

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 04 2011

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. State - E289
2. Name of Operator Williams Production Company, LLC		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 640 Aztec, NM 87410	3b. Phone No. (include area code) 505-634-4208	7. If Unit of CA/Agreement, Name and/or No Rosa Unit
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) 445' FSL & 2460' FEL, Sec 2, R31N, T06W		8. Well Name and No. Rosa Unit-COM #148
		9. API Well No. 30-039-25493
		10. Field and Pool or Exploratory Area Blanco MV/Basin DK
		11. Country or Parish, State Rio Arriba, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Commingle _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Williams Production plans to commingle the Blanco Mesa Verde and Basin Dakota on this well as per attached procedure. Commingle authorization has been filed with the NMOCD. (copy attached)

DHC 3635 AZ

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Larry Higgins		Title Permit Supervisor
Signature <i>Larry Higgins</i>		Date 8/4/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Joe Hewitt</i>	Title GCD	Date P-F-11
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office FFD	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

NMOCD *AV*



Submit 3 Copies
To Appropriate
District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised 1-1-89

DISTRICT II
811 South First, Artesia NM 88210

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

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)		WELL API NO. 30-039-25493
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FED
2. Name of Operator WILLIAMS PRODUCTION COMPANY		6. State Oil & Gas Lease No. E-289
3. Address of Operator P.O. Box 640, Aztec, NM 87410		7. Lease Name or Unit Agreement Name: Rosa Unit
4. Well Location (Surface) Unit letter 0 : 445 feet from the SOUTH line & 2460 feet from the EAST line Sec 2 -31N-6W RIO ARRIBA, NM		8. Well No. Rosa Unit COM 148
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6326' GR		9. Pool name or Wildcat BLANCO MV//BASIN DK

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

X 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 5324'-5967', Basin Dakota 7891'-8012'.
 - Fixed percentage allocation based upon production data of 54% Blanco MV and 46% 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.

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: 8/3/11

Type or print name Larry Higgins Telephone No: (505) 634-4208
(This space for State use)

APPROVED

BY _____ TITLE _____ DATE _____

Conditions of approval, if any:



Exploration & Production

Production Allocation Recommendation

ROSA UNIT #148

Mesa Verde/Dakota

WELLNAME: Rosa Unit #148
LOCATION: SW/4 SE/4 Section 2, T31N, R6W
API No.: 30-039-25493

FIELD: San Juan
COUNTY: Rio Arriba
Date: August 3, 2011

Current Status: The Rosa #148 is currently a dual completion well producing from the Mesa Verde and Dakota formations. Williams recommends commingling this well.

Commingling Procedure:

- Mesa Verde tubing will be pulled
- Dakota tubing will be pulled
- Production packer will be removed
- Well will be cleaned out to PBTD at 8048'
- A single string of 2-3/8" tubing will be run to ~8000'
- One set of wellhead facilities will be removed
- Well will be produced as a MV/DK commingle

Allocation Method: Historic production data from both zones in this well was gathered and analyzed. Average production was considered to calculate baseline allocations. Williams will run a completion profiler once the well is commingled to re-evaluate allocation percentages.

Average production used for baseline allocation:

Total Production from well = 102.5 Mcfd
Total Production from MV = 55.2 Mcfd
Total Production from DK = 47.3 Mcfd

MV allocation = MV production / Total production = 55.2 Mcfd / 102.5 Mcfd = **54%**

DK allocation = DK production / Total production = 47.3 Mcfd / 102.5 Mcfd = **46%**