

DATE IN 5/7/02	SUBSECT 5/27/02	ENGINEER MS	LOGGED IN KW	TYPE NSL	APP NO. 213540477
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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



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 HORIZONTAL WELLBORE
- [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.

WILLIAM F. CARTZ
 Print or Type Name

William F. Cartz
 Signature

ATTORNEY
 Title

5-7-02
 Date

wcarr@hollandhart.com
 e-mail Address

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

May 7, 2002

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 Saint Francis Drive
Santa Fe, New Mexico 87505

(30-039-26741)

Re: Application of Williams Production Company, L.L.C. for Administrative Approval of Horizontal Drilling and an Unorthodox Surface Location in the Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

Dear Ms. Wrotenbery:

Pursuant to the provisions of Rules 8 and 9 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768 dated October 17, 1988, Williams Production Company, L.L.C. hereby files its application for an administrative exception to the requirements of Rule 7 as amended by Division Order No. R-8768-B, effective February 10, 2000, for the drilling of its Rosa Unit Well No. 361 as an intentionally deviated horizontal wellbore on a standard coalbed methane gas spacing unit comprised of the W/2 of Section 16, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. This spacing unit will be the Project Area for this horizontal well.

Rule 7 provides that wells in the Basin-Fruitland Coal Gas Pool shall be located in the NE/4 or SW/4 of a single governmental section and shall be located no closer than 660 feet to any outer boundary of the spacing unit nor closer than 10 feet to any interior quarter or quarter-quarter section line. The surface location for the proposed Rosa Unit Well No. 361 well is 1585 feet from the South line and 2090 feet from the West line of said Section 16 and is therefore 110 feet too close to the eastern boundary of the dedicated acreage than permitted by Rule 7.

Williams proposes to drill a vertical well to a kick-off point at a depth of 2594.5 feet and build a curve at a rate of 12 degrees per 100 feet until a 90 degree curve is achieved at a vertical depth of 3072 feet. Williams proposed to then drill a lateral in a

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

May 7, 2002
Page 2

northwesterly direction along an azimuth of 325.110 degrees for a bottomhole displacement of approximately 2500 feet to a terminus in the NW/4 of Section 16. The wellbore will be confined to a twelve foot target seam from 3066 feet to 3078 feet vertical depth and at all times within a Producing Area 660 feet from the outer boundary of the Project Area.

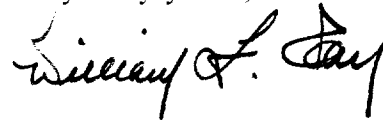
Attached to this application are the following documents:

- Exhibit A.** A plat showing the proposed spacing unit, the unorthodox surface location, projected horizontal wellbore and the proposed lateral end of the wellbore;
- Exhibit B.** A plat identifying all offsetting owners, all of which have voluntarily committed their respective interests to the Rosa Unit;
- Exhibit C.** A copy of Division Form C-102 identifying the proposed 320-acre standard gas spacing or proration unit to be dedicated to the well;
- Exhibit D.** The Halliburton Sperry-Sun Proposal Report for the Rosa Unit Well No. 361 which contains schematic drawings of the proposed well that fully describe the casing, tubing, perforated or openhole interval, kick-off point, and proposed trajectory of the directional drainhole;

The spacing unit for the proposed horizontal well comprised of the W/2 of Section 16 is located within the Rosa Unit, a voluntary exploratory unit operated by Williams Production Company, L.L.C. There are no operators or owners of undrilled tracts offsetting the proposed gas spacing or proration unit for said well since all ownership of each tract is committed to the unit and therefore there no operators or owners to whom notice of this application must be provided pursuant to Rule 9(B).

Your attention to this application is appreciated.

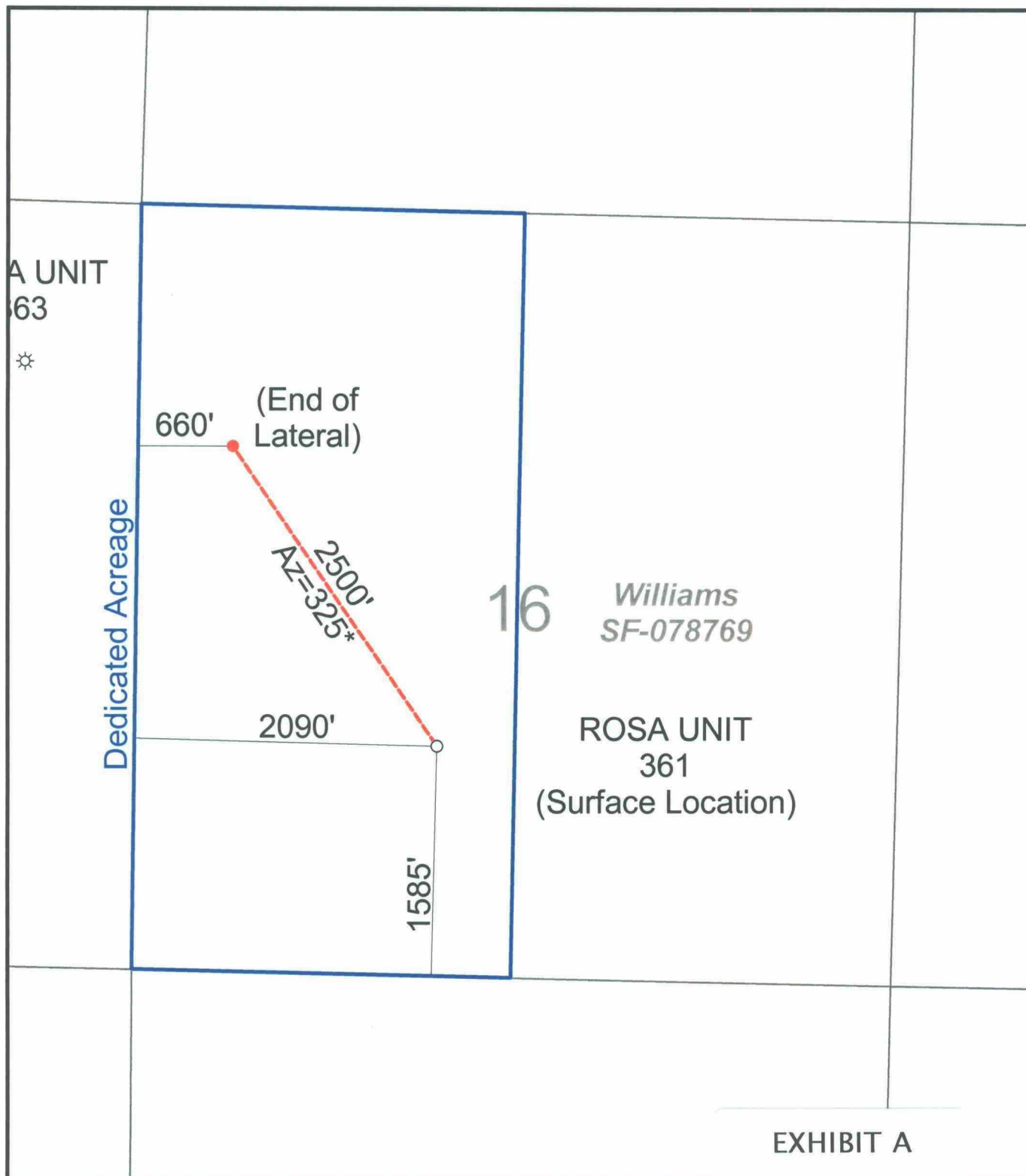
Very truly yours,



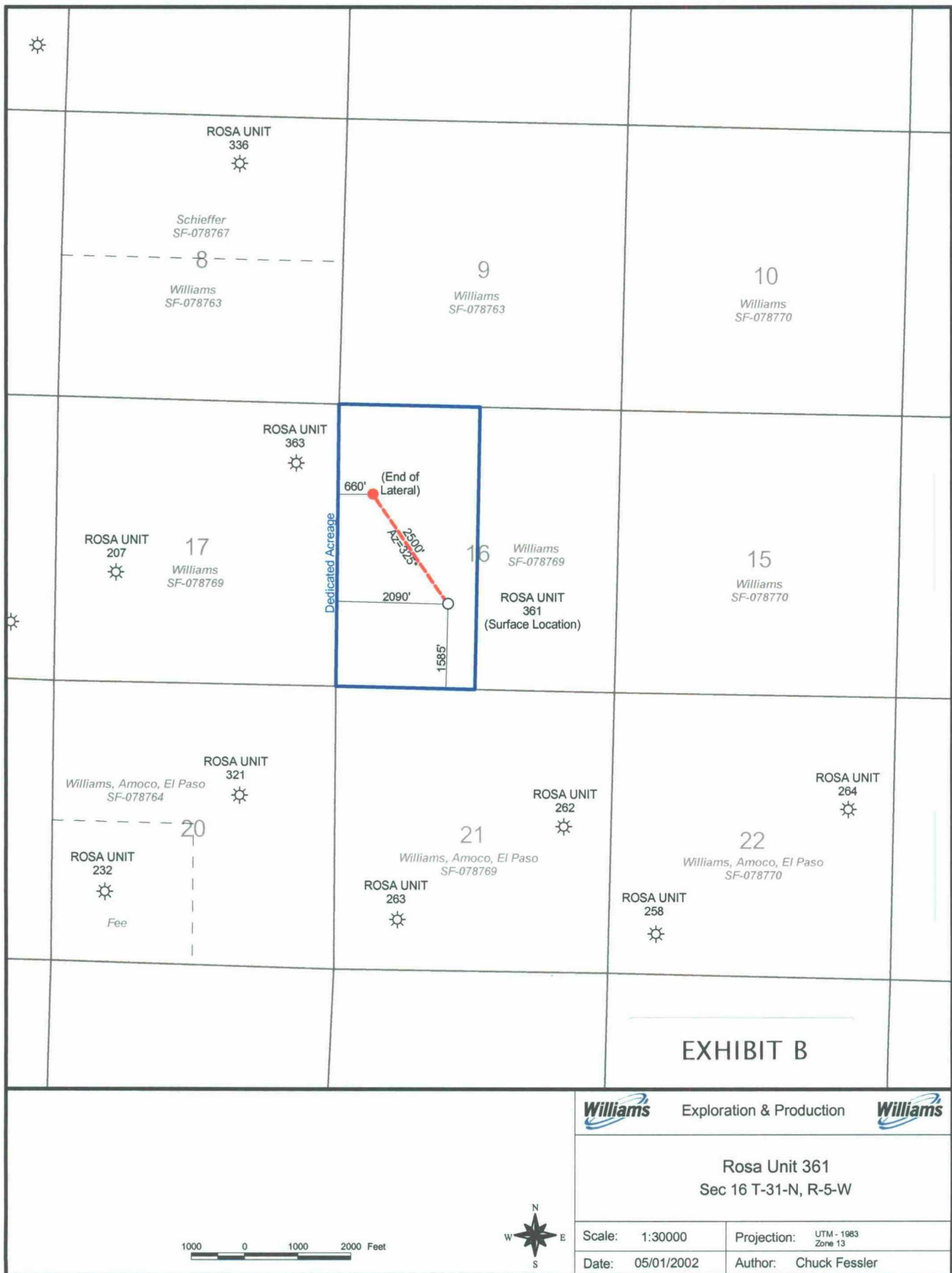
William F. Carr
Attorney for Williams Production
Company

Enclosures

cc: Oil Conservation Division-Aztec



		Exploration & Production
		Rosa Unit 361 Sec. 16, T-31-N, R-5-W
Scale: 1:12000	Projection: UTM - 1983 Zone 13	
Date: 05/01/2002	Author: Chuck Fessler	



District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

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 361
*GRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY	*Elevation 6260'

¹⁰ Surface Location

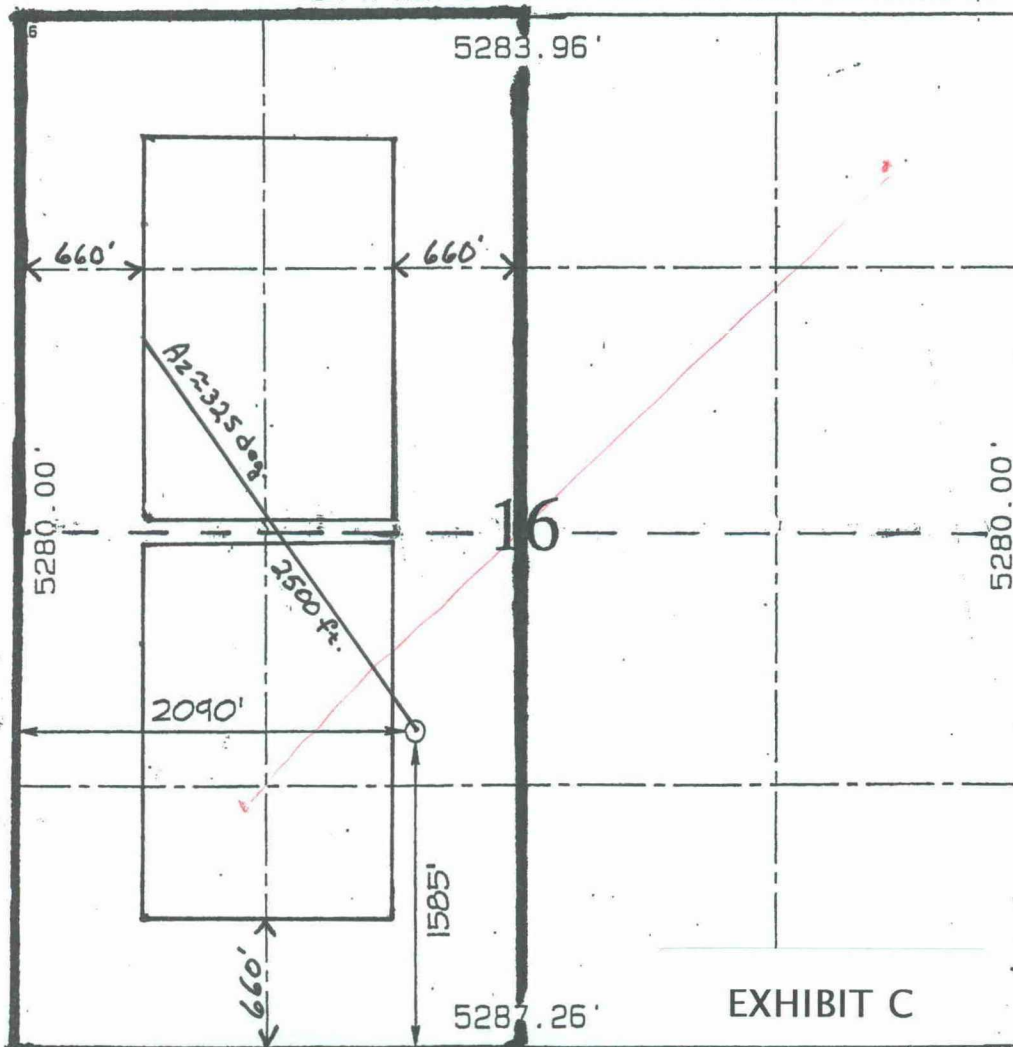
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	16	31N	5W		1585	SOUTH	2090	WEST	RIO ARriba

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

¹² Dedicated Acres 320 - 91/2	¹³ Joint or Infill J	¹⁴ Consolidation Code II	¹⁵ 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



¹⁷ OPERATOR CERTIFICATION

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

Steve Nelson
Signature

Steve Nelson
Printed Name

AGENT
Title

4-27-01
Date

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat has been 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.

JANUARY 2, 2001

Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
Professional Surveyor
Certificate Number 6857

EXHIBIT C

Williams Production Company

***New Mexico
Rio Arriba County
Rosa Unit # 361 - Plan 04/26/02***

Proposal Report

29 April, 2002

Data Source: Information from Gary Sizemore

EXHIBIT D

**HALLIBURTON
Sperry-Sun**

Proposal Ref: pro5726

Williams Production Company

Proposal Report for Rosa Unit # 361 - Plan 04/26/02

Data Source: Information from Gary Sizemore

New Mexico

Rio Arriba County

Measured Depth (ft)	Incl. (Deg)	Azim. (Deg)	Station Coordinates			Vertical Section (ft)	Dogleg Rate (°/100ft)	Comment
TVD (ft)	Northings (ft)	Eastings (ft)						
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00		Target - Rosa Unit 361 Cleat), Current Target
2376.00	0.000	0.000	2376.00	0.00 N	0.00 E	0.00	0.00	Ojo Alamo Ss
2503.00	0.000	0.000	2503.00	0.00 N	0.00 E	0.00	0.00	Kirtland Shale
2594.52	0.000	0.000	2594.52	0.00 N	0.00 E	0.00	0.00	Build 12°/100' to 90° Inc & 325.110° Azm to 3344.54' md
2610.00	1.858	325.110	2610.00	0.21 N	0.14 W	0.25	12.00	
2640.00	5.457	325.110	2639.93	1.78 N	1.24 W	2.16	12.00	
2670.00	9.057	325.110	2669.69	4.88 N	3.41 W	5.95	12.00	
2700.00	12.657	325.110	2699.14	9.52 N	6.64 W	11.60	12.00	
2730.00	16.257	325.110	2728.19	15.66 N	10.92 W	19.09	12.00	
2760.00	19.857	325.110	2756.71	23.29 N	16.24 W	28.39	12.00	
2790.00	23.457	325.110	2784.58	32.37 N	22.57 W	39.46	12.00	
2820.00	27.057	325.110	2811.71	42.86 N	29.89 W	52.26	12.00	
2827.09	27.908	325.110	2818.00	45.55 N	31.76 W	55.53	12.00	Fruitland Fm
2850.00	30.657	325.110	2837.98	54.74 N	38.17 W	66.73	12.00	
2880.00	34.257	325.110	2863.29	67.94 N	47.38 W	82.83	12.00	
2910.00	37.856	325.110	2887.54	82.42 N	57.48 W	100.49	12.00	
2940.00	41.456	325.110	2910.63	98.12 N	68.43 W	119.63	12.00	
2970.00	45.056	325.110	2932.48	114.98 N	80.18 W	140.18	12.00	
3000.00	48.656	325.110	2952.99	132.94 N	92.70 W	162.07	12.00	
3030.00	52.256	325.110	2972.09	151.91 N	105.93 W	185.20	12.00	
3060.00	55.856	325.110	2989.70	171.83 N	119.82 W	209.48	12.00	
3090.00	59.456	325.110	3005.74	192.61 N	134.32 W	234.82	12.00	
3120.00	63.056	325.110	3020.17	214.19 N	149.36 W	261.12	12.00	
3150.00	66.655	325.110	3032.91	236.46 N	164.89 W	288.27	12.00	
3180.00	70.255	325.110	3043.93	259.34 N	180.85 W	316.17	12.00	
3210.00	73.855	325.110	3053.17	282.75 N	197.17 W	344.71	12.00	
3240.00	77.455	325.110	3060.60	306.59 N	213.80 W	373.77	12.00	
3268.77	80.907	325.110	3066.00	329.76 N	229.96 W	402.02	12.00	Top of Coal
3270.00	81.055	325.110	3066.19	330.76 N	230.65 W	403.24	12.00	
3300.00	84.655	325.110	3069.92	355.17 N	247.68 W	433.00	12.00	
3330.00	88.255	325.110	3071.78	379.73 N	264.80 W	462.94	12.00	
3344.54	90.000	325.110	3072.00	391.65 N	273.12 W	477.48	12.00	EOC - Hold 90° Inc & 325.110° Azm to 5367.06' md
3400.00	90.000	325.110	3072.00	437.14 N	304.84 W	532.94	0.00	
3500.00	90.000	325.110	3072.00	519.17 N	362.04 W	632.94	0.00	
3600.00	90.000	325.110	3072.00	601.19 N	419.24 W	732.94	0.00	
3700.00	90.000	325.110	3072.00	683.22 N	476.44 W	832.94	0.00	
3800.00	90.000	325.110	3072.00	765.24 N	533.64 W	932.94	0.00	
3900.00	90.000	325.110	3072.00	847.27 N	590.84 W	1032.94	0.00	
4000.00	90.000	325.110	3072.00	929.29 N	648.04 W	1132.94	0.00	
4100.00	90.000	325.110	3072.00	1011.32 N	705.24 W	1232.94	0.00	

Williams Production Company

Proposal Report for Rosa Unit # 361 - Plan 04/26/02

Data Source: Information from Gary Sizemore

New Mexico

Rio Arriba County

Measured Depth (ft)	Incl. (Deg)	Azim. (Deg)	Station Coordinates			Vertical Section (ft)	Dogleg Rate (°/100ft)	Comment
			TVD (ft)	Northings (ft)	Eastings (ft)			
4200.00	90.000	325.110	3072.00	1093.34 N	762.44 W	1332.94	0.00	
4300.00	90.000	325.110	3072.00	1175.37 N	819.64 W	1432.94	0.00	
4400.00	90.000	325.110	3072.00	1257.39 N	876.84 W	1532.94	0.00	
4500.00	90.000	325.110	3072.00	1339.42 N	934.04 W	1632.94	0.00	
4600.00	90.000	325.110	3072.00	1421.44 N	991.24 W	1732.94	0.00	
4700.00	90.000	325.110	3072.00	1503.47 N	1048.44 W	1832.94	0.00	
4800.00	90.000	325.110	3072.00	1585.49 N	1105.64 W	1932.94	0.00	
4900.00	90.000	325.110	3072.00	1667.52 N	1162.85 W	2032.94	0.00	
5000.00	90.000	325.110	3072.00	1749.54 N	1220.05 W	2132.94	0.00	
5100.00	90.000	325.110	3072.00	1831.57 N	1277.25 W	2232.94	0.00	
5200.00	90.000	325.110	3072.00	1913.59 N	1334.45 W	2332.94	0.00	
5300.00	90.000	325.110	3072.00	1995.62 N	1391.65 W	2432.94	0.00	
5367.06	90.000	325.110	3072.00	2050.63 N	1430.01 W	2500.00	0.00	TD of Well @ 5367.06' md & 3072' TVD (2500' Total Vertical Section)

All data is in Feet (US) unless otherwise stated. Directions and coordinates are relative to True North.
Vertical depths are relative to RKB. Northings and Eastings are relative to 1585° FSL/2090° FWL.

The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from 1585° FSL/2090° FWL and calculated along an Azimuth of 325.110° (True).

Magnetic Declination at Surface is 11.061° (26-Apr-02)

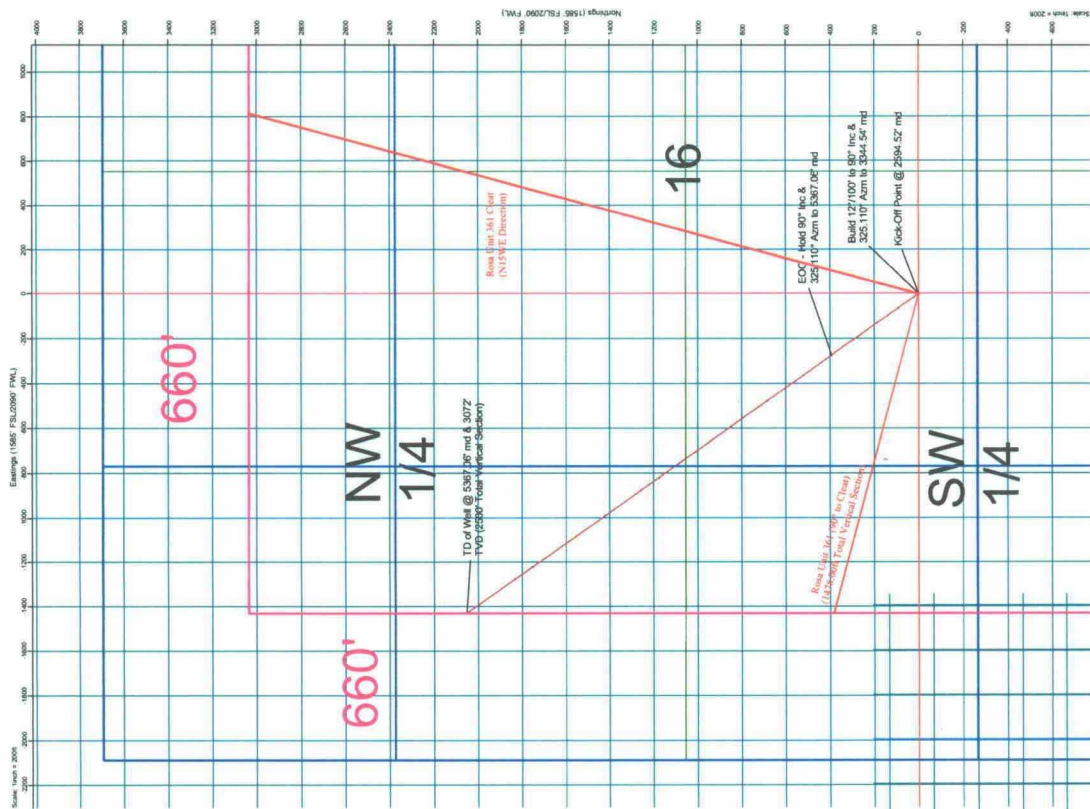
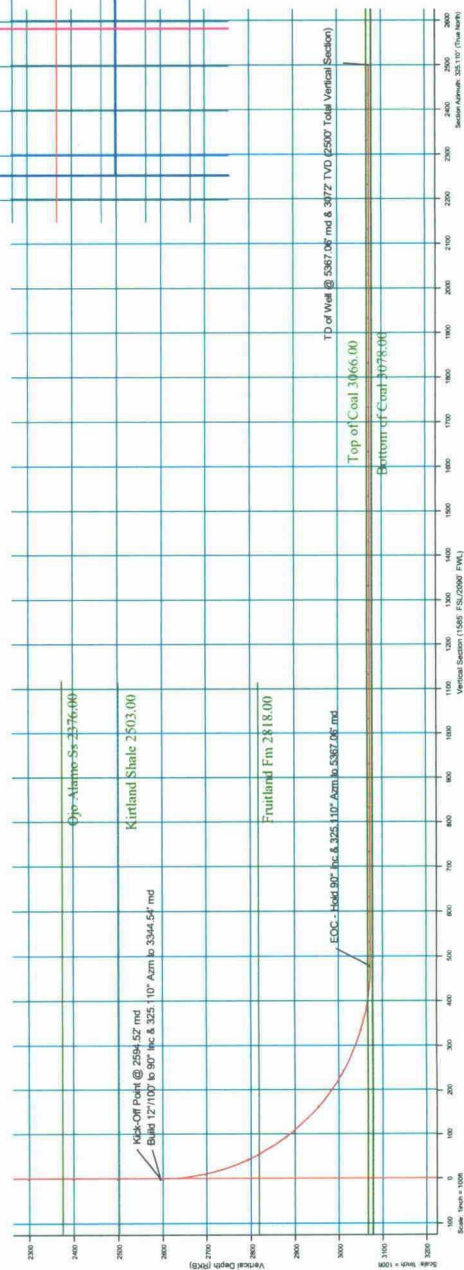
Based upon Minimum Curvature type calculations, at a Measured Depth of 5367.06ft.,
The Bottom Hole Displacement is 2500.00ft., in the Direction of 325.110° (True).

**New Mexico
Rio Arriba County
Sec. 16-T31N-R05W
Rosa Unit # 361**

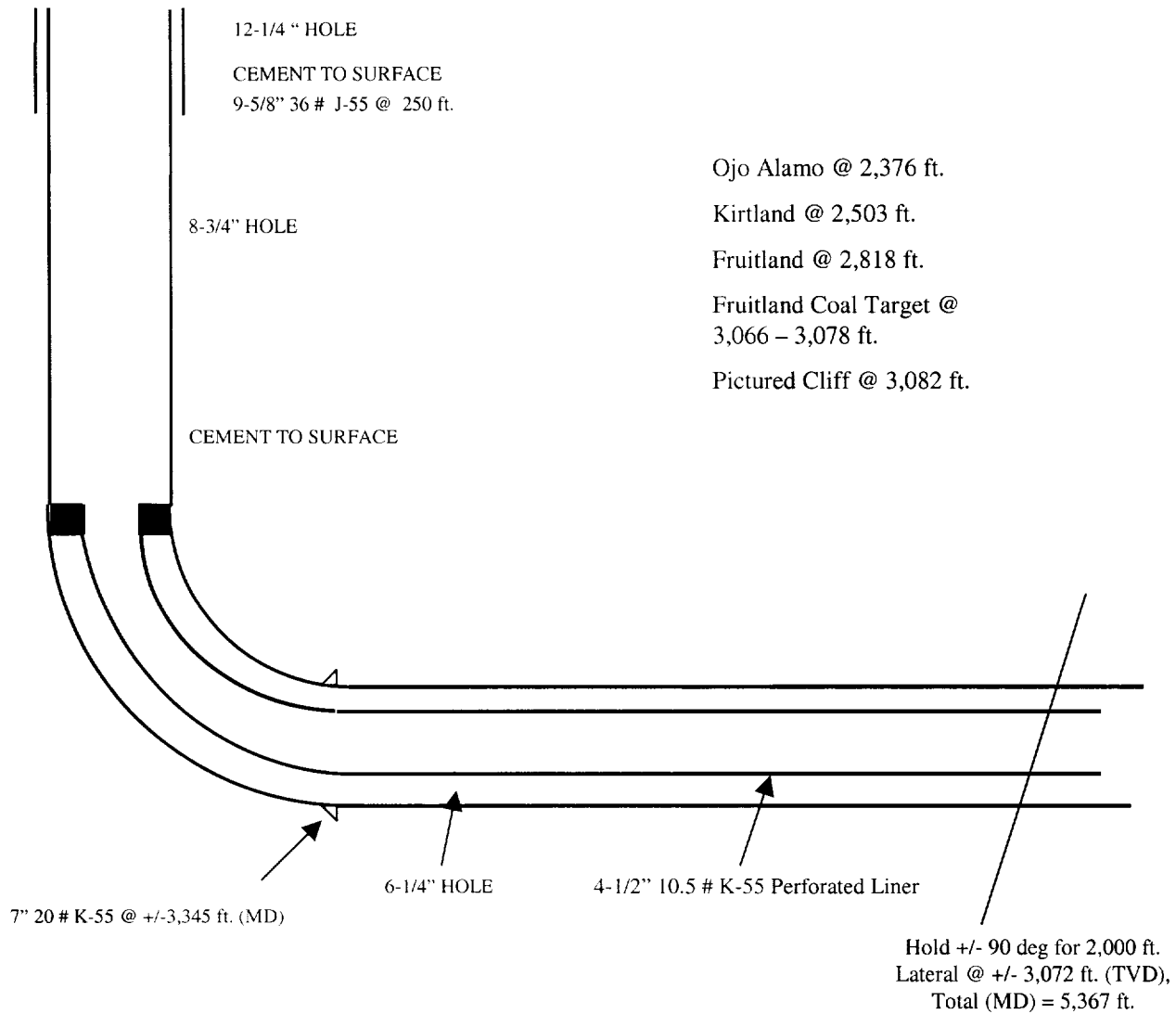


Proposal Data for Plan 04/26/02

Vertical Origin :	RKB					
Horizontal Origin :	1585` FSL/2090` FWL					
Measurement Units :	ft					
North Reference :	True North					
Dogleg severity :	Degrees per 100 feet					
Vertical Section Azimuth :	325.110°					
Vertical Section Description:	1585` FSL/2090` FWL					
Vertical Section Origin :	0.00 N,0.00 E					
Measured Depth	Incl.	Azim.	Vertical Depth	Northings	Eastings	Dogleg Rate
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00
2594.52	0.000	0.000	2594.52	0.00 N	0.00 E	0.00
3344.54	90.000	325.110	3072.00	391.65 N	273.12 W	477.48
3367.06	90.000	325.110	3072.00	2050.63 N	1430.01 W	2500.00



WELLBORE DIAGRAM
ROSA FRUITLAND COAL # 361 HORIZONTAL



CMD : ONGARD 06/07/02 10:16:18
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQEV

OGRID Idn : 120782 API Well No: 30 39 26741 APD Status(A/C/P) : A
Opr Name, Addr: WILLIAMS PRODUCTION COMPANY, LLC Aprvl/Cncl Date : 10-22-2001
PO BOX 58900
SALT LAKE CITY, UT 84158-0900

Prop Idn: 17033 ROSA UNIT Well No: 361

U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn	: K	16	31N	05W	FTG 1585 F S	FTG 2090 F W
OCD U/L	: K	API County : 39				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C) : G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I) : F Ground Level Elevation : 6260

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 3082 Prpsd Frmtn : BASIN FRUITLAND COAL

E0009: Enter data to modify record
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/07/02 10:15:40
OGOMES -TQEV
PAGE NO: 1

Sec : 16 Twp : 31N Rng : 05W Section Type : NORMAL

D 40.00 Federal owned U	C 40.00 Federal owned U	B 40.00 Federal owned U	A 40.00 Federal owned U
E 40.00 Federal owned U	F 40.00 Federal owned U	G 40.00 Federal owned U	H 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT
ONGARD
INQUIRE LAND BY SECTION

06/07/02 10:15:46
OGOMES -TQEV
PAGE NO: 2

Sec : 16 Twp : 31N Rng : 05W Section Type : NORMAL

L 40.00 Federal owned U	K 40.00 Federal owned U A A	J 40.00 Federal owned U	I 40.00 Federal owned U
M 40.00 Federal owned U	N 40.00 Federal owned U	O 40.00 Federal owned U	P 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12