Submit 3 Copies		f New Mexico		Revised 1-1-89
To Appropriate District Office	Energy, Minerals and	Natural Resources Depart		·
DISTRICT I	OH CONSER	VATION DIVISI	ON 56 D 57	WELL API NO.
P.O. Box 1980, Hobbs, NM 88240		South Doob 23 - 123	X 11	
	2040 i	South Pacheco 234	56	30-039-30182
DISTRICT II	Santa	Fe, NM 9 7505	6	5. Indicate Type of Lease
811 South First, Artesia NM 88210		RECEIVE	D 3/	STATE FED
0. , 1		% AUS 2011	2	
DISTRICT III		OIL CONS. DIV. DIST	7	6. State Oil & Gas Lease No.
1000 Rio Brazos Rd., Aztec, NM 87410		OIL CONS. DIV. DIST.	3 4/	
		/2	•^~	
SUNDRY NOTIO (DO NOT USE THIS FORM FOR PROP DIFFERENT RESERVOIR. USE "A	CES AND REPORTS	ON WEFTS	9/2/	7. Lease Name or Unit Agreement
(DO NOT USE THIS FORM FOR PROP	OSALS TO DRILL OR TO	DEEPEN OR PICEGBACK	ŽÝÓ A	Name:
DIFFERENT RESERVOIR. USE "A	PPLICATION FOR PERMI	I" (FORM C-101) FOR S UC	CH	Rosa Unit
1. Type of Well:	PROPOSALS			
	Gas Well ■	Other		
2. Name of Operator	Jas WCII	Onici		8. Well No.
2. Name of Operator				o. Wen 140.
WILLIAMS PRODUCTION COMPA	NY			Rosa Unit 036C
3. Address of Operator	<u></u>			9. Pool name or Wildcat
P.O. Box 640, Aztec, NM 87410				BLANCO MV//BASIN DK
4. Well Location (Surface)				
11 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	the NORTH line & 197	0 feet from the EAST 1	line Sec	11 -31N-6W RIO ARRIBA, NM
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SIGNATURE Carry May TITLE: Permit Supv DATE: 8/2/11 Type or print name Larry Higgins (This space for State use) Telephone No: (505) 634-4208 Deputy Oil & Gas Inspector, _DATE_AUG 1 1 2011 APPROVED District #3 TITLE BY

Conditions of approval, if any:

A



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

WELLNAME: Rosa Unit #036C FIELD: Rosa Unit

LOCATION: Sec. 11, T31N,R06W **COUNTY:** Rio Arriba, NM

API No.: 03-039-30182 **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 perfs
- 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%