

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No 1004-0137  
Expires. March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on page 2!**

5. Lease Serial No.  
NMSF-078771

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No  
Rosa Unit

8. Well Name and No.  
Rosa Unit #36C

9. API Well No.  
30-039-30182

10. Field and Pool or Exploratory Area  
Blanco Mesaverde/Basin Dakota

11. Country or Parish, State  
Rio Arriba, NM

1. Type of Well

Oil Well     Gas Well     Other

AUG 02 2011

2. Name of Operator  
Williams Production Company, LLC

Farmington Field Office  
Management

3a. Address  
PO Box 640    Aztec, NM 87410

3b. Phone No. (include area code)  
505-634-4208

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sur. 1830' FNL & 1970' FEL, BHL. 2310' FNL & 2310' FEL, section 11, T31N, R6W

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Commingle</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Williams Production plans to commingle the Blanco Mesa Verde and Basin Dakota on this well as per attached procedure. Commingle authorization has been filed with the NMOCD. (copy attached)

DHC 3628AZ

RCVD AUG 4 '11

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)  
LARRY HIGGINS

Title PERMIT SUPVR

Signature *Larry Higgins*

Date 8/2/11

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by *Joe Hewitt*

Title Geo

Date 8-3-11

Office FFO

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

NMOCD AV

Submit 3 Copies  
To Appropriate  
District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

### OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

DISTRICT II  
811 South First, Artesia NM 88210

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

WELL API NO. 30-039-30182
5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Rosa Unit
8. Well No. Rosa Unit 036C
9. Pool name or Wildcat BLANCO MV//BASIN DK

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator WILLIAMS PRODUCTION COMPANY	
3. Address of Operator P.O. Box 640, Aztec, NM 87410	
4. Well Location (Surface) Unit letter <u>G</u> : 1830 feet from the <u>NORTH</u> line & 1970 feet from the <u>EAST</u> line Sec 11 -31N-6W RIO ARRIBA, NM	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6421' GR	

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

**NOTICE OF INTENTION TO:**

**SUBSEQUENT REPORT OF:**

PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILLING OPNS.	PLUG AND ABANDONMENT
PULL OR ALTER CASING		CASING TEST AND CEMENT JOB	
X OTHER: <u>COMMINGLING AUTHORIZATION</u>		OTHER: _____	

- 1) Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). Data below to satisfy NM OCD Rule 303.C.3 (b) (i)-(vii)
- i. Pre-approved Pool Division Order R-13122.
  - ii. Pools to be commingled: Blanco MV 72319, Basin Dakota 71599.
  - iii. Perforated intervals: Blanco MV 5505'-5909', Basin Dakota 8011'-8104'.
  - iv. Fixed percentage allocation based upon production data of 62% Blanco MV and 38% Basin Dakota. This is based on the historic production of all wells that have MV/DK production. 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 commingling per order R-12991.
  - vii. The BLM has been notified on sundry notice form 3160-5.

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

SIGNATURE Larry Higgins TITLE: Permit Supv DATE: 8/2/11

Type or print name Larry Higgins Telephone No: (505) 634-4208

(This space for State use)

APPROVED

BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of approval, if any:



Exploration & Production

## Production Allocation Recommendation Rosa Unit #036C (DK/MV)

**WELLNAME:** Rosa Unit #036C  
**LOCATION:** Sec. 11, T31N,R06W  
**API No.:** 03-039-30182

**FIELD:** Rosa Unit  
**COUNTY:** Rio Arriba, NM  
**Date:** 8/2/11

**Current Status:** Williams is currently completing the Rosa Unit #036C in the Dakota and Mesa Verde formations. Williams recommends commingling the well after the proposed completion work has been completed.

### Commingle Procedure:

1. Acidize & fracture stimulate the DK and MV formations
2. Flow back and clean up each formation prior to completion.
3. TIH w/ work string and remove CIBP
4. Clean out to PBTB
5. Complete with single string 2-3/8" tubing, landed below DK perms
6. NDBOP. NUWH.
7. Turn well over to production as a commingle

**Allocation Method:** Williams has assembled historic production data from MV and DK wells that have been drilled after Jan 2003. Williams used this production data to come up with an initial allocation for this commingle. Williams recommends that a spinner survey be performed after production has stabilized, so that allocation percentages can be corrected if need be.

After 18 months of production:

Total Production from well = 227,905 Mcf  
Total Production from DK = 86,405 Mcf  
Total Production from MV = 141,500 Mcf

DK allocation =  $\text{DK prod} / \text{Total prod} = 86,405 \text{ Mcf} / 227,905 \text{ Mcf} = 38\%$   
MV allocation =  $\text{MV prod} / \text{Total prod} = 141,500 \text{ Mcf} / 227,905 \text{ Mcf} = 62\%$