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February 17, 2009

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
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Case 14289

FILED
MAR 19 2009
NEW MEXICO
SANTA FE

**Re: Application of Williams Production Co., LLC for Pre-Approval of
Downhole Commingling, 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 March 19, 2009 Examiner hearings.

Sincerely,

Ocean Munds-Dry
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for Holland & Hart LLP

cc: Mr. Vern Hansen

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

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

CASE NO. 14289

APPLICATION

WILLIAMS PRODUCTION COMPANY, LLC, ("Williams") through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order establishing pre-approval of downhole commingling for the Mesaverde, Dakota and Mancos formations and pools in the Rosa Unit from any and all existing and future wells in the 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 32-36: All

Township 31 North, Range 6 West

Sections 1 -3: All
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 and Mancos formations in the Rosa Unit. Williams seeks to commingle production in the following pools within the Rosa Unit: Basin Dakota Pool, Mesaverde Pool and the Basin Mancos Pool. The Basin Dakota and the Blanco Mesaverde Pools are pre-approved for commingling pursuant to Rule 19.15.12.11(E).

3. Williams seeks to downhole commingle these gas pools in the Rosa Unit in all existing and future wells.

4. Williams previously received approval pursuant to Division Order R-12991 for a reference case allowing for commingling applications to be submitted without providing further notice to all interest owners for each application.

5. Sufficient data exists from wells for the pools and formations which are the subject of this application to render it unnecessary to repeatedly provide the data required by Division Rule 19.5.12.11. Williams will show:

a) The fluids from each pool which are the subject of this application are compatible and combining the fluids will not result in damage to any pool;

b) The commingling of fluids as proposed in this application will not result in shut-in or flowing wellbore pressure in excess of the fracture parting pressure of any commingled pool;

c) The commingling of fluids as proposed in this application will not result in the permanent loss of reserves due to cross-flow in the wellbore; and

d) The allocated production from each producing pool in each commingled wellbore will not exceed the top oil or gas allowable rate for a well in that pool or other rate restriction applicable to such well.

6. The approval of this application will extend the economic life of the existing wells and thereby increase the ultimate recovery from these formations and prevent waste.

7. 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.

8. 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 March 19, 2009 and, after notice and hearing as required by law, that the application be approved.

Respectfully submitted,

HOLLAND & HART LLP

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EXHIBIT A
WILLIAMS PRODUCTION CO., LLC's APPLICATION TO COMMINGLE IN
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CASE ¹⁴²⁸⁹~~14289~~:

Application of Williams Production Co., LLC for Pre-Approval of Downhole Commingling in the Rosa Unit, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause seeks pre-approval of downhole commingling in the Basin Dakota Pool, Blanco Mesaverde Pool and the Basin Mancos Pool in any and all existing and future wells in the Rosa Unit. The Rosa Unit is located 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.