

UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM 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.  
701-06-0016

6. If Indian, Allottee or Tribe Name  
Jicarilla Apache

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well  
Oil Well Gas Well X Other

RECEIVED

8. Well Name and No.  
JAECO-WPX 28-3 21 #001

2. Name of Operator  
WILLIAMS PRODUCTION COMPANY

OCT 25 2010

9. API Well No.  
30-039-30595

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

Farmington Field Office  
Bureau of Land Management

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
2310' FNL & 790' FEL SEC 21 28N 3W

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 and Basin Mancos on this well as per attached procedure. Commingle authorization, DHC-4299, has been approved by the NMOCD. (copy attached).

Allocation will be:  
Basin Mancos – 55%  
Blanco Mesaverde – 45%

RCVD NOV 5 '10  
OIL CONS. DIV.

DIST. 3

DHC 4299

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

Signed Larry Higgins  
Larry Higgins

Title Permit Supervisor

Date 10/25/2010

(This space for Federal or State office use)

Approved by Joe Hewitt

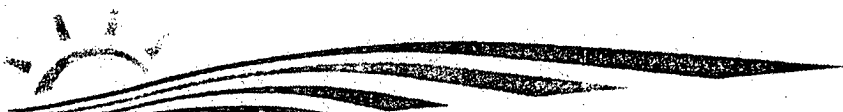
Title Geo

Date 11-1-10

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



# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Jim Noel**  
Cabinet Secretary

**Karen W. Garcia**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



Administrative Order DHC-4299

Order Date: 7/30/2010

Application Reference Number: pTGW1018153692

**WILLIAMS PRODUCTION COMPANY, LLC**  
PO Box 640  
Aztec, NM 87410

Attention: Robert L. Goodwin III

JAECO WPX 28 3 21 Well No. 001  
API No: 30-039-30595  
Unit H, Section 21, Township 28 North, Range 3 West, NMPM  
Rio Arriba County, New Mexico

Pool: BASIN MANCOS Gas 97232  
Names: BLANCO-MESAVERDE (PRORATED GAS) Gas 72319

Reference is made to your recent application for an exception to Rule 12.9A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

BASIN MANCOS Pool	Pct Gas: 45	Pct Oil: 50
BLANCO-MESAVERDE (PRORATED GAS) Pool	Pct Gas: 55	Pct Oil: 50

**REMARKS:** The operator shall notify the Division's district office upon implementation of commingling operations.



Pursuant to Rule 12.11B, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, P.E.  
Acting Director

MEF/wvj

cc: Oil Conservation Division – Aztec  
Bureau of Land Management - Farmington

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1700 Rio Bravo Road, Alamo, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

Oil Conservation Division

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE

Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
Yes No

RECEIVED OGD

2010 JUN 28 PM 4:10 FOR DOWNHOLE COMMINGLING

Williams, Production Company, LLC

PO Box 640,

Aztec, NM 87410

Operator  
JAECO-WPX 28-3 21

#1

Address  
H, sec 21, T28N. R3W

Rio Arriba

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 120782 Property Code 37619 API No. 30-039-30595 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Mesaverde	Basin Mancos	Basin Dakota
Pool Code	72319	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5656'-6282'	7054'-7494'	N/A
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	P&A 4-23-10
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	Producing	Producing	P&A
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: 550 Mcfd	Date: Rates: 450 Mcfd	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 50% 55%	Oil Gas 50% 45%	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes X No  
Yes No

Are all produced fluids from all commingled zones compatible with each other?

Yes X No

Will commingling decrease the value of production?

Yes No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands  
or the United States Bureau of Land Management been notified in writing of this application?

Yes No

NMOC Reference Case No. applicable to this well:

Attachments:

- C-102 for each zone to be commingling showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Rachel Lipperd TITLE Engineering Technician II DATE June 24, 2010

TYPE OR PRINT NAME Rachel Lipperd TELEPHONE NO. ( 918 ) 573-3046

E-MAIL ADDRESS rachel.lipperd@williams.com



Exploration & Production

## Production Allocation Recommendation Jaeco 28-3 21 #1 (MC/MV)

**WELLNAME:** Jaeco 28-3 21 #1  
**LOCATION:** SE/4 NE/4 Sec.21, T28N, R03W  
**API No.:** 30-039-30595

**FIELD:** BlancoMV/Blanco MC  
**COUNTY:** Rio Arriba, NM  
**Date:** June 22, 2010

**Current Status:** The Jaeco 28-3 21 #1 was recently completed in the Mancos and MesaVerde formations. Williams recommends commingling both formations in this well. Commingling this well would give us the ability produce both zones more effeciently.

### Commingle Procedure:

1. Drill out CIBP between Mancos and MesaVerde formations
2. Clean out to PBTD
3. Complete with single string 2-3/8" tubing, landed @ 7400'

**Allocation Method:** Williams has collected production data from our green completion operation. This data was used for the initial allocation percentages for this commingle. Williams recommends that a spinner survey be performed after production has stabilized, so that allocation percentages can be corrected as needed.

Initial 10 day production from Green completion:

Total Production	= 8347mcf
Total MesaVerde Production	= 3746mcf
Total Mancos Production	= 4601mcf

MV allocation =  $MV \text{ prod} / \text{Total prod} = 3746\text{Mcf} / 8347\text{Mcf} = 45\%$

MC allocation =  $MC \text{ prod} / \text{Total prod} = 4601\text{Mcf} / 8347\text{Mcf} = 55\%$