

DATE IN <u>6/26</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>6/26/08</u>	TYPE <u>NSL</u>	APP NO. <u>PKUR0817943500</u>
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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 Company, LLC

Rosa Unit #374

Rio Arriba

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]

NSL-5882

[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

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2008 JUN 26 PM 3 43

[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 Riley
 Print or Type Name

Heather Riley
 Signature

Regulatory Specialist 6/23/08
 Title Date
heather.riley@williams.com
 e-mail Address



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

June 23, 2008

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 #374
API # 30-039-30112
NE4 Sec. 16, T31N, R5W
1145' FNL & 2305' FEL

Dear Mr. Fesmire:

Williams Production Co., LLC, is requesting administrative approval to construct the Rosa Unit #374 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 west by 323.02 feet.

Due to topographical and archeological constraints, the only surface location we were able to get approval for from the USFS is at 1,145' FNL and 2,305' FEL. Given the concerns of drainage interference from the existing and proposed wells, i.e. the Rosa Unit #360, the Rosa Unit #361 (horizontal), the Rosa Unit #360A, the Rosa Unit #361A, the Rosa Unit #374A, the Rosa Unit #400, and the Rosa Unit #400A, the above described bottom hole location was chosen.

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 west are uncommon with the subject unit but there are no unleased mineral owners. The well is encroaching on the W2 of section 16 which is in the Fruitland PA. Therefore, notice will be given to those owners and a list is attached hereto.

Mark E. Fesmire
June 23, 2008
Page 2 of 2

Enclosed for your reference are copies of the Participating Area maps for the Fruitland Formation. As you can see, the W2 of section 16 is not in the PA.

The spacing unit for the Fruitland is the east half and there are no other Fruitland wells in the 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,

A handwritten signature in black ink that reads "Heather Riley". The signature is written in a cursive, flowing style.

Heather Riley
Regulatory Specialist

Enc.: 1st page of APD
Plat
Topographic map
Drainage Map
PA Map (FT)
List of Affected Mineral Owners

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

SF-078769

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL☐ REENTER

2006 NOV 13 PM

7. Unit or CA Agreement, Name and No.

Rosa Unit

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other☒ Single Zone☐ Multiple Zone

8. Lease Name and Well No.

374

2. Name of Operator

070 FARMINGTON

9. API Well No.

30-039-30112

Williams Production Company, LLC

3a. Address

P.O. Box 640 Aztec, NM 87410

3b. Phone No. (include area code)

(505) 634-4208

10. Field and Pool, or Exploratory

Basin Fruitland Coal

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 1145' FNL & 2305' FEL

At proposed prod. zone same as above

11. Sec., T., R., M., or Blk. and Survey or Area

Section 16, 31N, 5W

14. Distance in miles and direction from nearest town or post office*

approximately 36 miles northeast of Blanco, New Mexico

12. County or Parish

Rio Arriba

13. State

NM

15. Distance from proposed*

location to nearest

property or lease line, ft.

(Also to nearest drig. unit line, if any)

1145'

16. No. of Acres in lease

2,560.00

17. Spacing Unit dedicated to this well

320.0 (E/2)

18. Distance from proposed location*

to nearest well, drilling, completed,

applied for, on this lease, ft.

2500'

19. Proposed Depth

3,575'

20. BLM/BIA Bond No. on file

UT0847

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

6641 GR This action is subject to technical and

procedural review pursuant to 43 CFR 3165.3

and appeal pursuant to 43 CFR 3165.4

22. Approximate date work will start*

June 1, 2007

23. Estimated duration

1 month

24. Attachments

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO shall be filed with the appropriate Forest Service Office).4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized officer.

25. Signature

Name (Printed/Typed)

Date

Title

Larry Higgins

11-9-06

Drilling COM

Approved by (Signature)

Name (Printed/Typed)

Date

Title

Office

FFC

3/17/08

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on reverse)

Williams Exploration and Production Company, LLC, proposes to drill a well to develop the Basin Fruitland Coal formation at the above described location in accordance with the attached drilling and surface use plans.

The surface is under jurisdiction of the U.S. Forest Service, Jicarilla Ranger District, Carson National Forest.

This location has been archaeologically surveyed La Plata Archaeological Consultants. Copies of their report have been submitted directly to the USFS, Jicarilla Ranger District.

This APD is also serving as an Application to obtain road and gas and water pipelines rights-of-way. Also required for this location is a 2050-foot access road, as well as gas and water pipelines of 2103.30 feet each; to be placed in the same ditch, adjacent to the access road.

MAR 17 2008

WPX

OPERATOR

MAR

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

District I
1980, Hobbs, NM 88241-1980
District II
Pawer DD, Artesia, NM 88211-0719
District III
000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

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070 FARMINGTON NM

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 374
*GRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY	*Elevation 6641'

¹⁰ Surface Location

UL or lot no. B	Section 16	Township 31N	Range 5W	Lot Idh	Feet from the 1145	North/South line NORTH	Feet from the 2305	East/West line EAST	County RIO ARriba
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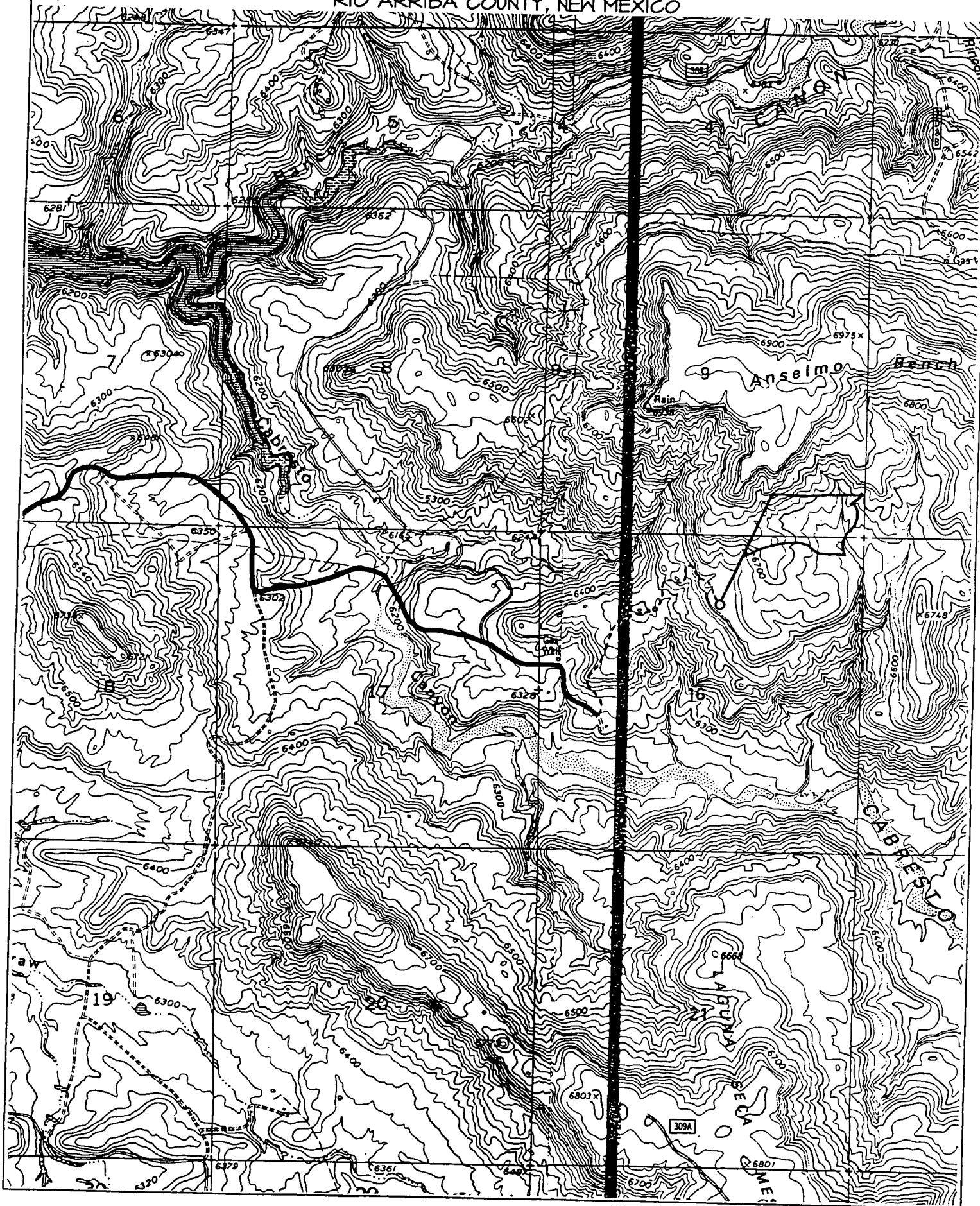
¹¹ Bottom Hole Location If Different From Surface

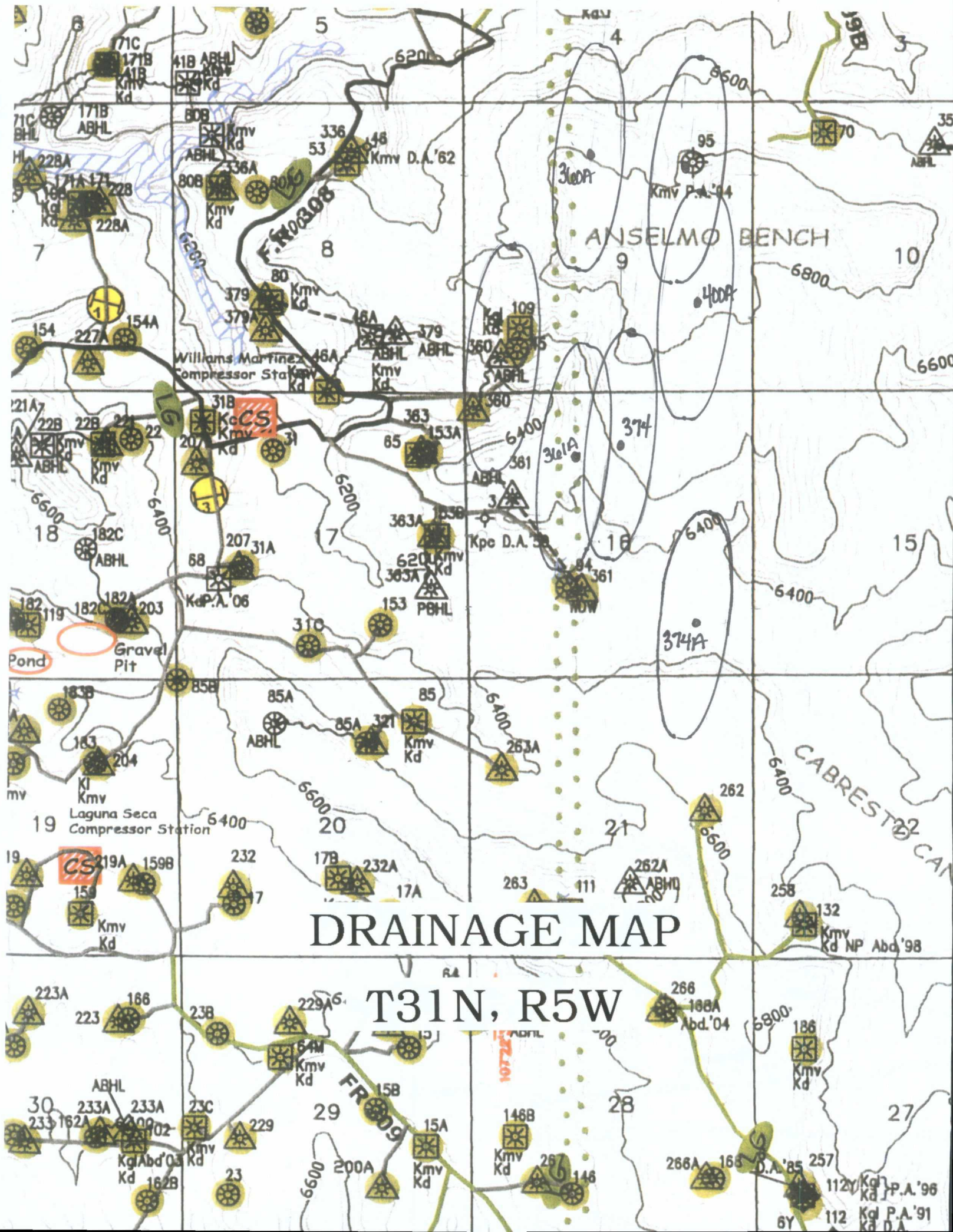
UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.0 Acres - (E/2)					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

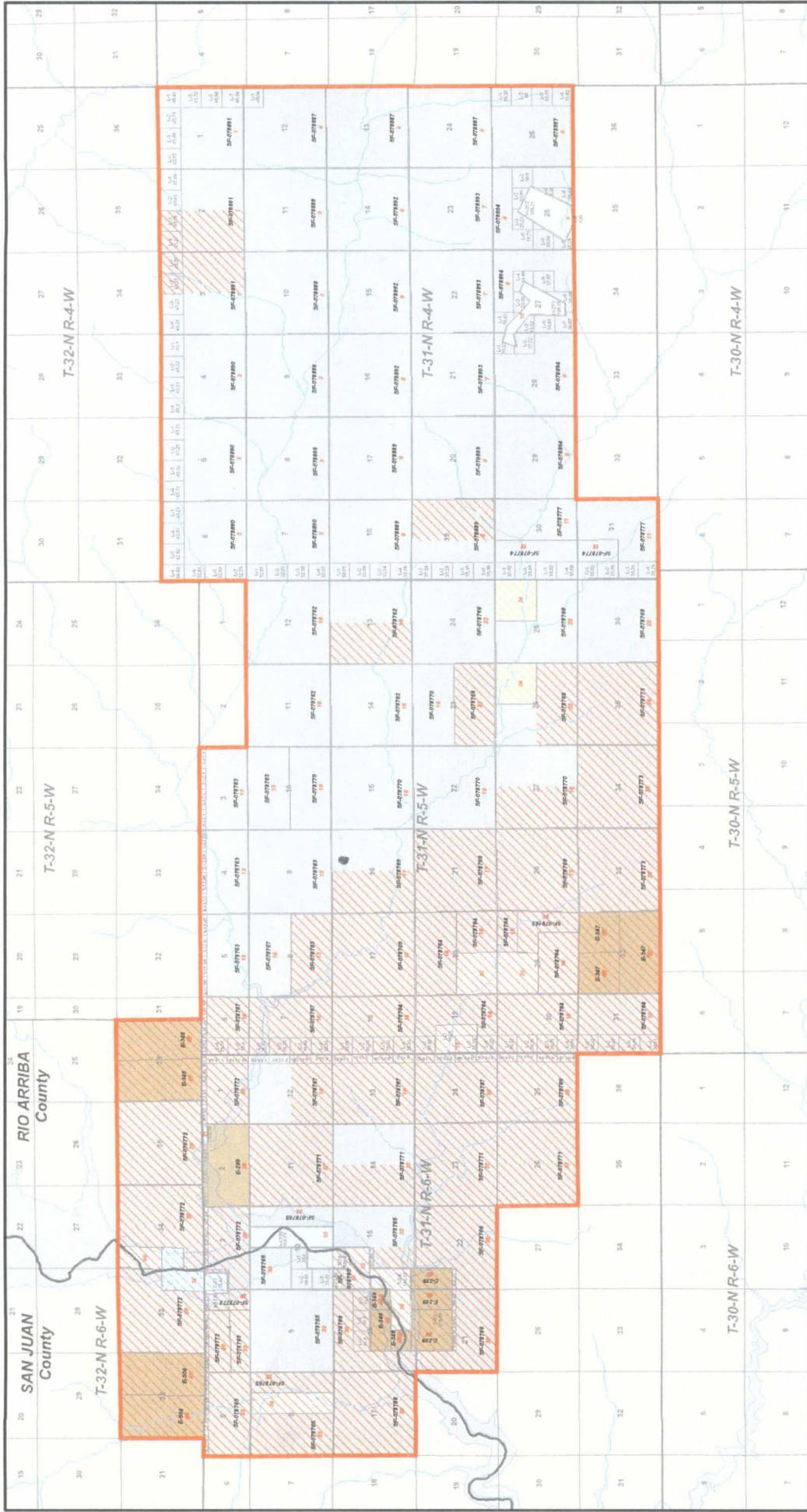
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

15	5283.96'	1145'	2305'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Larry Higgins</i> Signature LARRY HIGGINS Printed Name DRILLING CORP Title 11-9-06 Date
5280.00'	16	LAT: 36.90362°N LONG: 107.36654°W DATUM: NAD1983	5280.00'	18 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. Date Revised: JANUARY 21, 2006 Date of Survey: JUNE 18, 2002 Signature and Seal of Professional Surveyor JASON C. EDWARDS NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 15269 JASON C. EDWARDS Certificate Number 15269
	5287.26'	LEASE SF-078769		

WILLIAMS REPRODUCTION COMPANY ROS, JNIT #374
1145' FNL & 2305' FEL, SECTION 16, T31N, R5W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO







Legend

- Fruitland Participating Area-4th Expansion
- Mineral Ownership
- Federal
- Fee
- Partially Committed
- State
- Not Committed

Scale: 1:72,000

Projection: NAD 1983 State Plane NM West

Author: SA

San Juan County

Rio Arriba County

Williams **Williams** **Williams**

Exoration & Production

Rosa Unit

Fruitland Formation

San Juan and Rio Arriba Counties, New Mexico

Rosa Unit Tract No: XX

Map Document: G:\Project\San_Juan\Participating_Areas\rosa-unit_XX.mxd
3/7/2007 - 11:56:50 AM

June 24, 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 proposed Rosa Unit #374 Fruitland Coal formation well to be drilled at a location 1145 feet from the North line and 2305 feet from the East line of Section 16, 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 date by Williams Production Company, LLC for administrative approval of an unorthodox well location for its Rosa Unit #374, to be drilled to the Fruitland Coal formation at a location 1145 feet from the North line and 2305 feet from the East line of Section 16, Township 31 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. The E/2 of Sec. 16, T31N, R5W, a standard 320.00 acre spacing unit 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 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Enclosures

Sincerely,

M. Vern Hansen, CPL
Senior Staff Landman

**Rosa Unit #374 Fruitland Coal Formation Well
Affected Interest Owners
(Fruitland Coal Participating Area Owners)**

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: BARRY BRUNELLE
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 4289
FARMINGTON, NM 87499-4289