

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.

30-039-30178

5. Indicate Type of Lease  
STATE ☐ FED ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement  
Name:

Rosa Unit

8. Well No.

Rosa Unit #005C

9. Pool name or Wildcat

BLANCO MV/BASIN  
MANCOS/BASIN DK

**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

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

2. Name of Operator

WILLIAMS PRODUCTION COMPANY

3. Address of Operator

P.O. Box 640, Aztec, NM 87410

4. Well Location (Surface)

Unit letter J : 1845 feet from the SOUTH line & 1735 feet from the EAST line Sec 26-31N-6W RIO ARRIBA, NM

10. Elevation (Show whether DF, RKB, RT, GR, etc.  
6419' GR

Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

**NOTICE OF INTENTION TO:**

PERFORM REMEDIAL  
WORK

PLUG AND ABANDON

TEMPORARILY ABANDON

CHANGE PLANS

PULL OR ALTER CASING

X OTHER: COMMINGLING AUTHORIZATION

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK

ALTERING CASING

COMMENCE DRILLING OPNS.

PLUG AND  
ABANDONMENT

CASING TEST AND CEMENT JOB

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)

- 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 5408'-5928', Basin Mancos 6155'-7759', Basin Dakota 7887'-8084'.
- 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.

RCVD MAY 6 '10  
OIL CONS. DIV.  
DIST. 3

*01/C3413A2*

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 10 2010**

Conditions of approval, if any:

*by*



**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.