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September 23, 2008

EXPLORATION & PRODUCTION

One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102
918/573-2000

Assistant District Manager, Minerals (3 copies)
Bureau of Land Management
Farmington Resources Area
Attn: Mr. Wayne Townsend
1235 La Plata Highway
Farmington, NM 87401

State of New Mexico (2 copies)
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1148

State of New Mexico (2 copies)
Oil Conservation Division
Attn: Roy Johnson
1220 S. St. Francis
Santa Fe, NM 87505

Re: Cox Canyon Unit I - Sec. 946
San Juan County, New Mexico
Fruitland Participating Area

Initial Expansion - Effective 8/09/90
First Expansion - Effective 12/1/90

2008 SEP 26 PM 2:32
RECEIVED

Gentlemen:

Pursuant to the provisions of Section 11 of the Cox Canyon Unit Agreement I - Section Number 946, approved January 10, 1952, Williams Production Company, LLC, as Unit Operator, hereby respectfully requests approval of the referenced participating areas for the Fruitland Formation. Pursuant to the BLM letter, attached is a list of all wells that have been deemed commercial.

Initial Expansion - Effective 8/9/1990

Total P/A Acres = 336.40

<u>Wells/No./Dedication</u>	<u>Tract #</u>	<u>Tract Description</u>	<u>Tract Acres</u>	<u>Lease No</u>
Cox Canyon Unit #200	10	T32N R11W, Sec. 09: lot 1,2,3,4,	176.40	NM03189
	10	T32N R11W, Sec. 09: S/2S/2	160.00	NM03189

First Expansion – Effective 12/01/1990

Total P/A Acres = 320.00

<u>Wells/No./Dedication</u>	<u>Tract #</u>	<u>Tract Description</u>	<u>Tract Acres</u>	<u>Lease No</u>
Cox Canyon Unit #203	11	T32N R11W, Sec. 17: E/2	320.00	NM03190

Attached hereto are the schedules for the Initial and first expansion for the Fruitland Participating Area. The schedules describe the Participating Area, show the percentages of ownership in the tracts, and show the percentages of unitized substances allocated to each unitized tract. Also included is a map reflecting the boundaries of the unit and the proposed Fruitland Area within the Cox Canyon Unit. A total of 656.40 acres is in the Fruitland PA.

If these proposed Participating Areas as set forth herein meets with your approval, please indicate such approval in the space provided on the attached sheet and return an approved copy for our files.

Copies of this application are being sent to the Working Interest Owners shown on the attached sheet. If you have any questions or need any additional information, please contact the undersigned at (918) 573-6181.

Sincerely,



Kristine Russell
Williams Production Company, LLC
Senior Contract Administrator
P.O. Box 3102
Tulsa, OK 74101
918/573-6181
Kris.russell@williams.com

Cc: Working Interest Owners

Bryan Holmes
Rick Jones
Vern Hansen
April Axsom
Craig Finch
Mark Beach
Tony Scheiper
Fruitland File

Bureau of Land Management
Commissioner of Public Lands
Oil Conservation Commission

APPROVED _____ DATE _____

Assistant District Manager, Minerals
Bureau of Land Management
Subject to like approval by the Commissioner of Public Lands
And the Oil Conservation Commission

APPROVED _____ DATE _____

Commissioner of Public lands
Subject to like approval by the Area Oil & Gas Supervisor
And the Oil Conservation Commission

APPROVED _____ DATE _____

Oil Conservation Commission
Subject to like approval by the Area Oil & Gas Supervisor
And the Commissioners of Public Lands

The foregoing are approvals for the Initial through the First Participating Area in the Fruitland formation of the Cox Canyon Unit I - Sec. 946.

WORKING INTEREST OWNERS
COX CANYON UNIT

BP America Production Company
Attn: John Larson
P.O. Box 3092
Houston, TX 77253-3092

Burlington Resources
Attn: Cherylene Charley
P.O. Box 4289
Farmington, NM 87499-4289

ConocoPhillips
Attn: Chief Landman, San Juan/Rockies
P.O. Box 4289
Farmington, NM 87499-4289



Fruitland Participating Area- Initial and 1st Expansion
 Federal
 Fee
 State



Exploration & Production



Cox Canyon
Fruitland Formation
San Juan County, New Mexico

Scale: 1:36,000

Projection: NAD 1983 State Plane NM West

Date: 9/15/2008

Author: RFB

2,000 0 2,000 4,000
 Feet

SCHEDULE I
INITIAL PARTICIPATING AREA FOR THE FRUITLAND FORMATION COX CANYON UNIT

SERIAL NUMBER	DESCRIPTION	NON-COMMITTED ACRES	NUMBER OF ACRES	TRACT OWNERSHIP	GWI PERCENTAGE	NRI PERCENTAGE
NM03189	T32N R11W			<u>Tract 10</u>		
	Sec 9: Lot 1, Lot 2, Lot 3, Lot 4, S/2S/2		336.40	Williams Production Company LLC	23.0000000000%	16.675000%
				Burlington Resources	27.0000000000%	18.900000%
				BP America Production Company	50.0000000000%	42.500000%
				ROYALTY		12.5000000000%
				ORRI		15.0000000000%
					100.0000000000%	
			336.40			

WILLIAMS PRODUCTION COMPANY LLC
COX CANYON UNIT FRUITLAND
INITIAL EXPANSION

Williams Production Company LLC	0.230000000
Burlington Resources	0.270000000
BP America Production Company	0.500000000
	1.000000000

SCHEDULE I
INITIAL PARTICIPATING AREA FOR THE FRUITLAND FORMATION
COX CANYON UNIT AREA

RECAPITULATION

Township 32 North, Range 11W, N.M.P.M.

Sec 9: S/2

Total number of Acres in Participating Area:	336.40
Total number of Acres Committed to Participating Area:	336.40
Total number of Acres not-Committed to Participating Area:	0

SCHEDULE II

[illegible]

WILLIAMS PRODUCTION COMPANY LLC
COX CANYON UNIT FRUITLAND
1ST EXPANSION

Williams Production Company LLC	0.230000000
Burlington Resources	0.270000000
BP America Production Company	0.500000000
	1.000000000

SCHEDULE II
FIRST PARTICIPATING AREA FOR THE FRUITLAND FORMATION
COX CANYON UNIT AREA

RECAPITULATION

Township 32 North, Range 11W, N.M.P.M.

Sec 9: S/2
Sec 17: E/2

Total number of Acres in Participating Area:	656.40
Total number of Acres Committed to Participating Area:	656.40
Total number of Acres not-Committed to Participating Area:	0