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To Appropriate
District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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811 South First, Artesia NM 88210

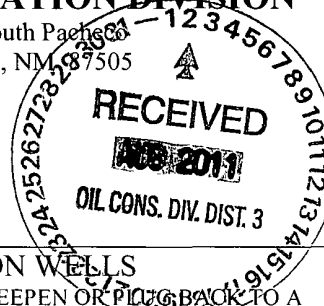
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505



WELL API NO. 30-039-30182
5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Rosa Unit
8. Well No. Rosa Unit 036C
9. Pool name or Wildcat BLANCO MV//BASIN DK
10. Elevation (Show whether DF, RKB, RT, GR, etc. 6421' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

WILLIAMS PRODUCTION COMPANY

3. Address of Operator

P.O. Box 640, Aztec, NM 87410

4. Well Location (Surface)

Unit letter G : 1830 feet from the NORTH line & 1970 feet from the EAST line Sec 11 -31N-6W RIO ARRIBA, NM

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL
WORK

PLUG AND ABANDON

REMEDIAL WORK

ALTERING CASING

TEMPORARILY ABANDON

CHANGE PLANS

COMMENCE DRILLING OPNS.

PLUG AND
ABANDONMENT

PULL OR ALTER CASING

CASING TEST AND CEMENT JOB

☒ OTHER: COMMINGLING AUTHORIZATION

OTHER: _____

- 1) Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). Data below to satisfy NM OCD Rule 303.C.3 (b) (i)-(vii)
- Pre-approved Pool Division Order R-13122.
 - Pools to be commingled: Blanco MV 72319, Basin Dakota 71599.
 - Perforated intervals: Blanco MV 5505'-5909', Basin Dakota 8011'-8104'.
 - Fixed percentage allocation based upon production data of 62% Blanco MV and 38% Basin Dakota. This is based on the historic production of all wells that have MV/DK production. See attached recommendation for details. This allocation may be adjusted at a later date based on a spinner survey after production has stabilized.
 - Commingling will not reduce the value of reserves.
 - Interest owners in the spacing unit have not been notified of the intent to downhole commingle per order R-12991.
 - The BLM has been notified on sundry notice form 3160-5.

D+1C 3628 AZ

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Larry Higgins TITLE: Permit Supv DATE: 8/2/11

Type or print name Larry Higgins

Telephone No: (505) 634-4208

(This space for State use)

APPROVED

BY

TITLE

Deputy Oil & Gas Inspector,
District #3

DATE

AUG 11 2011

Conditions of approval, if any:

AV



Exploration & Production

Production Allocation Recommendation Rosa Unit #036C (DK/MV)

WELLNAME: Rosa Unit #036C
LOCATION: Sec. 11, T31N,R06W
API No.: 03-039-30182

FIELD: Rosa Unit
COUNTY: Rio Arriba, NM
Date: 8/2/11

Current Status: Williams is currently completing the Rosa Unit #036C in the Dakota and Mesa Verde formations. Williams recommends commingling the well after the proposed completion work has been completed.

Commingle Procedure:

1. Acidize & fracture stimulate the DK and MV formations
2. Flow back and clean up each formation prior to completion.
3. TIH w/ work string and remove CIBP
4. Clean out to PBTD
5. Complete with single string 2-3/8" tubing, landed below DK perms
6. NDBOP. NUWH.
7. Turn well over to production as a commingle

Allocation Method: Williams has assembled historic production data from MV and DK wells that have been drilled after Jan 2003. Williams used this production data to come up with an initial allocation for this commingle. Williams recommends that a spinner survey be performed after production has stabilized, so that allocation percentages can be corrected if need be.

After 18 months of production:

Total Production from well = 227,905 Mcf
Total Production from DK = 86,405 Mcf
Total Production from MV = 141,500 Mcf

DK allocation = DK prod / Total prod = 86,405 Mcf / 227,905 Mcf = **38%**

MV allocation = MV prod / Total prod = 141,500 Mcf / 227,905 Mcf = **62%**