

March 29, 2000

New Mexico Oil Conservation Division  
Attn: Mr. Michael Stogner, Chief Hearing Officer  
2040 South Pacheco  
Santa Fe, NM 87505

Re: Discrepancies in APD depth vs. actual depth of the Rosa Unit #500 API No.30-039-26165 (990' FNL, 970' FWL Section 23(D)-T31N-R4W). Request for (i) a map of the Rosa Unit; (ii) a map showing the Basin Fruitland coal gas participating area of the Rosa Unit; and (iii) a marked and labeled type log of this well.

Dear Mr. Stogner:

The Rosa #500 was originally proposed as a Mesa Verde well by Mallon Energy under the terms of the current Williams Production / Mallon farmout agreement. After the original APD was filed, Mallon proposed changing the target formation from the Mesa Verde to the Ojo Alamo formation. A sundry to this effect was submitted to the BLM in July of 1999. Williams Production received approval for an Ojo Alamo well on August 3, 1999. I've included copies of the "Change of Plans" sundry, the amended APD, and the revised drilling prognosis.

Per your March 22<sup>nd</sup> request, I am also including a map of the Rosa Unit and marked copies of logs from the Rosa #500 and the Rosa #84 (the immediate offset coal well. NE Sec. 23 31N 4W). Vern Hansen, the Williams landman, informed me that the Rosa Unit does not have a designated Basin-Fruitland coal gas participating area.

If you have any questions, I can be reached at (918) 573-3913. If you have specific questions about the well logs, please contact Ralph Hawks (WPX geologist) at (918) 573-4269.

Sincerely,

Lance A. Hobbs  
Production and Drilling Engineer

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED  
BEM

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals

99 JUL -8 PM 1:01

070 FARMINGTON, NM

SUBMIT IN TRIPPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. SF - 078893
2. Name of Operator Williams Production Company	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. C/O Walsh Engineering & Production Corp. 7415 East Main Farmington, NM 87402 505-327-4892	7. If Unit or CA, Agreement Designation Rosa Unit
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 970 FWL, Section 23, T31N, R4W	8. Well Name and No. Rosa Unit #500
	9. API Well No. 34029-26165
	10. Field and Pool, or Exploratory Area 31N4W23D; Ojo Alamo
	11. County or Parish, State Rio Arriba County, NM

CHECK APPROPRIATE BOX(S) 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water
	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Williams Production proposes to alter the target formation for this well from the Mesa Verde to the Ojo Alamo formation. A revised Operations Plan and H<sub>2</sub>S contingency plan are attached. All other aspects of the APD package will remain the same.

14. I hereby certify that the foregoing is true and correct

*Reed Rogers for Paul Thompson*  
Signed Title Agent

Date July 6, 1999

(This space for Federal or State office use)

Approved by *[Signature]*  
Conditions of approval, if any:

Title *Team Lead*

Date *8/2/99*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
BLM

72

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1. LEASE DESIGNATION AND SERIAL NO. **SF-078893**

2. IF INDIAN, ALLOTTEE OR TRIBE NAME

3. TYPE OF WORK **DRILL**  **DEEPEN**

4. TYPE OF WELL  
OIL WELL   OTHER SINGLE ZONE  MULTIPLE ZONE

5. NAME OF OPERATOR **Williams Production Company**

6. ADDRESS OF OPERATOR **c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 327-4892**

7. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At Surface **990' FNL and 970' FWL**  
At proposed Prod. Zone

8. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* **40 miles NE of Blanco, NM**

9. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **970'**

10. NO. OF ACRES IN LEASE **320.160**

11. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. **2900'**

12. PROPOSED DEPTH **3405'**

13. ELEVATIONS (Show whether DF, RT, GR, etc.) **6849' GR**

14. COUNTY OR PARISH **Rio San Juan** STATE **NM**

15. NO. OF ACRES ASSIGNED TO THIS WELL **320.160**

16. ROTARY OR CABLE TOOLS **Rotary**

17. APPROX. DATE WORK WILL START\* **June 1999**

18. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7-5/8"	26.4#	500' 500	215 cu.ft. Cl "B" with 3% CaCl <sub>2</sub>
6-3/4"	5-1/2"	17#	640' 3405	533cu.ft. 65/35 poz & 470cu.ft. Cl "B"

RECEIVED

AUG - 5 1999

OIL CON. DIV.  
DIST. 3405

Williams Production Company proposes to drill a vertical well to develop the Mesa Verde formation at the above described location in accordance with the attached drilling and surface use plans. In the event that the Mesa Verde formation is non productive, a completion attempt will be made in the Pictured Cliffs or Ojo Alamo. This location has been archaeologically surveyed by Moore Anthropological Research. Copies of their report have been submitted directly to your office.

This APD also is serving as an application to obtain BLM road and pipeline right-of-ways. This well will be accessed by a new road 20' wide by 2500' long which crosses the NW/NW of Sec. 23, the SE/SW and NE/SW of Sec. 14 T31N R4W where it joins Forest Road #310. Forest Road #310 continues south for 18 miles where it joins Highway 64. The pipeline is described on Plat #4.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Paul C. Thompson TITLE Paul Thompson, Agent DATE 4/14/99

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
Application approval 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.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 8/3/99

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

OK



ROSA #500  
Operations Plan  
Page #2

### C. CEMENTING:

1. SURFACE: Use 110 sx (129 cu.ft.) of class "B" with 3% CaCl<sub>2</sub> and 1/4# of cello-flake/sk (Yield = 1.19 cu.ft./sk, Weight = 15.6 #/gal.). Use 100% excess to circulate the surface. WOC 12 hours. Test to 1500#.

2. PRODUCTION: Lead - 215 sx (450 cu.ft.) of class "B" 65/35 poz with 10% gel, 2% CaCl<sub>2</sub>, and 1/4# cello-flake/sk (Yield = 2.09 cu.ft./sk, Weight = 12.1 #/gal.). Tail - 100sx (569 cu.ft.) of class "B" with 2% CaCl<sub>2</sub>, 1/4# cello-flake/sk, (Yield = 1.19 cu.ft./sk, Weight = 15.6#/gal.). Use 100 excess in lead and 100% excess in tail to circulate to surfacc. Total volume = 569 cu.ft. WOC 12 hours. Test to 1500#.

### IV COMPLETION

#### A. CBL

1. Run Cement Bond Log across all intervals to be perforated and find Top of Cement behind all casing strings.

#### B. PRESSURE TEST

1. Pressure test 7-5/8" & 5-1/2" casing to 3300# for 15 minutes.

#### C. STIMULATION

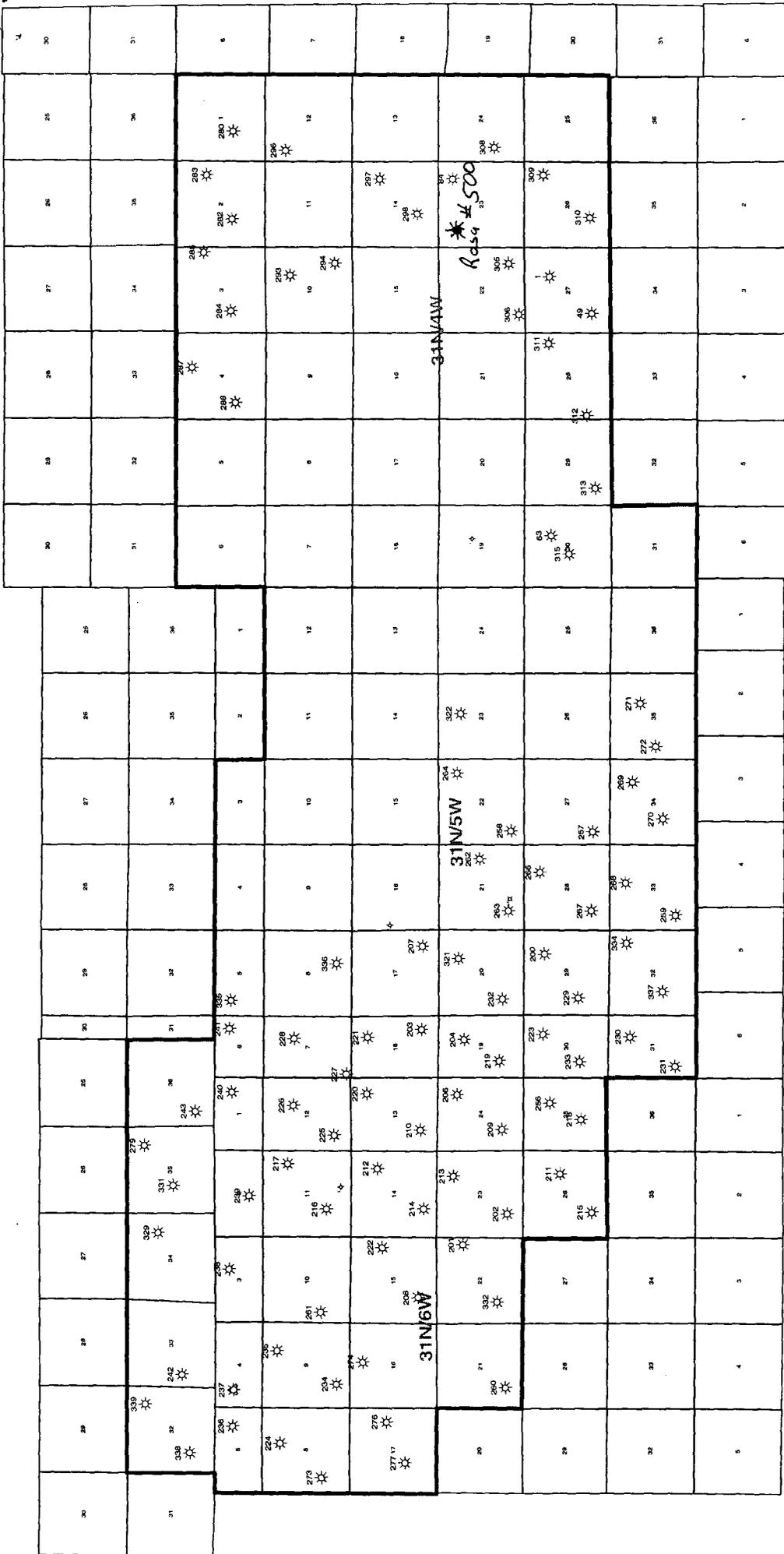
Simulate the Ojo Alamo with approximately 60,000# of 20/40 sand with x-link foam.

#### D. RUNNING TUBING

1. Ojo Alamo: Run 2-3/8", 2.9#, J-55, EUE tubing with a SN (1.375" ID) on top of bottom joint. Land tubing approximately 50' above the bottom Ojo Alamo perforations.

  
David Spitz  
Engineer, Production & Drilling

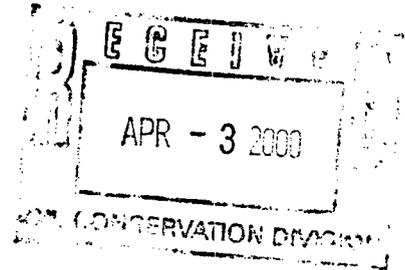
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**ROSA UNIT  
FRUITLAND COAL FORMATION WELLS**

2/1/2000

Scale 1:110059.82



March 29, 2000

New Mexico Oil Conservation Division  
Attn: Mr. Michael Stogner, Chief Hearing Officer  
2040 South Pacheco  
Santa Fe, NM 87505

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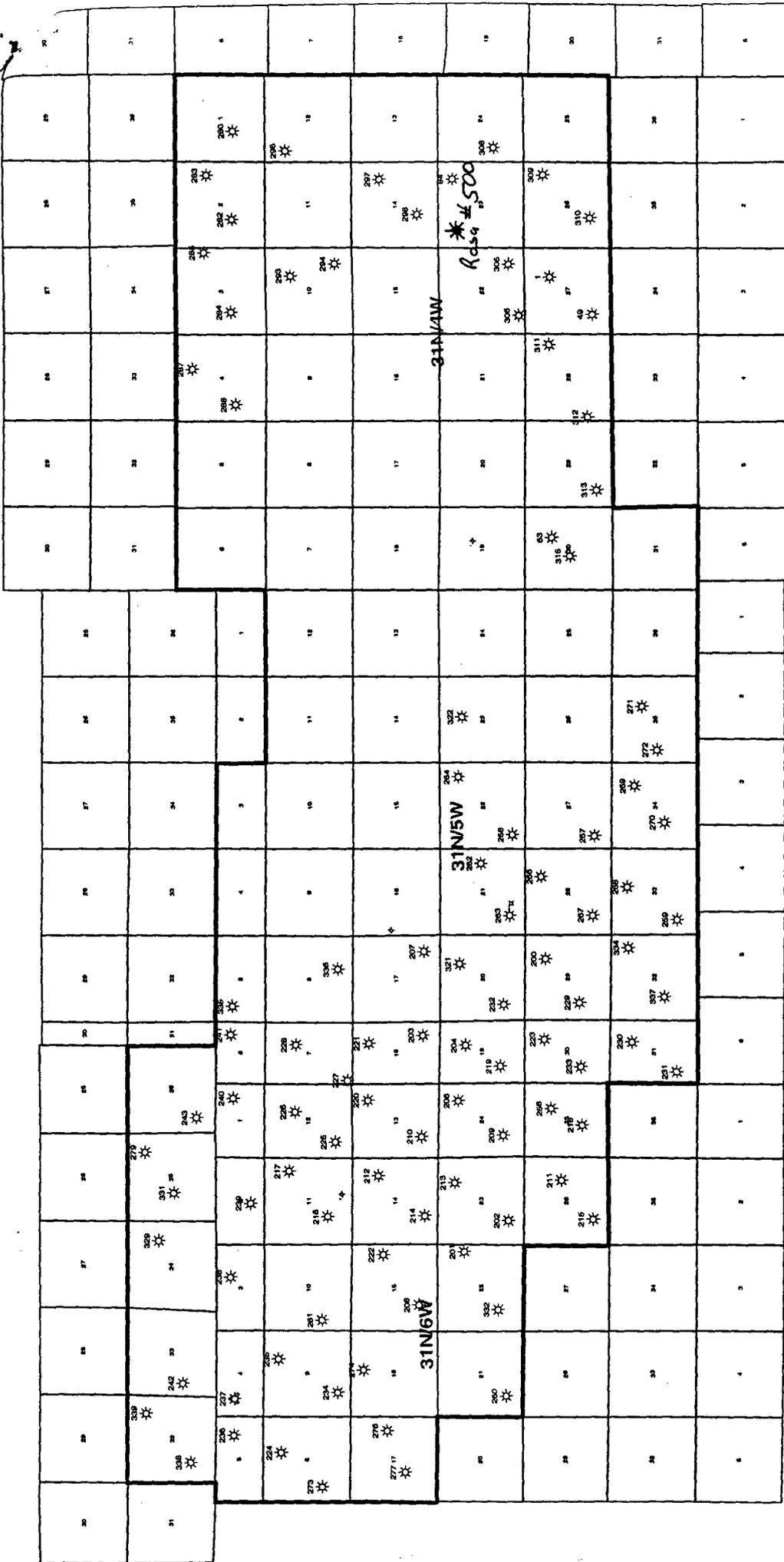
If you have any questions, I can be reached at (918) 573-3913. If you have specific questions about the well logs, please contact Ralph Hawks (WPX geologist) at (918) 573-4269.

*Interesting point to ponder in regard to our meeting w/ his last week.*

*The #500 well is unorthodox who should be certified?*

Sincerely,

Lance A. Hobbs  
Production and Drilling Engineer



**Williams**

ROSA UNIT  
FRUITLAND COAL FORMATION WELLS

2/1/2000

Scale 1:110059.82

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION FOR THE PURPOSE OF  
CONSIDERING:**

**CASE 12177  
ORDER NO. R-11205**

**APPLICATION OF OIL CONSERVATION DIVISION TO AMEND THE  
NOTICE REQUIREMENTS THROUGHOUT THE DIVISION RULES AND TO  
AMEND ITS PROCEDURAL RULES FOUND IN PART N (19 NMAC 15.N),  
RULE 11 (19 NMAC 15.A.11) and RULE 12 (19 NMAC 15.A.12).**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This case came on for hearing at 9 o'clock a.m. on June 17, 1999, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 17<sup>th</sup> day of June, 1999, the Commission, a quorum being present, having considered the record,

**FINDS THAT:**

(1) Due public notice has been given and the Commission has jurisdiction of this case and its subject matter.

(2) New Mexico Oil Conservation Division (the "Division") Rules 11 and 12 concern the scope and enforcement of Division statutes and rules and Rules 1201 through 1223 set forth the procedural rules for proceedings before the Division.

(3) Testimony indicated that Division Rules 11, 12 and 1201 through 1223 (with the exception of Rule 1217, which is repealed) should be amended to correct problems or ambiguities.

(4) It is necessary to adopt the amended rules set forth in the attached Exhibit "A" and repeal Rule 1217.

**IT IS THEREFORE ORDERED**

(1) The amended rules set forth in the attached Exhibit "A" are hereby adopted. Rule 1217 is hereby repealed.

(2) These rules shall be effective as of the date of their publication in the New Mexico Register.

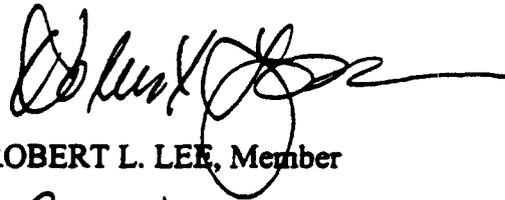
(3) Jurisdiction of this case is retained for the entry of such further orders as the Commission may deem necessary.

(4) Done at Santa Fe, New Mexico, on the day and year hereinabove designated.

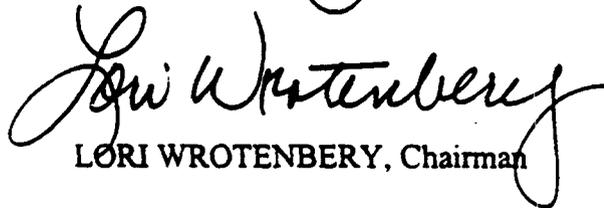
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



JAMI BAILEY, Member



ROBERT L. LEE, Member



LORI WROTENBERY, Chairman

S E A L

**EXHIBIT "A"**  
**CASE NO. 12177**  
**ORDER NO. R-11205**

**11 SCOPE OF RULES [1-1-50...2-1-96; A, 7-15-99]**

11.A. The following rules of statewide application have been adopted by the Commission to conserve the natural resources of the State of New Mexico, to prevent waste, to protect correlative rights, to protect public health and the environment and to otherwise implement the Oil and Gas Act, NMSA 1978, §§ 70-2-1 through 70-2-38. [1-1-50...2-1-96; A, 7-15-99]

11.B. Orders, including special pool orders (formerly referred to as "Special Pool Rules and Regulations"), of the Division or the Commission may be issued when required and shall prevail against rules if in conflict with them. [1-1-50...2-1-96; A, 7-15-99]

**12 ENFORCEMENT OF STATUTES AND RULES**

The Division is charged with the duty and obligation of enforcing all rules and statutes of the State of New Mexico relating to the conservation of oil and gas including the protection of public health and the environment. However, it shall be the responsibility of all the owners or operators to obtain information pertaining to the regulation of oil and gas before operations begin. [1-1-50...2-1-96; A, 7-15-99]

**1201 RULEMAKING PROCEEDINGS [1-1-50...2-1-96; A, 7-15-99]**

1201.A. Before any rule, including revocation or amendment thereof, shall be made by the Division or Commission, a public hearing before the Commission or a duly appointed Division Examiner shall be held at such time and place as may be prescribed by the Commission in accordance with NMSA 1978, §10-15-1. [Rn, 19 NMAC 15.N.1201, A, 7-15-99]

1201.B. When the Commission, the Division, an operator or any interested person applies to adopt, amend or rescind any rule, such application shall constitute a request for rulemaking for which the following notice requirements apply:

(1) the Division shall publish notice of the proposed rule in a newspaper of general circulation in the counties in New Mexico affected by the proposed rule with the publication date not less than 20 days prior to the date set for the public hearing; and

(2) the Division shall publish notice of the proposed rule on the Commission docket and shall send the docket to all who have requested such notice not less than 20 days prior to the public hearing.

[7-15-99]

## **1202 EMERGENCY ORDERS AND RULES**

Notwithstanding any other provision of these rules, in the event an emergency is found to exist by the Division or Commission, which requires adoption of a rule or the issuance of an order without a hearing, such emergency rule or order shall have the same validity as if a hearing had been held before the Division or Commission after due notice. Such emergency rule or order shall remain in force no longer than 15 days from its effective date. [1-1-50... 2-1-96; A, 7-15-99]

## **1203 INITIATING A HEARING [1-1-50...2-1-96; A, 7-15-99]**

1203.A. The Division, the Attorney General, any operator or producer, or any other person may apply for a hearing. The application shall be signed by the person seeking the hearing or by an attorney representing that person. Two copies of the application must be filed and shall state:

- (1) the name of the applicant;
- (2) the name or general description of the common source or sources of supply or the area affected by the order sought;
- (3) briefly, the general nature of the order or rule sought;
- (4) a list of the names and addresses of persons to whom notice has been sent;
- (5) a proposed notice advertisement for publication; and
- (6) any other matter required by these rules or order of the Division.

[1-1-50...2-1-96; A, 7-15-99]

1203.B. Applications for hearing before the Division or Commission must be in writing and received by the Division at least 23 days in advance of the hearing on that application. [4-30-74...2-1-96; A, 7-15-99]

## **1204 PUBLICATION OF NOTICE OF HEARING**

The Division shall give notice of each hearing before the Commission or a Division Examiner by publication once in accordance with the requirements of NMSA 1978, Chapter 14, Article 11 in a newspaper of general circulation in the counties that are affected by the application. [1-1-50...2-1-96; A, 7-15-99]

## 1205 CONTENTS OF NOTICE OF HEARING

1205.A. Published notices shall be issued in the name of "The State of New Mexico" and signed by the Director of the Division, and the seal of the Commission shall be impressed thereon. [1-1-50...2-1-96; A, 7-15-99]

1205.B. The notice shall specify: whether the case is set for hearing before the Commission or a Division Examiner; the number and style of the case; the time and place of hearing; and the general nature of the application. The notice shall also state the name of the applicant, and unless the contemplated order or rule is intended to apply to and affect the entire state, it shall specify or generally describe the common source or sources of supply that may be affected if the application is granted. [1-1-50...2-1-96; A, 7-15-99]

1206 RESERVED [Formerly "PREPARATION OF NOTICES".

## 1207 NOTICE REQUIREMENTS FOR SPECIFIC ADJUDICATIONS [1-1-86...2-1-96; A, 7-15-99]

1207.A. Applicants for the following adjudicatory hearings before the Division or Commission shall give notice in addition to that required by Rule 1204 as set forth below:

### (1) Compulsory Pooling and Statutory Unitization:

(a) Notice shall be given to any owner of an interest in the mineral estate whose interest is evidenced by a written document of conveyance either of record or known to the applicant at the time of filing the application and whose interest has not been voluntarily committed to the area proposed to be pooled or unitized (other than a royalty interest subject to a pooling or unitization clause). [Rn, 19 NMAC 15.N.1207.A.(1); A, 7-15-99; A, 7-15-99]

(b) When an applicant is unable to locate all the owners of interests to be pooled and the application is unopposed by those located, the applicant may file under the following alternate procedure if notice is given as required in (a) above. The application shall include the following:

(i) a statement that no opposition for hearing is expected and why;

ii) a map outlining the spacing unit(s) to be pooled showing the nature and percentage of the ownership interests and location of the proposed well;

(iii) the names and last known addresses of the interest owners to be pooled and the nature and percent of their interests and an attestation that a diligent search has been conducted of all public records in the county where the well is located and of phone directories, including computer searches;

(iv) the names of the formations and pools to be pooled (Note: The Division cannot pool a spacing unit larger in size than provided in these rules or applicable special pool orders);

(v) a statement as to whether the pooled unit is for gas and/or oil production (see note under iv. above);

(vi) written evidence of attempts made to gain voluntary agreement including but not limited to copies of relevant correspondence;

(vii) geological map(s) of the formation(s) to be tested and a geological and engineering assessment of the risk involved in the drilling of the well and a proposed risk penalty to be assessed against any working interest owner who does not pay its share of estimated well costs;

(viii) proposed overhead charges (combined fixed rates) to be applied during drilling and production operations along with the basis for such charges;

(ix) the location and proposed depth of the well to be drilled on the pooled units; and

(x) a copy of the Authorization for Expenditure (AFE) to be submitted to the interest owners in the well.

[Rn, 19 NMAC 15.N.1207.A.(2), 7-15-99, A, 7-15-

99]

(c) All submittals required shall be accompanied by sworn and notarized statements by those persons who prepared the submittals attesting that the information is correct and complete to the best of their knowledge and belief. [Rn, 19 NMAC 15.N.1207.A.(3), 7-15-99, A, 7-15-99]

(d) All unopposed pooling applications will be set for hearing. If the Division finds the application complete, the information submitted with the application will constitute the record in the case and an order will be issued based on the record. [Rn, 19 NMAC 15.N.1207.A.(4), 7-15-99, A, 7-15-99]

(e) At the request of any interested person or upon the Division's own initiative, any pooling application submitted shall be set for full hearing with oral testimony by the applicant. [Rn, 19 NMAC 15.N.1207.A.(4), 7-15-99; A, 7-15-99]

**(2) Unorthodox Well Locations:** [1-1-87...2-1-96; Rn, 19 NMAC 15.N.1207.A.(5), 7-15-99; A, 7-15-99]

(a) Definition: "Affected persons" are the following persons owning interests in the adjoining spacing units:

1. the Division-designated operator;
2. in the absence of an operator, any lessee whose interest is evidenced by a written document of conveyance either of record or known to the applicant as of the date the application is filed; and
3. in the absence of an operator or lessee, any mineral interest owner whose interest is evidenced by a written document of conveyance either of record or known to the applicant as of the date the application was filed.

In the event the operator of the proposed unorthodox well is also the operator of an existing adjoining spacing unit and ownership is not common between the adjoining spacing unit and the spacing unit containing the proposed unorthodox well, then "affected persons" include all working interest owners in that spacing unit. [1-1-87...2-1-96; N, 7-15-99]

(b) If the proposed location is unorthodox by being located closer to the outer boundary of the spacing unit than permitted by rule, notice shall be given to the affected persons in the adjoining spacing units towards which the unorthodox location encroaches. [Rn, 19 NMAC 15.N.1207.A.(5).(a), 7-15-99, A, 7-15-99]

(c) If the proposed location is unorthodox by being located in a different quarter-quarter section or quarter section than provided in special pool orders, notice shall be given to all affected persons. [Rn, 19 NMAC 15.N.1207.A.(5).(a), A, 7-15-99]

**(3) Non-standard Proration Unit:**

Notice shall be given to all owners of interests in the mineral estate to be excluded from the proration unit in the quarter-quarter section (for 40-acre pools or formations), the one-half quarter section (for 80-acre pools or formations), the quarter section (for 160-acre pools or formations), the half section (for 320-acre pools or formations), or section (for 640-acre pools or formations) in which the non-standard unit is located and to such other persons as required by the Division. [Rn, 19 NMAC 15.N.1207.A.(6), 7-15-99, A, 7-15-99]

**(4) Special Pool Orders Regulating or Affecting a Specific**

**Pool:**

(a) Except for non-standard proration unit applications, if the application involves changing the amount of acreage to be dedicated to a well, notice shall be given to:

(i) all Division-designated operators in the pool; and

(ii) all owners of interests in the mineral estate in existing spacing units with producing wells.

(b) If the application involves other matters, notice shall be given to:

(i) all Division-designated operators in the pool; and

(ii) all Division-designated operators of wells within the same formation as the pool and within one (1) mile of the outer boundary of the pool which have not been assigned to another pool. [1-1-87...2-1-96; Rn, 19 NMAC 15.N.1207.A.(7), 7-15-99, A, 7-15-99]

**(5) Special Orders Regarding any Division-Designated**

**Potash Area:**

Notice shall be given to all potash lessees, oil and gas operators, oil and gas lessees and unleased mineral interest owners within the designated potash area. [1-1-86...2-1-96; Rn, 19 NMAC 15.N.1207.A.(a) through (d). The material on unorthodox locations was moved to 19 NMAC N.1207.A.(2).] [1-186...2-1-96; A, 7-15-99]

**(6) Downhole Commingling:**

Notice shall be given to all owners of interests in the mineral estate in the spacing unit if ownership is not common for all commingled zones within the spacing unit. [1-1-86...2-1-96; Rn, 19 NMAC 15.N.1207.A.(9), 7-15-99, A, 7-15-99]

**(7) Surface disposal of Produced Water or Other Fluids:**

Notice shall be given to any surface owner within one-half mile of the site. [1-1-86...2-1-96; Rn, 19 NMAC 15.N.1207.A.(10), 7-15-99, A, 7-15-99]

**(8) Adjudications not listed above:**

Notice shall be given as required by the Division. [1-1-86...2-1-96; Rn, 19 NMAC 15.N.1207.A.(11), 7-15-99, A, 7-15-99]

(9) This paragraph has been moved and renumbered to 19 NMAC 15.N.1207.A.(6). [1-1-86...2-1-96; A, 7-15-99]

(10) This paragraph has been moved and renumbered to 19 NMAC 15.N.1207.A.(7). [1-1-86...2-1-96; A, 7-15-99]

(11) This paragraph has been moved and renumbered to 19 NMAC 15.N.1207.A.(8). [1-1-86...2-1-96; A, 7-15-99]

**1207.B. Type and Content of Notice.** Any notice required by this rule shall be sent by certified mail, return receipt requested, to the last known address of the person to whom notice is to be given at least 20 days prior to the date of hearing of the application and shall include: a copy of the application; the date, time and place of the hearing; and the means by which protests may be made. [1-1-86...2-1-96; A, 7-15-99]

**1207.C.** At the hearing, the applicant shall make a record, either by testimony or affidavit signed by the applicant or its authorized representative, that: (a) the notice provisions of this rule have been complied with; (b) the applicant has conducted a good-faith diligent effort to find the correct address of all persons entitled to notice; and (c) pursuant to this rule, notice has been given at that correct address as required by this rule. In addition, the record shall contain the name and address of each person to whom notice was sent and, where proof of receipt is available, a copy of the proof. [1-1-86...2-1-96; A, 7-15-99]

**1207.D.** Evidence of failure to provide notice as required in this rule may, upon proper showing, be considered cause for reopening the case. [1-1-86...2-1-96; A, 7-15-99]

**1207.E.** In the case of an administrative application where the required notice was sent and a timely filed protest was made, the Division shall notify the applicant and the protesting party in writing that the case has been set for hearing and the date of the hearing. No further notice is required. [7-15-99]

## **1208 PLEADINGS: COPIES [9-15-55...2-1-96; A, 7-15-99]**

1208.A. For pleadings and correspondence filed in cases pending before a Division Examiner, two copies must be filed with the Division. For pleadings and correspondence filed in cases pending before the Commission, five copies must be filed with the Division. The Division will disseminate copies to the members of the Commission. The party filing the pleading or correspondence shall at the same time either hand deliver or transmit by facsimile or electronic mail to any party who has entered an appearance therein or the attorneys of record, a copy of the pleading or correspondence. An appearance of any interested party shall be made either by letter addressed to the Division or in person at any proceeding before the Commission or before a Division Examiner, with notice of such appearance to the parties of record. [9-15-55...2-1-96; A, 7-15-99]

1208.B. Parties to an adjudicatory proceeding must file a prehearing statement three days in advance of a scheduled hearing before the Division or the Commission. The statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. [7-15-99]

## **1209 CONTINUANCE OF HEARING WITHOUT NEW SERVICE**

Any hearing before the Commission or a Division Examiner held after due notice may be continued by the person presiding at such hearing to a specified time and place without the necessity of notice of the same being again served or published. In the event of any continuance, a statement thereof shall be made in the record of the hearing that is continued. [1-1-50...2-1-96; A, 7-15-99]

## **1210 CONDUCT OF HEARINGS**

1210.A. Hearings before the Commission or a Division Examiner shall be conducted without rigid formality. A transcript of testimony shall be taken and preserved as a part of the permanent records of the Division. Any person testifying shall do so under oath. However, relevant unsworn comments and observations by any interested party will be designated as such and included in the record. [1-1-50...2-1-96; Rn, 19 NMAC 15.N.1210, 7-15-99, A, 7-15-99]

1210.B. The Division Director may order the parties to file prepared written testimony in advance of the hearing for cases pending before the Commission. The witness must be present at the hearing and shall adopt, under oath, the prepared written testimony, subject to cross-examination and motions to strike unless the presence of the witness at hearing is waived upon notice to and without objection of the parties. Pages of the prepared written testimony shall be numbered and contain line numbers on the left-hand side. [7-15-99]

## **1211 POWER TO REQUIRE ATTENDANCE OF WITNESSES AND PRODUCTION OF EVIDENCE [1-1-50...2-1-96; A, 7-15-99]**

1211. A. The Commission or any member thereof and the Division Director or the Division Director's authorized representative have statutory power to subpoena witnesses and to require the production of books, papers, and records in any proceeding before the Commission or Division. A subpoena will be issued for attendance at a hearing upon the written request of any party. In case of the failure of a person to comply with the subpoena issued, an attachment of the person may be issued by the district court of any district in the state. Any person found guilty of testifying falsely at any hearing may be punished for contempt. [1-1-50...2-1-96; A, 7-15-99]

1211.B. A prehearing conference may be held prior to the hearing on the merits in cases pending before the Division or the Commission either upon request of a party or upon notice by the Division Director or a Division Examiner. The prehearing conference will be to narrow issues, eliminate or resolve other preliminary matters and to encourage settlement. The Division Director or the Division Examiner may issue a prehearing order following the prehearing conference [7-15-99]

## **1212 RULES OF EVIDENCE AND EXHIBITS [1-1-50...2-1-96; A, 7-15-99]**

1212.A. Full opportunity shall be afforded all interested parties at a hearing before the Commission or a Division Examiner to present evidence and to cross-examine witnesses. In general, the rules of evidence applicable in a trial before a court without a jury shall be applicable, provided that such rules may be relaxed, where, by so doing, the ends of justice will be better served. No order shall be made that is not supported by competent legal evidence. [1-1-50...2-1-96; A, 7-15-99]

1212.B. Parties introducing exhibits at hearings before the Commission or a Division Examiner must provide a complete set of exhibits for the court reporter, each Commissioner or Division Examiner and other parties of record. [7-15-99]

## **1213 DIVISION EXAMINERS' QUALIFICATIONS AND APPOINTMENT**

The Division Director shall appoint Division Examiners. Each Division Examiner so appointed shall be a member of the staff of the Division. Each individual appointed as a Division Examiner must have at least six years of experience as a geologist, petroleum engineer or licensed lawyer, or at least two years of such experience and a college degree in geology, engineering, or law; provided however, that nothing herein shall prevent any member of the Commission from serving as a Division Examiner. [9-15-55...2-1-96; A, 7-15-99]

## **1214 REFERRAL OF CASES TO DIVISION EXAMINERS**

The Division Director may refer any matter or proceeding to a Division Examiner for hearing in accordance with these rules. The Division Examiner appointed to hear any specific case shall be designated by name. [9-15-55...2-1-96; A, 7-15-99]

## **1215 DIVISION EXAMINER'S POWER AND AUTHORITY**

The Division Director may limit the powers and duties of the Division Examiner in any particular case to such issues or to the performance of such acts as the Director deems expedient; however, subject only to such limitations as may be ordered by the Director, the Division Examiner to whom any matter is referred under these rules shall have full authority to hold hearings on such matter in accordance with these rules. The Division Examiner shall have the power to perform all acts and take all measures necessary or proper for the efficient and orderly conduct of such hearing, including administering oaths to witnesses and receiving testimony and exhibits offered in evidence subject to such objections as may be imposed. The Division Examiner shall cause a complete record of the proceedings to be made and transcribed and shall certify same to the Director as hereinafter provided. [9-15-55...2-1-96; A, 7-15-99]

## **1216 HEARINGS THAT MUST BE HELD BEFORE COMMISSION**

Notwithstanding any other provisions of these rules, the hearing on any matter shall be held before the Commission if:

- (1) it is a hearing pursuant to NMSA 1978, §70-2-13; or
- (2) the Division Director desires the Commission to hear the matter. [9-15-55...2-1-96; A, 7-15-99]

1217 Repealed. [9-15-55...2-1-96; R 7-15-99]

## **1218 REPORT AND RECOMMENDATIONS FROM DIVISION EXAMINER'S HEARING**

Upon the conclusion of any hearing before a Division Examiner, the Division Examiner shall promptly consider the proceedings in such hearing, and based upon the record of such hearing the Division Examiner shall prepare a written report with recommendations for the disposition of the matter or proceeding by the Division. Such report shall either be accompanied by a proposed order or shall be in the form of a proposed order and shall be submitted to the Division Director with the certified record of the hearing. [9-15-55...2-1-96; A, 7-15-99]

## **1219 DISPOSITION OF CASES HEARD BY DIVISION EXAMINERS**

After receipt of the report of the Division Examiner, the Division Director shall enter the Division's order disposing of the matter. [9-15-55...2-1-96; A, 7-15-99]

## **1220 HEARING BEFORE COMMISSION AND STAYS OF DIVISION ORDERS [9-15-55...2-1-96; A, 7-15-99]**

1220.A. When an order has been entered by the Division pursuant to a hearing held by a Division Examiner, a party of record adversely affected by the order has the right to have the matter heard *de novo* before the Commission, provided that within 30 days from the date the order is issued the party files with the Division a written application for such hearing. If an application is filed, the matter or proceeding shall be set for hearing before the Commission. [Rn, 19 NMAC 15.N.1220, 7-15-99, A, 7-15-99]

1220.B. Any party requesting a stay of a Division order must file the request with the Division and provide copies of the request to the parties of record or their attorneys in the case at the time the request is filed. The request must have attached a proposed stay order. The Director may grant stays under other circumstances if such a stay is necessary to prevent waste, protect correlative rights, protect public health and the environment or prevent gross negative consequences to any affected party. [7-15-99]

1220.C. Any party of record adversely affected by the order issued by the Commission after hearing may apply for rehearing pursuant to Rule 1222. [Rn, 19 NMAC 15.N.1220, 7-15-99, A, 7-15-99]

## **1221 COPIES OF COMMISSION AND DIVISION ORDERS**

Within 10 days after an order, including any order granting or refusing rehearing or order following rehearing, has been issued, a copy of such order shall be mailed by the Division to each party or its attorney of record. [9-15-55...2-1-96; A, 7-15-99]

## **1222 REHEARINGS**

Within 20 days after entry of any order of the Commission any party of record adversely affected thereby may file with the Division an application for rehearing on any matter determined by such order, setting forth the respect in which the order is believed to be erroneous. The Commission shall grant or refuse any such application in whole or in part within 10 days after it is filed and failure to act within such period shall be deemed a refusal and a final disposition of such application. In the event the rehearing is granted, the Commission may enter a new order after rehearing as may be required under the circumstances. [1-1-50...2-1-96; A, 7-15-99]

## 1223 EX PARTE COMMUNICATIONS

A. In an adjudicatory proceeding, except for filed pleadings, at no time after the filing of an application for hearing shall any party, interested participant or their representatives communicate regarding the issues involved in the application with any Commissioner or the Division Examiner appointed to hear the case when all other parties of record to the proceedings have not had the opportunity to be present. [7-15-99]

B. The prohibition in A, above, does not apply to those applications that are believed by the applicant to be unopposed. However, in the event that an objection is filed in a case previously believed to be unopposed, the prohibition in A, above, is immediately applicable. [7-15-99]

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid parties were notified by registered or certified mail of his intent to form such non-standard unit. The Division Director may approve the application if no such party has entered an objection to the formation of such non-standard unit within 30 days after the Division Director has received the application.

RULE 7. The first well drilled or recompleted on every standard or non-standard unit in the Basin-Fruitland Coal Gas Pool shall be located in the NE/4 or SW/4 of a single governmental section and shall be located no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to any quarter section line nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

RULE 8. The Division Director may grant an exception to the requirements of Rule (7) without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions, the recompletion of a well previously drilled to a deeper horizon, provided said well was drilled at an orthodox or approved unorthodox location for such original horizon, or the drilling of an intentionally deviated horizontal wellbore. All operators or owners of undrilled tracts offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all parties described above or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 9(A). The Division Director shall have the authority to administratively approve an intentionally deviated well in the Basin-Fruitland Coal Gas Pool for the purpose of penetrating the coalbed seams by means of a wellbore drilled horizontally, provided the following conditions are complied with:

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

03/21/00 14:06:50  
OGOMES -TPKI  
PAGE NO: 1

Sec : 23 Twp : 31N Rng : 04W Section Type : NORMAL

D 40.00  Federal owned U A	C 40.00  Federal owned U	B 40.00  Federal owned U	A 40.00  Federal owned U A
E 40.00  Federal owned U	F 40.00  Federal owned U	G 40.00  Federal owned U	H 40.00  Federal owned U

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD       PF09 PRINT   PF10 SDIV     PF11            PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

03/21/00 14:06:53  
OGOMES -TPKI  
PAGE NO: 2

Sec : 23 Twp : 31N Rng : 04W Section Type : NORMAL

L 40.00  Federal owned U	K 40.00  Federal owned U	J 40.00  Federal owned U	I 40.00  Federal owned U A
M 40.00  Federal owned U	N 40.00  Federal owned U	O 40.00  Federal owned U	P 40.00  Federal owned U

PF01 HELP    PF02            PF03 EXIT    PF04 GoTo    PF05            PF06  
PF07 BKWD   PF08 FWD      PF09 PRINT   PF10 SDIV     PF11            PF12

CMD : ONGARD 03/21/00 14:07:30  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPKI

OGRID Idn : 120782 API Well No: 30 39 26165 APD Status(A/C/P): A  
Opr Name, Addr: WILLIAMS PRODUCTION COMPANY Aprvl/Cncl Date : 08-03-1999  
PO BOX 58900  
SALT LAKE CITY,UT 84158-0900

Prop Idn: 17033 ROSA UNIT Well No: 500

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: D	23	31N	04W			FTG 990 F N	FTG 970 F W
OCD U/L	: D		API County	: 39				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F  
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 6849

State Lease No: Multiple Comp (Y/N) : N  
Prpsd Depth : 3405 Prpsd Frmtn : WC 31N4W23D;OJO ALAMO

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

RECEIVED  
BLM

SUNDRY NOTICE AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION TO DRILL" for permit for such proposals

SEP 20 1999 2:16

070 FARMINGTON, NM

SUBMIT IN TRIPPLICATE

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
WILLIAMS PRODUCTION COMPANY

3. Address and Telephone No.  
PO BOX 3102 MS 37-2, TULSA, OK 74101 (918) 573-6254

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
990' FNL & 970' FWL, NW/4 NW/4 SEC 23 T31N R4W

RECEIVED  
SEP 24 1999

OIL CON. DIV.  
DIST. 3

5. Lease Designation and Serial No.  
SF-078893

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation  
ROSA UNIT

8. Well Name and No.  
ROSA UNIT #500

9. API Well No.  
30-039-26165

10. Field and Pool, or Exploratory Area  
OJO ALAMO

11. County or Parish, State  
RIO ARRIBA, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>DRILLING COMPLETION</u>
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

9-07-1999 MOL and RU. Drill rat and mouse holes. Spud surface hole at 2200 hrs 9/6/99. TD surface hole with bit #1 (12-1/4", RTC, EHP43) at 544'. Circulate hole and prepare to TOOH for casing

9-08-1999 Circulate and TOOH. Ran 12 joints (513.41') of 8-5/8" 24#, K-55, ST&C casing and set at 527' KB. BJ cemented with 350 sx (486 cu.ft.) of Type III with 2% CaCl<sub>2</sub> and 1/4# cello-flake/sk. Displaced plug with 31 bbls of water. Plug down at 0900 hrs 9/7/99. Circulated out 20 bbls of cement. WOC. Nipple up BOP'S & pressure test to 1500# - held OK. TIH w/ bit #2 (7-7/8", HTC). Drill out cement. Drilling ahead at report time

9-09-1999 Drilling ahead with bit #2 (7-7/8", HTC, ST09C)

9-10-1999 Drilling ahead with bit #2 (7-7/8", HTC, ST09C)

9-11-1999 Trip for bit #2 (7-7/8", HTC, ST09C) at 3316'. TIH with bit #3 (7-7/8", RTC, HP43) and continued drilling to TD at 3480'. Circulate hole clean and short trip. Circulate bottoms up and start TOOH for logs

Continued on back

14. I hereby certify that the foregoing is true and correct

Signed Tracy Ross Title Production Analyst Date September 16, 1999

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_

Conditions of approval, if any:

ACCEPTED FOR RECORD

SEP 22 1999

FARMINGTON FIELD OFFICE

UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICE AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION TO DRILL" for permit for such proposals

5. Lease Designation and Serial No.  
SF-078893

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPPLICATE

RECEIVED  
SEP 16 1999

7. If Unit or CA, Agreement Designation  
ROSA UNIT

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
ROSA UNIT #500

2. Name of Operator  
WILLIAMS PRODUCTION COMPANY

OIL CON. DIV.  
DIST. 3

9. API Well No.  
30-039-26165

3. Address and Telephone No.  
PO BOX 3102 MS 37-2, TULSA, OK 74101 (918) 573-6254

10. Field and Pool, or Exploratory Area  
OJO ALAMO

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
990' FNL & 970' FWL, NW/4 NW/4, SEC 23 T31N R4W

11. County or Parish, State  
RIO ARRIBA, NM

CHECK APPROPRIATE BOX(S) 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"/> Subsequent Report <input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Alter Cementing Plan</u>
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Williams Production Company proposes to alter the cement used on the above well from 110 sx of Class "B" to 335 sx Class "RMS" to be used on surface casing and from 215 sx Class "B" to 125 sx of Premium Lite to be used on the production casing

RECEIVED  
OJO ALAMO  
SEP 10 1999

14. I hereby certify that the foregoing is true and correct

Signed Tracy Ross  
TRACY ROSS

Title Production Analyst Date September 7, 1999

(This space for Federal or State office use)  
Approved by WAYNE TOWNSEND

Title Action Taken lead Date SEP 14 1999

Conditions of approval, if any:

UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICE AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION TO DRILL" for permit for such proposals

SUBMIT IN TRIPLICATE		5.	Lease Designation and Serial No. SF-078893
		6.	If Indian, Allottee or Tribe Name
		7.	If Unit or CA, Agreement Designation ROSA UNIT
1.	Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8.	Well Name and No. ROSA UNIT #500
2.	Name of Operator WILLIAMS PRODUCTION COMPANY	9.	API Well No. 30-039-26165
3.	Address and Telephone No. PO BOX 3102 MS 37-2, TULSA, OK 74101 (918) 573-6254	10.	Field and Pool, or Exploratory Area OJO ALAMO
4.	Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 970' FWL, NW/4 NW/4, SEC 23 T31N R4W	11.	County or Parish, State RIO ARRIBA, NM

**RECEIVED**  
SEP 16 1999  
**OIL CON. DIV.**  
**DIST. 3**

CHECK APPROPRIATE BOX(S) 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"/> Subsequent Report <input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input checked="" type="checkbox"/> Altering Casing <input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Williams Production Company proposes to alter the hole size and surface casing as follows:

Original Hole size - 9 7/8"      Proposed Hole size - 12 1/4"  
Original Casing size - 7 5/8"      Proposed Casing size - 8 5/8"

RECEIVED  
 OJO ALAMO  
 070 FNL & 970 FWL  
 990 SEP 10 PM 12:15

14. I hereby certify that the foregoing is true and correct

Signed Tracy Ross Title Production Analyst Date September 7, 1999  
TRACY ROSS

(This space for Federal or State office use)

Approved by WAYNE TOWNSEND Title Acting Team lead Date SEP 14 1999

Conditions of approval, if any:

*(Handwritten mark)*

UNITED STATES  
DEPARTMENT OF INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICE AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION TO DRILL" for permit for such proposals.

SUBMIT IN TRIPLICATE		5. Lease Designation and Serial No. SF-078893
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA, Agreement Designation ROSA UNIT
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	<b>RECEIVED</b> SEP 17 1999 <b>OIL CON. DIV.</b> <b>DIST. 3</b>	8. Well Name and No. ROSA UNIT #500
2. Name of Operator WILLIAMS PRODUCTION COMPANY		9. API Well No. 30-039-26165
3. Address and Telephone No. PO BOX 3102 MS 37-2, TULSA, OK 74101 (918) 573-6254		10. Field and Pool, or Exploratory Area OJO ALAMO
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 970' FWL, NW/4 NW/4 SEC 23 T31N R4W		11. County or Parish, State RIO ARRIBA, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>SPUD WELL</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water
	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

This well was spudded 2200 hrs 9-06-1999.

APD/ROW

RECEIVED  
BLM  
070 FARMINGTON, NM  
59 SEP 13 PM 3:21

14. I hereby certify that the foregoing is true and correct

Signed Tracy Ross Title Production Analyst Date September 8, 1999

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ **ACCEPTED FOR RECORD**

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

FARMINGTON FIELD OFFICE  
BY [Signature]

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
BLM

5. LEASE DESIGNATION AND SERIAL NO.  
SF-078893

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WORK DRILL  DEEPEN

7. UNIT AGREEMENT NAME Rosa Unit 96956

1b. TYPE OF WELL OIL WELL   OTHER SINGLE ZONE  MULTIPLE ZONE

8. FARM OR LEASE NAME, WELL NO. 500

2. NAME OF OPERATOR Williams Production Company

9. API WELL NO. 30-039-26165

3. ADDRESS OF OPERATOR c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 327-4892

10. FIELD AND POOL OR WILDCAT NAME SINGUI 22 DE OJO ALAMO Blanco Mesa Verde

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At Surface 990' FNL and 970' FWL At proposed Prod. Zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA D Sec. 23, T31N, R4W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 40 miles NE of Blanco, NM

12. COUNTY OR PARISH Rio San Juan Arriba 13. STATE NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 970'

16. NO. OF ACRES IN LEASE 1920

17. NO. OF ACRES ASSIGNED TO THIS WELL 220/60

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 2900'

19. PROPOSED DEPTH 3405'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6849' GR This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

22. APPROX. DATE WORK WILL START\* June 1999

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9-7/8"	7-5/8"	26.4#	500' 300	215 cu.ft. Cl "B" with 3% CaCl <sub>2</sub>
6-3/4"	5-1/2"	17#	640' 3405	533cu.ft. 65/35 poz & 470cu.ft. Cl "B"

Williams Production Company proposes to drill a vertical well to develop the Mesa Verde formation at the above described location in accordance with the attached drilling and surface use plans. In the event that the Mesa Verde formation is non productive, a completion attempt will be made in the Pictured Cliffs or Ojo Alamo. This location has been archaeologically surveyed by Moore Anthropological Research. Copies of their report have been submitted directly to your office.

This APD also is serving as an application to obtain BLM road and pipeline right-of-ways. This well will be accessed by a new road 20' wide by 2500' long which crosses the NW/NW of Sec. 23, the SE/SW and NE/SW of Sec. 14 T31N R4W where it joins Forest Road #310. Forest Road #310 continues south for 18 miles where it joins Highway 64. The pipeline is described on Plat #4.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Paul C. Thompson TITLE Paul Thompson, Agent DATE 4/14/99

(This space for Federal or State office use) PERMIT NO. APPROVAL DATE

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY: 8/3/99

APPROVED BY TITLE DATE

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

OK

NMOCD

District I  
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

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

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

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

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

99 APR 15 AM 7:49

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26165-9695612319		*Pool Code WC 31N4W23D	*Pool Name Blanco Mesa Verde
*Property Code 008480	*Property Name ROSA UNIT		*Well Number 500
*OGRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6849'

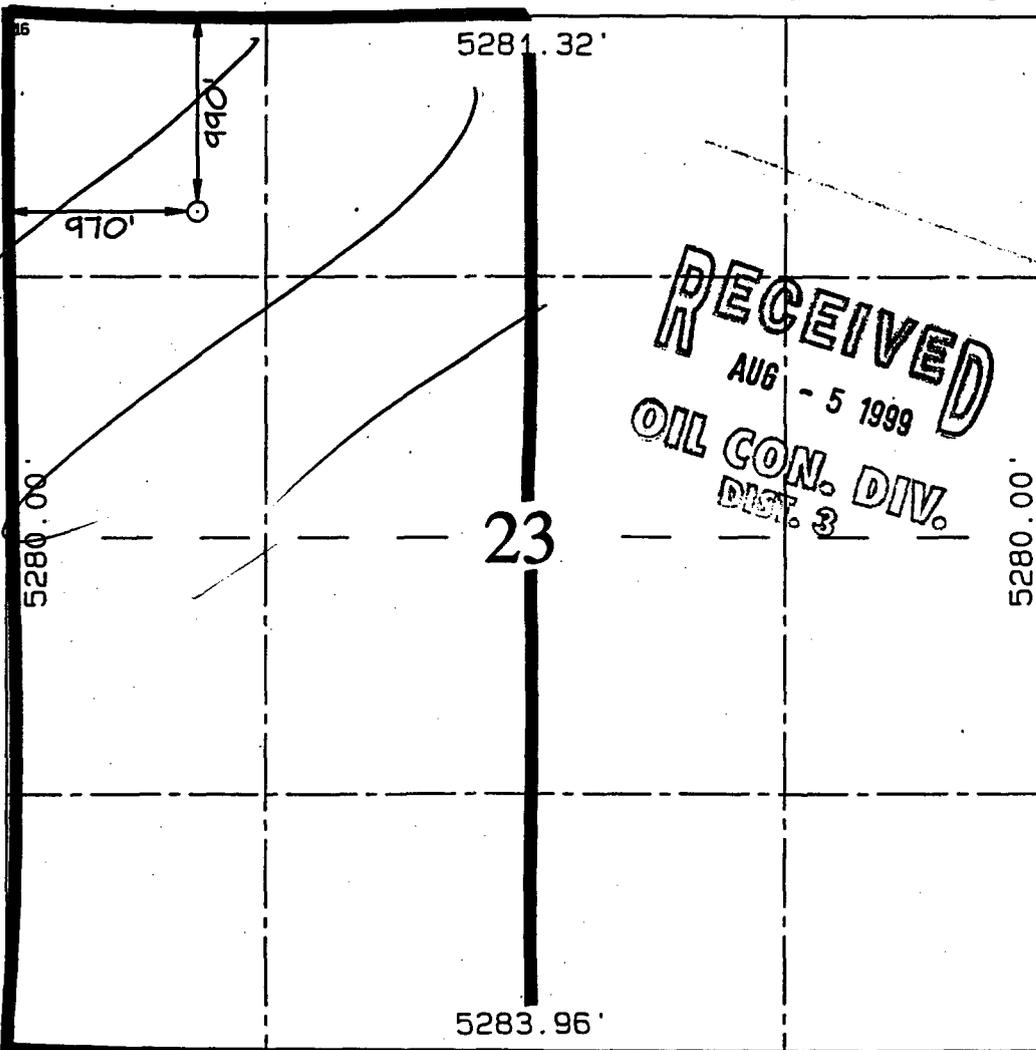
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
D	23	31N	4W		990	NORTH	970	WEST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320/160		13 Joint or Infill N		14 Consolidation Code U		15 Order No.			

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



RECEIVED  
AUG - 5 1999  
OIL CON. DIV.  
DIST. 3

17 OPERATOR CERTIFICATION

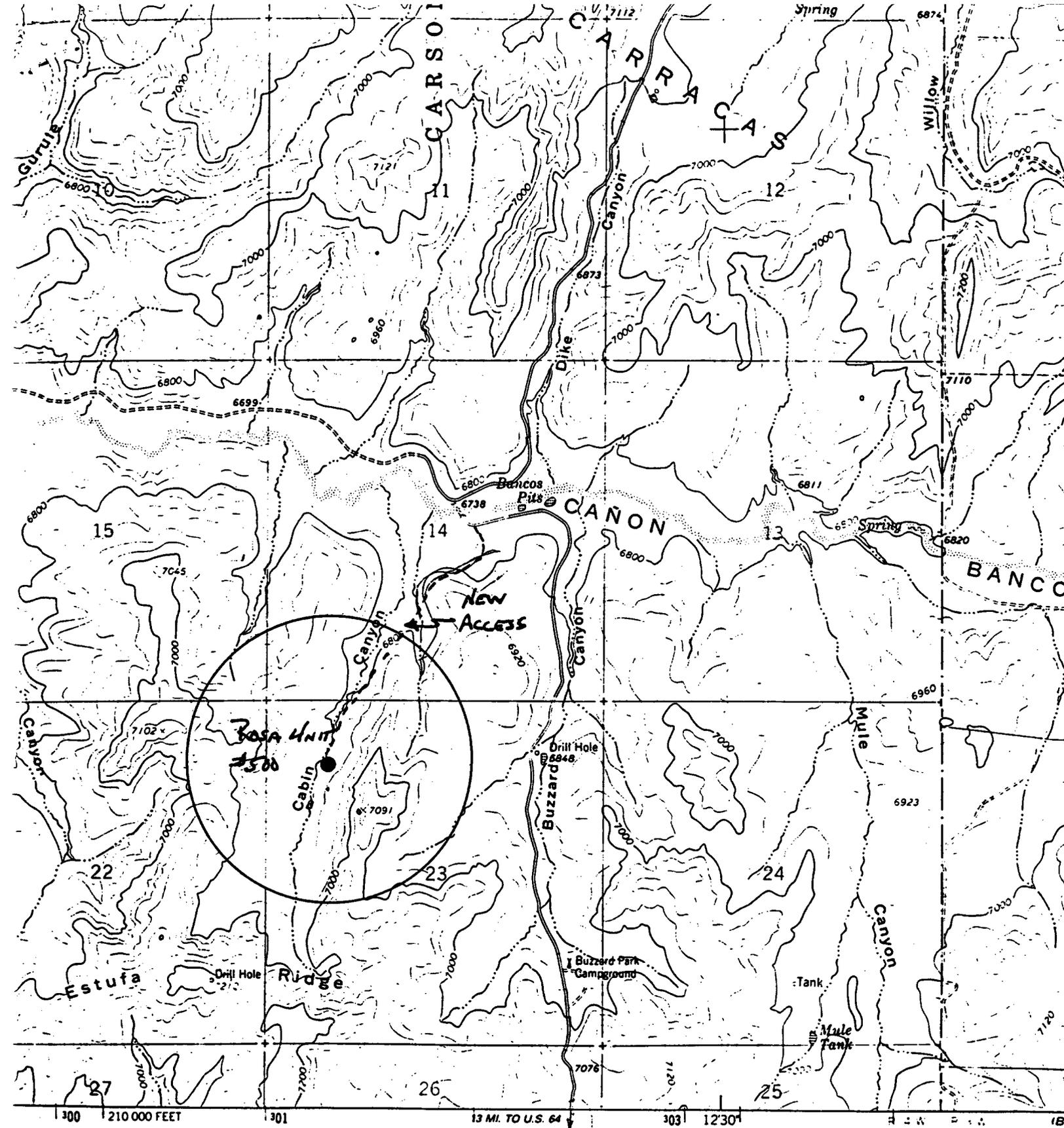
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

*Paul C. Thompson*  
Signature  
Paul C. Thompson  
Printed Name  
Agent  
Title  
4/14/99  
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 31, 1999  
Date of Survey  
*NEALEC. EDWARDS*  
Signature and Seal of Professional Surveyor  
**NEALEC. EDWARDS**  
NEW MEXICO  
REGISTERED PROFESSIONAL SURVEYOR  
6857  
Certificate Number 6857



edited, and published by the Geological Survey

USGS and USC&GS

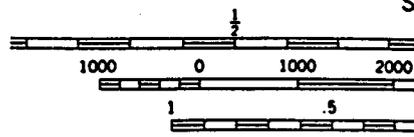
by photogrammetric methods from aerial photo taken 1958 and 1962 Field checked 1963

projection 1927 North American datum grid based on New Mexico coordinate system Universal Transverse Mercator grid ticks. shown in blue

the predicted North American Datum 1983 projection lines 2 meters north and east as shown by dashed corner ticks

PLAT #1

WILLIAMS PRODUCTION COMPANY  
 Rosa Unit #500  
 990' FNL & 970' FWL, Sec. 23, T31N, R4W  
 San Juan County, NM



CONTOUR NATIONAL GEODE

Revisions shown in purple compiled

THIS MAP COMPLIES V

**Stogner, Michael**

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**From:** Perrin, Charlie  
**Sent:** Tuesday, April 04, 2000 3:13 PM  
**To:** Stogner, Michael  
**Subject:** NSL

Hi Mike

Williams production API 30-039-26165  
Rosa # 500 T31N R4W Sec. 23, 900'FNL/970'FWL  
Ok to approve NSL

Thanks for your help.  
Charlie