

DATE IN <u>6-30-10</u>	SUSPENSE	ENGINEER <u>WJ</u>	LOGGED IN <u>6-30-10</u>	TYPE <u>DHC</u>	APP NO. <u>1018153692</u>
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RECEIVED OGD
ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau 27
 1220 South St. Francis Drive, Santa Fe, NM 87505



Williams
 [120782]

JACO WPX 28321 #1

ADMINISTRATIVE APPLICATION CHECKLIST 30-039-30595

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
 X 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] X Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] X 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.

Robert L Goodwin III
 Print or Type Name

Signature

Manager, Production Engineering
 Title

6/30/2010
 Date

Robert.Goodwin@Williams.com
 e-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

Oil Conservation Division

APPLICATION TYPE

District III
1000 Rio Brazos Road, Aztec, NM 87410

RECEIVED OGD
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Single Well

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

2010 JUN 28 10:42 AM
APPLICATION FOR DOWNHOLE COMMINGLING

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes No

Williams, Production Company, LLC

PO Box 640,

Aztec, NM 87410

Operator
JAECO-WPX 28-3 21

#1

Address
H, sec 21, T28N. R3W

Rio Arriba

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 120782 Property Code 37619 API No. 30-039-30595 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Mesaverde	Basin Mancos	Basin Dakota
Pool Code	72319	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5656'-6282'	7054'-7494'	N/A
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	P&A 4-23-10
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing	Producing	P&A
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: 550 Mcfd	Date: Rates: 450 Mcfd	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 50% Gas 55%	Oil 50% Gas 45%	Oil % Gas %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Rachel Lipperd TITLE Engineering Technician II DATE June 24, 2010

TYPE OR PRINT NAME Rachel Lipperd TELEPHONE NO. (918) 573-3046

E-MAIL ADDRESS rachel.lipperd@williams.com



Exploration & Production

Production Allocation Recommendation Jaeco 28-3 21 #1 (MC/MV)

WELLNAME: Jaeco 28-3 21 #1
LOCATION: SE/4 NE/4 Sec.21, T28N, R03W
API No.: 30-039-30595

FIELD: BlancoMV/Blanco MC
COUNTY: Rio Arriba, NM
Date: June 22, 2010

Current Status: The Jaeco 28-3 21 #1 was recently completed in the Mancos and MesaVerde formations. Williams recommends commingling both formations in this well. Commingling this well would give us the ability produce both zones more effeciently.

Commingle Procedure:

1. Drill out CIBP between Mancos and MesaVerde formations
2. Clean out to PBTB
3. Complete with single string 2-3/8" tubing, landed @ 7400'

Allocation Method: Williams has collected production data from our green completion operation. This data was used for the initial allocation percentages for this commingle. Williams recommends that a spinner survey be performed after production has stabilized, so that allocation percentages can be corrected as needed.

Initial 10 day production from Green completion:
Total Production = 8347mcf
Total MesaVerde Production = 3746mcf
Total Mancos Production = 4601mcf

MV allocation = MV prod/Total prod = 3746Mcf/8347Mcf = **45%**
MC allocation = MC prod/Total prod = 4601Mcf/8347Mcf = **55%**

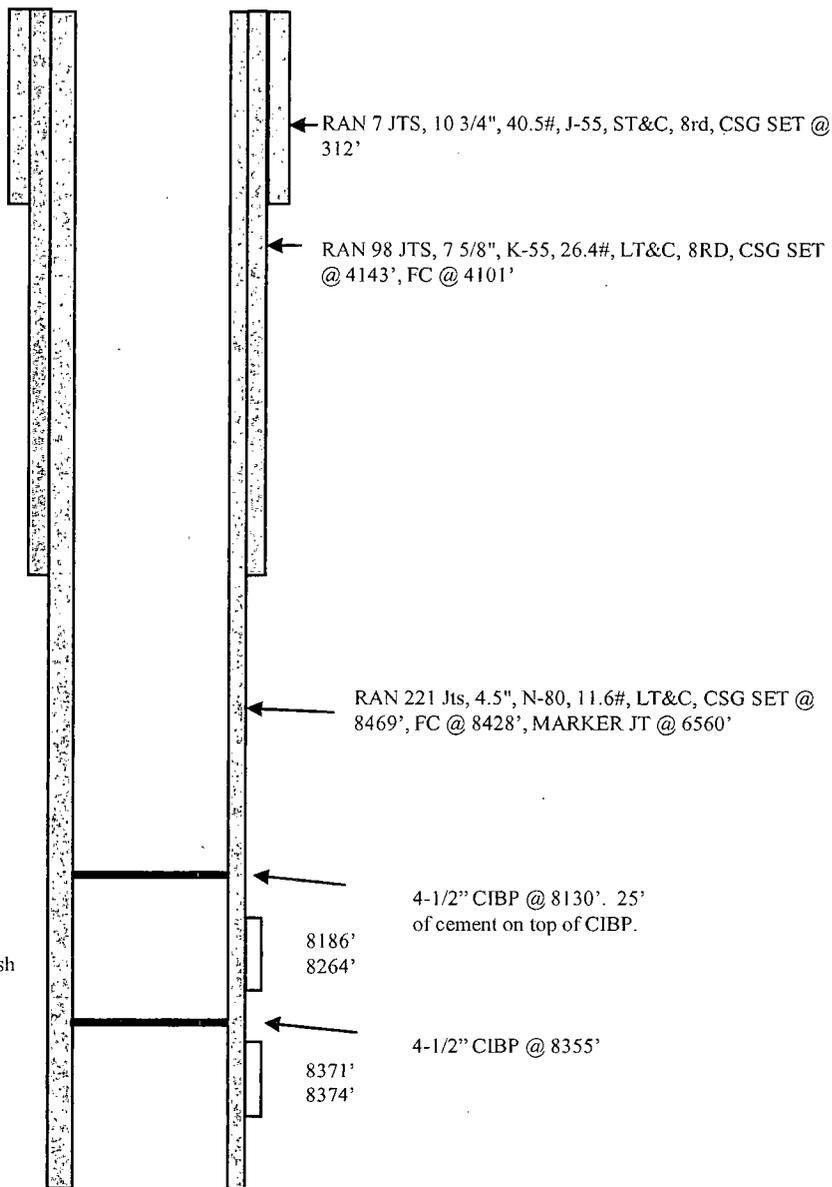
JAECO-WPX 28-3 21 #001
Blanco MV, Basin DK, Basin MC

Spud Date: 2/13/2010

Location:
 2310' FNL & 790' FEL
 ALL Section 21(H), T28N, R3W
 Rio Arriba, NM

Elevation: 7042' GR
API #: 30-039-30595

<u>Tops</u>	<u>Depth</u>
Lewis	3928'
Cliff House	5649'
Point Lookout	5971'
Mancos	6403'
Greneros	8028'
Dakota	8153'



DK 8186'-8264' (60, 0.34" holes) Frac w/ 5000# 100 mesh Ottawa sand

Lower DK : 8371' - 8374' (12, 0.34" holes)
 These holes not fraced

TD @ 8475'
 PBTd @ 8105'

<i>HOLE SIZE</i>	<i>CASING</i>	<i>CEMENT</i>	<i>CU. FT.</i>	<i>CMT TOP</i>
14-3/4"	10 3/4", 40.5#	200 sxs	360 cu.ft.	surface
9 7/8"	7", 26.4#	635 sxs	1579 cu.ft.	surface
6 3/4"	4-1/2", 11.6#,	500 sxs	700 cu.ft.	2550' (CBL)