



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

June 23, 2008

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 Fruitland Coal Location
Rosa Unit #374
API # 30-039-30112
NE4 Sec. 16, T31N, R5W
1145' FNL & 2305' FEL*

Dear Mr. Fesmire:

Williams Production Co., LLC, is requesting administrative approval to construct the Rosa Unit #374 as a single Fruitland Coal in a non-standard location. Pursuant to Order No. R-8768-B, spacing requirements state that the wells shall be located not closer than 660 feet to any outer boundary of the proration unit nor 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 west by 323.02 feet.

Due to topographical and archeological constraints, the only surface location we were able to get approval for from the USFS is at 1,145' FNL and 2,305' FEL. Given the concerns of drainage interference from the existing and proposed wells, i.e. the Rosa Unit #360, the Rosa Unit #361 (horizontal), the Rosa Unit #360A, the Rosa Unit #361A, the Rosa Unit #374A, the Rosa Unit #400, and the Rosa Unit #400A, the above described bottom hole location was chosen.

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 west are uncommon with the subject unit but there are no unleased mineral owners. The well is encroaching on the W2 of section 16 which is in the Fruitland PA. Therefore, notice will be given to those owners and a list is attached hereto.

Mark E. Fesmire
June 23, 2008
Page 2 of 2

Enclosed for your reference are copies of the Participating Area maps for the Fruitland Formation. As you can see, the W2 of section 16 is not in the PA.

The spacing unit for the Fruitland is the east half and there are no other Fruitland wells in the 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,

A handwritten signature in black ink that reads "Heather Riley". The signature is written in a cursive style with a large initial 'H'.

Heather Riley
Regulatory Specialist

Enc.: 1st page of APD
Plat
Topographic map
Drainage Map
PA Map (FT)
List of Affected Mineral Owners

U.I.M
C.F.W
C.N.U
C.U.F.S
C.D.V.T

U.I.M
C.F.W
C.N.U
C.U.F.S
C.D.V.T

U.S. Department of the Interior
C. Myke - TL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
SF-078769
6. If Indian, Allottee or Tribe Name

1a. Type of Work: DRILL REENTER 2006 NOV 13 PM

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
Williams Production Company, LLC
070 FARMINGTON

3a. Address
P.O. Box 640 Aztec, NM 87410

3b. Phone No. (include area code)
(505) 634-4208

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface 1145' FNL & 2305' FEL
At proposed prod. zone same as above

14. Distance in miles and direction from nearest town or post office*
approximately 36 miles northeast of Blanco, New Mexico

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1145'

16. No. of Acres in lease
2,560.00

17. Spacing Unit dedicated to this well
320.0 (E/2)

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2500'

19. Proposed Depth
3,575'

20. BLM/BIA Bond No. on file
UT0847

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6641 GR This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

22. Approximate date work will start*
June 1, 2007

23. Estimated duration
1 month

24. Attachments DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Larry Higgins* Name (Printed/Typed) Larry Higgins Date 11-9-06

Approved by (Signature) *D. Mankiewicz* Name (Printed/Typed) Office FFO Date 3/17/08

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Williams Exploration and Production Company, LLC, proposes to drill a well to develop the Basin Fruitland Coal formation at the above described location in accordance with the attached drilling and surface use plans.

The surface is under jurisdiction of the U.S. Forest Service, Jicarilla Ranger District, Carson National Forest.

This location has been archaeologically surveyed La Plata Archaeological Consultants. Copies of their report have been submitted directly to the USFS, Jicarilla Ranger District.

This APD is also serving as an Application to obtain road and gas and water pipelines rights-of-way. Also required for this location is a 2050-foot access road, as well as gas and water pipelines of 2103.30 feet each; to be placed in the same ditch, adjacent to the access road.

RECEIVED
MAR 17 2008
WPX

OPERATOR

RECEIVED
MAR

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
Lawer DD, Artesia, NM 88211-0719

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

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

RECEIVED
070 FARMINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 374
*OGRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6641'

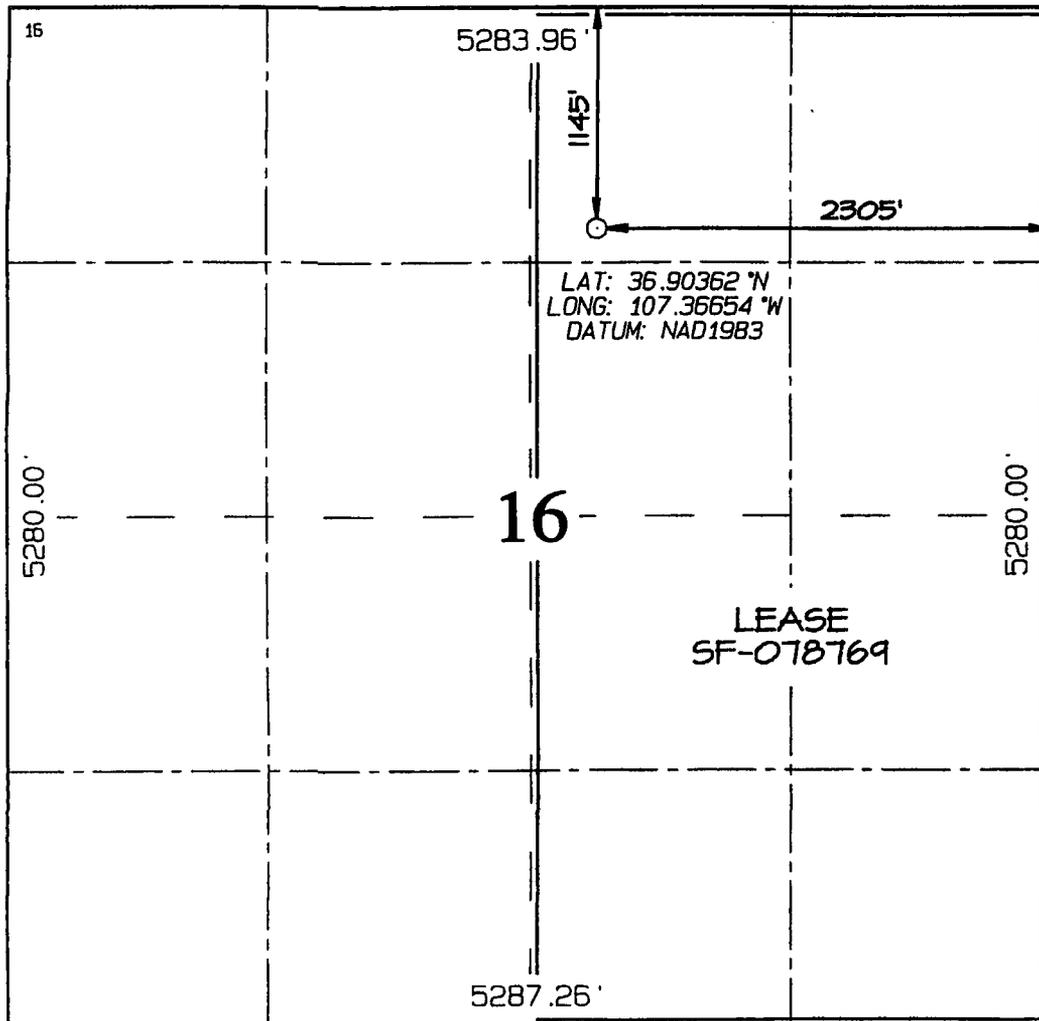
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
B	16	31N	5W		1145	NORTH	2305	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.0 Acres - (E/2)					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

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

Larry Higgins
Signature
LARRY HIGGINS
Printed Name
DRILLING CO. M
Title
11-9-06
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.

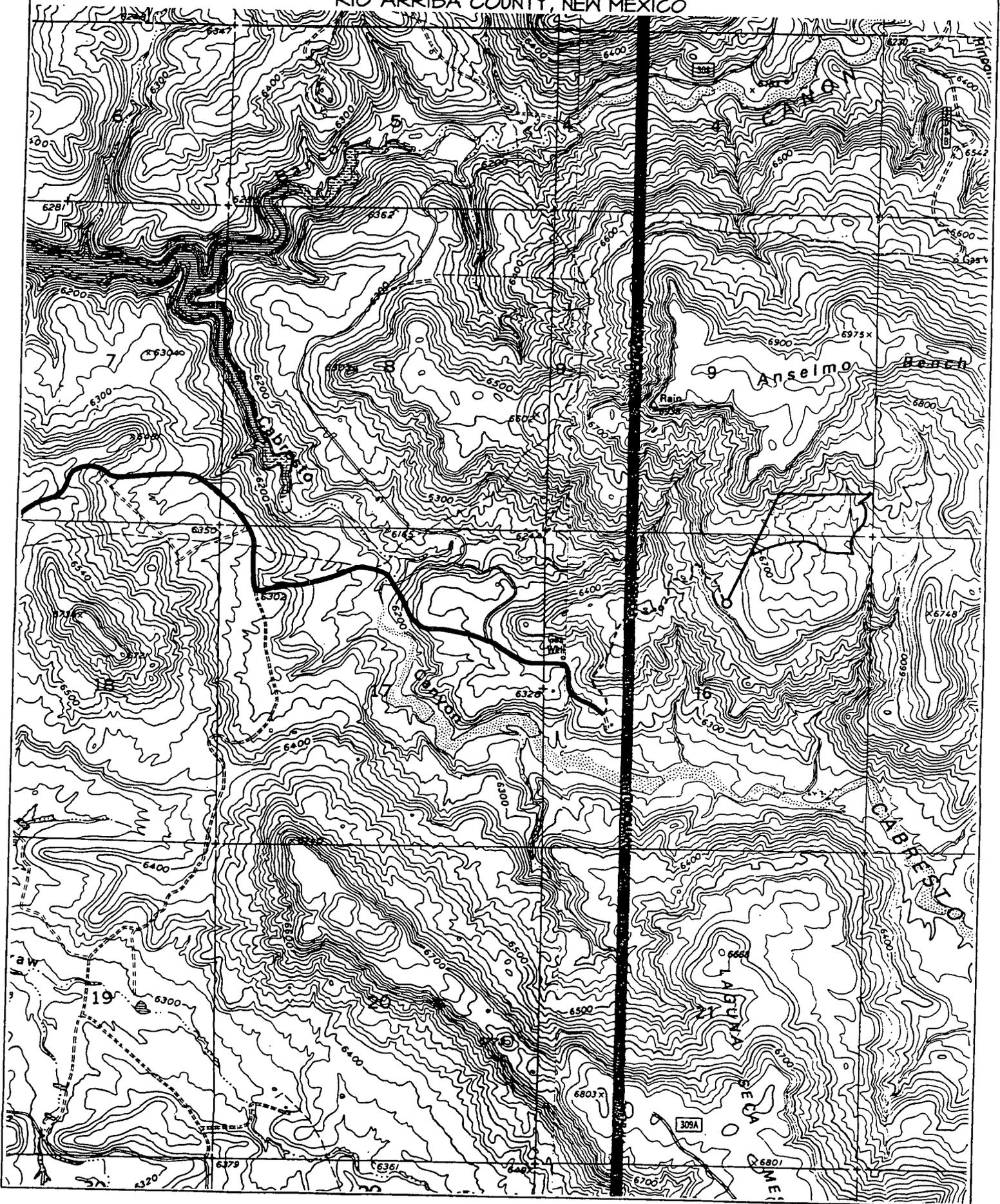
Date Revised: JANUARY 21, 2006
Date of Survey: JUNE 18, 2002

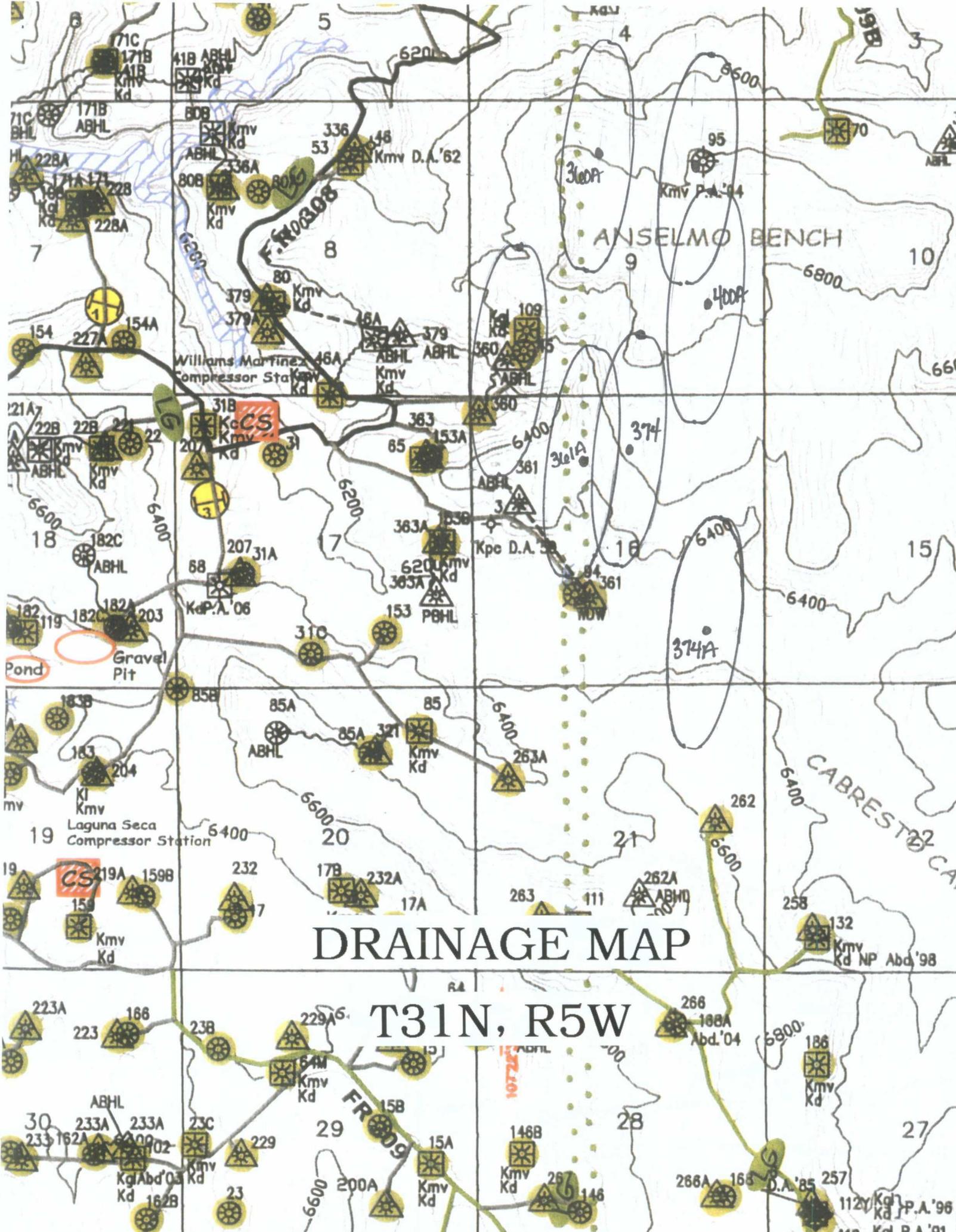
Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

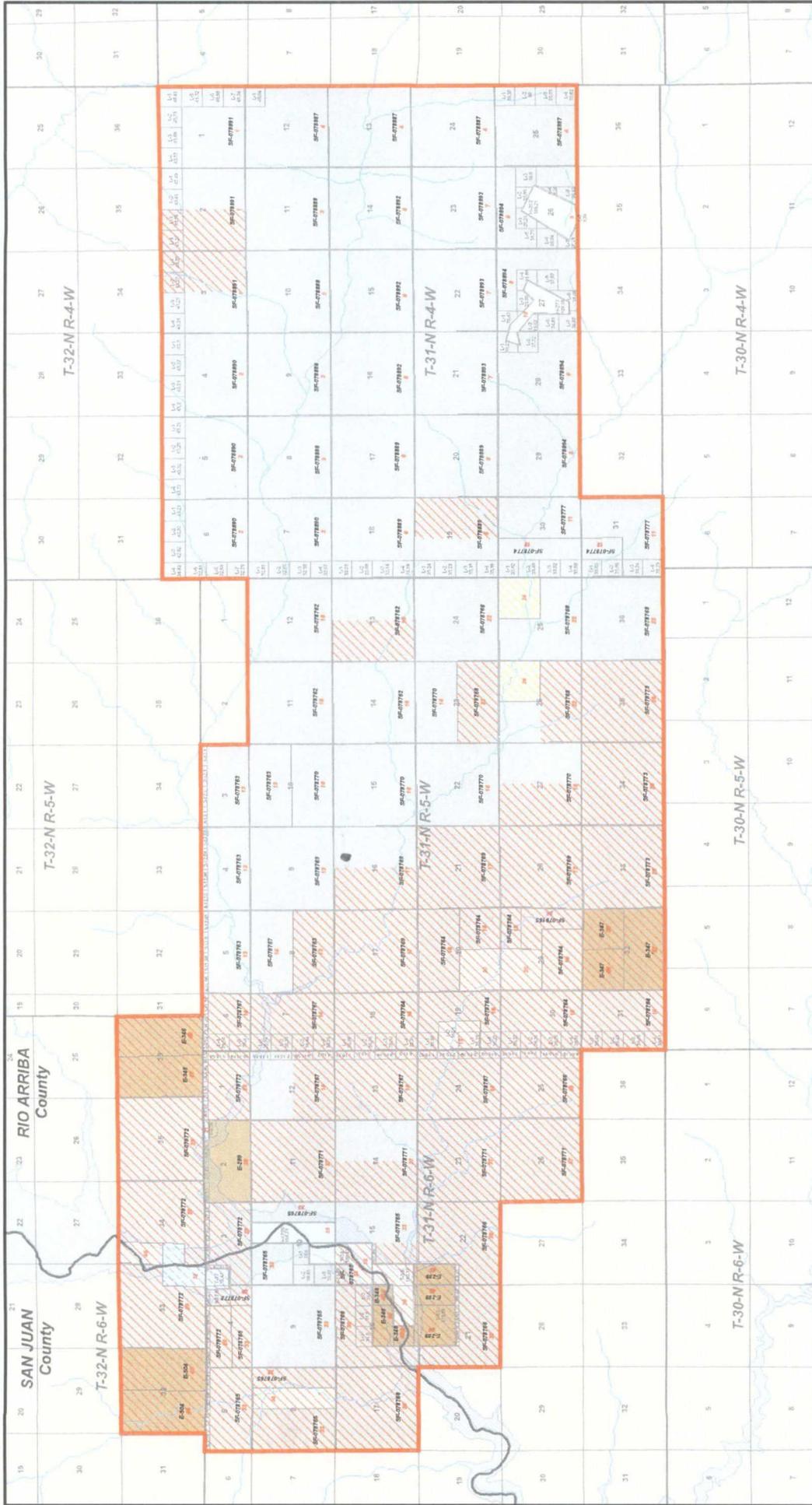
WILLIAMS PRODUCTION COMPANY ROS, JNIT #374
1145' FNL & 2305' FEL, SECTION 16, T31N, R5W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO





DRAINAGE MAP

T31N, R5W




 Exploration & Production


 Rosa Unit
 Fruitland Formation
 San Juan and Rio Arriba Counties, New Mexico

Scale: 1:72,000
 Projection: NAD 1983 State Plane NM West
 Date: 3/7/2007
 Author: SA

6,000 3,000 0 6,000 12,000 Feet

Rosa Unit Tract No: XX

Map Document: (G:\Project\San_Juan\Rosa_Unit\Participating_Areas\ros-unit_03.mxd)
 3/7/2007 - 11:08:50 AM

June 24, 2007

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 #374 Fruitland Coal formation well to be drilled at a location 1145 feet from the North line and 2305 feet from the East line of Section 16, 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 date by Williams Production Company, LLC for administrative approval of an unorthodox well location for its Rosa Unit #374, to be drilled to the Fruitland Coal formation at a location 1145 feet from the North line and 2305 feet from the East line of Section 16, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. The E/2 of Sec. 16, T31N, R5W, a standard 320.00 acre spacing unit 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 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Enclosures

Sincerely,

M. Vern Hansen, CPL
Senior Staff Landman

**Rosa Unit #374 Fruitland Coal Formation Well
Affected Interest Owners
(Fruitland Coal Participating Area Owners)**

BP AMERICA PRODUCTION CO.
ATTN: JOHN LARSON
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.
3838 OAK LAWN, SUITE 1450
DALLAS, TX 75219

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

SACRAMENTO MUNICIPAL UTILITIES DISTRICT
ATTN: BARRY BRUNELLE
P.O. BOX 15830
SACRAMENTO, CA 95852-1830

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

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

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