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

DISTRICT II
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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised 1-1-89

WELL API NO.
30-039-29841

5. Indicate Type of Lease
STATE ☐ FED ■

6. State Oil & Gas Lease No.

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

7. Lease Name or Unit Agreement Name:
Rosa Unit

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

2. Name of Operator
WILLIAMS PRODUCTION COMPANY

8. Well No.
Rosa Unit #166B

3. Address of Operator
P.O. Box 640, Aztec, NM 87410

9. Pool name or Wildcat
BLANCO MV/BASIN MANCOS/BASIN DK

4. Well Location (Surface)
Unit letter G : 2305 feet from the NORTH line & 2305 feet from the EAST line Sec 30-31N-5W RIO ARRIBA, NM

10. Elevation (Show whether DF, RKB, RT, GR, etc.
6385' GR

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)

RCVD MAY 5'10
OIL CONS. DIV.
DIST. 3

i. Pre-approved Pool Division Order R-13122.
ii. Pools to be commingled: Blanco MV 72319, Basin Mancos 97232, Basin Dakota 71599.
iii. Perforated intervals: Blanco MV 5433' – 5906', Basin Mancos 6290' – 7849', Basin Dakota 7898' – 8052'.
iv Fixed percentage allocation based upon production data of 39% Blanco MV, 37% Basin Mancos, and 24% Basin Dakota. This is based on the historic production of all wells that have MV/MC/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
v. Commingling will not reduce the value of reserves.
vi. All interest owners in the spacing unit have not been notified of the intent to downhole commingle per order R-12991.
vii. The BLM has been notified on sundry notice form 3160-5.

DHC 3409AZ

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

SIGNATURE Larry Higgins TITLE: Permit Supervisor DATE: 5-4-10

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 MAY 06 2010
Conditions of approval, if any:

ENERGY SERVICES
Exploration & Production
June 9, 2009

Initial allocation of production for Rosa Unit new drills completed in the Dakota, Mancos and MesaVerde

Using historic production from recently (after Jan 2003) completed wells and forecasted production from Mancos wells very recently completed (late 2008), an allocation percentage was calculated for all three zones. This allocation will be used for the first 12-18 months of production on the well. After this time a production logging tool will be run (spinner survey or equivalent) to better estimate the production allocation percentage. (See attached production plot and forecast for allocation data.)

For the first 12 months

Total Production from well	=	274.325 MMcf
Total Production from Dakota	=	60.205 MMcf
Total Production from Mancos	=	106.644 MMcf
Total Production from MesaVerde	=	107.475 MMcf

Dakota allocation = Dakota prod / Total prod = 60.205 MMcf /274.325 MMcf = **22%**

Mancos allocation = Mancos prod / Total prod = 106.644 MMcf /274.325 MMcf = **39%**

MesaVerde allocation = MesaVerde prod / Total prod = 107.475 MMcf /274.325 MMcf = **39%**

Other methods of allocation considered:

Flow test through a separator – Differences in decline rates between the reservoirs may lead to a large difference in allocation at the end of a year. Additionally, stimulation fluid that remains in the near-wellbore formation may mask the reservoirs true potential in the short term.

Extended isolated flow (flowing each zone individually for 3-6 months) – This method may yield better results than the immediate flow through the separator, there is still the concern about the formation potential in the short term. Additionally, as the lower formations sit under bridge plugs for a year or more the formation may be damaged by not effectively removing the stimulation fluids and ultimately less reserves would be recovered.