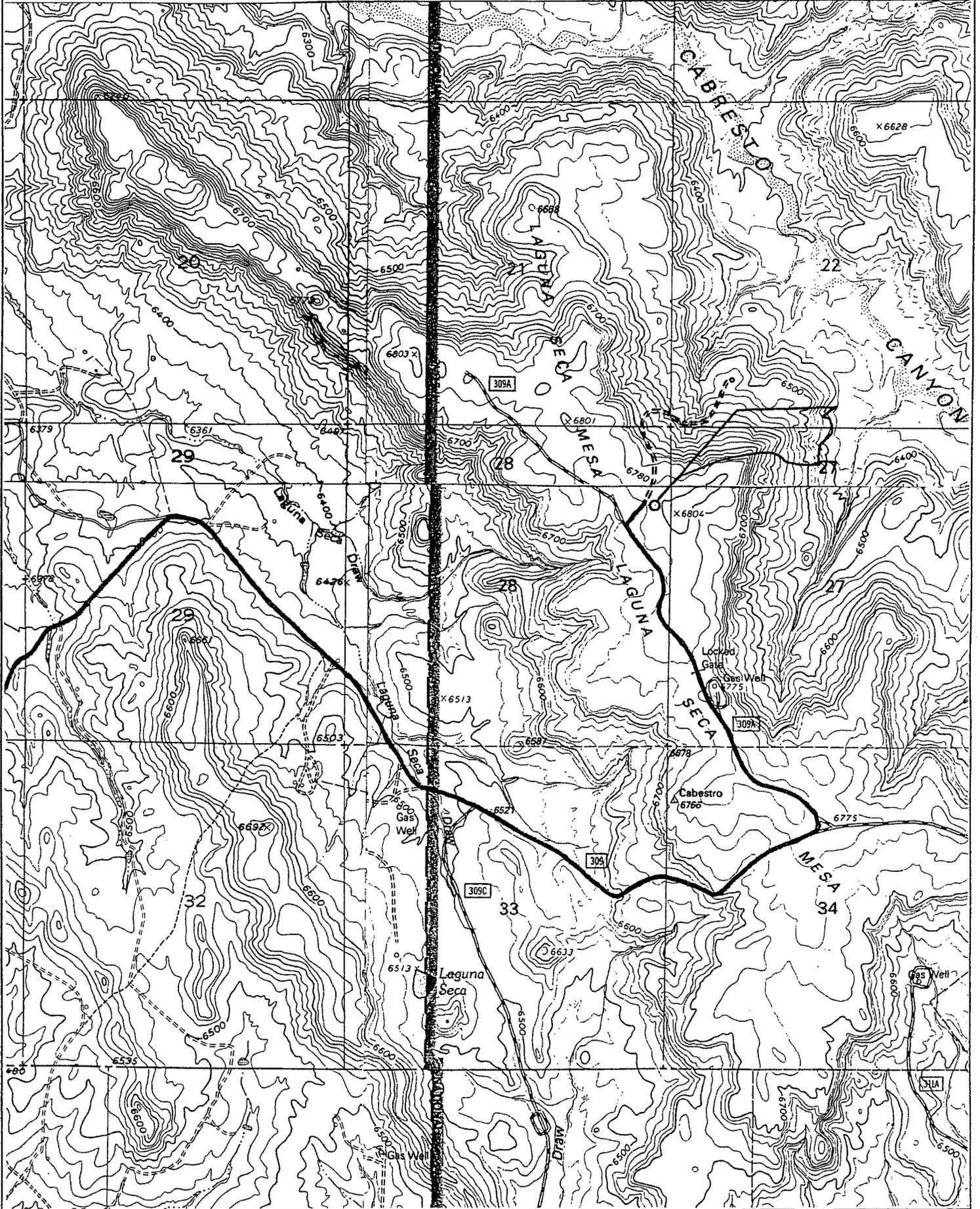
<sup>18</sup> SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

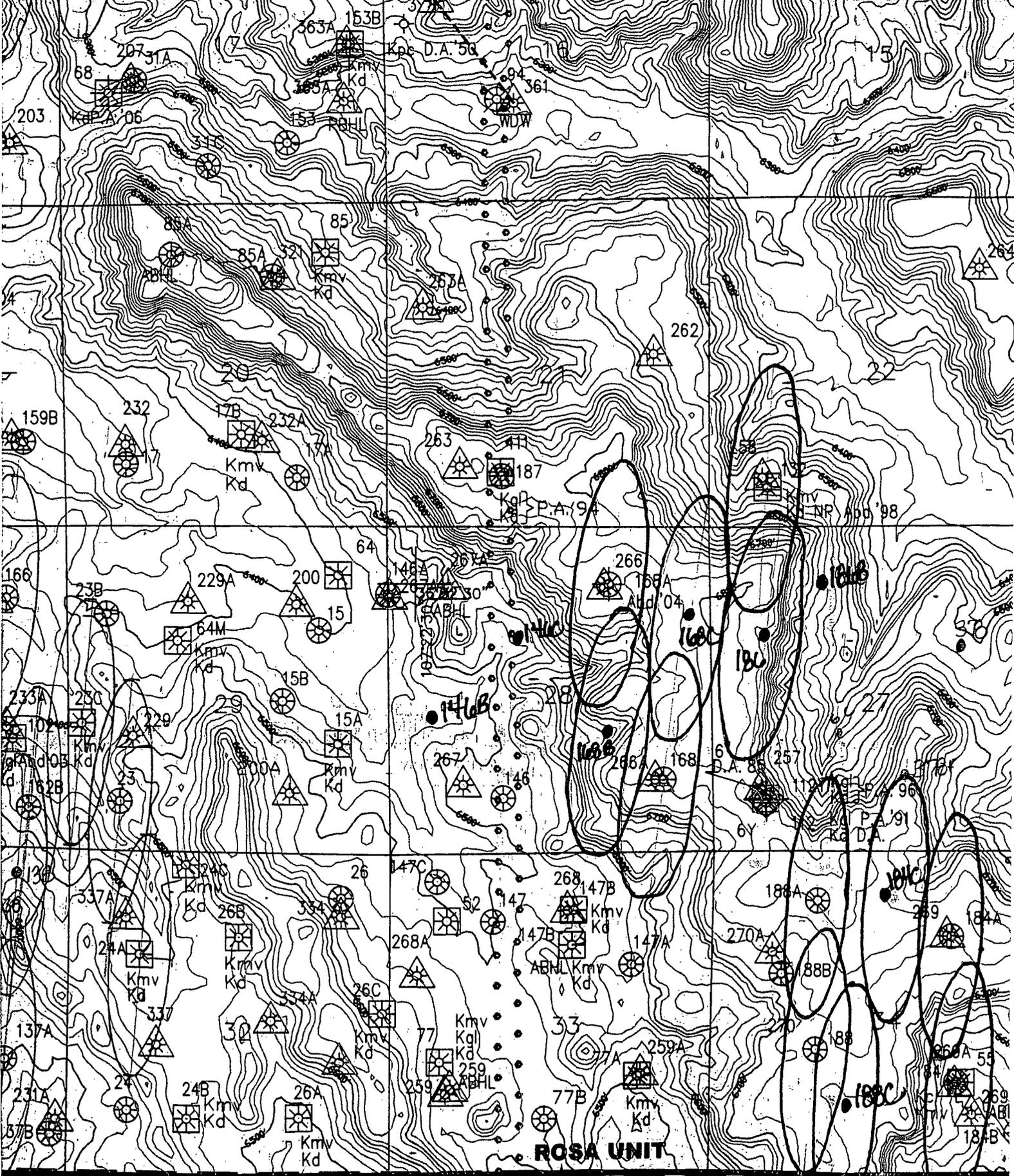
Date of Survey: MAY 3, 2006  
Signature and Seal of Professional Surveyor \_\_\_\_\_



**JASON C. EDWARDS**  
Certificate Number 15269

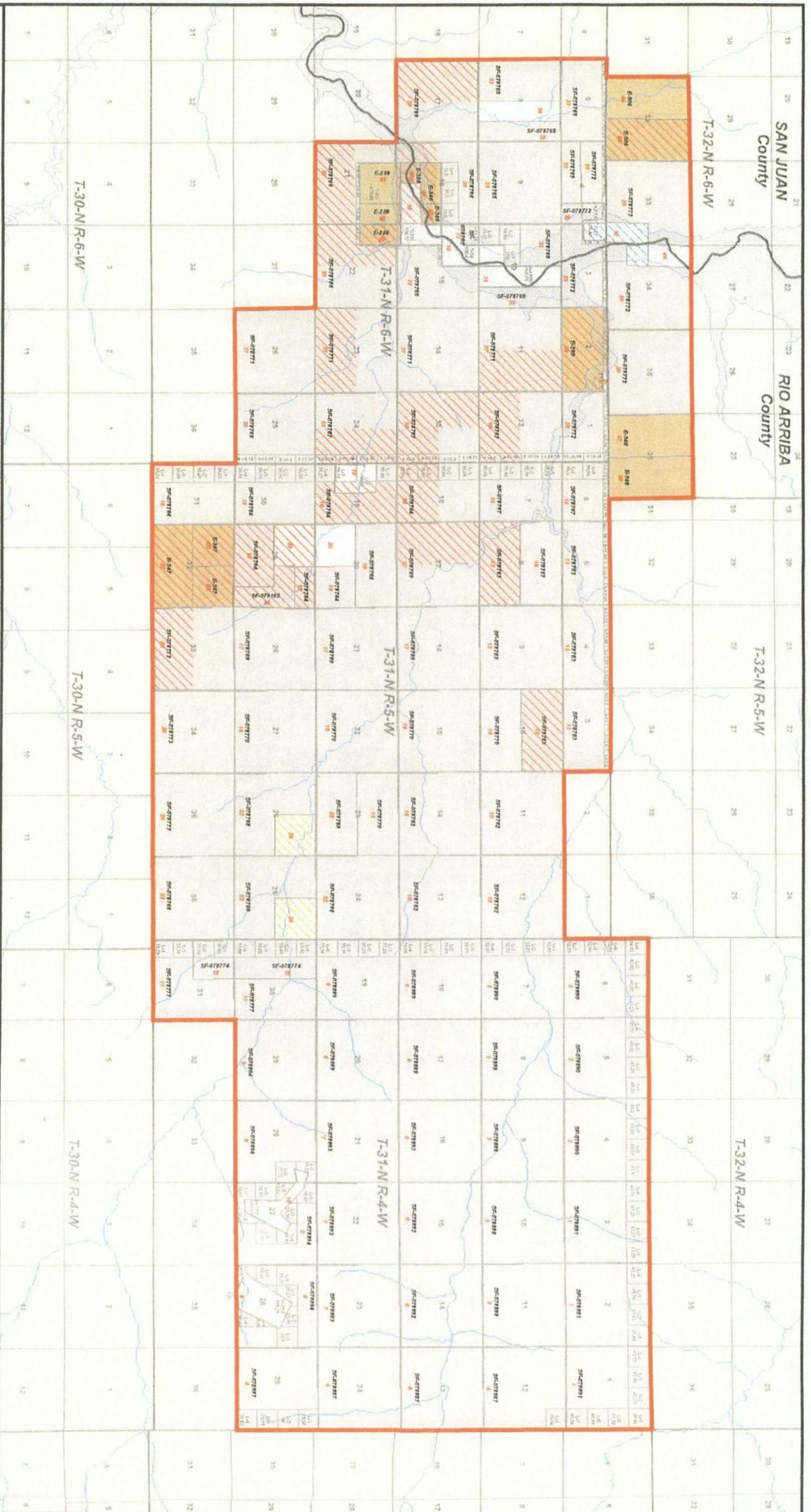
WILLIAMS PRODUCTION COMPANY ROSA UNIT #168C  
1275' FNL & 280' FEL, SECTION 28, T31N, R5W, N.M.P.M.  
RIO ARriba COUNTY, NEW MEXICO





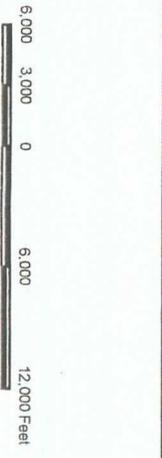
T31N

R-5-W

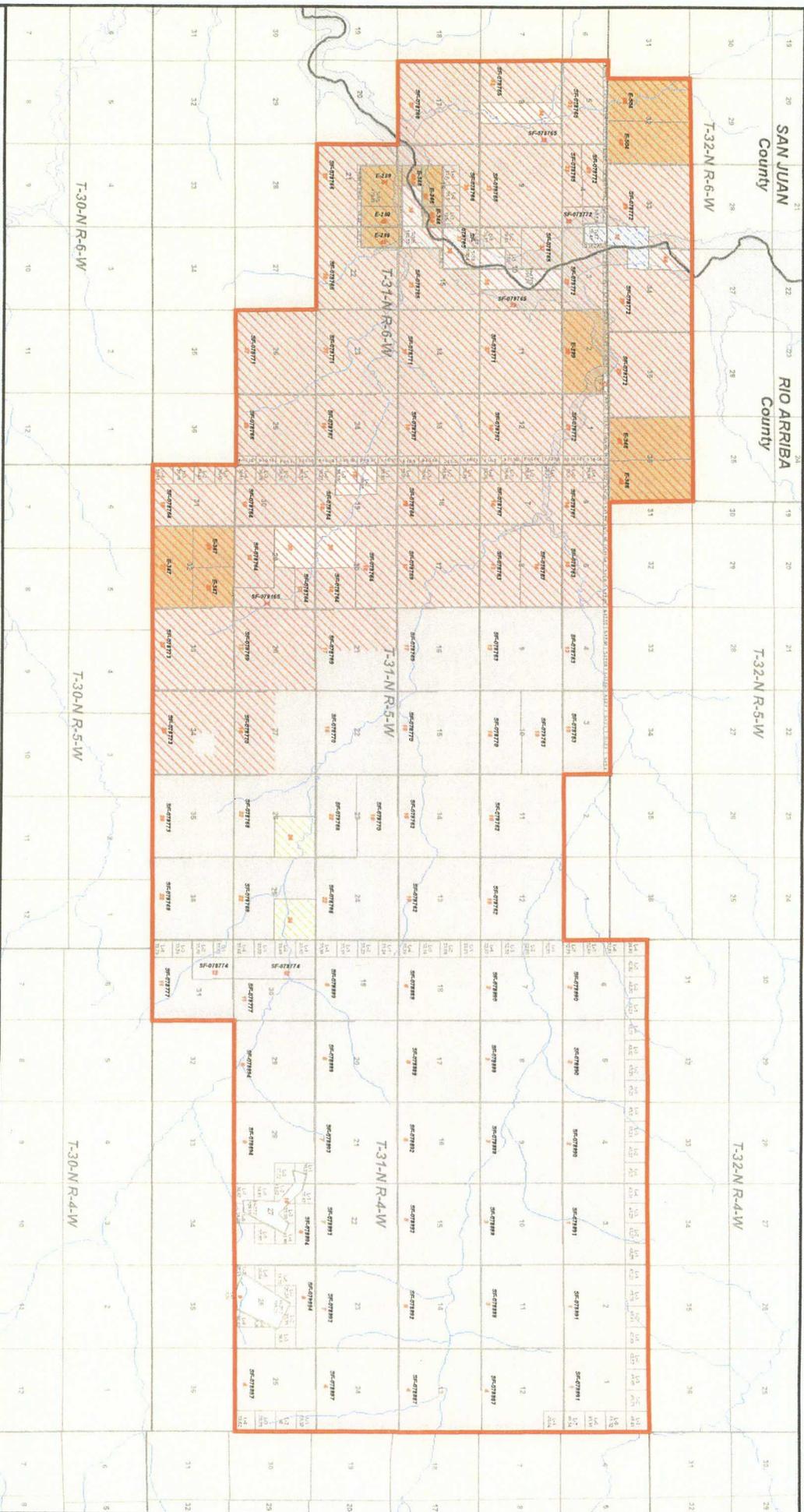


Dakota Participating Area: 18th Eschelon  
 Mineral Ownership  
 Federal  
 Private  
 Partially Committed  
 State  
 Not Committed

Rosa Unit Tract No: XX



**Williams** Exporation & Production **Williams**  
**Rosa Unit**  
 Dakota Formation  
 San Juan and Rio Arriba Counties, New Mexico  
 Scale: 1:72,000  
 Projection: NAD 1983 State Plane N.M. West  
 Date: 3/7/2007  
 Author: SA



- Mesaverde Participating Area 23rd Expansion
- Mineral Ownership
- Fee
- Partially Committed
- State
- Not Committed

Rosa Unit Tract No: **XX**



	Exploration & Production	
<b>Rosa Unit</b>		
<b>Mesaverde Formation</b>		
San Juan and Rio Arriba Counties, New Mexico		
Scale: 1"=2,000'	Projection: NAD 1983 State Plane, N.M. West	Author: SA
Date: 3/1/2007		

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Monday, August 20, 2007 5:30 PM  
**To:** 'Heather.riley@williams.com'  
**Subject:** NSL Application - Rosa Unit #168C

Dear Ms. Riley

If I correctly understand the representations in your letter application dated Aug 2, working interest owners in Section 27, which is the unit towards which the proposed location encroaches in both formations, own different percentages in that unit from their percentages in the MV PA. Since the N/2 of Section 27 is not now in the PA, it would seem that notice to these working interest owners would be required. Also, you have not indicated if working interest ownership in the Dakota, which is not in a PA, is identical between these two units. If it is not, notice would be required to Dakota WI owners in the adjacent unit in Section 27.

Please notify these parties of this application, and provide proof of notice, so that we can process your application.

Thanks

David K. Brooks  
Legal Examiner

8/20/2007

**Brooks, David K., EMNRD**

---

**From:** Hansen, Vern (E&P) [Vern.Hansen@Williams.com]  
**Sent:** Tuesday, August 21, 2007 2:04 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Riley, Heather (E&P)  
**Subject:** FW: NSL Application - Rosa Unit #168C

Mr. Brooks,

Below is an explanation that I believe may clarify the NSL application for the Rosa Unit #168C Mesaverde and Dakota offset ownership. This well is coming up quickly on our drilling schedule, I believe in about two weeks. If it would speed things up I can get waivers faxed from SMUD and BP if the situation I have described below does not satisfy the rules. As I have indicated Both SMUD and BP, which are also the Sec. 27 offset owners, approved the drilling of this well.

Thanks,  
Vern Hansen  
Staff Landman  
Williams Production Company  
Phone # (918) 573-6169

---

**From:** Hansen, Vern (E&P)  
**Sent:** Tuesday, August 21, 2007 11:10 AM  
**To:** Riley, Heather (E&P)  
**Cc:** Higgins, Larry (E&P); Winters, Lacey (E&P)  
**Subject:** RE: NSL Application - Rosa Unit #168C

The offset owners, in the Mesaverde, of the N/2 of Sec of Section 27 are BP 50%, Smud 27%, and Williams 23%. These three owners are all common to the Mesaverde Participating area and are the majority owners. All three have approved the drilling of the Mesaverde side of this well. In the Dakota, the working interest is common. BP owns 100% of the working interest in the offsetting acreage and owns 100% working interest of the Dakota side of the #168C. BP has approved the drilling of the Dakota side of this well also. I will be happy to notify the parties if this is not sufficient.

Vern Hansen  
Staff Landman  
Williams Production Company  
Phone # (918) 573-6169

---

**From:** Riley, Heather (E&P)  
**Sent:** Tuesday, August 21, 2007 9:15 AM  
**To:** Hansen, Vern (E&P)  
**Cc:** Higgins, Larry (E&P); Winters, Lacey (E&P)  
**Subject:** FW: NSL Application - Rosa Unit #168C

Vern,

Can you respond to this please?

Heather Riley  
Regulatory Specialist  
Williams Production Co., LLC  
(505) 634-4222 (office)

8/21/2007

(970) 749-8747 (cell)

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Monday, August 20, 2007 6:30 PM  
**To:** Riley, Heather (E&P)  
**Subject:** NSL Application - Rosa Unit #168C

Dear Ms. Riley

If I correctly understand the representations in your letter application dated Aug 2, working interest owners in Section 27, which is the unit towards which the proposed location encroaches in both formations, own different percentages in that unit from their percentages in the MV PA. Since the N/2 of Section 27 is not now in the PA, it would seem that notice to these working interest owners would be required. Also, you have not indicated if working interest ownership in the Dakota, which is not in a PA, is identical between these two units. If it is not, notice would be required to Dakota WI owners in the adjacent unit in Section 27.

Please notify these parties of this application, and provide proof of notice, so that we can process your application.

Thanks

David K. Brooks  
Legal Examiner

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This inbound email has been scanned by the MessageLabs Email Security System.

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8/21/2007



P. O. Box 640  
Aztec, NM 87410  
(505) 634-4222  
(505) 634-4205 (fax)

[Heather.riley@williams.com](mailto:Heather.riley@williams.com)

August 2, 2007

Mark E. Fesmire  
NEW MEXICO OIL CONSERVATION DIVISION  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

*Re: Request for Administrative approval for non-standard Mesaverde & Dakota  
Location  
Rosa Unit #168C  
API # (Not assigned yet)  
NE4 Sec. 28, T31N, R5W  
1,275' FNL & 280' FEL*

Dear Mr. Fesmire:

Williams Production Co., LLC, is requesting administrative approval to construct the Rosa Unit #168C as a dual Mesaverde/Dakota with both formations being non-standard. Pursuant to Order No. R-10987-A(1), spacing requirements allow for up to 4 Mesaverde wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Additionally, pursuant to Order No. R-10987-B(2), spacing requirements allow for up to 4 Dakota wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Given these requirements, this location is non-standard to the east by 380 feet for both formations.

Williams intends to make the well a dual well thereby capturing the reserves from the Dakota with a single well bore. By itself the Dakota in this area is at best very marginal economically and a dual completion helps capture additional reserves from the Dakota that otherwise would not be able to be economically developed. Utilizing a single well bore for a dual completion would also negate the need for additional disturbance of another wellpad, road, and pipeline.

Mark E. Fesmire  
August 2, 2007  
Page 2 of 2

The surface location was picked by considering drainage patterns from the offset Mesaverde wells. In particular, the drainage patterns we are trying to avoid are from the Rosa Unit #168A in the northeast of 28, the Rosa Unit #168 in the southeast of 28, the Rosa Unit #168B in the southeast of 28, the Rosa Unit 186 in the northwest of 27, and the Rosa Unit #132 in the southwest of 22. See drainage map.

As the Unit Operator of the Rosa Unit, Williams Production is the only offset operator, thereby this proposed non-standard location would not affect any other operators.

The offset unit's working interest owners to the east are SMUD, BP and Williams which are common owners to the Mesaverde PA only in different percentages. No interested party letters were sent out.

The offset unit's mineral owners to the east are common with the subject unit therefore there are no "affected persons."

Enclosed for your reference are copies of the Participating Area maps for the Mesaverde and Dakota Formations. As you can see, the east half of section 28 is not in a PA, nor is the offset acreage for the Dakota formation. All of section 28 and the south half of section 27 are in a PA for the Mesaverde Formation.

The spacing unit for the Mesaverde is the east half and the other Mesaverde wells in the spacing unit are the Rosa Unit #168 and #168A. We are currently seeking a permit to drill for the #168B.

The spacing unit for the Dakota is the east half and there are no other Dakota wells in the spacing unit.

Should you have any questions or concerns, please don't hesitate to contact me at the phone numbers listed above. You can also contact Vern Hansen at our Tulsa office at (918) 573-6169.

Sincerely,

Heather Riley  
Regulatory Specialist

Enc.: Plat  
Topographic map  
Drainage Map  
PA Maps (MV & DK)

**Rosa Unit #168C Mesaverde/Dakota Formation Well  
Affected Interest Owners**

BP America Production Co.  
Attn: John Larson  
P.O. Box 3092  
Houston, TX 77253-3092  
Fax # 281-366-7099

SMUD  
Attn: Sandra Moorman  
P.O. Box 15830  
Sacramento, CA 95852-1830  
Fax # 916-732-6854



August 21, 2007

WILLIAMS PRODUCTION COMPANY, LLC  
One Williams Center  
P.O. Box 3102  
Tulsa, OK 74101-3102  
918/573-6169

Via Facsimile Transmittal and  
CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

**AFFECTED INTEREST OWNERS**

Re: Application of Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Rosa Unit #168C Mesaverde/Dakota formation well to be drilled at a location 1275 feet from the North line and 280 feet from the East line of Section 28, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this August 2, 2007 by Williams Production Company, LLC for administrative approval of an unorthodox well location for its Rosa Unit #168C, to be drilled to the Mesaverde and Dakota formations at a location 1275 feet from the North line and 280 feet from the East line of Section 28, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. The E/2 of Sec.28, T31N, R6W, a standard 320-acre spacing unit for both the Mesaverde and Dakota formations is dedicated to the well.

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 within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87506. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

You may also waive any objections to this Non-Standard Location by signing in the space below and returning a Faxed copy to me at (918) 573-1963. A copy of this waiver will be forwarded to the New Mexico Oil Conservation Division.

Enclosures

Sincerely,

  
M. Vern Hansen, CPL  
Staff Landman

The Undersigned hereby waives all objections to the Non-Standard Location of the Rosa Unit #168C Mesaverde/Dakota formation well.

Company: BP AMERICA PRODUCTION CO.

By: Jenn W. Larson

Date: 8/22/07

2007-Aug-22 09:34 AM Fuels (916)732-6854 2/5

FROM

(TUE) AUG 21 2007 17:20/ST. 17:19/No. 7500000673 P 2



WILLIAMS PRODUCTION COMPANY, LLC  
One Williams Center  
P.O. Box 3102  
Tulsa, OK 74101-3102  
918/573-6169

August 21, 2007

**Via Facimile Transmittal and  
CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

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Ladies and Gentlemen:

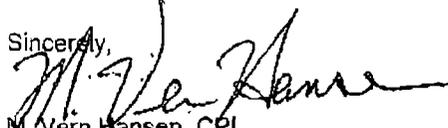
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You may also waive any objections to this Non-Standard Location by signing in the space below and returning a Faxed copy to me at (918) 573-1963. A copy of this waiver will be forwarded to the New Mexico Oil Conservation Division.

Enclosures

Sincerely,

  
M. Vern Hansen, CPL  
Staff Landman

The Undersigned hereby waives all objections to the Non-Standard Location of the Rosa Unit #168C Mesaverde/Dakota formation well.

Company: SMUD

By: Benny Brunello

Date: 8/22/07



WILLIAMS PRODUCTION COMPANY, LLC  
One Williams Center  
P.O. Box 3102  
Tulsa, OK 74101-3102  
918/573-6169

August 21, 2007

**Via Facimile Transmital and**  
**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

Re: Application of Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Rosa Unit #168C Mesaverde/Dakota formation well to be drilled at a location 1275 feet from the North line and 280 feet from the East line of Section 28, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico.

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You may also waive any objections to this Non-Standard Location by signing in the space below and returning a Faxed copy to me at (918) 573-1963. A copy of this waiver will be forwarded to the New Mexico Oil Conservation Division.

Enclosures

Sincerely,

M. Vern Hansen, CPL  
Staff Landman

The Undersigned hereby waives all objections to the Non-Standard Location of the Rosa Unit #168C Mesaverde/Dakota formation well.

Company: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Tuesday, August 21, 2007 4:12 PM  
**To:** 'Hansen, Vern (E&P)'  
**Cc:** Riley, Heather (E&P)  
**Subject:** RE: NSL Application - Rosa Unit #168C

Mr. Hansen

This satisfies the requirement as to the Dakota. As to the Mesa Verde, you may either give notice, which will require 20 days, or, as you suggest, supply written waivers.

Thanks  
David K. Brooks  
Legal Examiner

---

**From:** Hansen, Vern (E&P) [mailto:Vern.Hansen@Williams.com]  
**Sent:** Tuesday, August 21, 2007 2:04 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Riley, Heather (E&P)  
**Subject:** FW: NSL Application - Rosa Unit #168C

Mr. Brooks,

Below is an explanation that I believe may clarify the NSL application for the Rosa Unit #168C Mesaverde and Dakota offset ownership. This well is coming up quickly on our drilling schedule, I believe in about two weeks. If it would speed things up I can get waivers faxed from SMUD and BP if the situation I have described below does not satisfy the rules. As I have indicated Both SMUD and BP, which are also the Sec. 27 offset owners, approved the drilling of this well.

Thanks,  
Vern Hansen  
Staff Landman  
Williams Production Company  
Phone # (918) 573-6169

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**From:** Hansen, Vern (E&P)  
**Sent:** Tuesday, August 21, 2007 11:10 AM  
**To:** Riley, Heather (E&P)  
**Cc:** Higgins, Larry (E&P); Winters, Lacey (E&P)  
**Subject:** RE: NSL Application - Rosa Unit #168C

The offset owners, in the Mesaverde, of the N/2 of Sec of Section 27 are BP 50%, Smud 27%, and Williams 23%. These three owners are all common to the Mesaverde Participating area and are the majority owners. All three have approved the drilling of the Mesaverde side of this well. In the Dakota, the working interest is common. BP owns 100% of the working interest in the offsetting acreage and owns 100% working interest of the Dakota side of the #168C. BP has approved the drilling of the Dakota side of this well also. I will be happy to notify the parties if this is not sufficient.

Vern Hansen  
Staff Landman  
Williams Production Company  
Phone # (918) 573-6169

8/21/2007

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**From:** Riley, Heather (E&P)  
**Sent:** Tuesday, August 21, 2007 9:15 AM  
**To:** Hansen, Vern (E&P)  
**Cc:** Higgins, Larry (E&P); Winters, Lacey (E&P)  
**Subject:** FW: NSL Application - Rosa Unit #168C

Vern,

Can you respond to this please?

Heather Riley  
Regulatory Specialist  
Williams Production Co., LLC  
(505) 634-4222 (office)  
(970) 749-8747 (cell)

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Monday, August 20, 2007 6:30 PM  
**To:** Riley, Heather (E&P)  
**Subject:** NSL Application - Rosa Unit #168C

Dear Ms. Riley

If I correctly understand the representations in your letter application dated Aug 2, working interest owners in Section 27, which is the unit towards which the proposed location encroaches in both formations, own different percentages in that unit from their percentages in the MV PA. Since the N/2 of Section 27 is not now in the PA, it would seem that notice to these working interest owners would be required. Also, you have not indicated if working interest ownership in the Dakota, which is not in a PA, is identical between these two units. If it is not, notice would be required to Dakota WI owners in the adjacent unit in Section 27.

Please notify these parties of this application, and provide proof of notice, so that we can process your application.

Thanks

David K. Brooks  
Legal Examiner

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8/21/2007

**Brooks, David K., EMNRD**

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**From:** Hansen, Vern (E&P) [Vern.Hansen@Williams.com]  
**Sent:** Wednesday, August 22, 2007 12:07 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Riley, Heather (E&P)  
**Subject:** RE: NSL Application - Rosa Unit #168C  
**Attachments:** Bizhub350F20070822135425.pdf; Bizhub350F20070822135407.pdf; Bizhub350F20070822135829.pdf

Mr. Brooks,  
Attached in PDF format are signed waiver letters from the offset working interest owners for our NSL Application on the Rosa Unit #168C Mesaverde/ Dakota well. The third attachment is a copy of the full notice letter that was sent to these owners. Please let me know if you need anything further to process our application.

Thank you,

Vern Hansen  
Staff Landman  
Williams Production Company  
Phone # (918) 573-6169

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Tuesday, August 21, 2007 6:12 PM  
**To:** Hansen, Vern (E&P)  
**Cc:** Riley, Heather (E&P)  
**Subject:** RE: NSL Application - Rosa Unit #168C

Mr. Hansen

This satisfies the requirement as to the Dakota. As to the Mesa Verde, you may either give notice, which will require 20 days, or, as you suggest, supply written waivers.

Thanks  
David K. Brooks  
Legal Examiner

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**From:** Hansen, Vern (E&P) [mailto:Vern.Hansen@Williams.com]  
**Sent:** Tuesday, August 21, 2007 2:04 PM  
**To:** Brooks, David K., EMNRD  
**Cc:** Riley, Heather (E&P)  
**Subject:** FW: NSL Application - Rosa Unit #168C

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Vern Hansen

8/23/2007

Staff Landman  
Williams Production Company  
Phone # (918) 573-6169

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**Sent:** Tuesday, August 21, 2007 11:10 AM  
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**Cc:** Higgins, Larry (E&P); Winters, Lacey (E&P)  
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Williams Production Company  
Phone # (918) 573-6169

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**Sent:** Tuesday, August 21, 2007 9:15 AM  
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**Cc:** Higgins, Larry (E&P); Winters, Lacey (E&P)  
**Subject:** FW: NSL Application - Rosa Unit #168C

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Heather Riley  
Regulatory Specialist  
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(505) 634-4222 (office)  
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8/23/2007