

Submit 3 Copies
To Appropriate
District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
811 South First, Artesia NM 88210

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.	30-039-25526
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name:	ROSA UNIT
8. Well No.	125E
9. Pool name or Wildcat	BLANCO MV/BASIN DK

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator WILLIAMS PRODUCTION COMPANY	
3. Address of Operator P O BOX 3102, MS 25-2, TULSA, OK 74101	
4. Well Location (Surface) Unit letter <u>I</u> : 1670 feet from the <u>SOUTH</u> line & 1035 feet from the <u>EAST</u> line Sec 13-31N-06W RIO ARRIBA, NM	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6345' 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

OTHER: COMMINGLE

OTHER: _____

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103.

Williams Production Company proposes to commingle the Mesa Verde and Dakota zones in this well. These zones are part of the pre-approved pools for commingling. The production packer currently installed will be removed along with the Dakota and Mesa Verde tubing strings and will be replaced by one string of tubing landed at 8200'. Attached is all necessary information requested by rule 19.15.5.303 C(3)(b)

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

SIGNATURE Tracy Ross TITLE: SR. Production Analyst DATE: December 18, 2006

Type or print name TRACY ROSS Telephone No: (918) 573-6254
(This space for State use)

APPROVED BY [Signature] TITLE: DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE: DEC 20 2006

Conditions of approval, if any:

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UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICE AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION TO DRILL" for permit for such proposals

5. Lease Designation and Serial No.
SF-078767

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement Designation
ROSA UNIT8. Well Name and No.
ROSA UNIT #125E9. API Well No.
30-039-2552610. Field and Pool, or Exploratory Area
BLANCO MESAVERDE/BASIN DAKOTA11. County or Parish, State
RIO ARRIBA, NM

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
WILLIAMS PRODUCTION COMPANY3. Address and Telephone No.
PO BOX 3102 MS 25-1, TULSA, OK 74101 (918) 573-62544. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1670' FSL & 1035' FEL, NE/4 SE/4, SEC 13 T31N R6W

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
Other Commingle☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The above well failed the annual packer leakage test conducted in April. As per the NMOCD request, Williams Production Company plans to remove the packer per the attached procedure and commingle the MV and DK zones by May 15, 2006. Work will begin as soon as a rig is available after approval is received.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

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

Signed Tracy Ross
TRACY ROSSTitle SR. Production AnalystDate April 17, 2006

(This space for Federal or State office use)

Approved by Matt HallerTitle PET ENGDate 4-27-06

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

OPERATOR



Exploration & Production

Production Allocation Recommendation Rosa #125E (MV/DK)

WELLNAME: Rosa #125E
LOCATION: NE/4 SE/4 Sec.13, T31N,R06W
API No.: 30-039-25526

FIELD: Rosa DK & Blanco MV
COUNTY: Rio Arriba, NM
Date: April 17, 2006

Current Status: The Rosa #125E is currently a dual completion well producing from the Dakota and Mesaverde formations. The Production Optimization and Enhancement Team recommends commingling this well upon completion of the workover.

Commingle Procedure:

- Dakota tubing will be pulled
- Mesa Verde tubing will be pulled
- Production packer will be milled and pushed to bottom
- Casing integrity will be tested between MV and DK perforations
- Casing integrity will be tested above the MV perforations
- Well will be cleaned out to PBTD
- A single string of 2-3/8" tubing will be run to ~8060'
- 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 on this well was gathered and analyzed. Monthly production data from Jan 2001 to Sep 2003 was considered as this represented a time when both zones appear to be free from loading problems and each zone was producing optimally. During this time frame the Dakota accounted for approximately 82% of the total production of the well, while the Mesa Verde contributed the remaining 18% during the same time.

From Jan 2001 – Sep 2003

Total Production from well = 359,547 Mcf
Total Production from DK = 296,118 Mcf
Total Production from MV = 63,428 Mcf

DK allocation = $\text{DK prod} / \text{Total prod} = 296,118 \text{ Mcf} / 359,547 \text{ Mcf} = 82.36\%$

MV allocation = $\text{MV prod} / \text{Total prod} = 63,428 \text{ Mcf} / 359,547 \text{ Mcf} = 17.64\%$