

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-045-34458  
 Williams 120782  
 Rosa Unit # 088C

2009 MAY 20 AM 11:18

**ADMINISTRATIVE APPLICATION CHECKLIST**

5851-A

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.

Heather Ritey  
 Print or Type Name

Heather Ritey  
 Signature

Regulatory Specialist 5/19/09  
 Title Date  
 heather.ritey@williams.com  
 e-mail Address



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

May 19, 2009

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

Re: *Request for Administrative approval of a non-standard Basin Mancos Location*  
*Rosa Unit #088C*  
*API # 30-045-34458*  
*SHL: 1060' FNL & 2230' FEL, Sec. 8, T31N, R6W*  
*As Drilled BHL: 260' FNL & 2307' FWL, Sec. 8, T31N, R6W*

Dear Mr. Fesmire:

Williams Production Co., LLC ("Williams"), pursuant to the provisions of Division Rule 104, hereby seeks administrative approval of an unorthodox location for the Basin Mancos (97232) formation in Rosa Unit Well No. 088C. This well has already been directionally drilled to the Dakota formation and we are attaching an "As Drilled" plat with a corrected BHL of 260' FNL & 2307' FWL, Sec. 8, T31N, R6W, N.M.P.M. Williams requested and received approval for the Dakota formation under **Administrative Order NSL-5851** dated July 3, 2008, and now wishes to add the Basin Mancos formation.

Pursuant to Order No. R-12984, spacing requirements allow for up to 4 wells in a standard spacing unit and for wells inside a federal exploratory unit and in a non-participating spacing unit they shall not be closer than 660 feet to the outer boundary of its spacing unit. Given these requirements, this location is non-standard to the north by 400 feet and the east by 338 feet.

Williams intends to capture the reserves from the Mesaverde, Basin Mancos and Dakota formations with a single well bore. Not only will the multiple completion help capture additional reserves that otherwise would not be able to be economically developed, but utilizing a single well bore for a triple completion will also negate the need for additional disturbance of another wellpad, road, and pipeline.

Mark E. Fesmire

May 19, 2009

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Also enclosed is a plat showing the offsetting spacing unit and Rosa Unit boundary. 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.

Working interest ownership is common in each spacing unit. Further, there is no Participating Area for the Mancos. Therefore, there are no affected parties as defined by Rules 1210(A)(2) and no notice is required. The spacing unit for the Basin Mancos is the east half and there are no other Basin Mancos wells in the spacing unit. There are no unleased mineral owners.

The proposed location is the most efficient and reasonable way to develop these potential reserves and would be in the best interest of conservation and the prevention of waste.

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.: C-102

Rosa Unit Map

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

District II  
1301 W. Grand Avenue, Artesia, NM 88210

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |  |                          |
|----------------------------|--|--------------------------|
| <sup>1</sup> API Number    | <sup>2</sup> Pool Code                         | <sup>3</sup> Pool Name   |
| 97232 / 72319 / 71599      | BASIN MANCOS / BLANCO MESAVERDE / BASIN DAKOTA |                          |
| <sup>4</sup> Property Code | <sup>5</sup> Property Name                     | <sup>6</sup> Well Number |
| 17033                      | ROSA UNIT                                      | 88C                      |
| <sup>7</sup> OGRID No.     | <sup>8</sup> Operator Name                     | <sup>9</sup> Elevation   |
| 120782                     | WILLIAMS PRODUCTION COMPANY                    | 6218'                    |

<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   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| B             | 8       | 31N      | 6W    |         | 1060          | NORTH            | 2230          | EAST           | SAN JUAN |

<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   |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| C             | 8       | 31N      | 6W    |         | 260           | NORTH            | 2307          | WEST           | SAN JUAN |

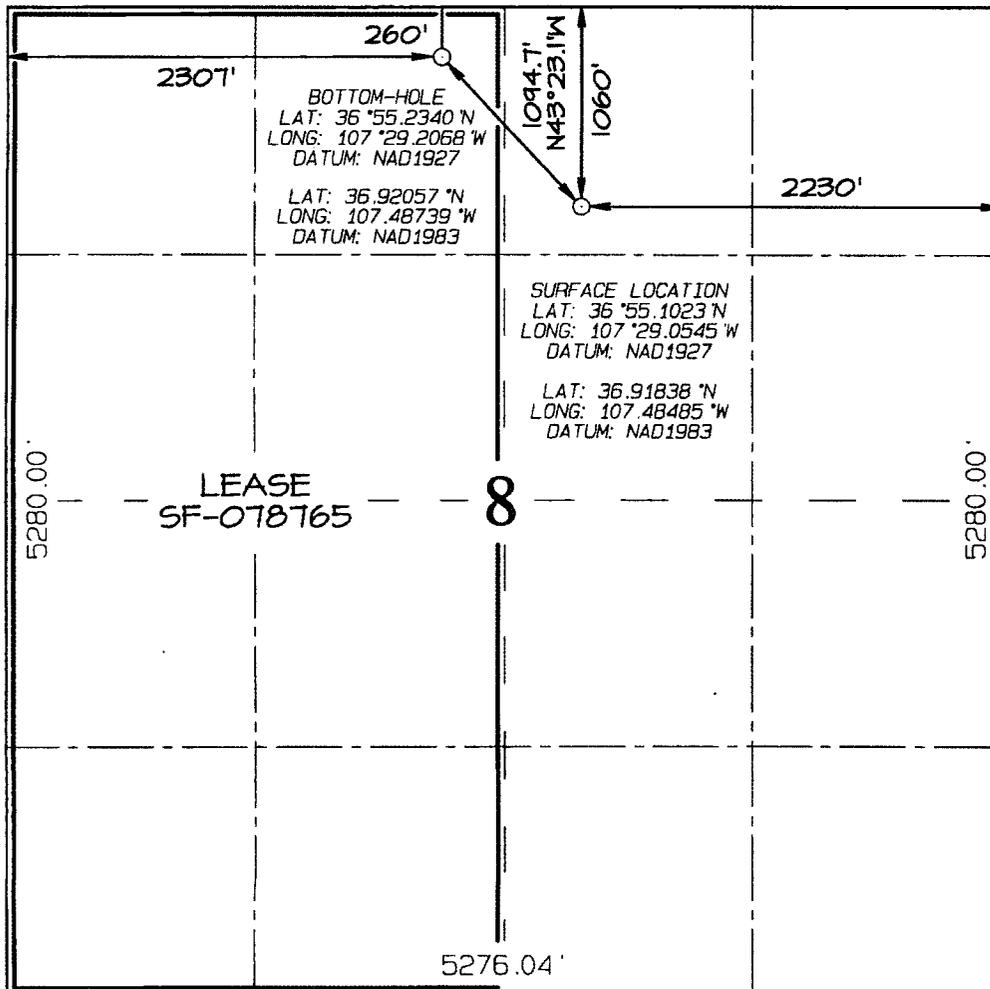
|                               |                               |                                  |                         |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
| 320.0 Acres - (W/2)           |                               |                                  |                         |

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>16</sup>

2644.62'

2644.62'



<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.

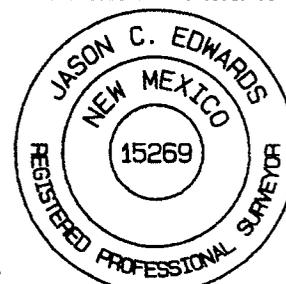
Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_

<sup>18</sup> SURVEYOR CERTIFICATION

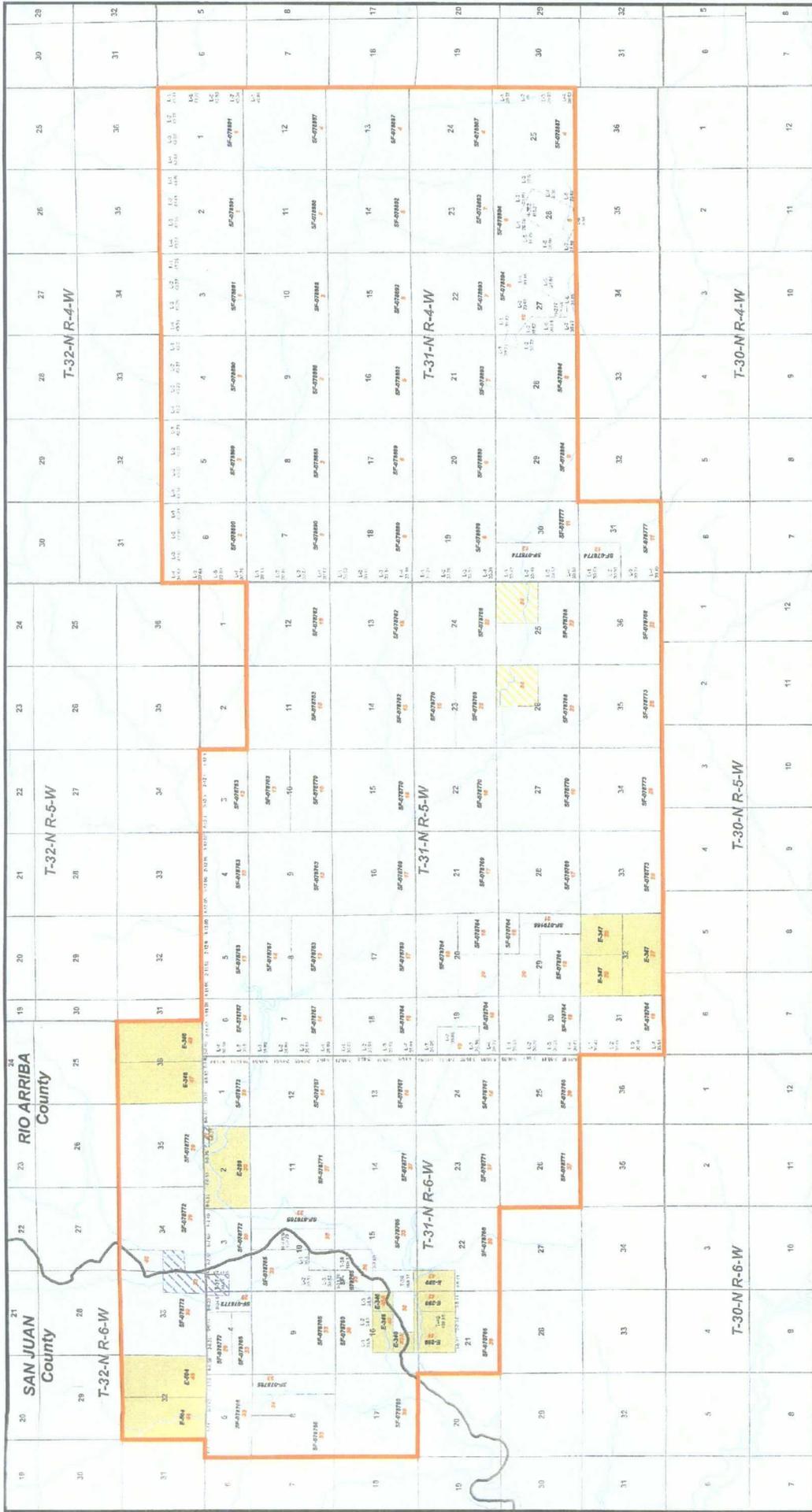
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

Date Revised: MAY 8, 2009  
Date of Survey: MARCH 26, 2007

Signature and Seal of Professional Surveyor



**JASON C. EDWARDS**  
Certificate Number 15269




 Exploration & Production


 Williams

**Rosa Unit**  
 San Juan and Rio Arriba Counties, New Mexico

Scale: 1:72,000  
 Projection: NAD 1983 State Plane NM Feet  
 Date: 3/5/2008  
 Author: TJ

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

**Rosa Unit Tract No: XX**  
 Map Document: C:\Project\San\_Juan\Rosa\_Unit\rose.unit.mxd  
 3/5/2008 - 11:04:06 AM



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



**July 3, 2008**  
**Administrative Order NSL-5851**

Williams Production Co., LLC  
Attention: Ms. Heather Riley  
P.O. Box 640  
Aztec, New Mexico 87410

Dear Ms. Riley:

**Williams NSL Application: Rosa Unit Well No. 88C**

API No. 30-045-34458  
1060' FNL & 2230' FEL, Unit B, (Surface)  
330' FNL & 2310' FWL, Unit C, (Bottom Hole)  
Section 8, T-31 North, R-6 West, NMPM,  
San Juan County, New Mexico

Reference is made to the following:

- (a) Williams Production Company's ("Williams") application for a non-standard well location (***administrative application reference No. pKVR0813534623***) for the Rosa Unit Well No. 88C that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 13, 2008; and
- (b) the Division's records pertinent to Williams' request.

Williams requests authority to drill its Rosa Unit Well No. 88C to test the **Basin-Dakota (Prorated Gas-71599) and Blanco-Mesaverde (Prorated Gas-72319) Pools** to a non-standard gas well location for the Dakota formation 330 feet from the North line and 2310 feet from the West line (Unit C) of Section 8, Township 31 North, Range 6 West, NMPM, San Juan County, New Mexico. The W/2 of Section 8 is to be dedicated to the well in the Basin-Dakota Gas Pool forming a standard 320-acre gas spacing and



proration unit, and the well is also to be dedicated to an existing standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Gas Pool comprising the W/2 of Section 8. The Basin-Dakota and Blanco-Mesaverde Gas Pools are currently governed by special pool rules established by Division Order No. R-10987-B(2), as amended, which provide that for wells located within federal exploratory units:

- (a) a standard unit shall consist of 320 acres, more or less, comprising the N/2, S/2, E/2 or W/2 of a governmental section; and
- (b) wells may be drilled no closer than 10 feet from any section, quarter-section, or interior quarter-quarter section line or subdivision inner boundary; provided however, that in order to qualify for the more lenient well setback requirements, the well and gas proration unit (GPU) must meet the following criteria:

the well must be located within a GPU that is fully committed to the unit and must not be located adjacent to an existing or prospective GPU that is non-committed or partially committed to the unit;

the well must be located within a GPU that is within the Participating Area (PA) for that formation and must not be located adjacent to an existing or prospective GPU that is not within the producing area (PA) for that formation.

Williams' application stated that the well was staked at the proposed location after consideration of engineering drainage data from existing Mesaverde gas wells, and in order to maximize the recovery of gas from the Mesaverde formation. The location is standard for the Blanco-Mesaverde Gas Pool since the proposed GPU and the adjacent GPU's are fully committed to the unit and are within the Mesaverde PA. However, the location is unorthodox for the Basin-Dakota Gas Pool since the proposed GPU and several of the adjacent GPU's are not located within the Dakota PA.

It is our understanding that the well will be spudded on a standard surface location and the horizontal (producing) portion of the well bore is non-standard in the Dakota. Horizontal drilling is governed by Division Rule 19.15.3.111.

Williams intends to complete the well as a dual horizontal well thereby capturing the reserves from the Dakota and the Mesaverde with a single well bore. Utilizing a single well bore for a dual completion will also negate the need for additional disturbance of another wellpad, road and pipeline.

Williams is the offset operator of the affected acreage, being the E/2 of Section 8. Williams stated in its application that the interest ownership between the W/2 and the E/2 of Section 8 is common, therefore, notice of this application to any offset interest owner is not required.

Administrative Application: NSL-5851  
Williams Production Company  
July 3, 2008  
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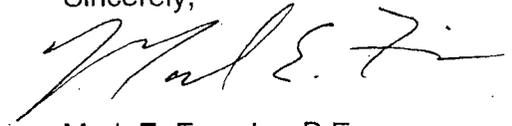
Division records show that the Rosa Unit Well No. 88C will be the fourth well producing from the Blanco-Mésaverde Gas Pool, and the first well producing from the Basin-Dakota Gas Pool within the W/2 of Section 8.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Basin-Dakota Gas Pool is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

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.  
Division Director

MEF/tw

cc: New Mexico Oil Conservation Division - Aztec  
Bureau of Land Management-Farmington