

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

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

WELL API NO. 30-039-26920
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> X
6. State Oil & Gas Lease No. SF-078766
7. Lease Name or Unit Agreement Name Rosa Unit
8. Well Number 79B
9. OGRID Number 120782
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
WILLIAMS PRODUCTION COMPANY, LLC

3. Address of Operator  
P.O. Box 640, Aztec, NM 87410

4. Well Location  
975' FNL & 2600' FWL  
Section 22 Township 31N Range 06W NMPM County RIO ARRIBA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6269

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input checked="" type="checkbox"/> Commingle		OTHER: <input type="checkbox"/>	

- i. Pre-approved Pool Division Order R-13122.
- ii. Pools to be commingled: Blanco MV 72319, Basin Dakota 71599.
- iii. Perforated intervals: Blanco MV 5066'-5783', Basin Dakota 7822'-7880'.
- iv. Fixed percentage allocation based upon production data of 65% Blanco MV and 35% Basin Dakota. This is based on the historic MV/DK of this well. See attached recommendation for details. This allocation may be adjusted at a later date based on a spinner survey after production has stabilized.
- v. Commingling will not reduce the value of reserves.
- vi. Interest owners in the spacing unit have not been notified of the intent to downhole commingle per order R-12991.
- vii. The BLM has been notified on sundry notice form 3160-5.

RCVD OCT 20 '11  
 OIL CONS. DIV.  
 DIST. 3

DHC 3669 AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Ben Mitchell TITLE Regulatory Specialist DATE 10/19/2011

Type or print name Ben Mitchell E-mail address: ben.mitchell@williams.com Telephone No. 505-333-1806  
**For State Use Only**

APPROVED BY: Charles TITLE SUPERVISOR DISTRICT # 3 DATE NOV 04 2011

Conditions of Approval (if any):

AV



Exploration & Production

**Production Allocation Recommendation**  
**ROSA UNIT #079B**  
**Mesa Verde/Dakota**

<b>WELLNAME:</b>	Rosa Unit #079B	<b>FIELD:</b>	San Juan
<b>LOCATION:</b>	NE/4 NW/4 Section 22(C), T31N, R6W	<b>COUNTY:</b>	Rio Arriba
<b>API No.:</b>	30-039-26920	<b>Date:</b>	October 18, 2011

**Current Status:** The Rosa Unit #079B is currently a dual completion well producing from the Mesa Verde and Dakota formations. Williams recommends commingling this well.

**Commingle Procedure:**

- Mesa Verde tubing will be pulled
- Dakota tubing will be pulled
- Production packer will be removed
- Well will be cleaned out to PBTD at 7943'
- A single string of 2-3/8" tubing will be run to ~7880'
- One set of wellhead facilities will be removed
- Well will be produced as a MV/DK commingle

**Allocation Method:** Historic production data from both zones in this well was gathered and analyzed. Average production was considered to calculate baseline allocations. Williams will run a completion profiler once the well is commingled to re-evaluate allocation percentages.

Average production used for baseline allocation:

Total Production from well = 183.39 Mcfd  
Total Production from MV = 119.00 Mcfd  
Total Production from DK = 64.39 Mcfd

MV allocation = MV production / Total production = 55.2 Mcfd / 102.5 Mcfd = **65%**

DK allocation = DK production / Total production = 47.3 Mcfd / 102.5 Mcfd = **35%**