

In Lieu of
Form 3160
(June 1990)

UNITED STATES
DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

OCT 26 2009

FORM APPROVED
Budget Bureau No. 1004-0135
Expires. March 31, 1993

SUNDRY NOTICE AND REPORTS ON WELLS

Bureau of Land Management
Farmington Field Office

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

Lease Designation and Serial No
NMSF-078767

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Well Gas Well X Other

2. Name of Operator
WILLIAMS PRODUCTION COMPANY

3. Address and Telephone No.
PO Box 640 Aztec, NM 87410-0640 634-4208

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)
SURF. 990' FSL & 880' FEL
BHL: 2336' FSL & 975' FEL SEC 7 31N 5W

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation
Rosa Unit

8. Well Name and No.
Rosa Unit 154B

9. API Well No.
30-039-30804

10. Field and Pool, or Exploratory Area
BLANCO MV/BASIN DK/BASIN MC

11. County or Parish, State
Rio Arriba, New Mexico

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

TYPE OF SUBMISSION

X Notice of Intent
Subsequent Report
Final Abandonment

TYPE OF ACTION

Abandonment
Recompletion
Plugging Back
Casing Repair
Altering Casing
X 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.)*

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

RCVD OCT 28 '09
OIL CONS. DIV.

DIST. 3

DAC 3277AZ

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

Signed

Heather Riley

Title Regulatory Specialist

Date 10/26/09

(This space for Federal or State office use)

Approved by

Joe Hewitt

Title

600

Date

10-27-09

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

NMOCD

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. 30-039-30804
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 #154B
9. Pool name or Wildcat BLANCO MV/BASIN MANCOS/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 640, Aztec, NM 87410	
4. Well Location (Surface) Unit letter <u>P</u> : 990 feet from the <u>SOUTH</u> line & 880 feet from the <u>EAST</u> line Sec 7-31N-5W RIO ARRIBA, NM	
10 Elevation (Show whether DF, RKB, RT, GR, etc. 6355' 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: COMMINGLING AUTHORIZATION

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)
- Pre-approved Pool Division Order R-13122.
 - Pools to be commingled: Blanco MV 72319, Basin Mancos 97232, Basin Dakota 71599.
 - Perforated intervals. Blanco MV 5669'-6324', Basin Mancos 7100'-7750', Basin Dakota 8172'-8254'
 - Fixed percentage allocation based upon production data of 39% Blanco MV, 37% Basin Mancos, and 24% Basin Dakota. This is based on the historic production of all wells that have MV/MC/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.
 - Commingling will not reduce the value of reserves
 - All interest owners in the spacing unit have not been notified of the intent to downhole commingling per order R-12991.
 - 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: Drig COM DATE: 10-26-09

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 #154B (DK/MC/MV)

WELLNAME: Rosa Unit #154B
LOCATION: Sec.7, T31N,R05W
API No.: 03-039-30804

FIELD: Rosa Blanco
COUNTY: Rio Arriba, NM
Date: 10-26/2009

Current Status: Williams is currently completing the Rosa #154B in the Dakota, Mancos, and Mesa Verde formations. Williams recommends tri-mingling the well after the proposed completion work has been completed.

Commingle Procedure:

1. Acidize & fracture stimulate the DK, MC, 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 PBTD
5. Complete with single string 2-3/8" tubing, landed in DK perfs
6. NDBOP. NUWH.
7. Turn well over to production as a tri-mingle

Allocation Method: Williams has assembled historic production data used to forecast Mancos production. Williams used this production data to come up with an initial allocation for this tri-mingle. 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 = 364,108 Mcf
Total Production from DK = 86,405 Mcf
Total Production from MC = 136,202 Mcf
Total Production from MV = 141,500 Mcf

DK allocation = DK prod / Total prod = 86,405 Mcf / 364,108 Mcf = **24%**

MC allocation = MC prod / Total prod = 136,202 Mcf / 364,108 Mcf = **37%**

MV allocation = MV prod / Total prod = 141,500 Mcf / 364,108 Mcf = **39%**