

11/28/07 DATE IN	SUSPENSE	BROOKS ENGINEER	11/28/07 LOGGED IN	NSL TYPE	PKVR 0733241901 APP NO.
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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 Production Co. LLC
Rosa Unit #370
5755

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.

Print or Type Name

Signature

Title

Date

e-mail Address

Draft Order in C file

RECEIVED

2007 NOV 28 AM 11 25



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

November 26, 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 Fruitland Coal Location
Rosa Unit #370
API # (30-039-29984)
SW4 Sec. 19, T31N, R4W
1170' FSL & 1945' FWL*

Dear Mr. Fesmire:

Williams Production Co., LLC, is requesting administrative approval to construct the Rosa Unit #370 as a single Fruitland Coal in a non-standard location. Pursuant to Order No. R-8768-B, spacing requirements state that the wells shall be located not closer than 660 feet to any outer boundary of the proration unit nor 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 182.20 feet.

The original geological pick for this well was to the north and west but we were unable to get approval for a surface location from the USFS. We were able to get approval on a surface location 10' FSL and 1635' FWL with a directional drill. Given the distance limitations for directional drilling and concerns of drainage interference from the existing wells, i.e. the Rosa Unit #370A, the Rosa Unit #354 and the Rosa Unit #315A, the above described bottom hole location was chosen.

Because section 19 in T31N and R4W is a non-standard unit, we inadvertently failed to get approval of this non-standard location prior to drilling the well. We would greatly appreciate your expediting this request.

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.

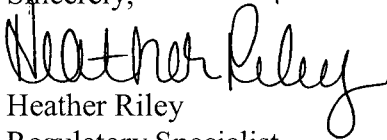
The offset unit's working interest to the east are uncommon with the subject unit. There are no unleased mineral owners. Therefore, we have enclosed a list of the affected persons for your review. Williams has given notice to the listed parties in accordance with Division Rules.

Enclosed for your reference are copies of the Participating Area maps for the Fruitland Formation. As you can see, the east half of section 19 is in a PA, but the west half is not.

The spacing unit for the Fruitland is the west half and the other Fruitland well in the spacing unit is the Rosa Unit #370A.

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,

A handwritten signature in black ink, appearing to read "Heather Riley", written over the printed name.

Heather Riley
Regulatory Specialist

Enc.: Plat
Topographic map
Drainage Map
PA Map (FT)
Affected Interest Owner letter and list of addresses

Brooks, David K., EMNRD

From: Riley, Heather (E&P) [Heather.Riley@Williams.com]
Sent: Wednesday, January 09, 2008 9:34 AM
To: Brooks, David K., EMNRD; Hansen, Vern (E&P)
Subject: RE: Rosa Unit No. 370

Mr. Brooks,

I'm sorry I didn't include that information in my letter. You should have a copy of the plat I sent with the packet and it indicates that the unit is 293.24 acres.

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: Wednesday, January 09, 2008 9:26 AM
To: Hansen, Vern (E&P); Riley, Heather (E&P)
Subject: RE: Rosa Unit No. 370

Dear Ms. Riley and Mr. Hansen:

I stand corrected as to R-2046. It applies only to the Dakota. I apologize for the mistake.

It remains therefore to determine the non-standard unit issue. The actual acreage of the unit is not reflected in the NSL application file, so far as I have found. If it is 224 acres or more, we can issue the NSL subject to the District's approving the unit. If it is less than 224 acres, we will need an NSP administrative application.

Please advise on this matter.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

From: Hansen, Vern (E&P) [mailto:Vern.Hansen@Williams.com]
Sent: Wednesday, January 09, 2008 9:11 AM
To: Riley, Heather (E&P); Brooks, David K., EMNRD
Cc: Higgins, Larry (E&P); Winters, Lacey (E&P)
Subject: RE: Rosa Unit No. 370

R-2046 as amended is Dakota spacing. Fruitland spacing was done on a Unit by Unit basis.

From: Riley, Heather (E&P)
Sent: Wednesday, January 09, 2008 9:50 AM
To: Brooks, David K., EMNRD

1/9/2008

Cc: Higgins, Larry (E&P); Hansen, Vern (E&P); Winters, Lacey (E&P)
Subject: RE: Rosa Unit No. 370

Mr. Brooks,

I'm confused. Doesn't Order R-2046 refer to the Dakota? We are requesting an NSL for the Fruitland and I thought that Order R-8768 applied.

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: Tuesday, January 08, 2008 5:20 PM
To: Riley, Heather (E&P)
Subject: Rosa Unit No. 370

Dear Ms. Riley

I have before me the NSL Application for this well.

There is no difficulty with approving the location, but there seems to be an issue with the unit. Your letter indicates that a W/2 unit (non-standard) will be dedicated to this well, which apparently conforms with BLM treatment as indicated by inclusion of the E/2 in the PA. However, Order R-2046 established N/2 and S/2 non-standard units for this section. We recently amended that order as to parts of the Rosa Unit with Order R-2046-B. However, that did not deal with anything in 4W.

It would seem that we would need another amendment to R-2046 to approve the proposed unit.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

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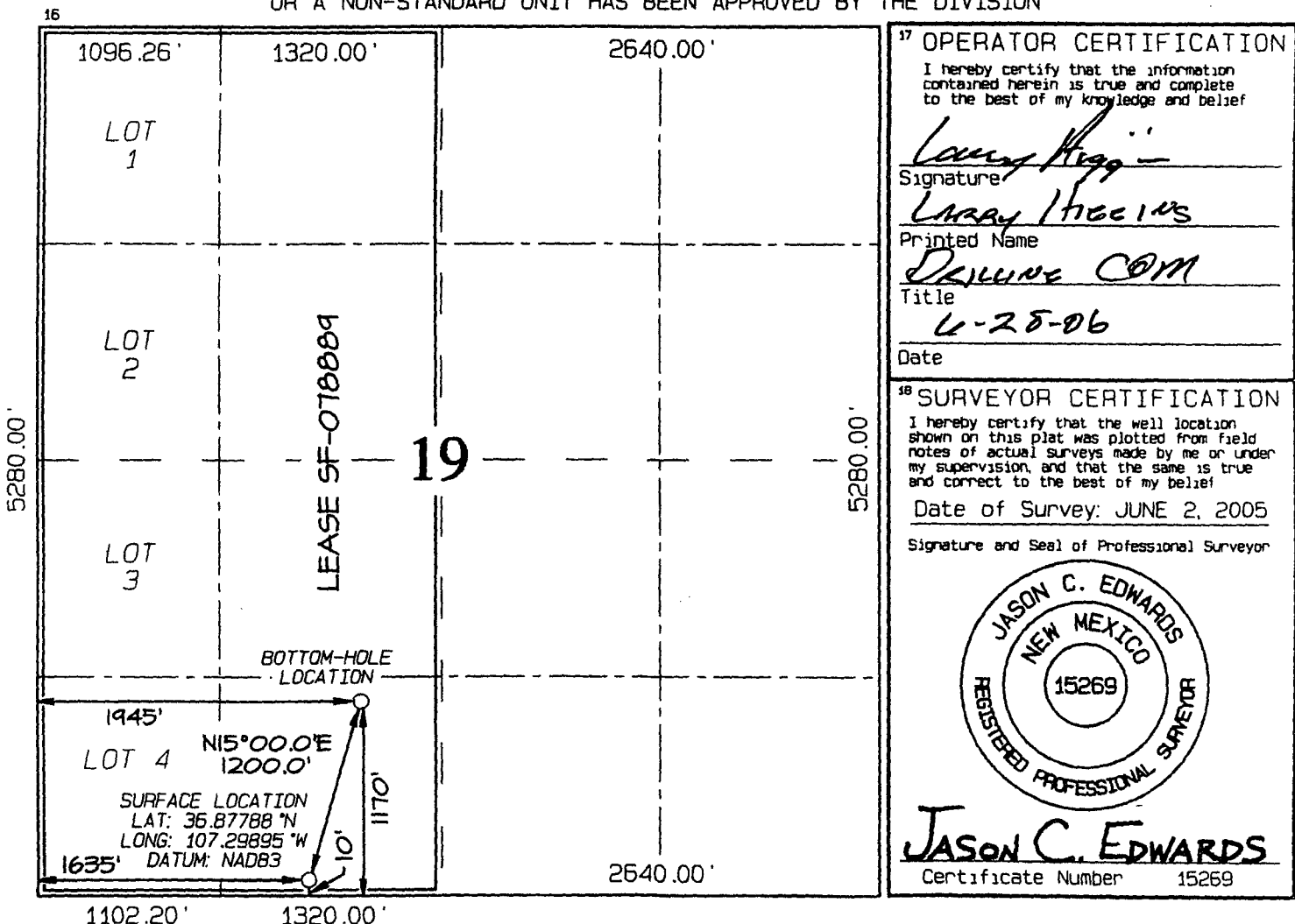
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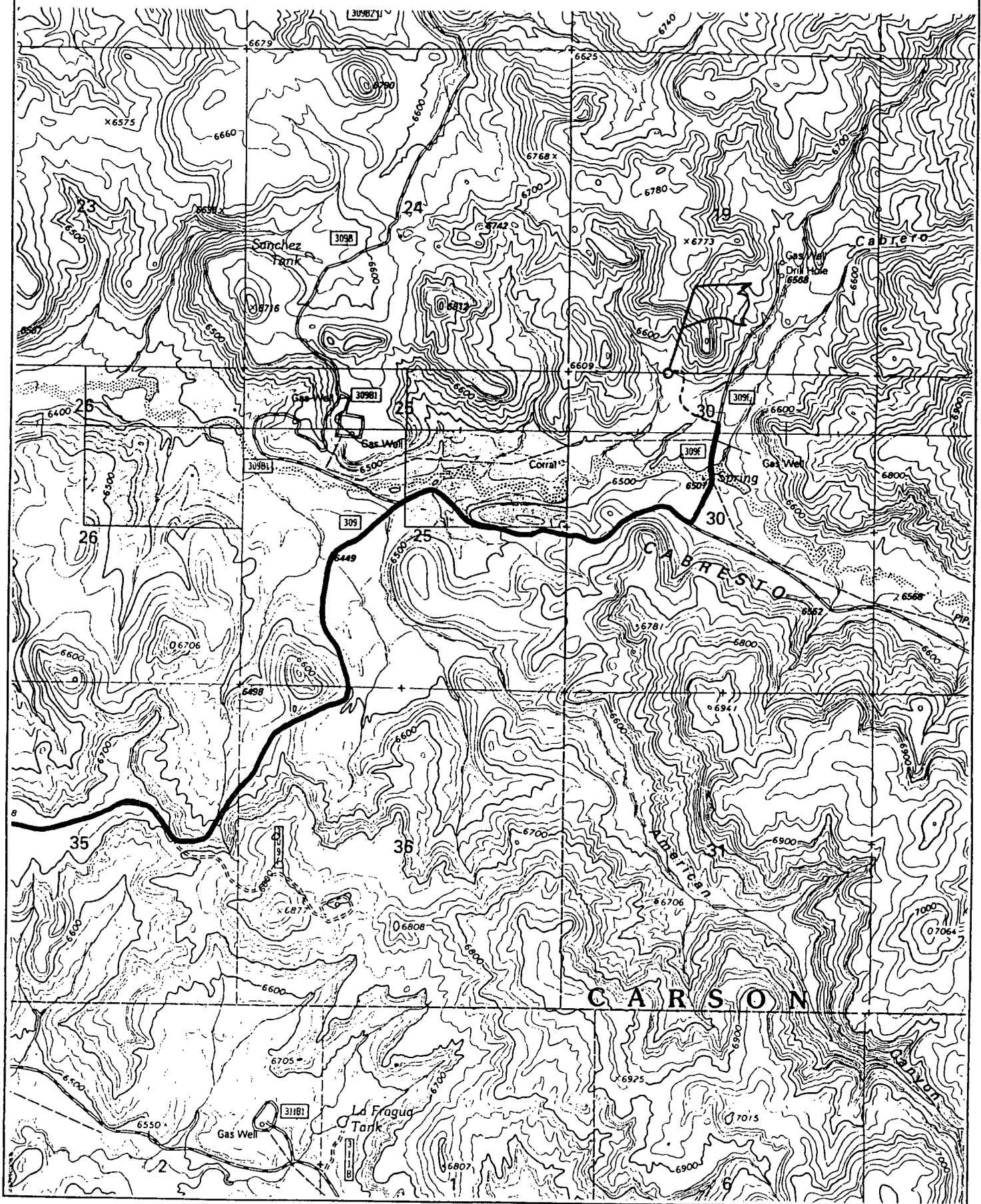
1/9/2008

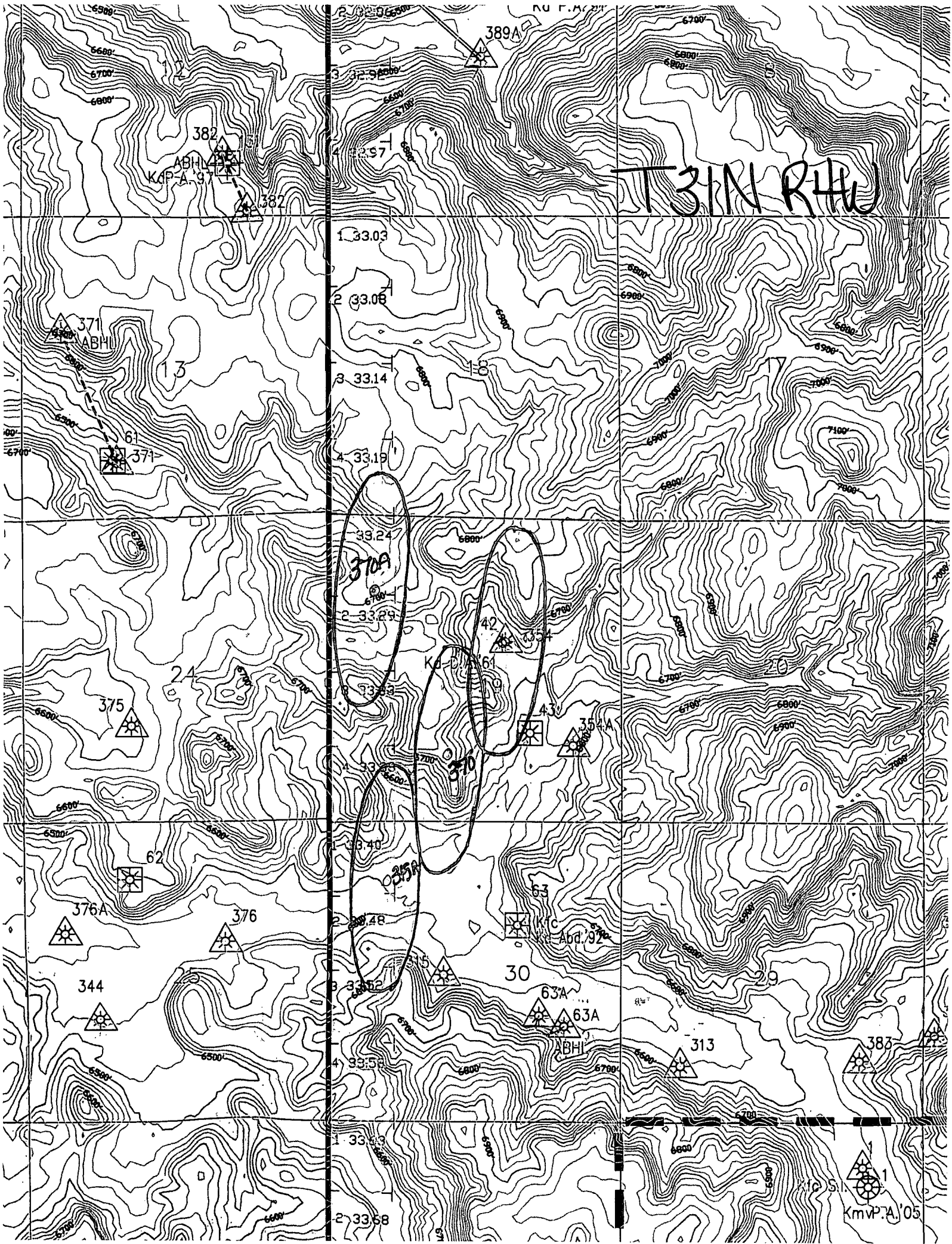
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WILLIAMS PRODUCTION COMPANY ROSA UNIT #370
10' FSL & 1635' FWL, SECTION 19, T31N, R4W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO





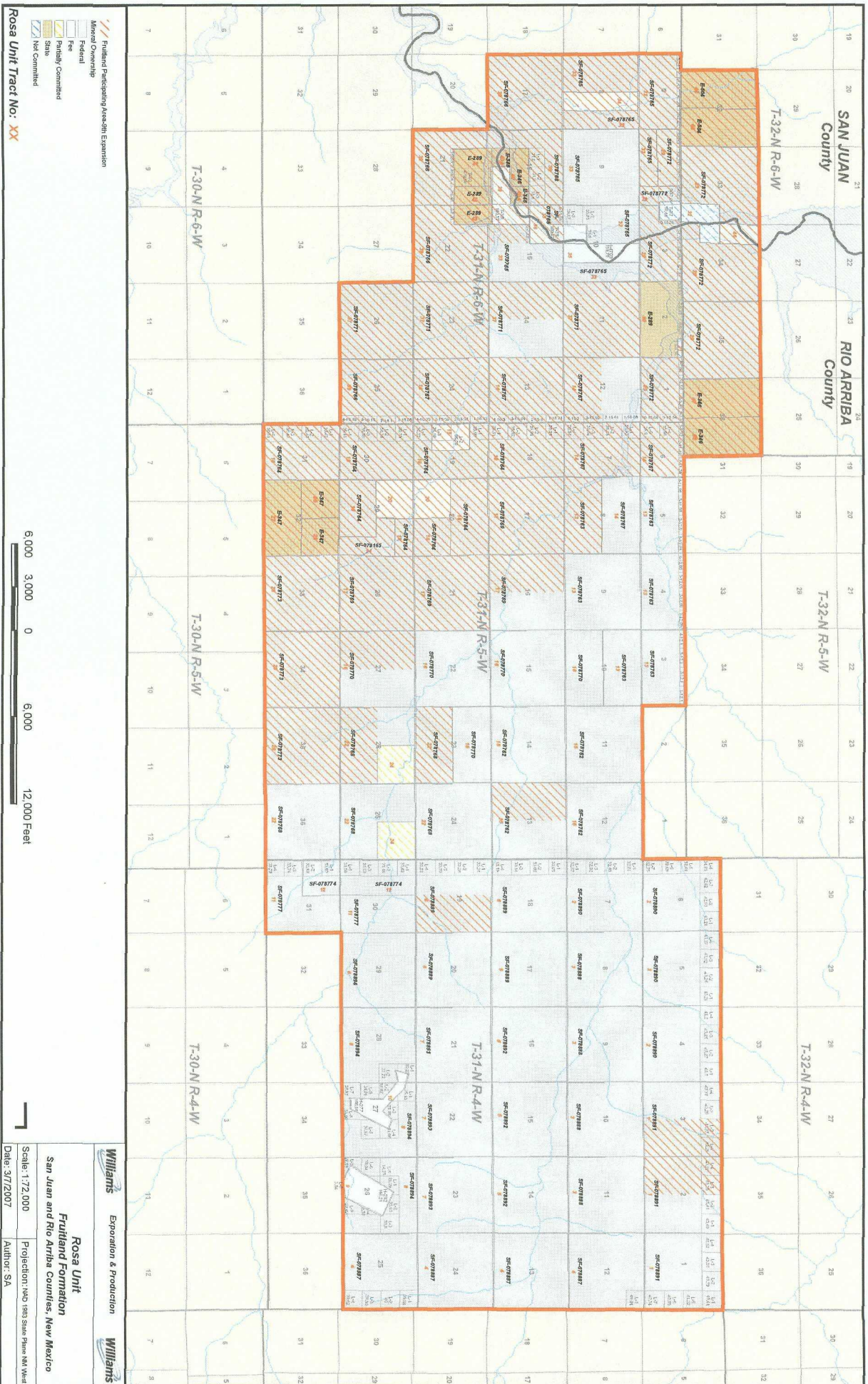
T3IN R4W

370A

370

63A
63A
ABHI

Kmvp.A.05





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

November 26, 2007

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 Rosa Unit #370 Fruitland Coal formation well drilled at a location 1170 feet from the South line and 1945 feet from the West line of Section 19, Township 31 South, Range 4 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 date by Williams Production Company, LLC for administrative approval of an unorthodox well location for its Rosa Unit #370, drilled to the Fruitland Coal formation at a location 1170 feet from the South line and 1945 feet from the West line of Section 19, Township 31 South, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. The W/2 of Sec. 19, T31N, R6W, a standard 293.24 acre spacing unit is dedicated to the well. Section 19, T31N, R4W is a correction section (less than 640 ac.) which makes this application necessary.

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 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Vern Hansen", written over a horizontal line.

M. Vern Hansen, CPL
Senior Staff Landman

Enclosures

**Rosa Unit #370 Fruitland Coal Formation Well
Affected Interest Owners**

**ROSA UNIT FRUITLAND COAL PARTICIPATING AREA
NINTH EXPANSION**

BP AMERICA PRODUCTION CO.
ATTN: JOHN LARSON
P.O. BOX 3092
HOUSTON, TX 77253

MR. FRED E. TURNER, L.L.C.
4925 GREENVILLE AVENUE, SUITE 852
DALLAS, TX 75206-4079

MS. ELIZABETH T. CALLOWAY
P.O. BOX 191767
DALLAS, TX 75219-1767

MR. J. GLENN TURNER, JR., L.L.C.
3838 OAK LAWN, SUITE 1450
DALLAS, TX 75219

MR. JOHN TURNER
PMB 285
317 SIDNEY BAKER SOUTH #400
KERRVILLE, TX 78028

SACRAMENTO MUNICIPAL UTILITIES DISTRICT
ATTN: THOMAS INGWERS
P.O. BOX 15830
SACRAMENTO, CA 95852-1830

MARY FRANCES TURNER, JR TRUST
ATTN: BARRY L. DOMINICK
TX1-2931
P.O. BOX 660197
DALLAS, TX 75266-0197

FOREST OIL CORPORATION
ATTN: KEN MCPHEE
707 17TH STREET
DENVER, CO 80202

CONOCOPHILLIPS COMPANY
ATTN: CHIEF LANDMAN, SAN JUAN/ROCKIES
P.O. BOX 2197
HOUSTON, TX 77252

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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- Engineering Bureau -

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



Rosa Unit #370

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☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

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☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

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[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

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

Heather Riley
 Print or Type Name

Heather Riley
 Signature

Regulatory Specialist
 Title

11/26/07
 Date

heather.riley@williams.com
 e-mail Address

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, December 18, 2007 9:24 AM
To: 'Riley, Heather (E&P)'
Subject: RE: Rosa Unit #370

Dear Ms. Riley

I have confirmed that we received this application.

We are running more than 60 days behind on processing these applications due to our staff's extensive involvement in the Commission's pit rule proceedings.
Except where we are specifically advised of lease or rig deadlines, we will process applications in the order received as expeditiously as possible.

Sincerely

David K. Brooks
Legal Examiner

From: Riley, Heather (E&P) [mailto:Heather.Riley@Williams.com]
Sent: Monday, December 17, 2007 10:11 AM
To: Brooks, David K., EMNRD
Subject: RE: Rosa Unit #370

It was sent via Fed Ex 11/26/07 so you should have received it 11/27/07.

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, December 17, 2007 10:09 AM
To: Riley, Heather (E&P)
Subject: RE: Rosa Unit #370

When was this submitted?

David Brooks

From: Riley, Heather (E&P) [mailto:Heather.Riley@Williams.com]
Sent: Monday, December 17, 2007 9:09 AM
To: Brooks, David K., EMNRD
Cc: Higgins, Larry (E&P); Hansen, Vern (E&P); Winters, Lacey (E&P); VanDenBerg, Randy (E&P)
Subject: RE: Rosa Unit #370

David,

Have you had an opportunity to process this NSL application yet? I checked on the website and did not see it.

Thanks,

Heather Riley
Regulatory Specialist
Williams Production Co., LLC

12/18/2007

(505) 634-4222 (office)
(970) 749-8747 (cell)

From: Riley, Heather (E&P)
Sent: Monday, November 26, 2007 3:01 PM
To: Brooks, David K., EMNRD
Cc: Higgins, Larry (E&P); Hansen, Vern (E&P); Winters, Lacey (E&P); VanDenBerg, Randy (E&P)
Subject: Rosa Unit #370

David,

Thank you for returning my call regarding the Rosa Unit #370 concerning the NSL application. You indicated in your voicemail to me to let you know if we needed the application process expedited. We do, in fact, need this expedited as this well has already been drilled.

I am sending via Fed Ex the application package to your attention today.

Please let me know if you need any additional information and thank you for your help with this.

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

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12/18/2007

Brooks, David K., EMNRD

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Subject: Rosa Unit No. 370

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It would seem that we would need another amendment to R-2046 to approve the proposed unit.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

1/8/2008