



June 10, 2008

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 14146

RECEIVED
JUN 10 PM 4:15

**Re: Application of Williams Production Co., LLC for Pre-Approval of
Downhole Commingling and for Non-Standard Locations, 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 July 10, 2008 Examiner hearings.

Sincerely,

Ocean Munds-Dry

Ocean Munds-Dry
for Holland & Hart^{LLP}

See Amended APPLICATION
cc: Mr. Vern Hansen

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

RECEIVED
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IN THE MATTER OF THE APPLICATION
OF WILLIAMS PRODUCTION CO., LLC FOR
PRE-APPROVAL OF DOWNHOLE COMMINGLING
AND FOR NON-STANDARD LOCATIONS
IN THE ROSA UNIT, SAN JUAN AND
RIO ARriba COUNTIES, NEW MEXICO.

CASE NO. 14146

APPLICATION

WILLIAMS PRODUCTION COMPANY, LLC, ("Williams") through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order establishing downhole commingling and non-standard locations in the Rosa Unit, San Juan and Rio Arriba Counties and in support of this application states:

1. Williams is a working interest owner and the designated operator of the Rosa Unit. The horizontal limits of said Unit Area are described as follows:

Township 32 North, Range 6 West

Section 32: All
Section 33:
Section 34:
Section 35 & 36: All

Township 31 North, Range 6 West

Section s 1 & 2: All
Section 3:
Sections 4,5,8-17, 21-26: All

Township 31 North Range 5 West

Sections 3-36: All

Township 31 North Range 4 West

Sections 1-31: All

2. Williams produces from the Dakota, Mesaverde, Fruitland Coal, Pictured Cliffs and Mancos formations in the Rosa Unit. Williams seeks to commingle production in the following pools within the Rosa Unit: Basin Fruitland Coal Gas Pool, Rosa Pictured Cliffs Pool, East Blanco Pictured Cliffs Pool, Carracas-Pictured Cliffs Pool, Blanco Mesaverde Pool, Cottonwood-Fruitland Sand Pool, Laguna Seca Gallup Pool, Cedro Gallup Pool, Willow Gallup Pool and the Basin Mancos Pool.

3. Williams seeks to commingle these gas pools in the Rosa Unit.

4. The gas bearing zones that are the subject of this application are currently governed by Oil Conservation Division Rule 104 and the Special Rules and Regulations for the Blanco-Mesaverde. These rules provide for wells to be located no closer than 660 feet from the outer boundary of the dedicated spacing unit nor 10 feet to any quarter-quarter section line.

5. Because of topographical, archeological, geological and cultural factors, it is difficult to comply with Division well location rules. Additionally, in this federal unit, Williams is required to create Participating Areas. Because these Participating Areas often overlap and Williams often commingles production, a well may be standard in one pool and non-standard in another pool.

6. Williams therefore seeks an order from the Division that authorizes wells to be drilled and recompleted at unorthodox well locations in the Rosa Unit in the above-mentioned pools, provided that any such unorthodox well location is no closer than the required minimum orthodox distance (660 feet) from the outer boundary of the

Unit or any non-participating or partially committed tract nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

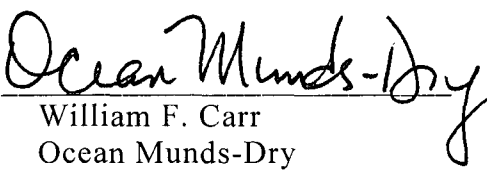
6. Exhibit A to this application is a list of affected persons as defined by Division Rules. Williams has given notice to the listed parties in accordance with Division Rules.

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 July 10, 2008 and, after notice and hearing as required by law, that the application be approved.

Respectfully submitted,

HOLLAND & HART LLP

By: 
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EXHIBIT A
WILLIAMS PRODUCTION CO., LLC's APPLICATION TO COMMINGLE IN
THE ROSA UNIT AND FOR UNORTHODOX WELL LOCATIONS

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CASE 14146: **Application of Williams Production Co., LLC for Pre-Approval of Downhole Commingling and For Non-Standard Locations in the Rosa Unit, San Juan and Rio Arriba Counties, New Mexico.** Applicant, in the above-styled cause seeks pre-approval for downhole commingling in the Basin Fruitland Coal Gas Pool, Rosa Pictured Cliffs Pool, East Blanco Pictured Cliffs Pool, Carracas-Pictured Cliffs Pool, Blanco Mesaverde Pool, Cottonwood-Fruitland Sand Pool, Laguna Seca Gallup Pool, Cedro Gallup Pool, Willow Gallup Pool and the Basin Mancos Pool. Applicant also seeks non-standard locations for the Rosa Unit in Township 32 North, Range 6 West, Township 31 North, Ranges 4, 5 and 6 West, NMPM, San Juan and Rio Arriba Counties. Said area is located approximately 9 miles southeast of Arboles, Colorado.

*See
Appended*