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|---------------------|----------|--------------------|-----------------------|-------------|--------------------------|
| 10/17/08 DATE IN | SUSPENSE | Brooks ENGINEER | 10/10/08 LOGGED IN | NSL TYPE | PKVRO82935495 APP NO. |
|---------------------|----------|--------------------|-----------------------|-------------|--------------------------|

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

API# 30-039-29876

ADMINISTRATIVE APPLICATION CHECKLIST

Jicarilla #014

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.

Heather Riley
Print or Type Name

Heather Riley
Signature

Regulatory Specialist
Title

10/18/08
Date

heather.riley@williams.com
e-mail Address

RECEIVED
2008 OCT 17 AM 11 57



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

October 16, 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 Mesa Verde Location
Jicarilla 93 #014
API # 30-039-29876
Sec. 32, T27N, R3W
1935' FNL & 105' FEL*

Dear Mr. Fesmire:

Williams Production Co., LLC, is requesting administrative approval to construct the Jicarilla 93 #014 as a stand alone Mesaverde in a non-standard location. Pursuant to Order No. R-10987-A, wells drilled on a GPU shall be located not closer than 660 feet to the South and North lines nor closer than 660 feet to the East and West lines of a GPU and not closer than 10 feet to any interior quarter of quarter-quarter section line or subdivision inner boundary. Given these requirements, this location is non-standard to the east by 555 feet.

This surface location was picked due to archeological sites which were identified by the tribal approved archeologist. Please see the signed statement at the bottom of this letter from the Jicarilla Oil & Gas Administration.

The offset section, section 33, T27N, R3W is contained in the same lease, therefore Williams Production Company is the offset operator so this non-standard location will not affect any other operators.

The offset unit's working interest and mineral owners to the east are common with the subject unit and there are no unleased minerals; therefore notice to affected persons is not required.

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

Mark E. Fesmire
October 16, 2008
Page 2 of 2

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.

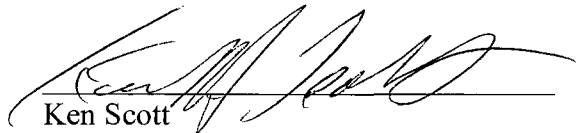
Sincerely,



Heather Riley
Regulatory Specialist

Enc.: 1st page of APD
Plat
Topographic map

I, Ken Scott, state that I am the Director of the Jicarilla Oil & Gas Administration and I confirm that this location was chosen based on archeological constraints. I further waive any objections to this non-standard location.



Ken Scott
Jicarilla Oil & Gas Administration, Director

10-16-08
Dated

(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.

Jicarilla Apache Contract #93

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

Jicarilla 93#14

9. API Well No.

30-039-29876

10. Field and Pool, or Exploratory

Blanco MV

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

Section 32, T27N, R3W

12. County or Parish

Rio Arriba

13. State

NM

1a. Type of Work: ☒ DRILL

☐ REENTER

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

☒ Single Zone

☐ Multiple Zone

2. Name of Operator

Williams Production Company, LLC

3a. Address:

P.O. Box 640 Aztec, NM 87410

3b. Phone No. (include area code)

(505) 634-4208

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

At surface 1935 FNL and 105 FEL

At proposed prod. zone same

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

16 miles NE of Lindrith, NM

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drg. unit line, if any)

105'

16. No. of Acres in lease

2560

17. Spacing Unit dedicated to this well

320 (E/2)

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

3500'

19. Proposed Depth

6494'

20. BLM/BIA Bond No. on file

B001576

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

7,155' GR

22. Approximate date work will start*

July 1, 2006

23. Estimated duration

1 month

24. Attachments

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

Larry Higgins

04-12-06

Title

Drilling COM

Approved by (Signature)

Name (Printed/Typed)

Date

Title

Office

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 Production Company, LLC, proposes to drill a well to develop the Blanco Mesa Verde formation at the above described location in accordance with the attached drilling and surface use plans.

The surface is located on Jicarilla Apache Nation Lands.

This location has been archaeologically surveyed by Velarde Energy.

A 4669 foot pipeline tie would be required for this location and it is also located on Jicarilla Apache Nation Lands.

400' of new access road will be needed to access this well.

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

OPERATOR

District I
1635 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87416
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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-------------------------------------|---|-----------------------------|---|
| * API Number 30-039-29876 | | * Pool Code 72319 | * Pool Name BLANCO MESA VERDE |
| * Property Code | * Property Name JICARILLA 93 | | * Well Number 14 |
| * OGRID No. 120782 | * Operator Name WILLIAMS PRODUCTION COMPANY | | * Elevation 7155 |

10 Surface Location

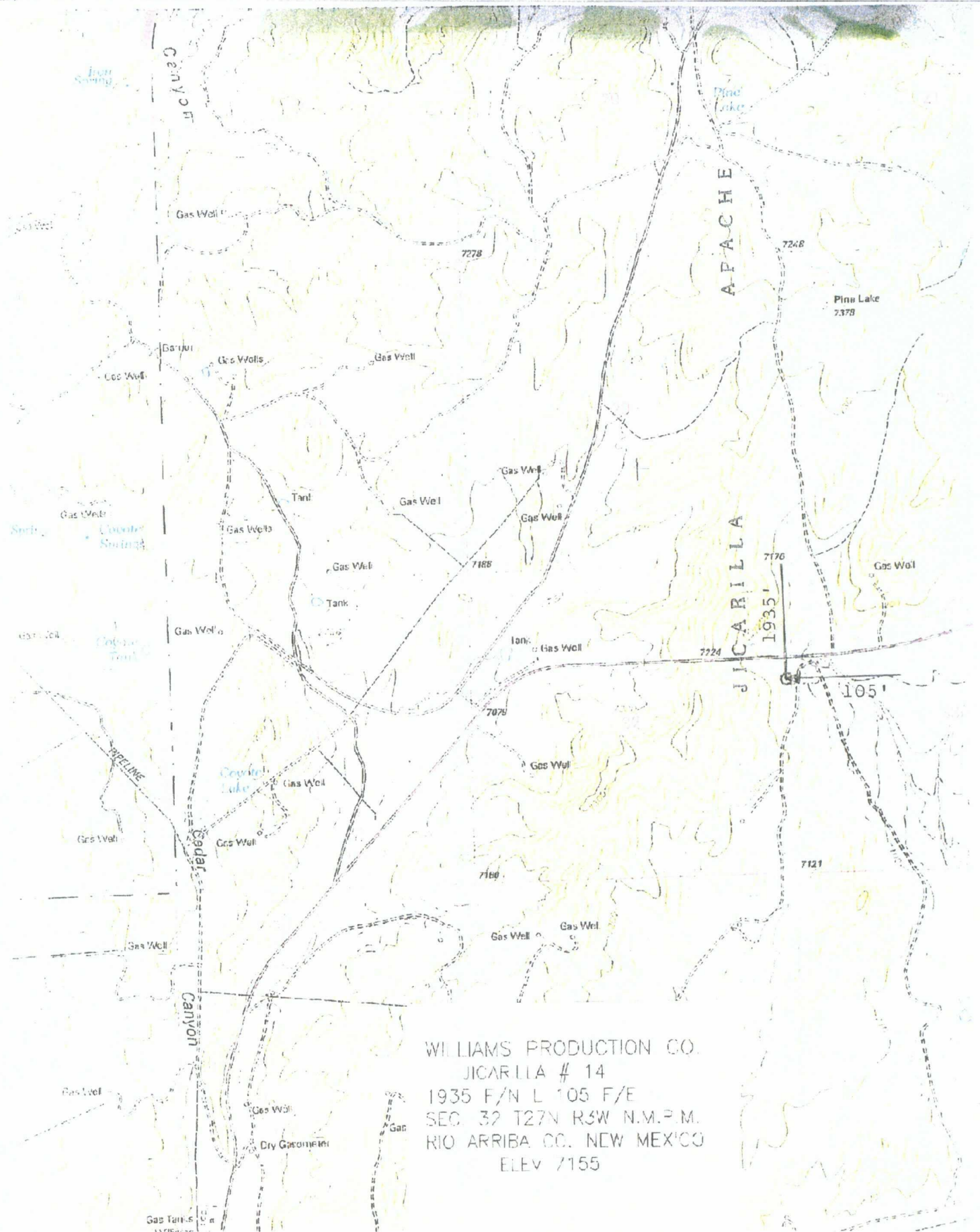
| | | | | | | | | | |
|----------------------------|----------------------|------------------------|--------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|-----------------------------|
| U/L or lot no. H | Section 32 | Township 27N | Range 3W | Lot Idn | Feet from the 1935 | North/South line NORTH | Feet from the 105 | East/West line EAST | County RIO ARRIBA |
|----------------------------|----------------------|------------------------|--------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|-----------------------------|

11 Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|--|---------|-------------------|-------|----------------------|---------------|------------------|---------------|----------------|--------|
| U/L or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| * Dedicated Acres 320 Ac E/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

| | | | |
|---------|---------|---|--|
| 5274.27 | 1935 | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Printed Name 105 Title and E-mail Address Fax | |
| | | 13 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 of Survey Signature AUGUST 26 2005 JECH. B. TULLIS REGISTERED PROFESSIONAL LAND SURVEYOR Certificate Number 3672 | |
| 5283.84 | 5283.80 | FINAL 1-11-06/20H | |
| 5283.47 | | | |



WILLIAMS PRODUCTION CO.
JICARILLA # 14
1935 F/N L 105 F/E
SEC. 32 T27N R3W N.M.P.M.
RIO ARRIBA CO. NEW MEXICO
ELEV 7155