

DATE IN 05/06/09	SUSPENSE	ENGINEER D. Brooks	LOGGED IN 5/6/09	TYPE NSL	APP NO. 08AA0912647413
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



30-039-30003  
Williams 120782  
#  
Rosa Unit 1600  
5673-A

2009 MAY 6 AM 11 56

## 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 \_\_\_\_\_

### [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.

Heather Riley  
Print or Type Name

Heather Riley  
Signature

Regulatory Specialist  
Title

5/4/09  
Date

heather.riley@williams.com  
e-mail Address



P. O. Box 640  
Aztec, NM 87410  
(505) 634-4222  
(505) 634-4205 (fax)  
Heather.riley@williams.com

May 4, 2009

Mark E. Fesmire  
NEW MEXICO OIL CONSERVATION DIVISION  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

*Re: Request for Administrative approval of a non-standard Basin Mancos Location  
Rosa Unit #168C  
API # 30-039-30003  
NE4 Sec. 28, T31N, R5W  
1,275' FNL & 280' FEL*

Dear Mr. Fesmire:

Williams Production Co., LLC ("Williams"), pursuant to the provisions of Division Rule 104, hereby seeks administrative approval of an unorthodox location for the Basin Mancos (97232) formation in Rosa Unit Well No. 168C. This is a vertical well located at 1275' FNL and 280' FEL of section 28, T31N, R5W, N.M.P.M. Williams requested and received approval for the Mesaverde and Dakota formations under **Administrative Order NSL-5673** dated August 23, 2007 and now wishes to add the Basin Mancos formation.

Pursuant to Order No. R-12984, spacing requirements allow for up to 4 wells in a standard spacing unit and for wells inside a federal exploratory unit and in a non-participating spacing unit they shall not be closer than 660 feet to the outer boundary of its spacing unit. Given these requirements, this location is non-standard to the east by 380 feet.

Williams intends to capture the reserves from the Mesaverde, Basin Mancos and Dakota formations with a single well bore. Not only will the multiple completion help capture additional reserves that otherwise would not be able to be economically developed, but utilizing a single well bore for a triple completion will also negate the need for additional disturbance of another wellpad, road, and pipeline.

Mark E. Fesmire

May 4, 2009

Page 2 of 2

Attached hereto as Exhibit A is the C-102 showing the subject spacing unit. Exhibit B is a plat showing the offsetting spacing unit and Rosa Unit boundary. As operator of the Rosa Unit, Williams is also the offsetting operator upon which the well encroaches. Working interest ownership is common in each spacing unit. Further, there is no Participating Area for the Mancos. Therefore, there are no affected parties as defined by Rules 1210(A)(2) and no notice is required. The spacing unit for the Basin Mancos is the east half and there are no other Basin Mancos wells in the spacing unit.

The proposed location is the most efficient and reasonable way to develop these potential reserves and would be in the best interest of conservation and the prevention of waste.

Should you have any questions or concerns, please don't hesitate to contact me at the phone numbers listed above. You can also contact Vern Hansen at our Tulsa office at (918) 573-6169.

Sincerely,

A handwritten signature in black ink, appearing to read "Heather Riley", with a stylized flourish at the end.

Heather Riley  
Regulatory Specialist

Enc.: C-102  
Rosa Unit Map

District I  
1525 N. French Dr., Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

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

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
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	*Pool Name
	97232 / 72319 / 71599	BASIN MANCOS / BLANCO MESAVERDE / BASIN DAKOTA
*Property Code	*Property Name	*Well Number
17033	ROSA UNIT	168C
*OGRID No.	*Operator Name	*Elevation
120782	WILLIAMS PRODUCTION COMPANY	6793'

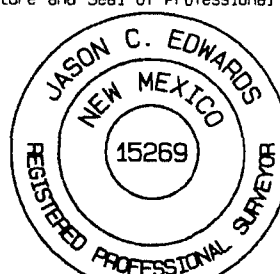
<sup>10</sup> Surface Location

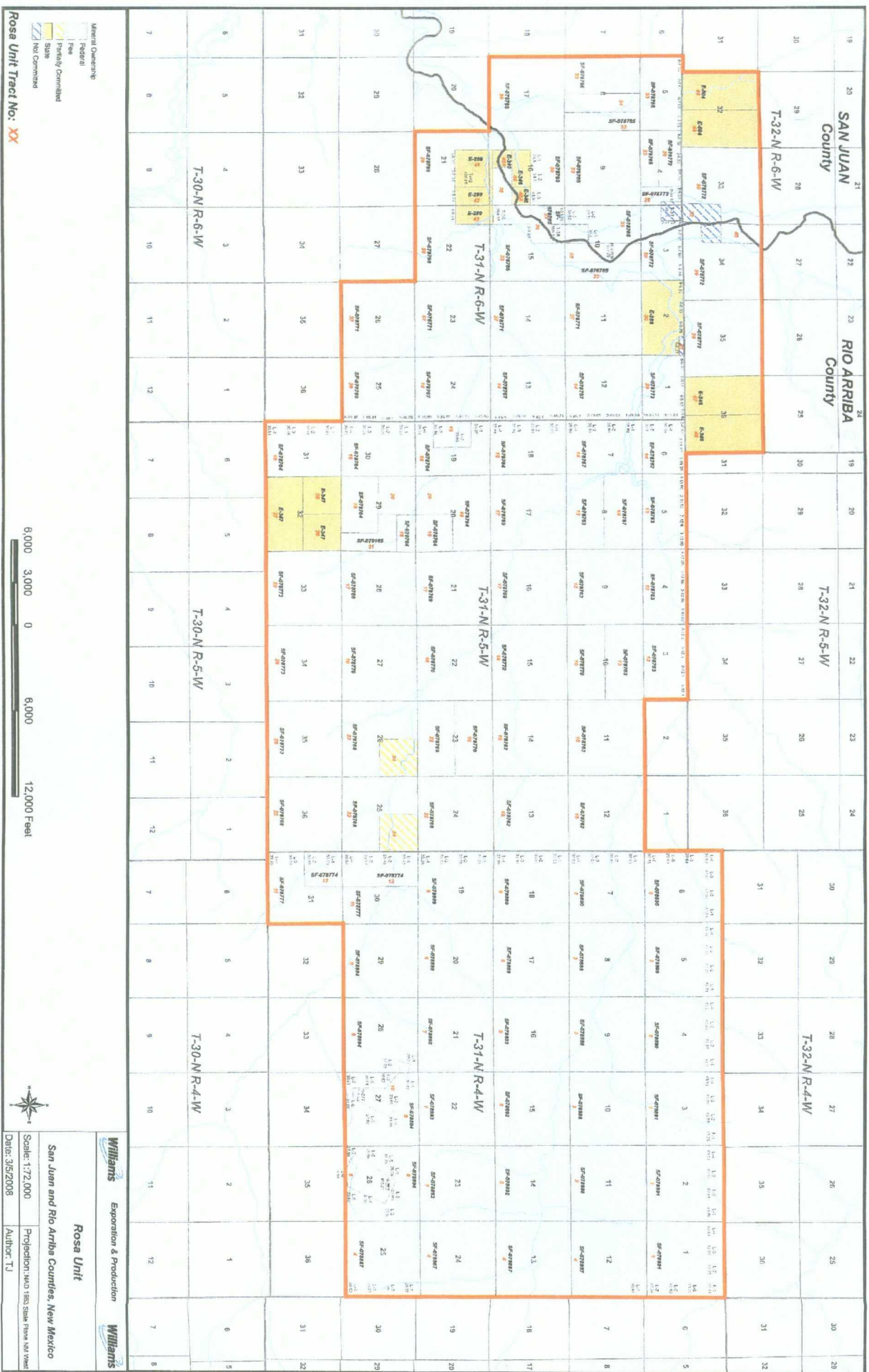
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	28	31N	5W		1275	NORTH	280	EAST	RIO ARriba

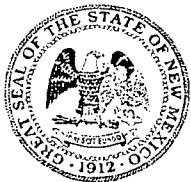
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.		
320.0 Acres - (E/2)									

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

<sup>16</sup>	5286.60'	1275'	280'	LAT: 36.87433°N LONG: 107.35960°W DATUM: NAD1983	<sup>17</sup> OPERATOR CERTIFICATION
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.				
					Signature _____ Date _____
					Printed Name _____
					<sup>18</sup> 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
					Date of Survey: MAY 3, 2006
					Signature and Seal of Professional Surveyor
					
					JASON C. EDWARDS
					Certificate Number 15269





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

August 23, 2007

Williams Production Company, LLC  
Attn: Ms. Heather Riley  
P.O.Box 640  
Aztec, NM 87410

**Administrative Order NSL-5673**

**Re: Rosa Unit Well Well No. 168C  
A-28-31N-5W  
Rio Arriba County**

Dear Ms Riley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-21836661**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on August 3, 2007,

(b) supplemental information and waivers furnished with you e-mail communication dated August, 22, 2007

and

(b) the Division's records pertinent to this request.

Williams Production Co., LLC (Williams) has requested to drill its Rosa Unit Well No. 168C at an unorthodox Mesaverde and Dakota gas well location, 1275 feet from the North line and 280 feet from the East line (Unit A) of Section 28, Township 31 North, Range 5 West, N.M.P.M., in Rio Arriba County, New Mexico. The E/2 of Section 28 will be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Gas Pool (72319) and in the Basin-Dakota Gas Pool (71599).

Spacing in the Blanco-Mesaverde Gas Pool is governed by Rules I.A and I.C of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as amended by Order No. R-10987-A(1), effective December 2, 2002, which generally provide for 320-acres units, with wells located at least 660 feet from a unit outer boundary. Spacing in the Basin-Dakota Gas Pool is governed by Rules II.A and II.C of the Special Rules and Regulations for the Basin-Dakota Gas Pool, as amended by Order No. R-10987-B(2), effective January 29, 2002, which generally provide for 320-acres units, with wells located at least 660 feet from a unit outer boundary.

The proposed location is less than 660 feet from the eastern unit boundary. In the Mesaverde, the proposed location is located in a participating area, but encroaches toward a prospective spacing unit that is not included in the participating area. In the Dakota, the proposed location is not in a participating area. Accordingly, the general exceptions provided in the applicable pool rules to the 660-foot set-back requirement do not apply.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

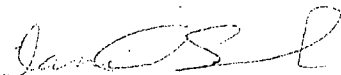
It is our understanding that Williams is seeking this location because Williams' geologic interpretation indicates that the well can tap into stranded reserves between the effective drainage areas of existing wells, that cannot be effectively drained by a well located at a standard location.


It is also understood that notice of this application to offsetting operators or owners is unnecessary (a) in the Dakota because Williams owns 100% of the working interest in the offsetting unit towards which the proposed location encroaches, and (b) in the Mesaverde because parties from whom Williams has furnished written waivers of notice are the only affected working interest owners in the offsetting unit in the Mesaverde formation.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



 Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec  
United States Bureau of Land Management - Farmington