

DATE IN 6.8.05	SUSPENSE	ENGINEER STONE	LOGGED IN 6.9.05	TYPE NSL	APP NO. PSEMOST16028460
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Whitman F. Carr
 Print or Type Name

William F. Carr
 Signature

Attorney
 Title

6/8/05
 Date

wcarr@hollandhart.com
 e-mail Address

2005 JUN 8 PM 1 26



June 8, 2005

HAND DELIVERED

Mark Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Williams Production Company, L.L.C. for administrative approval of an unorthodox gas well location in the Basin-Fruitland Coal Gas Pool for the Rosa Unit Com Well No. 376 at a point 2120 feet from the North line and 1835 feet from the East line of Section 25, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

Dear Mr. Fesmire:

Pursuant to the provisions of Division Rule 104 and Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768 dated October 17, 1988, as amended by Division Order No. R-8768-F, effective July 17, 2003, Williams Production Company, L.L.C. hereby files its application for an administrative exception to the requirements of Rule 7(a) for its Rosa Unit Well No. 376 to be drilled at an unorthodox gas well location in the Basin-Fruitland Coal Gas Pool at a point 2120 feet from the North line and 1835 feet from the East line of Section 25, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

The spacing unit for the proposed ~~well~~ well comprised of the N/2 of said Section 25 is located within the Rosa Unit, a federal exploratory unit operated by Williams Production Company, LLC. The Rosa Unit Well No. 376 is located outside the boundaries of the existing Fruitland Coal Participating Area on acreage that is partially committed to the Rosa Unit and, pursuant to Rule 7(a) (iv), may not be closer than 660 feet from the outer boundary of its spacing unit.

The Rosa Unit Well No. 376 will be drilled by Williams Production Company as operator of the Rosa Unit. Due to topographic conditions that consist of an archeological site, a pipeline and steep cliffs in the Cabresto Wash, the location for the proposed Rosa Unit Well No. 376 well is 2120 feet from the North line and 1835 feet from the East line of said Section 25, Township 31 North, Range 5 West, NMPM. It does not comply with the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool for it will be and only 520 feet from the outer boundary of its spacing unit.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ☐

*Copy as per my telephone
conversation w/ Bill Carr
~ 7-13-2005
W.F.C.*

HOLLAND & HART LLP



This well encroaches on the spacing unit for the Rosa Unit Well No. 344 which is comprised of the S/2 of Section 25 in the Fruitland Coal formation and, although committed to the Rosa Unit, is also not within the boundaries of the existing Rosa Unit Fruitland Coal participating Area. The adjacent acreage that is being encroached upon is committed to the Rosa Unit and, as unit operator, Williams Production Company, LLC is the offset operator.

Pursuant to Rule 8 of the Special Pool Rules for the Basin Fruitland Coal Gas Pool, and Division Rule 1207.A(c) all affected parties (all uncommitted interest owners in the N/2 of Section 25 and all working interest owners in the S/2 of Section 25) have been notified of this application by certified mail and have been advised that if they have objections to this application the objection must be filed in writing with the Santa Fe Office of the Division located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within 20 days of the date of this application or the application may be approved.

Attached to this application are the following documents:

- Exhibit A.** Plat showing the Rosa Unit and the status of the lands within the unit.
- Exhibit B.** A copy of Division Form C-102 identifying the proposed 320-acre standard gas spacing or proration unit to be dedicated to the well; and
- Exhibit C.** A topographic map that shows the surface conditions that require the drilling of this well at the proposed surface location; and

Enclosed in hard copy and on disc is a proposed order granting this application.

Your attention to this matter is appreciated.

Very truly yours,

William F. Carr

Attorney for Williams Production Company

Enclosures

cc: Oil Conservation Division-Aztec

AFFECTED PARTIES

N/2, Section 25, Township 31N, Range 5W, NMPM

Williams Production Company

BP America Production Co.
Attn: John Larson
P. O. Box 3092
Houston, TX 77253-3092

Adelante Oil & Gas, LLC
P. O. Box 2471
Durango, CO 81302

Riva Oil & Gas LLC
1645 Court Place, Suite 408
Denver, CO 80202

Westport Oil & Gas, LLC
Kerr McGee Rocky Mountain Corp.
Attn: Jim Peary
1999 Broadway, Suite 3600
Denver, CO 80202

Energen Resources MAQ, Inc.
Attn: Dave Poage
2198 Bloomfield Highway
Farmington, NM 87401

S/2, Section 25, Township 31N, Range 5W, NMPM

Williams Production Company

BP America Production Co.
Attn: John Larson
P. O. Box 3092
Houston, TX 77253-3092

June __, 2005

Williams Production Company, L.L.C.
c/o Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

Administrative Order NSL- ____

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, Williams Production Company, L.L.C. ("Williams") dated June 8, 2005 (***application reference No.*** ____); (ii) the records of the New Mexico Oil Conservation Division ("Division") in Aztec and Santa Fe: all concerning William's request for exception to Rule 7 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended.

The Division Director Finds That:

- (1) The subject application has been duly filed under the provisions of Division Rule 104 and the applicable provisions of the special rules governing the Basin-Fruitland Coal (Gas) Pool (**71629**);
- (2) The special rules governing the Basin-Fruitland Coal (Gas) Pool provides for 320-acre gas spacing units with wells located in federal units on partially committed tracts to be located not closer than 660 feet from any outer boundary of its spacing unit;
- (4) The spacing unit proposed by Williams is to consist of a single standard 320-acre stand-up gas spacing unit comprising the N/2 of Section 25, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico;
- (5) It is our understanding that Williams intends to drill its Rosa Unit Well No. 376 (**API No. 30-039-____**) at an unorthodox location at a point 2120 feet from the North line and 1835 feet from the East line (Unit G) of said Section;
- (6) It appears that the applicant has satisfied all of the appropriate requirements prescribed in Division Rule 104 and Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool; therefore the subject application should be approved; and

- (7) The provisions contained within this order and all other applicable provisions of Division Rule 104 and Division Order No. R-8768, as amended, should govern the subject well and 320-acre gas spacing unit.

It Is Therefore Ordered That:

(1) By the authority granted me under the provisions of Rule 8 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the application of Williams Production Company, L.L.C. ("Williams") for exception to Division Rules 104 and RULE 7 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool (71629), is hereby approved. Williams is further authorized to drill its Rosa Unit Well No. 376 (API No. _____) at an unorthodox location 2120 feet from the North line and 1835 feet from the East line (Unit G) of Section 25, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(2) The operator shall comply with all applicable requirements and conditions set forth in Division Rule 104 and Division Order No. R-8768, as amended.

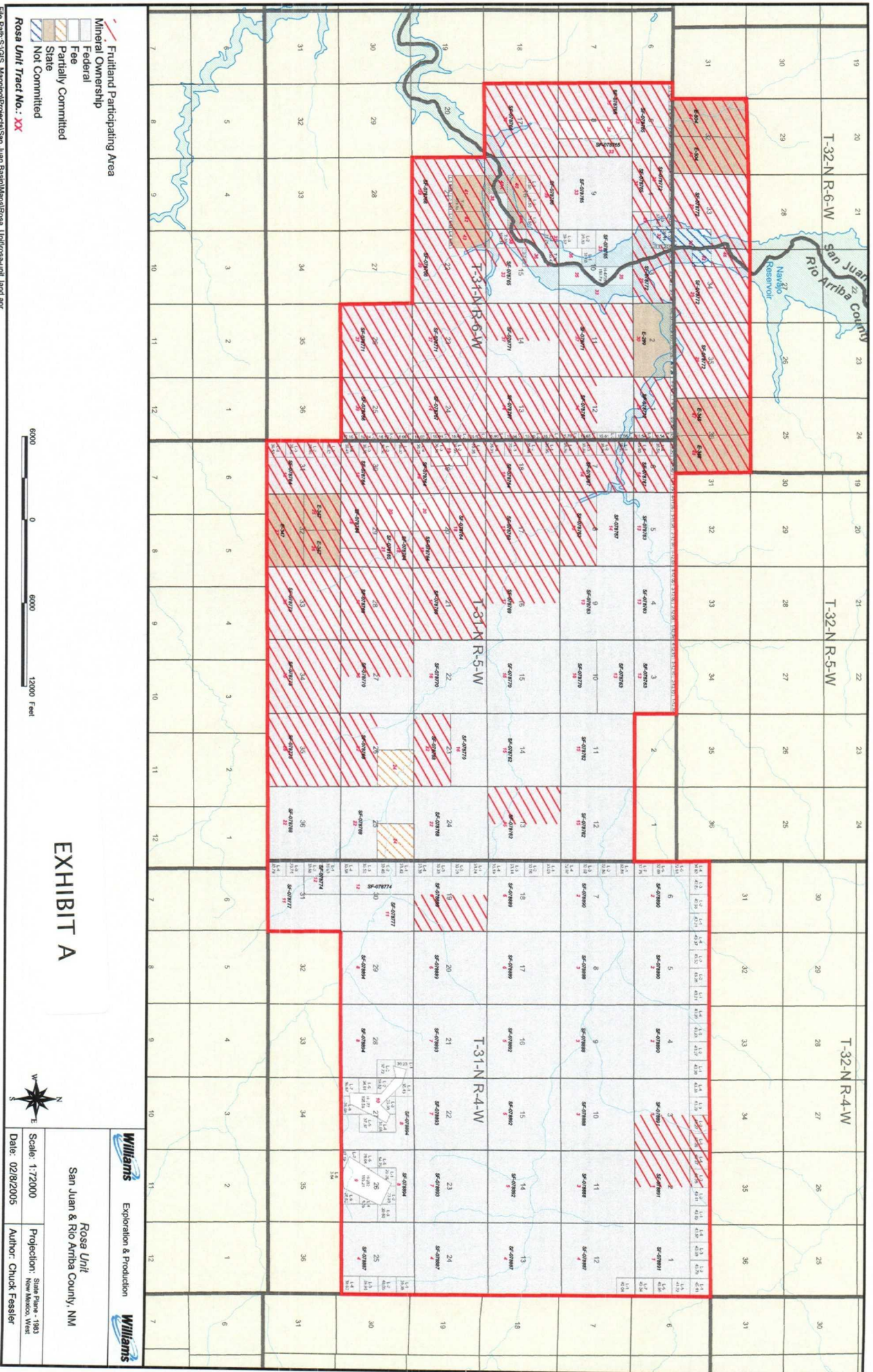
(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.
Director

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management - Farmington



File Path: S:\GIS_Mapping\Projects\San Juan Basin\MapInfo\Rosa_Unit\rosa-unit_land.apr

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

District II
PO Drawer 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code 71629	*Pool Name Basin Fruitland Coal
*Property Code 17033	*Property Name ROSA UNIT	*Well Number 376
*OGRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY	*Elevation 6464'

10 Surface Location

UL or lot no. G	Section 25	Township 31N	Range 5W	Lot Idn	Feet from the 2120	North/South line NORTH	Feet from the 1835	East/West line EAST	County RIO ARriba
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
* Dedicated Acres 320.0 Acres - (N/2)					* Joint or Infill	* Consolidation Code	* Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>16</p> <p>5284.62'</p> <p>2120'</p> <p>1835'</p> <p>5280.00'</p> <p>25</p> <p>Standard 640-ac Section</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<p>5280.00'</p> <p>EXHIBIT B</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Survey Date: DECEMBER 19, 2001</p> <p>Signature and Seal of Professional Surveyor</p> <p> JASON C. EDWARDS Certificate Number. 15269</p>

C-102

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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102

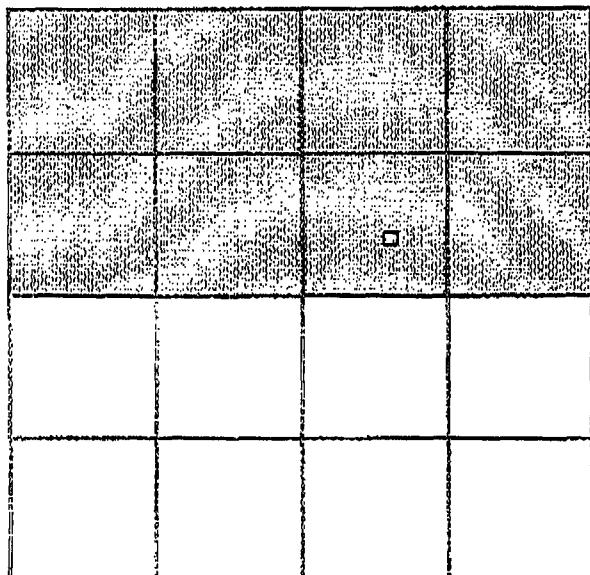
Permit 1219

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-27834	Pool Name BASIN FRUITLAND COAL (GAS)	Pool Code 71629
Property Code 17033	Property Name ROSA UNIT	Well No. 376
OGRID No. 120782	Operator Name WILLIAMS PRODUCTION COMPANY, LLC	Elevation 6464

Surface And Bottom Hole Location

UL or Lot G	Section 25	Township 31N	Range 05W	Lot Idn G	Feet From 2120	N/S Line N	Feet From 1835	E/W Line E	County Rio Arriba
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			



OPERATOR CERTIFICATION

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

Electronically Signed By: Mike Turnbaugh

Title: E & P District Manager

Date: 07/20/2004

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Jason Edwards

Date of Survey: 12/19/2001

Certificate Number: 15269

WILLIAMS PRODUCTION COMPANY ROSA UNIT #376
2120' FNL & 1835' FEL, SECTION 25, T31N, R5W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO

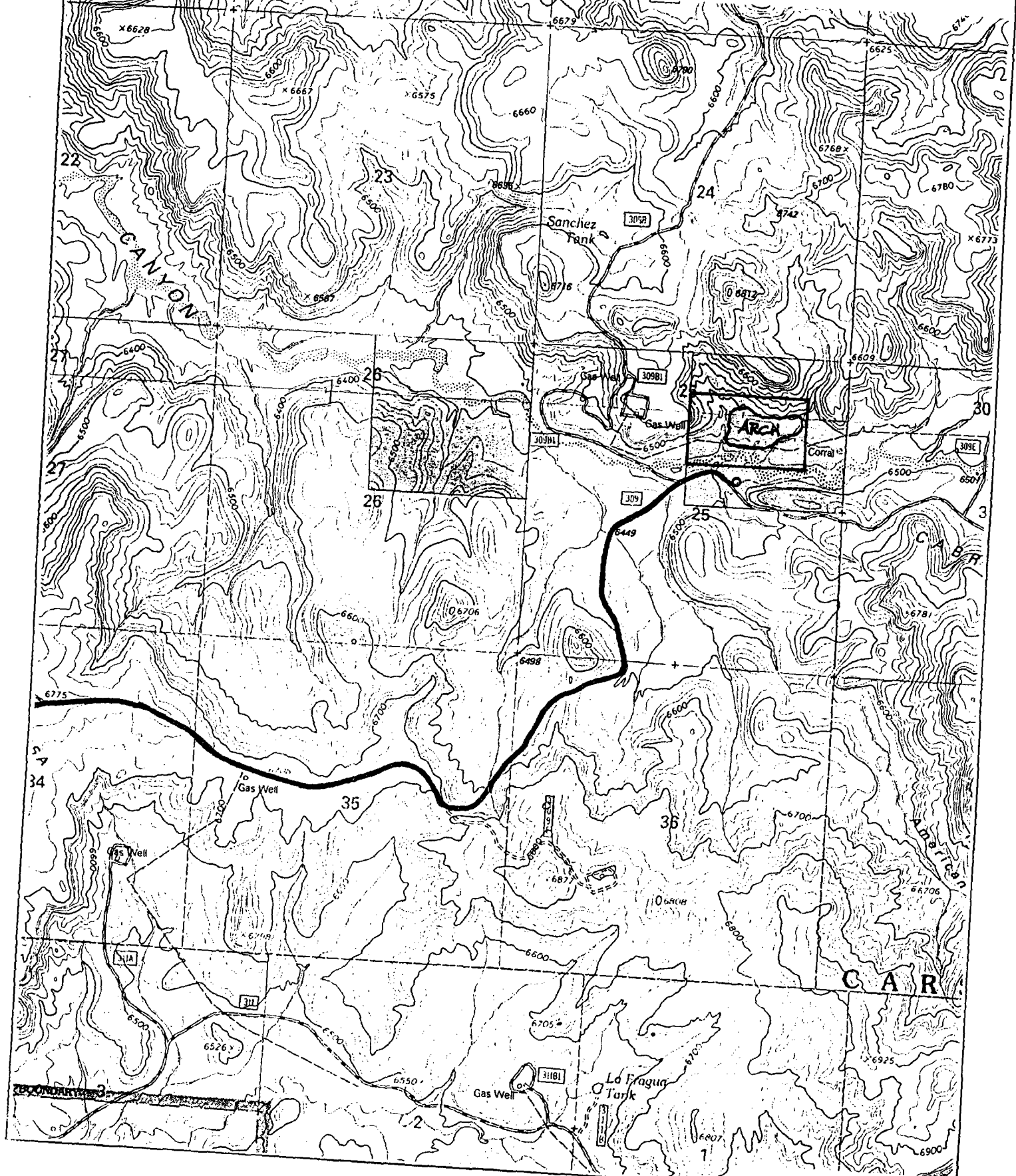


EXHIBIT C



June 8, 2005

CERTIFIED MAIL -RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re: Application of Williams Production Company, L.L.C. for administrative approval of an unorthodox gas well location in the Basin-Fruitland Coal Gas Pool for the Rosa Unit Com Well No. 376 at a point 2120 feet from the North line and 1835 feet from the East line of Section 25, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Williams Production Company, L.L.C. for administrative approval of an unorthodox gas well location in the Basin-Fruitland Coal Gas Pool for its proposed Rosa Unit Well No. 376 Rosa Unit Well No. 376 to be drilled at an unorthodox gas well location in the Basin-Fruitland Coal Gas Pool at a point 2120 feet from the North line and 1835 feet from the East line of Section 25, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

As the owner of an interest which will be affected by the proposed well, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the Division Director receives this application, the unorthodox location may be approved.

Very truly yours,

William F. Carr
ATTORNEY FOR WILLIAMS PRODUCTION COMPANY
enc.