

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.  30-039-30719
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FED <input checked="" type="checkbox"/>
2. Name of Operator  WILLIAMS PRODUCTION COMPANY		6. State Oil & Gas Lease No.
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 <u>O</u> : <u>935</u> feet from the <u>SOUTH</u> line & <u>2200</u> feet from the <u>EAST</u> line Sec 30 -31N-5W RIO ARRIBA, NM		8. Well No.  Rosa Unit 162C
10. Elevation (Show whether DF, RKB, RT, GR, etc. 6432' GR		9. Pool name or Wildcat  BLANCO MV/BASIN MANCOS/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

RCVD JUN 30 '09  
OIL CONS. DIV.  
DIST. 3

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 5185'-5960', Basin Dakota 7922'-8019'.
  - 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.

**NOTE: Basin Dakota & Blanco Mesa Verde only to be commingled at this time. We will complete and commingle the Basin Mancos at a later date.**

*DHC 3181 AZ*

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

SIGNATURE Larry Higgins TITLE: Drlg COM DATE: 6-29-09

Type or print name Larry Higgins Telephone No: (505) 634-4208

(This space for State use)

APPROVED

BY

[Signature]  
Deputy Oil & Gas Inspector,  
District #3

DATE JUL 08 2009



Exploration & Production

## **Production Allocation Recommendation Rosa Unit #162C (DK/MV)**

**WELLNAME:** Rosa Unit #162C  
**LOCATION:** Sec. 30, T31N,R05W  
**API No.:** 03-039-30719

**FIELD:** Rosa Unit  
**COUNTY:** Rio Arriba, NM  
**Date:** 6-29-09

**Current Status:** Williams is currently completing the Rosa Unit #162C 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%**