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|-----------------|----------|--------------------|-------------------|----------|-------------------------|
| DATE IN 5/20/09 | SUSPENSE | ENGINEER D. Brooks | LOGGED IN 5/20/09 | TYPE NSL | APP NO. DKAA 0914050090 |
|-----------------|----------|--------------------|-------------------|----------|-------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505
2009 MAY 20 AM 11 18



30-039-30220
Williams 120782
Rosa Unit #850

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.

Heather Riley
Print or Type Name

Heather Riley
Signature

Regulatory Specialist 5/19/09
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

May 19, 2009

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

Re: *Request for Administrative approval of a non-standard Basin Mancos Location*
Rosa Unit #085C
API # 30-039-30220
SHL: 685' FNL & 835' FEL, Sec. 20, T31N, R5W
As Drilled BHL: 2430' FNL & 254' FEL, Sec. 20, T31N, R5W

Dear Mr. Fesmire:

Williams Production Co., LLC ("Williams"), pursuant to the provisions of Division Rule 104, hereby seeks administrative approval of an unorthodox location for the Basin Mancos (97232) formation in Rosa Unit Well No. 085C. This well has already been directionally drilled to the Dakota formation and we are attaching an "As Drilled" plat with a corrected BHL of 2430' FNL & 254' FEL, Sec. 20, T31N, R5W, N.M.P.M. Williams requested and received approval for the Dakota formation under **Administrative Order NSL-5699** dated October 10, 2007, and now wishes to add the Basin Mancos formation.

Pursuant to Order No. R-12984, spacing requirements allow for up to 4 wells in a standard spacing unit and for wells inside a federal exploratory unit and in a non-participating spacing unit they shall not be closer than 660 feet to the outer boundary of its spacing unit. Given these requirements, this location is non-standard to the south by 210 feet and the east by 406 feet.

Williams intends to capture the reserves from the Mesaverde, Basin Mancos and Dakota formations with a single well bore. Not only will the multiple completion help capture additional reserves that otherwise would not be able to be economically developed, but utilizing a single well bore for a triple completion will also negate the need for additional disturbance of another wellpad, road, and pipeline.

Mark E. Fesmire
May 19, 2009
Page 2 of 2

Also enclosed is a plat showing the offsetting spacing unit and Rosa Unit boundary. 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.

Working interest ownership is common in each spacing unit. Further, there is no Participating Area for the Mancos. Therefore, there are no affected parties as defined by Rules 1210(A)(2) and no notice is required. The spacing unit for the Basin Mancos is the north half and there are no other Basin Mancos wells in the spacing unit. There are no unleased mineral owners.

The proposed location is the most efficient and reasonable way to develop these potential reserves and would be in the best interest of conservation and the prevention of waste.

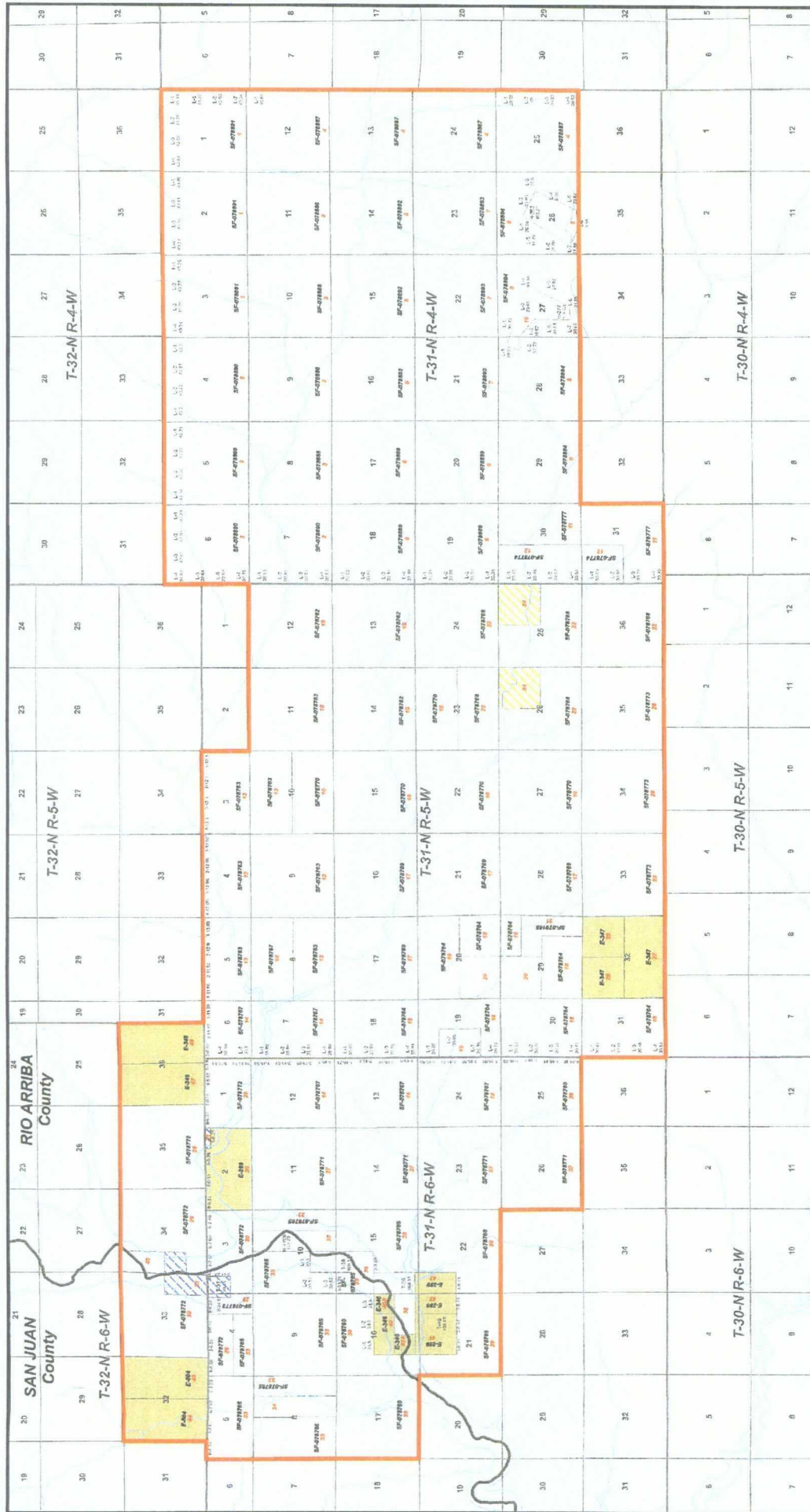
Should you have any questions or concerns, please don't hesitate to contact me at the phone numbers listed above. You can also contact Vern Hansen at our Tulsa office at (918) 573-6169.

Sincerely,

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

Heather Riley
Regulatory Specialist

Enc.: C-102
Rosa Unit Map



Williams Exploration & Production

Rosa Unit

San Juan and Rio Arriba Counties, New Mexico

Scale: 1:72,000

Projection: NAD 1983 State Plane NM Zone 1

Date: 3/5/2008

Author: TJ

Williams

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 | *Pool Name |
| 97232 / 72319 / 71599 | BASIN MANCOS / BLANCO MESAVERDE / BASIN DAKOTA | |
| *Property Code | *Property Name | *Well Number |
| 17033 | ROSA UNIT | 85C |
| *GRID No. | *Operator Name | *Elevation |
| 120782 | WILLIAMS PRODUCTION COMPANY | 6429' |

¹⁰ Surface Location

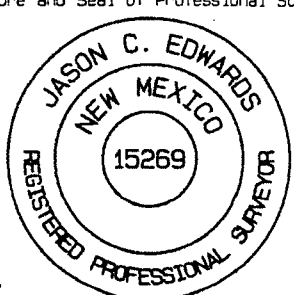
| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| A | 20 | 31N | 5W | | 685 | NORTH | 835 | EAST | RIO ARRIBA |

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 |
| H | 20 | 31N | 5W | | 2430 | NORTH | 254 | EAST | RIO ARRIBA |

| | | | |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 320.0 Acres - (N/2) | | | |

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>16</div> <div>LEASE SF-078764</div> <div>5280.00'</div> <div>5284.62'</div> <div>20</div> <div>5280.00'</div> | <div>SURFACE LOCATION LAT: 36.89040°N LONG: 107.37956°W DATUM: NAD83 LAT: 36°53.4236'N LONG: 107°22.7375'W DATUM: NAD27</div> <div>BOTTOM-HOLE LAT: 36.88562°N LONG: 107.37757°W DATUM: NAD83 LAT: 36°53.1367'N LONG: 107°22.6178'W DATUM: NAD27</div> | <div>685'</div> <div>835'</div> <div>2430'</div> <div>254'</div> <div>2640.00'</div> <div>0.06411E 18366.0'</div> | <div>17 OPERATOR CERTIFICATION</div> <p>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.</p> <div>Signature _____ Date _____</div> <div>Printed Name _____</div> <div>18 SURVEYOR CERTIFICATION</div> <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>Date Revised: MAY 7, 2009 Survey Date: NOVEMBER 20, 2006</p> <div>Signature and Seal of Professional Surveyor</div> <div> JASON C. EDWARDS Certificate Number 15269</div> |
|--|--|---|--|

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, June 02, 2009 9:38 AM
To: 'Riley, Heather '
Subject: Rosa Unit #85 NSL Application

Dear Ms. Riley

You have indicated that the offsetting units have common ownership. That would necessarily mean that all of Section 20 has common ownership? Is all of Section 19 in common ownership with Section 20?

Sincerely

David K. Brooks
505-476-3450

Brooks, David K., EMNRD

From: Riley, Heather [Heather.Riley@Williams.com]
Sent: Tuesday, June 02, 2009 2:35 PM
To: Brooks, David K., EMNRD
Cc: Higgins, Larry ; Winters, Lacey ; Hansen, Vern
Subject: RE: Rosa Unit #85 NSL Application

Mr. Brooks,

For the Mancos formation it is common.

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, June 02, 2009 9:38 AM
To: Riley, Heather
Subject: Rosa Unit #85 NSL Application

Dear Ms. Riley

You have indicated that the offsetting units have common ownership. That would necessarily mean that all of Section 20 has common ownership? Is all of Section 19 in common ownership with Section 20?

Sincerely

David K. Brooks
505-476-3450

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 10, 2007

Williams Production Company
Attn: Ms. Heather Riley
P.O. Box 640
Aztec, NM 87410

Administrative Order NSL-5699

**Re: Rosa Unit Well No. 85C
API No. 30-039-30220
Unit A, Section 20-31N-5W
Rio Arriba County**

Dear Ms Riley:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTDS07-25055565**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 5, 2007,
- (b) your supplemental communication dated October 9, 2007, and
- (c) the Division's records pertinent to this request.

Williams Production Company (Williams) has requested to complete the above-referenced well as a directional well in the Dakota formation. The well was drilled from an orthodox surface location 685 feet from the North line and 835 feet from the East line (Unit A) of Section 20, Township 31 North, Range 5 West, N.M.P.M., in Rio Arriba County, New Mexico, to an unorthodox bottom hole location in the Dakota formation, 2310 feet from the North line and 330 feet from the East line (Unit H) of said section. The N/2 of Section 20 will be dedicated to this well in order to form a standard 320-acre spacing unit in the Basin Dakota Gas Pool (71599). Spacing in this pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as amended by Order No. R-10987-B(2), which generally provide for 320-acres units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from the eastern and southern unit boundaries.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

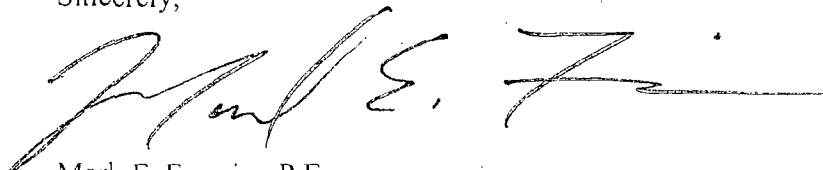
It is our understanding that you are seeking this location for geologic reasons, based on your interpretation of the drainage patterns of existing Dakota wells.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because ownership of the working interest in the offsetting units towards which this unit encroaches is identical to the subject unit.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington