

DATE IN 8/3/07	SUSPENSE	BROOKS ENGINEER	LOGGED IN 8/6/07	TYPE NSL	APP NO. PTD5072183666
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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



Williams
5673
Rosa/Loc

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

RECEIVED
2007 AUG 3 AM 9 32

[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.

Heather B. Key
Print or Type Name

Heather Key
Signature

Regulatory Specialist 8/6/07
Title
heatherkey@williams.com
e-mail Address



P. O. Box 640
Aztec, NM 87410
(505) 634-4222
(505) 634-4205 (fax)
Heather.riley@williams.com

August 2, 2007

Mark E. Fesmire
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

*Re: Request for Administrative approval for non-standard Mesaverde & Dakota
Location
Rosa Unit #168C
API # (Not assigned yet)
NE4 Sec. 28, T31N, R5W
1,275' FNL & 280' FEL*

Dear Mr. Fesmire:

Williams Production Co., LLC, is requesting administrative approval to construct the Rosa Unit #168C as a dual Mesaverde/Dakota with both formations being non-standard. Pursuant to Order No. R-10987-A(1), spacing requirements allow for up to 4 Mesaverde wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Additionally, pursuant to Order No. R-10987-B(2), spacing requirements allow for up to 4 Dakota wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Given these requirements, this location is non-standard to the east by 380 feet for both formations.

Williams intends to make the well a dual well thereby capturing the reserves from the Dakota with a single well bore. By itself the Dakota in this area is at best very marginal economically and a dual completion helps capture additional reserves from the Dakota that otherwise would not be able to be economically developed. Utilizing a single well bore for a dual completion would also negate the need for additional disturbance of another wellpad, road, and pipeline.

Mark E. Fesmire

August 2, 2007

Page 2 of 2

The surface location was picked by considering drainage patterns from the offset Mesaverde wells. In particular, the drainage patterns we are trying to avoid are from the Rosa Unit #168A in the northeast of 28, the Rosa Unit #168 in the southeast of 28, the Rosa Unit #168B in the southeast of 28, the Rosa Unit 186 in the northwest of 27, and the Rosa Unit #132 in the southwest of 22. See drainage map.

As the Unit Operator of the Rosa Unit, Williams Production is the only offset operator, thereby this proposed non-standard location would not affect any other operators.

The offset unit's working interest owners to the east are SMUD, BP and Williams which are common owners to the Mesaverde PA only in different percentages. No interested party letters were sent out.

The offset unit's mineral owners to the east are common with the subject unit therefore there are no "affected persons."

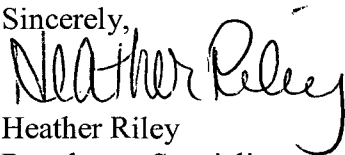
Enclosed for your reference are copies of the Participating Area maps for the Mesaverde and Dakota Formations. As you can see, the east half of section 28 is not in a PA, nor is the offset acreage for the Dakota formation. All of section 28 and the south half of section 27 are in a PA for the Mesaverde Formation.

The spacing unit for the Mesaverde is the east half and the other Mesaverde wells in the spacing unit are the Rosa Unit #168 and #168A. We are currently seeking a permit to drill for the #168B.

The spacing unit for the Dakota is the east half and there are no other Dakota wells in the spacing unit.

Should you have any questions or concerns, please don't hesitate to contact me at the phone numbers listed above. You can also contact Vern Hansen at our Tulsa office at (918) 573-6169.

Sincerely,



Heather Riley

Regulatory Specialist

Enc.: Plat

Topographic map

Drainage Map

PA Maps (MV & DK)

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

District II
1301 W Grand Avenue, 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 & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 168C
*GRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6793'

¹⁰ Surface Location

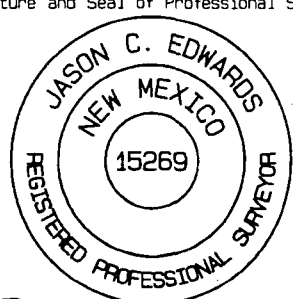
UL or lot no. A	Section 28	Township 31N	Range 5W	Lot Idn	Feet from the 1275	North/South line NORTH	Feet from the 280	East/West line EAST	County RIO ARriba
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¹¹ Bottom Hole Location If Different From Surface

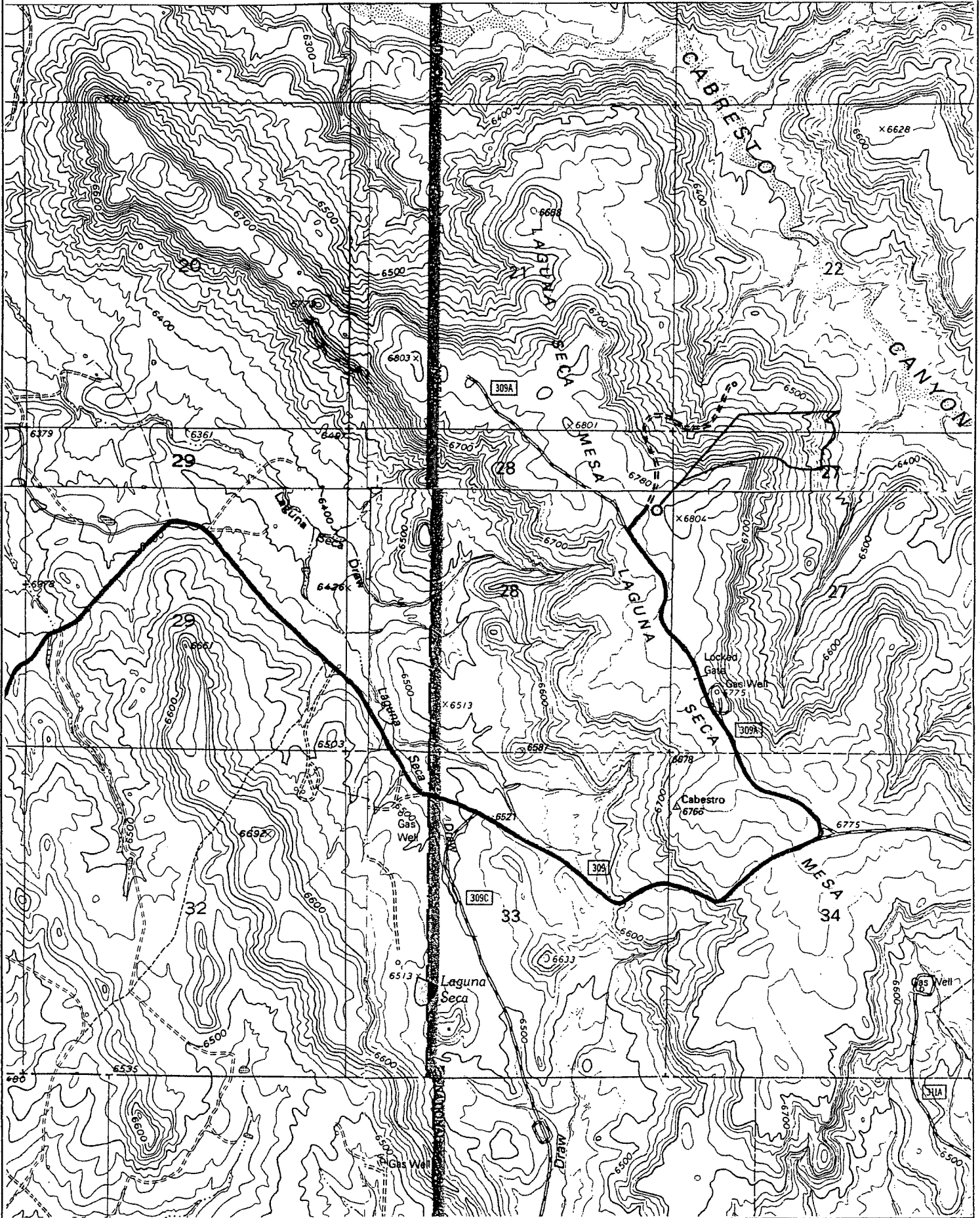
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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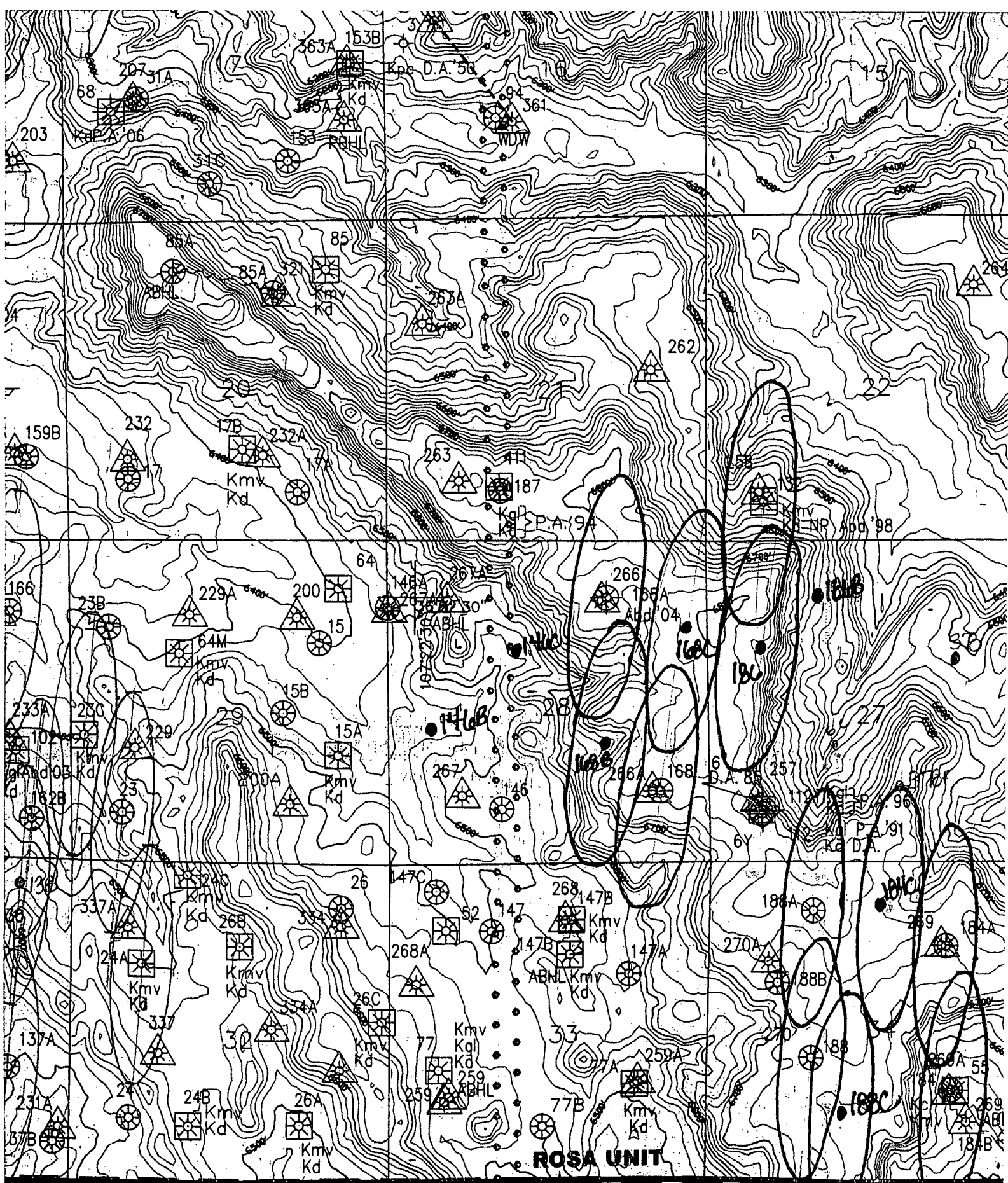
¹² Dedicated Acres 320.0 Acres - (E/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><div>16</div><div>5286.60'</div><div>5280.00'</div><div>28</div><div>5286.60'</div><div>5280.00'</div><div>LAT: 36.87433°N LONG: 107.35960°W DATUM: NAD1983</div><div>LEASE SF-078769</div></div>	<div><div>¹⁷ OPERATOR CERTIFICATION</div><div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</div><div>Signature _____ Date _____</div><div>Printed Name _____</div><div>¹⁸ SURVEYOR CERTIFICATION</div><div>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.</div><div>Date of Survey: MAY 3, 2006</div><div>Signature and Seal of Professional Surveyor</div><div> JASON C. EDWARDS Certificate Number 15269</div></div>
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WILLIAMS PRODUCTION COMPANY ROSA UNIT #168C
1275' FNL & 280' FEL, SECTION 28, T31N, R5W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO





T31N

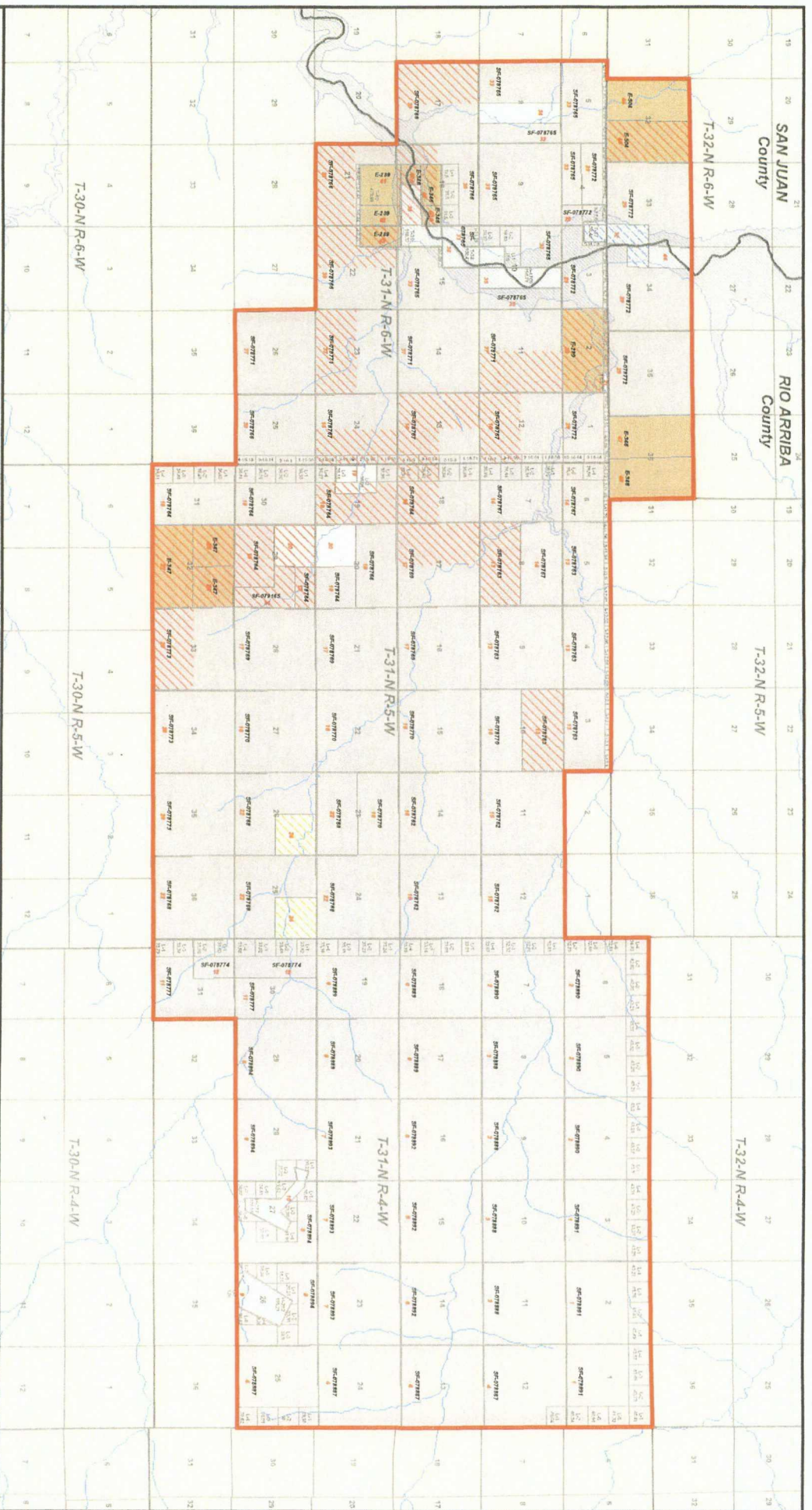
R - 5 - W

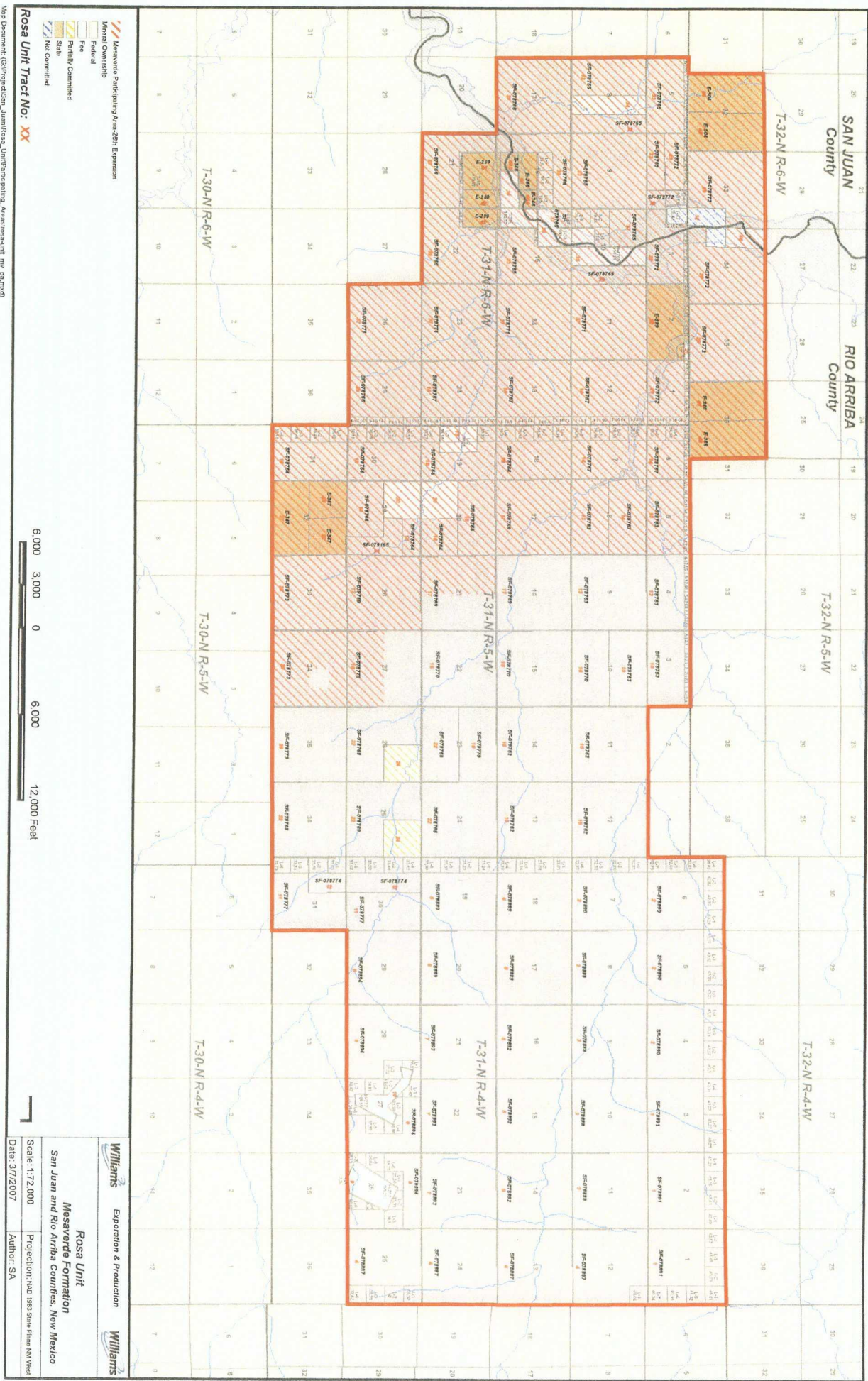
Rosa Unit Tract No: XX

- Dakota Participating Area: 18th Expansion
- Mineral Ownership
- Fee
- Partially Committed
- State
- Not Committed

6,000 3,000 0 6,000 12,000 Feet

Williams	Exploration & Production	Williams
Rosa Unit		
Dakota Formation		
San Juan and Rio Arriba Counties, New Mexico		
Scale: 1:72,000	Projection: NAD 1983 State Plane NAD West	
Date: 3/7/2007	Author: SA	





Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, August 20, 2007 5:30 PM
To: 'Heather.riley@williams.com'
Subject: NSL Application - Rosa Unit #168C

Dear Ms. Riley

If I correctly understand the representations in your letter application dated Aug 2, working interest owners in Section 27, which is the unit towards which the proposed location encroaches in both formations, own different percentages in that unit from their percentages in the MV PA. Since the N/2 of Section 27 is not now in the PA, it would seem that notice to these working interest owners would be required. Also, you have not indicated if working interest ownership in the Dakota, which is not in a PA, is identical between these two units. If it is not, notice would be required to Dakota WI owners in the adjacent unit in Section 27.

Please notify these parties of this application, and provide proof of notice, so that we can process your application.

Thanks

David K. Brooks
Legal Examiner

8/20/2007

Brooks, David K., EMNRD

From: Hansen, Vern (E&P) [Vern.Hansen@Williams.com]
Sent: Tuesday, August 21, 2007 2:04 PM
To: Brooks, David K., EMNRD
Cc: Riley, Heather (E&P)
Subject: FW: NSL Application - Rosa Unit #168C

Mr. Brooks,

Below is an explanation that I believe may clarify the NSL application for the Rosa Unit #168C Mesaverde and Dakota offset ownership. This well is coming up quickly on our drilling schedule, I believe in about two weeks. If it would speed things up I can get waivers faxed from SMUD and BP if the situation I have described below does not satisfy the rules. As I have indicated Both SMUD and BP, which are also the Sec. 27 offset owners, approved the drilling of this well.

Thanks,
Vern Hansen
Staff Landman
Williams Production Company
Phone # (918) 573-6169

From: Hansen, Vern (E&P)
Sent: Tuesday, August 21, 2007 11:10 AM
To: Riley, Heather (E&P)
Cc: Higgins, Larry (E&P); Winters, Lacey (E&P)
Subject: RE: NSL Application - Rosa Unit #168C

The offset owners, in the Mesaverde, of the N/2 of Sec of Section 27 are BP 50%, Smud 27%, and Williams 23%. These three owners are all common to the Mesaverde Participating area and are the majority owners. All three have approved the drilling of the Mesaverde side of this well. In the Dakota, the working interest is common. BP owns 100% of the working interest in the offsetting acreage and owns 100% working interest of the Dakota side of the #168C. BP has approved the drilling of the Dakota side of this well also. I will be happy to notify the parties if this is not sufficient.

Vern Hansen
Staff Landman
Williams Production Company
Phone # (918) 573-6169

From: Riley, Heather (E&P)
Sent: Tuesday, August 21, 2007 9:15 AM
To: Hansen, Vern (E&P)
Cc: Higgins, Larry (E&P); Winters, Lacey (E&P)
Subject: FW: NSL Application - Rosa Unit #168C

Vern,

Can you respond to this please?

Heather Riley
Regulatory Specialist
Williams Production Co., LLC
(505) 634-4222 (office)

8/21/2007

(970) 749-8747 (cell)

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, August 20, 2007 6:30 PM
To: Riley, Heather (E&P)
Subject: NSL Application - Rosa Unit #168C

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If I correctly understand the representations in your letter application dated Aug 2, working interest owners in Section 27, which is the unit towards which the proposed location encroaches in both formations, own different percentages in that unit from their percentages in the MV PA. Since the N/2 of Section 27 is not now in the PA, it would seem that notice to these working interest owners would be required. Also, you have not indicated if working interest ownership in the Dakota, which is not in a PA, is identical between these two units. If it is not, notice would be required to Dakota WI owners in the adjacent unit in Section 27.

Please notify these parties of this application, and provide proof of notice, so that we can process your application.

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Legal Examiner

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This inbound email has been scanned by the MessageLabs Email Security System.

8/21/2007



P. O. Box 640
Aztec, NM 87410
(505) 634-4222
(505) 634-4205 (fax)
Heather.riley@williams.com

August 2, 2007

Mark E. Fesmire
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

*Re: Request for Administrative approval for non-standard Mesaverde & Dakota
Location
Rosa Unit #168C
API # (Not assigned yet)
NE4 Sec. 28, T31N, R5W
1,275' FNL & 280' FEL*

Dear Mr. Fesmire:

Williams Production Co., LLC, is requesting administrative approval to construct the Rosa Unit #168C as a dual Mesaverde/Dakota with both formations being non-standard. Pursuant to Order No. R-10987-A(1), spacing requirements allow for up to 4 Mesaverde wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Additionally, pursuant to Order No. R-10987-B(2), spacing requirements allow for up to 4 Dakota wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Given these requirements, this location is non-standard to the east by 380 feet for both formations.

Williams intends to make the well a dual well thereby capturing the reserves from the Dakota with a single well bore. By itself the Dakota in this area is at best very marginal economically and a dual completion helps capture additional reserves from the Dakota that otherwise would not be able to be economically developed. Utilizing a single well bore for a dual completion would also negate the need for additional disturbance of another wellpad, road, and pipeline.

Mark E. Fesmire
August 2, 2007
Page 2 of 2

The surface location was picked by considering drainage patterns from the offset Mesaverde wells. In particular, the drainage patterns we are trying to avoid are from the Rosa Unit #168A in the northeast of 28, the Rosa Unit #168 in the southeast of 28, the Rosa Unit #168B in the southeast of 28, the Rosa Unit 186 in the northwest of 27, and the Rosa Unit #132 in the southwest of 22. See drainage map.

As the Unit Operator of the Rosa Unit, Williams Production is the only offset operator, thereby this proposed non-standard location would not affect any other operators.

The offset unit's working interest owners to the east are SMUD, BP and Williams which are common owners to the Mesaverde PA only in different percentages. No interested party letters were sent out.

The offset unit's mineral owners to the east are common with the subject unit therefore there are no "affected persons."

Enclosed for your reference are copies of the Participating Area maps for the Mesaverde and Dakota Formations. As you can see, the east half of section 28 is not in a PA, nor is the offset acreage for the Dakota formation. All of section 28 and the south half of section 27 are in a PA for the Mesaverde Formation.

The spacing unit for the Mesaverde is the east half and the other Mesaverde wells in the spacing unit are the Rosa Unit #168 and #168A. We are currently seeking a permit to drill for the #168B.

The spacing unit for the Dakota is the east half and there are no other Dakota wells in the spacing unit.

Should you have any questions or concerns, please don't hesitate to contact me at the phone numbers listed above. You can also contact Vern Hansen at our Tulsa office at (918) 573-6169.

Sincerely,

Heather Riley
Regulatory Specialist

Enc.: Plat
Topographic map
Drainage Map
PA Maps (MV & DK)

**Rosa Unit #168C Mesaverde/Dakota Formation Well
Affected Interest Owners**

BP America Production Co.
Attn: John Larson
P.O. Box 3092
Houston, TX 77253-3092
Fax # 281-366-7099

SMUD
Attn: Sandra Moorman
P.O. Box 15830
Sacramento, CA 95852-1830
Fax # 916-732-6854



August 21, 2007

WILLIAMS PRODUCTION COMPANY, LLC
One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
918/573-6169

Via Facsimile Transmittal and
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re: Application of Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Rosa Unit #168C Mesaverde/Dakota formation well to be drilled at a location 1275 feet from the North line and 280 feet from the East line of Section 28, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico.

Ladies and Gentlemen:


Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this August 2, 2007 by Williams Production Company, LLC for administrative approval of an unorthodox well location for its Rosa Unit #168C, to be drilled to the Mesaverde and Dakota formations at a location 1275 feet from the North line and 280 feet from the East line of Section 28, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. The E/2 of Sec.28, T31N, R6W, a standard 320-acre spacing unit for both the Mesaverde and Dakota formations is dedicated to the well.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87506. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

You may also waive any objections to this Non-Standard Location by signing in the space below and returning a Faxed copy to me at (918) 573-1963. A copy of this waiver will be forwarded to the New Mexico Oil Conservation Division.

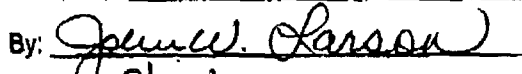
Enclosures

Sincerely,


M. Vern Hansen, CPL
Staff Landman

The Undersigned hereby waives all objections to the Non-Standard Location of the Rosa Unit #168C Mesaverde/Dakota formation well.

Company: BP AMERICA PRODUCTION CO.

By: 

Date: 8/22/07

FROM

(TUE) AUG 21 2007 17:20/ST. 17:19/No. 7500000673 P 2



August 21, 2007

WILLIAMS PRODUCTION COMPANY, LLC
One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
918/573-6169

Via Facsimile Transmittal and
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

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Enclosures

Sincerely,


M. Vern Hansen, CPL
Staff Landman

The Undersigned hereby waives all objections to the Non-Standard Location of the Rosa Unit #168C Mesaverde/Dakota formation well.

Company: SMUD

By: Benny Brucello

Date: 8/22/07



August 21, 2007

WILLIAMS PRODUCTION COMPANY, LLC
One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
918/573-6169

Via Facimile Transmittal and
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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Enclosures

Sincerely,

M. Vern Hansen, CPL
Staff Landman

The Undersigned hereby waives all objections to the Non-Standard Location of the Rosa Unit #168C Mesaverde/Dakota formation well.

Company: _____

By: _____

Date: _____

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, August 21, 2007 4:12 PM
To: 'Hansen, Vern (E&P)'
Cc: Riley, Heather (E&P)
Subject: RE: NSL Application - Rosa Unit #168C

Mr. Hansen

This satisfies the requirement as to the Dakota. As to the Mesa Verde, you may either give notice, which will require 20 days, or, as you suggest, supply written waivers.

Thanks
David K. Brooks
Legal Examiner

From: Hansen, Vern (E&P) [mailto:Vern.Hansen@Williams.com]
Sent: Tuesday, August 21, 2007 2:04 PM
To: Brooks, David K., EMNRD
Cc: Riley, Heather (E&P)
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8/21/2007

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Subject: FW: NSL Application - Rosa Unit #168C

Vern,

Can you respond to this please?

Heather Riley
Regulatory Specialist
Williams Production Co., LLC
(505) 634-4222 (office)
(970) 749-8747 (cell)

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, August 20, 2007 6:30 PM
To: Riley, Heather (E&P)
Subject: NSL Application - Rosa Unit #168C

Dear Ms. Riley

If I correctly understand the representations in your letter application dated Aug 2, working interest owners in Section 27, which is the unit towards which the proposed location encroaches in both formations, own different percentages in that unit from their percentages in the MV PA. Since the N/2 of Section 27 is not now in the PA, it would seem that notice to these working interest owners would be required. Also, you have not indicated if working interest ownership in the Dakota, which is not in a PA, is identical between these two units. If it is not, notice would be required to Dakota WI owners in the adjacent unit in Section 27.

Please notify these parties of this application, and provide proof of notice, so that we can process your application.

Thanks

David K. Brooks
Legal Examiner

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8/21/2007

Brooks, David K., EMNRD

From: Hansen, Vern (E&P) [Vern.Hansen@Williams.com]
Sent: Wednesday, August 22, 2007 12:07 PM
To: Brooks, David K., EMNRD
Cc: Riley, Heather (E&P)
Subject: RE: NSL Application - Rosa Unit #168C
Attachments: Bizhub350F20070822135425.pdf; Bizhub350F20070822135407.pdf;
Bizhub350F20070822135829.pdf

Mr. Brooks,

Attached in PDF format are signed waiver letters from the offset working interest owners for our NSL Application on the Rosa Unit #168C Mesaverde/ Dakota well. The third attachment is a copy of the full notice letter that was sent to these owners. Please let me know if you need anything further to process our application.

Thank you,

Vern Hansen
Staff Landman
Williams Production Company
Phone # (918) 573-6169

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Tuesday, August 21, 2007 6:12 PM
To: Hansen, Vern (E&P)
Cc: Riley, Heather (E&P)
Subject: RE: NSL Application - Rosa Unit #168C

Mr. Hansen

This satisfies the requirement as to the Dakota. As to the Mesa Verde, you may either give notice, which will require 20 days, or, as you suggest, supply written waivers.

Thanks
David K. Brooks
Legal Examiner

From: Hansen, Vern (E&P) [mailto:Vern.Hansen@Williams.com]
Sent: Tuesday, August 21, 2007 2:04 PM
To: Brooks, David K., EMNRD
Cc: Riley, Heather (E&P)
Subject: FW: NSL Application - Rosa Unit #168C

Mr. Brooks,

Below is an explanation that I believe may clarify the NSL application for the Rosa Unit #168C Mesaverde and Dakota offset ownership. This well is coming up quickly on our drilling schedule, I believe in about two weeks. If it would speed things up I can get waivers faxed from SMUD and BP if the situation I have described below does not satisfy the rules. As I have indicated Both SMUD and BP, which are also the Sec. 27 offset owners, approved the drilling of this well.

Thanks,
Vern Hansen

8/23/2007

Staff Landman
Williams Production Company
Phone # (918) 573-6169

From: Hansen, Vern (E&P)
Sent: Tuesday, August 21, 2007 11:10 AM
To: Riley, Heather (E&P)
Cc: Higgins, Larry (E&P); Winters, Lacey (E&P)
Subject: RE: NSL Application - Rosa Unit #168C

The offset owners, in the Mesaverde, of the N/2 of Sec of Section 27 are BP 50%, Smud 27%, and Williams 23%. These three owners are all common to the Mesaverde Participating area and are the majority owners. All three have approved the drilling of the Mesaverde side of this well. In the Dakota, the working interest is common. BP owns 100% of the working interest in the offsetting acreage and owns 100% working interest of the Dakota side of the #168C. BP has approved the drilling of the Dakota side of this well also. I will be happy to notify the parties if this is not sufficient.

Vern Hansen
Staff Landman
Williams Production Company
Phone # (918) 573-6169

From: Riley, Heather (E&P)
Sent: Tuesday, August 21, 2007 9:15 AM
To: Hansen, Vern (E&P)
Cc: Higgins, Larry (E&P); Winters, Lacey (E&P)
Subject: FW: NSL Application - Rosa Unit #168C

Vern,

Can you respond to this please?

Heather Riley
Regulatory Specialist
Williams Production Co., LLC
(505) 634-4222 (office)
(970) 749-8747 (cell)

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, August 20, 2007 6:30 PM
To: Riley, Heather (E&P)
Subject: NSL Application - Rosa Unit #168C

Dear Ms. Riley

If I correctly understand the representations in your letter application dated Aug 2, working interest owners in Section 27, which is the unit towards which the proposed location encroaches in both formations, own different percentages in that unit from their percentages in the MV PA. Since the N/2 of Section 27 is not now in the PA, it would seem that notice to these working interest owners would be required. Also, you have not indicated if working interest ownership in the Dakota, which is not in a PA, is identical between these two units. If it is not, notice would be required to Dakota WI owners in the adjacent unit in Section 27.

Please notify these parties of this application, and provide proof of notice, so that we can process your application.

8/23/2007