

May 22, 2007

Via Hand Delivery

Mark E. Fesmire, P.E., Director  
Oil Conservation Division  
New Mexico Energy, Minerals and  
Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

*Case 13939*

2007 MAY 22 PM 4 33

Re: **Application of Williams Production Co., LLC for amendment of Order R-2046, San Juan and Rio Arriba Counties, New Mexico.**

Dear Mr. Fesmire:

Enclosed is the application of Williams Production Company, LLC in the above-referenced case as well as a copy of a legal advertisement. Williams requests that this matter be placed on the docket for the June 21, 2007 Examiner hearings.

Sincerely,



Ocean Munds-Dry  
for Holland & Hart LLP

cc: Mr. Vern Hansen

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

AUG 17 22 PM 4 33

IN THE MATTER OF THE APPLICATION  
OF WILLIAMS PRODUCTION CO., LLC FOR  
AMENDMENT OF ORDER NO. R-2046,  
SAN JUAN AND RIO ARRIBA COUNTIES,  
NEW MEXICO.

CASE NO. 13939

APPLICATION

WILLIAMS PRODUCTION COMPANY, LLC, ("Williams") through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order amending Order No. R-2046, to delete certain non-standard gas proration units within the Basin-Dakota Pool in Township 31 North, Ranges 5, and 6 West, NMPM, San Juan and Rio Arriba Counties and in support of this application states:

1. Williams is a working interest and the designated operator of the Rosa Unit located in part in Township 31 North, Ranges 5 and 6 West and has the right to drill therein.

2. Division Order No. R-2046, dated August 14, 1916, established a large number of non-standard gas proration units for the Basin-Dakota Gas Pool, including the following:

Township 31 North, Range 5 West

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
F	336.42	6	All
		7	NW/4
G	323.79	7	SW/4
		18	W/2

		19	NW/4, N/2 SW/4
H	327.63	19	S/2 SW/4
		30	W/2
		31	W/2

**Township 31 North, Range 6 West**

<u>Tract</u>	<u>Acreage</u>	<u>Section</u>	
C	353.00	3	All
		4	That portion of Tract 37 lying in Section 4.
D	343.23	4	All, except that portion of Tract 37 lying in this section.
G	318.50	12	SE/4, W/2 NE/4, SE/4 NE/4
		13	NE/4
H	335.66	13	SE/4
		24	E/2
I	337.04	25	E/2
		36	NE/4

3. The non-standard units were created due to irregular sections resulting from survey corrections in the United States Public Lands Survey.

4. Drilling patterns in this area have historically not followed the orientation of the spacing units as designated in Order R-2046. The Participating Areas within the Rosa Unit also do not follow these pre-designated spacing units.

5. To better comport with existing drilling patterns and to permit future drilling, Williams proposes these non-standard units consist of the following acreage:

**Township 31 North, Range 5 West**

<u>Tract</u>	<u>Section</u>	
1	6	All
2	7	N/2
3	7	S/2
4	18	N/2

5	18	S/2
6	19	N/2
7	19	S/2
8	30	N/2
9	30	S/2
10	31	N/2
11	31	S/2

**Township 31 North, Range 6 West**

<u>Tract</u>	<u>Section</u>	
12	3	All
13	4	All, including that portion listed on the H.S.G. survey
14	12	N/2
15	12	S/2
16	13	E/2
17	13	W/2
18	24	E/2
19	24	W/2
20	25	N/2
21	25	S/2

6. Exhibit A to this application is a list of affected persons as defined by Division Rules. Williams has given notice to the listed parties in accordance with Division Rules.

7. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Williams Production Company, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 21, 2007 and, after notice and hearing as required by law, that the application be approved.

Respectfully submitted,

HOLLAND & HART LLP

By: Ocean Munds-Dry

William F. Carr

Ocean Munds-Dry

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR WILLIAMS PRODUCTION CO., LLC

**EXHIBIT A**  
**WILLIAMS PRODUCTION CO., LLC's APPLICATION**  
**TO AMEND ORDER R-2046**

BP AMERICA PRODUCTION CO.  
ATTN: JOHN LARSON, WL1 RM 19.158  
501 WESTLAKE BOULEVARD  
HOUSTON, TX 77079-3092

SCHULTZ MANAGEMENT, LTD.  
500 N. AKARD, SUITE 2940  
DALLAS, TX 75201

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

FRED E. TURNER, LLC  
4925 GREENVILLE AVE., SUITE 852  
DALLAS, TX 75206-4079

J. GLENN TURNER, JR. LLC  
3838 OAK LAWN  
SUITE 1450  
DALLAS, TX 75219

XTO ENERGY, INC.  
ATTN: EDWIN S. RYAN, JR.  
810 HOUSTON STREET, STE 2000  
FORT WORTH, TX 76102-6298

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

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

PATRICIA P. SCHIEFFER TRUST,  
BANK OF AMERICA, N.A. AGT  
ATTN: JEFF ANDERSON  
P.O. BOX 2546  
FORT WORTH, TX 76113-2546

FOREST OIL CORPORATION  
ATTN: KEN MCPHEE  
707 17<sup>th</sup> STREET  
DENVER, CO 80202

MS. VICTORIA WEBB  
806 CORDOVA  
DALLAS, TX 75223

HENRIETTA E. SCHULTZ, TRUSTEE  
500 NORTH AKARD, SUITE 2940  
DALLAS, TX 75201

SACRAMENTO MUNICIPAL UTILITIES  
DISTRICT  
ATTN: THOMAS INGWERS

CONOCOPHILLIPS COMPANY  
ATTN: CHIEF LANDMAN,  
SAN JUAN/ROCKIES  
P. O. BOX 4289  
FARMINGTON, NM 87499-4289

P. O. BOX 15830  
SACRAMENTO, CA 95852-1830

MINERALS MANAGEMENT SERVICE  
P.O. BOX 5810  
DENVER, CO 80217-5810

NEW MEXICO STATE ROYALTY  
310 OLD SANTA FE TRAIL  
SANTA FE, NM 87501

CASE 13939: **Application of Williams Production Co., LLC for amendment of Order No. R-2046, San Juan and Rio Arriba Counties, New Mexico.** Applicant, in the above-styled cause seeks the amendment of Division Order R-2046 to delete certain non-standard spacing and proration units for the Basin-Dakota Gas Pool in Township 31 North, Ranges 5 and 6 West, NMPM, San Juan and Rio Arriba Counties and creating new non-standard spacing units consistent with current drilling patterns. Said area is located approximately 9 miles southeast of Arbolies, Colorado.