

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

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



30-039-3079

Williams
120782

Rosa Unit #209C

2009 MAY 29 AM 11 33

ADMINISTRATIVE APPLICATION CHECKLIST

5660-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 Riley _____ Regulatory Specialist 5/27/09
 Print or Type Name Signature Title Date
 heather.riley@williams.com
 e-mail Address



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

May 27, 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 #009C
API # 30-039-30179
SHL: 380' FSL & 1135' FWL, Sec. 11, T31N, R6W
As Drilled BHL: 402' FSL & 438' FWL, Sec. 11, 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. 009C. This well has already been directionally drilled to the Dakota formation and we are attaching an "As Drilled" plat with a corrected BHL of 402' FSL & 438' FWL, Sec. 11, T31N, R6W, N.M.P.M. Williams requested and received approval for the Dakota formation under **Administrative Order NSL-5660** dated July 31, 2007, 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 south by 258 feet and the west by 222 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 27, 2009

Page 2 of 2

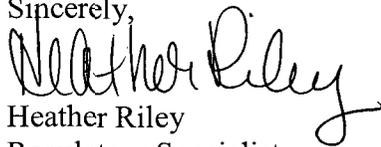
Also enclosed is a plat showing the offsetting spacing unit and Rosa Unit boundary. As the Unit Operator of the Rosa Unit, Williams Production is the only offset operator, thereby this proposed non-standard location would not affect any other operators.

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

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
97232 / 72319 / 71599	BASIN MANCOS / BLANCO MESAVERDE / BASIN DAKOTA	
⁴ Property Code	⁵ Property Name	⁶ Well Number
17033	ROSA UNIT	9C
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
120782	WILLIAMS PRODUCTION COMPANY	6386'

¹⁰ Surface Location

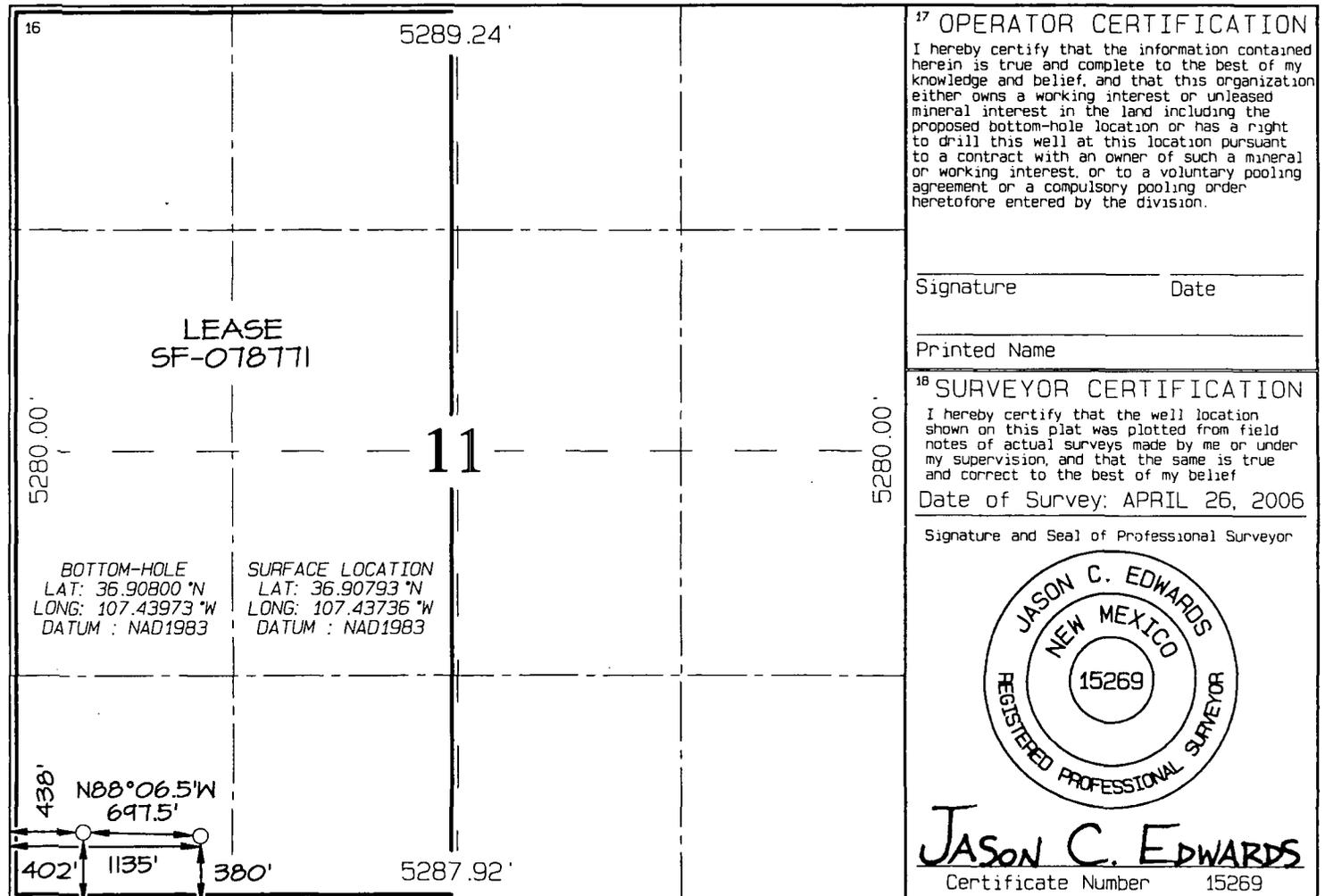
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	31N	6W		380	SOUTH	1135	WEST	RIO ARRIBA

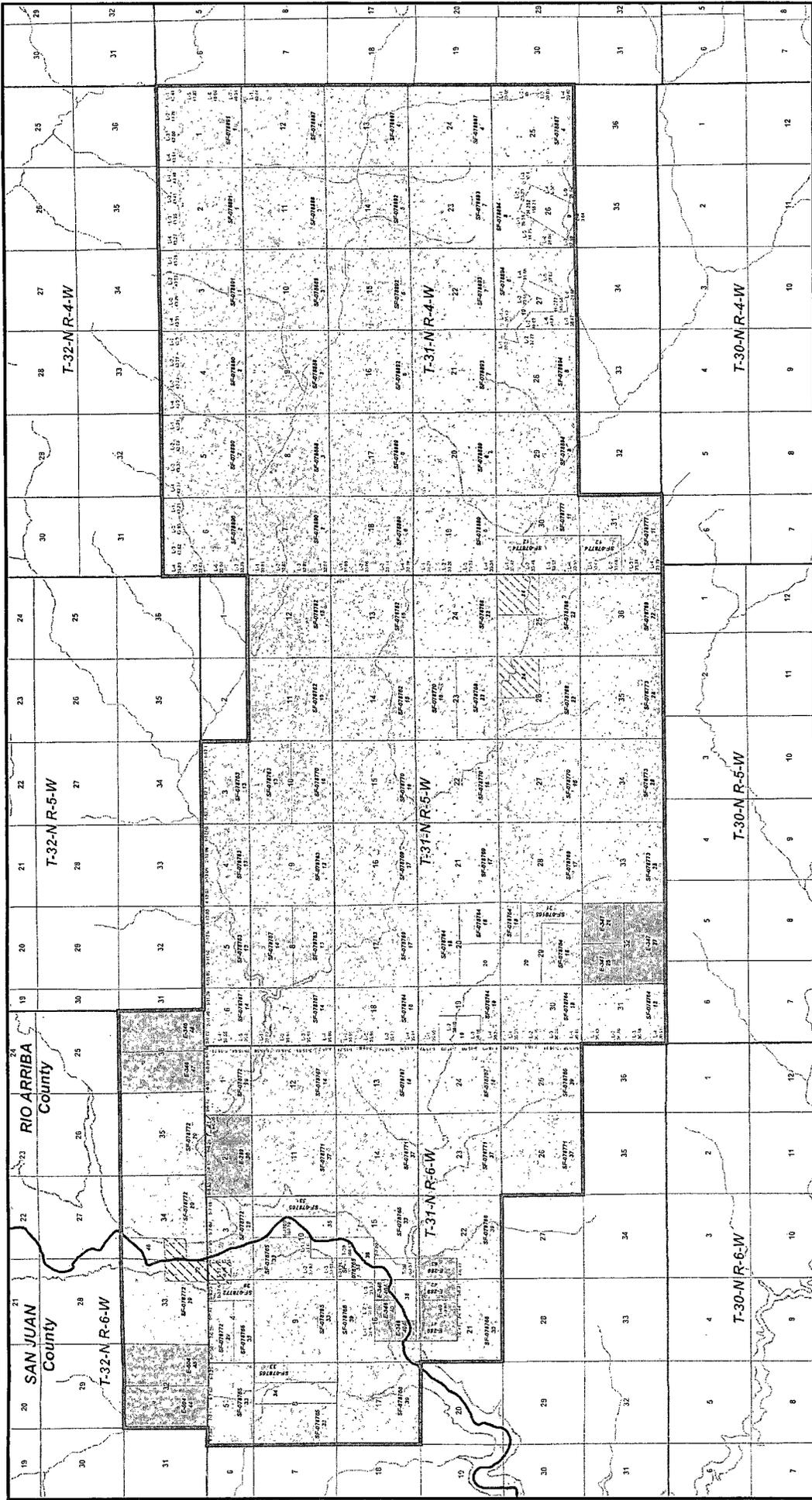
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	31N	6W		402	SOUTH	438	WEST	RIO ARRIBA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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





<p>Williams Exploration & Production</p> <p style="text-align: center;">Rosa Unit</p> <p style="text-align: center;">San Juan and Rio Arriba Counties, New Mexico</p> <p>Scale: 1:72,000 Date: 3/5/2008</p>	<p style="text-align: center;">Williams</p> <p style="text-align: center;">Exploration & Production</p> <p style="text-align: center;">Rosa Unit</p> <p style="text-align: center;">San Juan and Rio Arriba Counties, New Mexico</p> <p>Scale: 1:72,000 Date: 3/5/2008</p>
<p>Rosa Unit Tract No: XX</p> <p>Map Document: G:\Project\San_Juan\Rosas_Unit\rosas_unit.mxd 3/5/2008 - 1:04:48 PM</p>	<p style="text-align: center;">12,000 Feet</p> <p style="text-align: center;">6,000 0 6,000</p> <p style="text-align: center;">6,000 3,000 0 6,000 12,000 Feet</p>

- Mineral Ownership
- Federal
- Fee
- Private
- State
- Not Committed



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 31, 2007

Williams Production Company, LLC
P.O. Box 640
Aztec, New Mexico 87410

Attention: Ms. Heather Riley

Re: **Rosa Unit Well No. 9C**
API No. N/A
380' FSL & 330' FWL, Unit M,
Section 11, T-31 North, R-6 West, NMPM,
Rio Arriba County, New Mexico

Administrative Order NSL-5660

Dear Ms. Riley:

Reference is made to the following:

- (a) Williams Production Company, LLC's ("Williams") application for a non-standard well location (*administrative application referenece No. pCLP0718332270*) for the Rosa Unit Well No. 9C that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 29, 2007; and
- (b) the Division's records pertinent to Williams' request.

Williams requests authority to drill its Rosa Unit Well No. 9C to test the **Basin-Dakota (Prorated Gas – 71599) and Blanco-Mesaverde (Prorated Gas –72319) Pools** at a non-standard gas well location for both the Mesaverde and Dakota formations 380 feet from the South line and 330 feet from the West line (Unit M) of Section 11, Township 31 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. The well is to be dedicated to an existing standard 320-acre gas spacing and proration unit in the Basin-Dakota Gas Pool comprising the W/2 of Section 11, and 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 11. The Basin-Dakota and Blanco-Mesaverde Gas Pools are currently governed by special pool rules established by Division Order No. R-10987, 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) well's 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 PA for that formation.

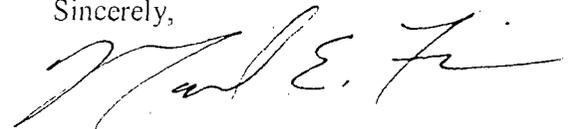
Williams' application stated that the well was staked at the proposed location after consideration of engineering drainage data from existing Mesaverde gas wells, and in order to maximize the recovery of gas from the Mesaverde formation. The location is unorthodox for the Blanco-Mesaverde Gas Pool because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

Williams has provided notice of this application to all affected interest owners. No party has entered an objection to the application within the 20-day waiting period prescribed by Division Rule 19.15.3.104.F.

Division records show that the Rosa Unit Well No. 9C will be the fourth well producing from the Blanco-Mesaverde Gas Pool, and the second well producing from the Basin-Dakota Gas Pool within the W/2 of Section 11. The existing Blanco-Mesaverde Gas Pool producing wells are the Williams Rosa Unit Wells No. 9 (API No. 30-039-07975), 9A (API No. 30-039-25584) and the 9B (API No. 30-039-27042) located respectively in Units K, C and E. The existing Basin-Dakota Gas Pool producing well is the Williams Rosa Unit Well No. 9A (API No. 30-039-25584) located in Unit C.

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 Blanco-Mesaverde and Basin-Dakota Gas Pools is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

Administrative Order NSL-5660
Williams Production Company, LLC
July 31, 2007
Page 3

MEF/drc

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

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, June 10, 2009 2:46 PM
To: 'Riley, Heather '
Subject: Rosa Unit Well No. 9C; NSL Application

Dear Ms. Riley

Because this location encroaches toward several units, I would like some clarification of the statement in your application that "working interest ownership is common in each spacing units."

It would appear that the spacing units or potential spacing units encroached upon would be:

W/2 or N/2 of Section 14
E/2 of Section 10
E/2 or N/2 of Section 15

Is working interest ownership common as to all of these units?

Thanks

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Riley, Heather [Heather.Riley@Williams.com]
Sent: Thursday, June 11, 2009 8:39 AM
To: Brooks, David K., EMNRD
Cc: Higgins, Larry ; Winters, Lacey ; West, Brennan ; Hansen, Vern
Subject: RE: Rosa Unit Well No. 9C; NSL Application

Mr. Brooks,

Working interest ownership is common as to all of the below listed units in the MC and DK formations.

Thanks,

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: Wednesday, June 10, 2009 2:46 PM
To: Riley, Heather
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Brooks, David K., EMNRD

From: Riley, Heather [Heather.Riley@Williams.com]
Sent: Thursday, June 11, 2009 9:37 AM
To: Brooks, David K., EMNRD
Subject: RE: Rosa Unit Well No. 9C; NSL Application

Yes.

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, June 11, 2009 9:07 AM
To: Riley, Heather
Subject: RE: Rosa Unit Well No. 9C; NSL Application

For clarification, does "MC" refer to Mancos?

From: Riley, Heather [mailto:Heather.Riley@Williams.com]
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E/2 or N/2 of Section 15