



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

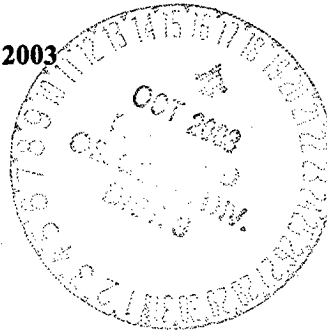
**Joanna Prukop**  
Cabinet Secretary

October 8, 2003

**Lori Wrotenbery**  
Director  
Oil Conservation Division

30-045-31888

Williams Production Company, L.L.C.  
c/o Holland & Hart LLP  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208



Attention: William F. Carr

Re: *Administrative application (internal reference No. pMES0-325256782) for an exception to the well location provisions of the Basin-Fruitland Coal (Gas) Pool for Williams Production Company's proposed Rosa Unit Well No. 242-A to be drilled as a horizontal drainhole within a producing area considered to be unorthodox within a project area comprising the W/2 of Section 33, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico, being a standard 320-acre stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool.*

Dear Mr. Carr:

I have reviewed your application and find it to be incomplete with respect to notice.

The proposed horizontal wellbore is to be located within 10 feet of two existing Basin-Fruitland coal gas spacing units: (i) the E/2 of Section 32 to the west; and (ii) the E/2 of Section 33 to the east. Since there is no participating area for coal gas in the Rosa Unit (another matter which if not resulted in the near future will result in all location exception requests to be set for hearing), the notice provisions as set forth in Division Rule 1207.A (2) is required [see Rule 7 (b) of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended. Furthermore, in this instance where the producing area is to be only 10 feet from existing spacing units with different royalty interests (State Lands in Section 32 and fee acreage in the E/2 of Section 33) correlative rights issues are at stake and notice should be provided [see Sections 70-2-11.A and 70-2-12.B (7) of the New Mexico Oil and Gas Act].

This application, as filed, is hereby **denied** and is being returned to you at this time.

Should you have any questions or comments concerning this matter, please contact me in Santa Fe at (505) 476-3465.

Sincerely,

Michael E. Stogner  
Hearing Officer/Engineer

MES/ms

cc: New Mexico Oil Conservation Division - Aztec  
New Mexico State Land Office - Santa Fe  
U. S. Bureau of Land Management - Farmington



30-045-31888

DATE IN 9/9/03	SUSPENSE 9/29/03	ENGINEER MS	LOGGED IN ms	TYPE NSL	APP NO. PMFSO-325256782
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

## Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

## [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

RECEIVED

SEP . 9 2003

Oil Conservation Division

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☐ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

## [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

WILLIAM F. CARR  
 Print or Type Name

William F. Carr  
 Signature

ATTORNEY  
 Title

9-9-03  
 Date

wcarr@hollandhart.com  
 e-mail Address

**HOLLAND & HART** LLP  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

**William F. Carr**

wcarr@hollandhart.com

September 9, 2003

**HAND DELIVERED**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Williams Production Company, L.L.C. for Administrative Approval of Horizontal Drilling and Unorthodox Surface and Bottomhole Locations in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Ms. Wrotenbery:

Pursuant to the provisions of Rules 8 and 9 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768 dated October 17, 1988, as amended, Williams Production Company, L.L.C. hereby files its application for an administrative exception to the requirements of Rule 7 as amended by Division Order Nos. R-8768-B, dated February 10, 2000, and R-8768-C, dated October 15, 2002, for the drilling of its Rosa Unit Well No. 2423-A as an intentionally deviated horizontal wellbore on a standard 320-acre coalbed methane gas spacing unit comprised of the W/2 of Section 33, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico. This spacing unit will be the Project Area for this horizontal well.

Rule 7 provides that wells in the Basin-Fruitland Coal Gas Pool shall be located no closer than 660 feet to any outer boundary of the spacing unit nor closer than 10 feet to any interior quarter or quarter-quarter section line. Although this well is within a federal exploratory unit, there is no established Fruitland Coal Participating area and the proposed well therefore is governed by Rule 7(a)(2)(vi) which provides: "if the well is located within an exploratory unit area but in an existing or prospective spacing unit that is a non-participating spacing unit, it shall not be closer than 660 feet to the outer boundary of its spacing unit."

The surface location for the proposed Rosa Unit Well No. 242-A well is in the Northeast quarter of the section at a point 1965 feet from the North line and 2155 feet from the East line of said Section 33.

Williams proposes to drill a vertical well to a kick-off point at a true vertical depth of 2500 feet and build a curve until a 90 degree curve is achieved at a vertical depth of 4224.41 feet. The Fruitland Coal formation will be penetrated in the NW/4 of Section 33 at a point

**HOLLAND & HART** LLP  
ATTORNEYS AT LAW

Williams Production Company  
Administrative Application for Horizontal Drilling  
and Unorthodox Well Location  
September 9, 2003  
Page 2

5329.5 feet from the North line and 2610 feet from the West line of the section (30 feet from the east boundary of the project area for the well). Williams proposes to then drill a lateral in a west northwesterly direction along an azimuth of 280.000 degrees for a bottomhole displacement of approximately 3221.0 feet to a terminus in the SW/4, NW/4 of Section 33. The wellbore will be confined to a narrow target seam and is projected to an unorthodox bottomhole location 10 feet from the West line of Section 33 -- the outer boundary of the Project Area.

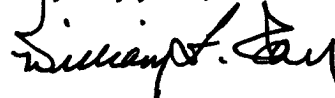
Attached to this application are the following documents:

- Exhibit A.** A plat showing the proposed spacing unit, the unorthodox surface location, projected horizontal wellbore and the proposed lateral end of the wellbore;
- Exhibit B.** A plat identifying all offsetting owners, all of which have voluntarily committed their respective interests to the Rosa Unit;
- Exhibit C.** A copy of Division Form C-102 identifying the proposed 320-acre standard gas spacing or proration unit to be dedicated to the well;
- Exhibit D.** The Halliburton Proposal Report for the Rosa Unit Well No. 242-A which contains schematic drawings of the proposed well that fully describe the casing, tubing, perforated or openhole interval, kick-off point, and proposed trajectory of the directional drainhole;

As noted above, the spacing unit for the proposed horizontal well comprised of the W/2 of Section 33 is located within the Rosa Unit, a voluntary exploratory unit operated by Williams Production Company, L.L.C. and all interests in each of these offsetting tracts have been committed to the unit. The spacing unit/project area for this well adjoins the Allison Unit on the North. However, the wellbore at all times is more than the required 660 foot set back from the outer boundary of the Rosa Unit as required by Rule 7 (a) (1) (ii). Therefore, there are no operators or owners of tracts offsetting the proposed gas spacing or proration unit to whom notice of this application must be provided pursuant to Rule 9(B).

Your attention to this application is appreciated.

Very truly yours,

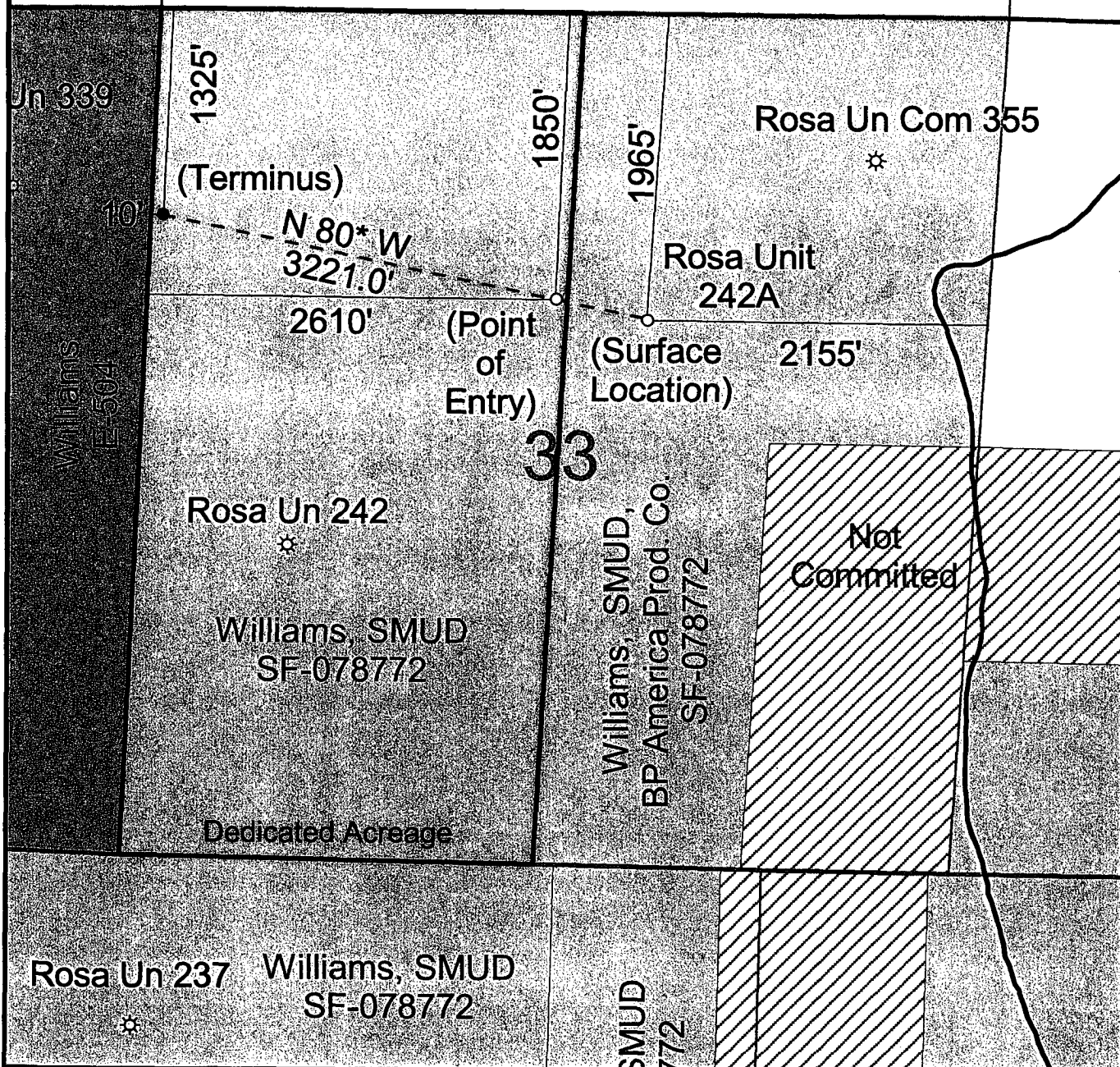


William F. Carr  
Attorney for Williams Production Company

Enclosures

cc: Oil Conservation Division-Aztec  
Vern Hansen-Williams

# Rosa Unit



## EXHIBIT A

500 0 500 1000 Feet



Exploration & Production



Rosa Unit 242A  
Sec. 33, T-32-N, R-6-W

Scale: 1:12000

Projection: UTM - 1983  
Zone 13

Date: 8/4/2003

Author: Chuck Fessler



District I  
PO Box 1580, Hobbs, NM 88241-1580

District II  
PO Drawer 00, Artesia, NM 88211-0719

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

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 71629	Pool Name BASIN FRUITLAND COAL	
Property Code 17033	Property Name ROSA UNIT		Well Number 242A	
OGRIQ No. 120782	Operator Name WILLIAMS PRODUCTION COMPANY		Elevation 6384'	

## 10 Surface Location

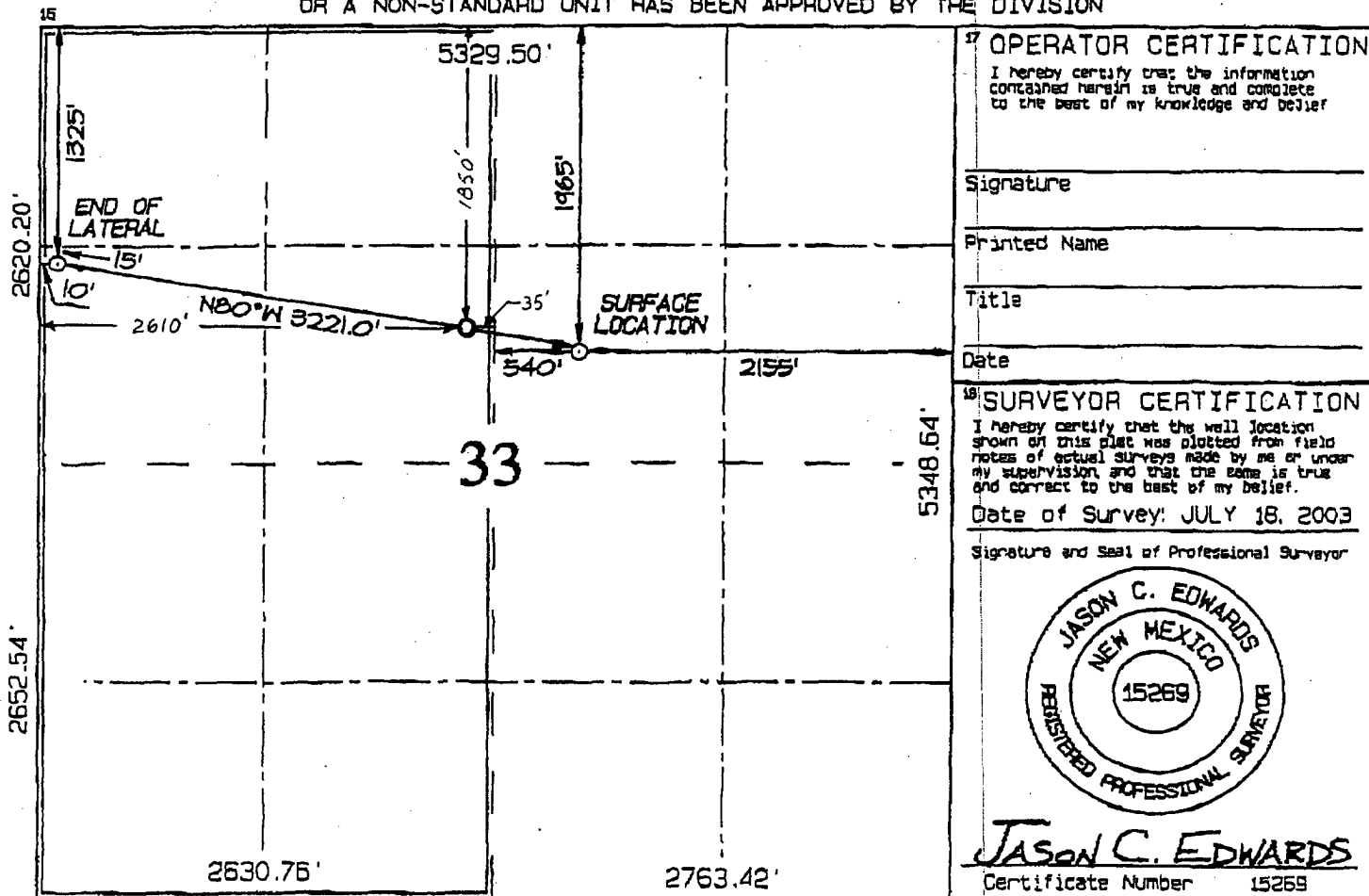
UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
G	33	32N	6W		1965	NORTH	2155	EAST	SAN JUAN

## 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
E	33	32N	6W		1325	NORTH	10	WEST	SAN JUAN

Dedicated Acres 320.0 Acres - (W/2)		Joint or Drift	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





30-045-31888

**Williams Production Company**  
**New Mexico**  
**San Juan County**  
**Rosa Unit # 242A - Plan 09/03/03**

**Sperry-Sun**

## **Proposal Report**

**3 September, 2003**

Data Source: Information from Gary Sizemore

Proposal Ref: pro6863

EXHIBIT D

**HALLIBURTON**



## Proposal Report for Rosa Unit # 242A - Plan 09/03/03

Data Source: Information from Gary Sizemore

Measured Depth (ft)	Incl. (Deg)	Azim. (Deg)	Station TVD (ft)	Coordinates Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Comment
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00		
1001.00	0.000	0.000	1001.00	0.00 N	0.00 E	0.00	0.00	Nacimiento Fm
2268.00	0.000	0.000	2268.00	0.00 N	0.00 E	0.00	0.00	Ojo Alamo Ss
2399.00	0.000	0.000	2399.00	0.00 N	0.00 E	0.00	0.00	Kirtland Sh
2500.00	0.000	0.000	2500.00	0.00 N	0.00 E	0.00	0.00	Kick-Off at 2500.00ft
2600.00	12.000	280.000	2599.27	1.81 N	10.28 W	10.43	12.00	
2700.00	24.000	280.000	2694.20	7.17 N	40.65 W	41.28	12.00	
2800.00	36.000	280.000	2780.65	15.83 N	89.80 W	91.19	12.00	
2824.12	38.894	280.000	2799.79	18.38 N	104.24 W	105.85	12.00	Build Rate = 12.00°/100ft
2900.00	48.000	280.000	2854.83	27.43 N	155.58 W	157.98	12.00	
3000.00	60.000	280.000	2913.50	41.46 N	235.11 W	238.73	12.00	
3039.95	64.794	280.000	2932.00	47.60 N	269.96 W	274.12	12.00	Fruitland Fm
3100.00	72.000	280.000	2954.10	57.29 N	324.91 W	329.92	12.00	
3148.24	77.788	280.000	2966.66	65.37 N	370.75 W	376.47	12.00	End of Build at 3148.24ft
3200.00	77.788	280.000	2977.61	74.16 N	420.57 W	427.06	0.00	
3214.01	77.788	280.000	2980.57	76.54 N	434.06 W	440.76	0.00	Hold Angle at 77.788°
3279.79	77.788	280.000	2994.49	87.70 N	497.37 W	505.04	0.00	Start Build at 3279.79ft
3300.00	80.214	280.000	2998.34	91.15 N	516.91 W	524.88	12.00	
3322.33	82.894	280.000	3001.62	94.98 N	538.66 W	546.97	12.00	Build Rate = 12.00°/100ft
3364.88	88.000	280.000	3005.00	102.34 N	580.42 W	589.38	12.00	Continue Build at 3364.88ft
								7" Casing
								Target - Rosa UNIT # 242A
								Entry Point, Current Target
3400.00	88.082	280.000	3006.20	108.44 N	614.98 W	624.47	0.23	
3500.00	88.314	280.000	3009.34	125.79 N	713.42 W	724.42	0.23	
3558.64	88.451	280.000	3011.00	135.97 N	771.14 W	783.04	0.23	Top of Coal
3600.00	88.547	280.000	3012.08	143.15 N	811.86 W	824.38	0.23	
3700.00	88.780	280.000	3014.42	160.51 N	910.31 W	924.36	0.23	
3794.65	89.000	280.000	3016.25	176.94 N	1003.50 W	1018.98	0.23	Build Rate = 0.23°/100ft
3800.00	89.012	280.000	3016.34	177.87 N	1008.78 W	1024.34	0.23	
3900.00	89.245	280.000	3017.86	195.24 N	1107.25 W	1124.33	0.23	
4000.00	89.478	280.000	3018.98	212.60 N	1205.72 W	1224.32	0.23	
4100.00	89.711	280.000	3019.69	229.97 N	1304.20 W	1324.32	0.23	
4200.00	89.943	280.000	3019.99	247.33 N	1402.68 W	1424.32	0.23	
4224.41	90.000	280.000	3020.00	251.57 N	1426.72 W	1448.72	0.23	End of Build at 4224.41ft
4300.00	90.000	280.000	3020.00	264.69 N	1501.16 W	1524.32	0.00	
4400.00	90.000	280.000	3020.00	282.06 N	1599.64 W	1624.32	0.00	
4500.00	90.000	280.000	3020.00	299.42 N	1698.12 W	1724.32	0.00	
4600.00	90.000	280.000	3020.00	316.79 N	1796.60 W	1824.32	0.00	
4700.00	90.000	280.000	3020.00	334.15 N	1895.08 W	1924.32	0.00	
4800.00	90.000	280.000	3020.00	351.52 N	1993.56 W	2024.32	0.00	
4900.00	90.000	280.000	3020.00	368.88 N	2092.04 W	2124.32	0.00	
5000.00	90.000	280.000	3020.00	386.25 N	2190.52 W	2224.32	0.00	
5100.00	90.000	280.000	3020.00	403.61 N	2289.01 W	2324.32	0.00	
5110.53	90.000	280.000	3020.00	405.44 N	2299.38 W	2334.85	0.00	Hold Angle at 90.000°
5200.00	90.000	280.000	3020.00	420.98 N	2387.49 W	2424.32	0.00	
5300.00	90.000	280.000	3020.00	438.34 N	2485.97 W	2524.32	0.00	
5400.00	90.000	280.000	3020.00	455.71 N	2584.45 W	2624.32	0.00	

## Proposal Report for Rosa Unit # 242A - Plan 09/03/03

## Data Source: Information from Gary Sizemore

Measured Depth (ft)	Incl. (Deg)	Azim. (Deg)	Station Coordinates			Vertical Section (ft)	Dogleg Rate (°/100ft)	Comment
			TVD (ft)	Northings (ft)	Eastings (ft)			
5500.00	90.000	280.000	3020.00	473.07 N	2682.93 W	2724.32	0.00	
5600.00	90.000	280.000	3020.00	490.44 N	2781.41 W	2824.32	0.00	
5700.00	90.000	280.000	3020.00	507.80 N	2879.89 W	2924.32	0.00	
5800.00	90.000	280.000	3020.00	525.17 N	2978.37 W	3024.32	0.00	
5900.00	90.000	280.000	3020.00	542.53 N	3076.85 W	3124.32	0.00	
5996.66	90.000	280.000	3020.00	559.32 N	3172.04 W	3220.97	0.00	Total Depth at 5996.66ft Target - Rosa Unit # 242A PBHL, Current Target

All data is in Feet (US) unless otherwise stated. Directions and coordinates are relative to True North.  
Vertical depths are relative to RKB. Northings and Eastings are relative to Wellhead.

The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from Wellhead and calculated along an Azimuth of 280.000° (True).

Magnetic Declination at Surface is 10.954° (03-Sep-03)

Based upon Minimum Curvature type calculations, at a Measured Depth of 5996.66ft.,  
The Bottom Hole Displacement is 3220.97ft., in the Direction of 280.000° (True).

**Comments**

Measured Depth (ft)	Station Coordinates			Comment
	TVD (ft)	Northings (ft)	Eastings (ft)	
2500.00	2500.00	0.00 N	0.00 E	Kick-Off at 2500.00ft
2824.12	2799.79	18.38 N	104.24 W	Build Rate = 12.00°/100ft
3148.24	2966.66	65.37 N	370.75 W	End of Build at 3148.24ft
3214.01	2980.57	76.54 N	434.06 W	Hold Angle at 77.788°
3279.79	2994.49	87.70 N	497.37 W	Start Build at 3279.79ft
3322.33	3001.62	94.98 N	538.66 W	Build Rate = 12.00°/100ft
3364.88	3005.00	102.34 N	580.42 W	Continue Build at 3364.88ft
3794.65	3016.25	176.94 N	1003.50 W	Build Rate = 0.23°/100ft
4224.41	3020.00	251.57 N	1426.72 W	End of Build at 4224.41ft
5110.53	3020.00	405.44 N	2299.38 W	Hold Angle at 90.000°
5996.66	3020.00	559.32 N	3172.04 W	Total Depth at 5996.66ft

**Proposal Report for Rosa Unit # 242A - Plan 09/03/03**  
**Data Source: Information from Gary Sizemore**

**Formation Tops**

Formation Plane (Below Well Origin)			Profile		Penetration Point			Formation Name
Sub-Sea (ft)	Dip Angle	Up-Dip Dir.	Measured Depth (ft)	Vertical Depth (ft)	Sub-Sea Depth (ft)	Northings (ft)	Eastings (ft)	
-5398.00	0.000	0.000	1001.00	1001.00	-5398.00	0.00 N	0.00 E	Nacimiento Fm
-4131.00	0.000	0.000	2268.00	2268.00	-4131.00	0.00 N	0.00 E	Ojo Alamo Ss
-4000.00	0.000	0.000	2399.00	2399.00	-4000.00	0.00 N	0.00 E	Kirtland Sh
-3467.00	0.000	0.000	3039.95	2932.00	-3467.00	47.60 N	269.96 W	Fruitland Fm
-3388.00	0.000	0.000	3558.64	3011.00	-3388.00	135.97 N	771.14 W	Top of Coal
-3370.00	0.000	0.000						Base of Coal, 3029.00ft

**Casing details**

From		To		Casing Detail
Measured Depth (ft)	Vertical Depth (ft)	Measured Depth (ft)	Vertical Depth (ft)	
<Surface>	<Surface>	3364.88	3005.00	7" Casing

**Targets associated with this wellpath**

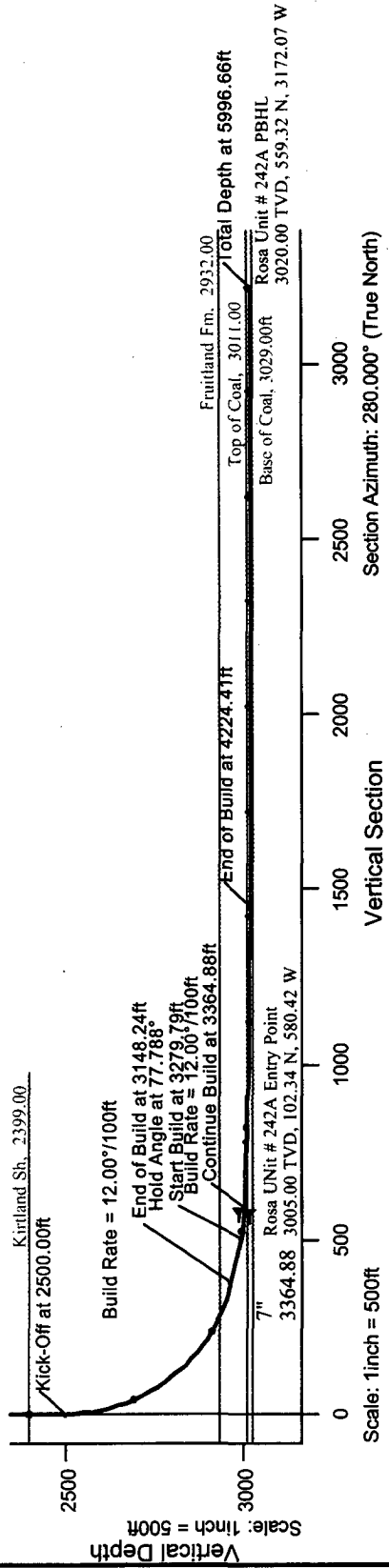
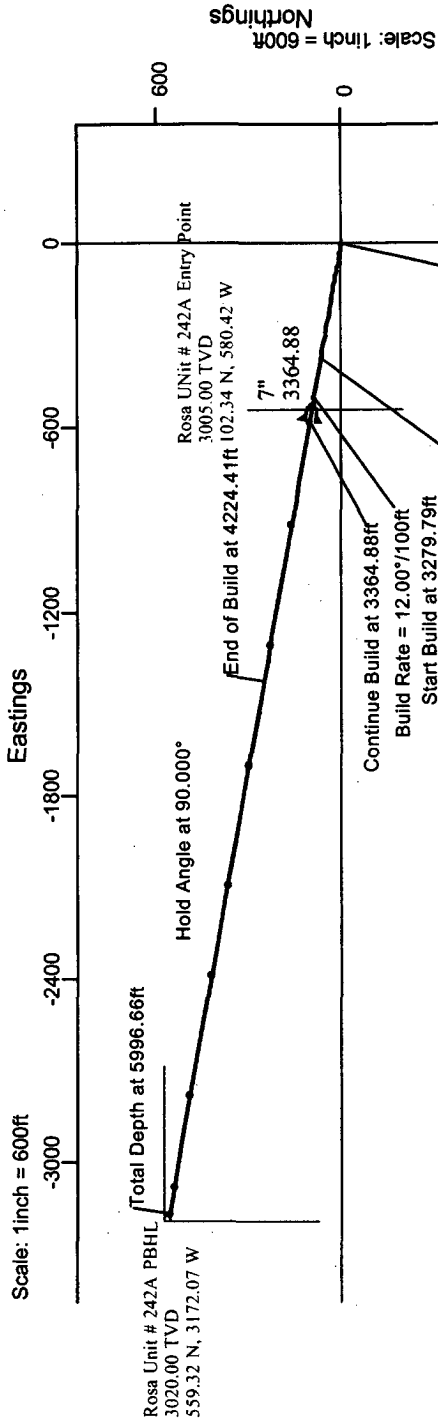
Target Name	Target Entry Coordinates			Target Shape	Target Type
	TVD (ft)	Northings (ft)	Eastings (ft)		
Rosa Unit # 242A Entry Point	3005.00	102.34 N	580.42 W	Point	Current Target
Rosa Unit # 242A PBHL	3020.00	559.32 N	3172.07 W	Point	Current Target

HALLIBURTON

# Williams Production Company

DrillQuest  
Sperry-Sun

New Mexico  
San Juan County  
Sec. 33-T32N-R06W  
Rosa Unit # 242A  
Plan 09/03/03



Prepared by: Admin  
Date/Time: 3 September, 2003 - 10:02  
Checked:  
Approved: