

05/29/09	SUSPENSE	D. Brooks	05/29/09	TYPE	NSL	PKAA0914949455
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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

2009 MAY 29 AM 11 33



30-039-3074

Williams  
120782

Rosa Unit #209C

## ADMINISTRATIVE APPLICATION CHECKLIST

5660-A

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 5/27/09

Title

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 27, 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 #009C  
API # 30-039-30179  
SHL: 380' FSL & 1135' FWL, Sec. 11, T31N, R6W  
As Drilled BHL: 402' FSL & 438' FWL, Sec. 11, T31N, R6W*

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. 009C. This well has already been directionally drilled to the Dakota formation and we are attaching an "As Drilled" plat with a corrected BHL of 402' FSL & 438' FWL, Sec. 11, T31N, R6W, N.M.P.M. Williams requested and received approval for the Dakota formation under **Administrative Order NSL-5660** dated July 31, 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 south by 258 feet and the west by 222 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 27, 2009

Page 2 of 2

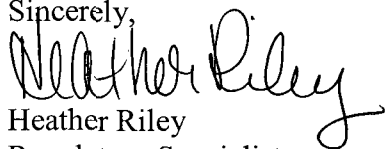
Also enclosed is a plat showing the offsetting spacing unit and Rosa Unit boundary. As the Unit Operator of the Rosa Unit, Williams Production is the only offset operator, thereby this proposed non-standard location would not affect any other operators.

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. There are no unleased mineral owners.

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", written over the printed name.

Heather Riley  
Regulatory Specialist

Enc.: C-102  
Rosa Unit Map

District I  
1625 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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 97232 / 72319 / 71599	<sup>3</sup> Pool Name BASIN MANCOS / BLANCO MESAVERDE / BASIN DAKOTA
<sup>4</sup> Property Code 17033	<sup>5</sup> Property Name ROSA UNIT	<sup>6</sup> Well Number 9C
<sup>7</sup> OGRID No. 120782	<sup>8</sup> Operator Name WILLIAMS PRODUCTION COMPANY	<sup>9</sup> Elevation 6386'


<sup>10</sup> Surface Location

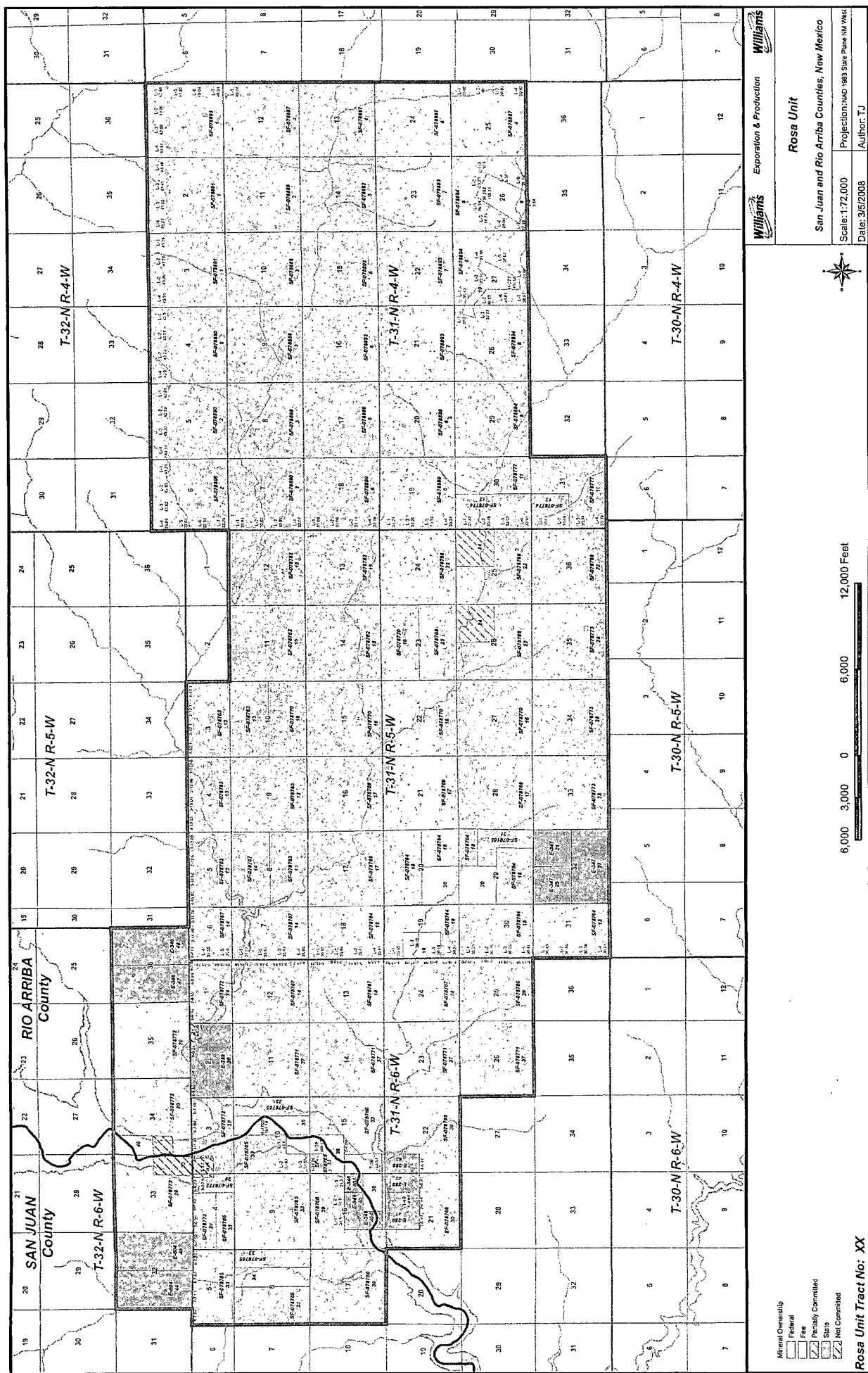
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	31N	6W		380	SOUTH	1135	WEST	RIO ARRIBA

<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
M	11	31N	6W		402	SOUTH	438	WEST	RIO ARRIBA
<sup>12</sup> Dedicated Acres 320.0 Acres - (W/2)					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<div>16</div> <div>5289.24'</div> <div>LEASE SF-078771</div> <div>5280.00'</div> <div>11</div> <div>5280.00'</div> <div>BOTTOM-HOLE LAT: 36.90800 °N LONG: 107.43973 °W DATUM : NAD1983</div> <div>SURFACE LOCATION LAT: 36.90793 °N LONG: 107.43736 °W DATUM : NAD1983</div> <div>438' N88°06.5'W 697.5'</div> <div>402' 1135' 380'</div> <div>5287.92'</div>	<div><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.</div> <div>Signature _____ Date _____</div> <div>Printed Name _____</div> <div><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: APRIL 26, 2006 Signature and Seal of Professional Surveyor</div> <div> <b>JASON C. EDWARDS</b> Certificate Number 15269</div>
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# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

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

Director

Oil Conservation Division

July 31, 2007

Williams Production Company, LLC  
P.O. Box 640  
Aztec, New Mexico 87410

Attention: Ms. Heather Riley

Re: **Rosa Unit Well No. 9C**  
**API No. N/A**  
**380' FSL & 330' FWL, Unit M,**  
**Section 11, T-31 North, R-6 West, NMPM,**  
**Rio Arriba County, New Mexico**

*Administrative Order NSL-5660*

Dear Ms. Riley:

Reference is made to the following:

- (a) Williams Production Company, LLC's ("Williams") application for a non-standard well location (*administrative application reference No. pCLP0718332270*) for the Rosa Unit Well No. 9C that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 29, 2007; and
- (b) the Division's records pertinent to Williams' request.

Williams requests authority to drill its Rosa Unit Well No. 9C to test the **Basin-Dakota (Prorated Gas – 71599) and Blanco-Mesaverde (Prorated Gas – 72319) Pools** at a non-standard gas well location for both the Mesaverde and Dakota formations 380 feet from the South line and 330 feet from the West line (Unit M) of Section 11, Township 31 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. The well is to be dedicated to an existing standard 320-acre gas spacing and proration unit in the Basin-Dakota Gas Pool comprising the W/2 of Section 11, and is also to be dedicated to an existing standard 320-acre gas spacing and proration unit in the Blanco-Mesaverde Gas Pool comprising the W/2 of Section 11. The Basin-Dakota and Blanco-Mesaverde Gas Pools are currently governed by special pool rules established by Division Order No. R-10987, as amended, which provide that for wells located within federal exploratory units:

- (a) a standard unit shall consist of 320 acres, more or less, comprising the N/2, S/2, E/2 or W/2 of a governmental section; and

- (b) well's may be drilled no closer than 10 feet from any section, quarter-section, or interior quarter-quarter section line or subdivision inner boundary; provided however, that in order to qualify for the more lenient well setback requirements, the well and gas proration unit (GPU) must meet the following criteria:

the well must be located within a GPU that is fully committed to the unit and must not be located adjacent to an existing or prospective GPU that is non-committed or partially committed to the unit;

the well must be located within a GPU that is within the Participating Area (PA) for that formation and must not be located adjacent to an existing or prospective GPU that is not within the PA for that formation.

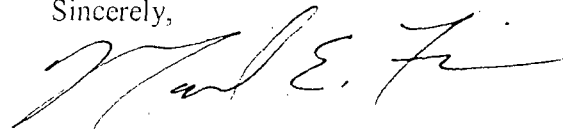
Williams' application stated that the well was staked at the proposed location after consideration of engineering drainage data from existing Mesaverde gas wells, and in order to maximize the recovery of gas from the Mesaverde formation. The location is unorthodox for the Blanco-Mesaverde Gas Pool because the affected offset acreage to the west contains acreage that is not fully committed to the unit. The location is also unorthodox for the Basin-Dakota Gas Pool since the proposed GPU and the affected adjacent GPU's are not located within the Dakota PA.

Williams has provided notice of this application to all affected interest owners. No party has entered an objection to the application within the 20-day waiting period prescribed by Division Rule 19.15.3.104.F.

Division records show that the Rosa Unit Well No. 9C will be the fourth well producing from the Blanco-Mesaverde Gas Pool, and the second well producing from the Basin-Dakota Gas Pool within the W/2 of Section 11. The existing Blanco-Mesaverde Gas Pool producing wells are the Williams Rosa Unit Wells No. 9 (API No. 30-039-07975), 9A (API No. 30-039-25584) and the 9B (API No. 30-039-27042) located respectively in Units K, C and E. The existing Basin-Dakota Gas Pool producing well is the Williams Rosa Unit Well No. 9A (API No. 30-039-25584) located in Unit C.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Blanco-Mesaverde and Basin-Dakota Gas Pools is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.  
Division Director

MEF/drc

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



## Brooks, David K., EMNRD

---

**From:** Brooks, David K., EMNRD  
**Sent:** Wednesday, June 10, 2009 2:46 PM  
**To:** 'Riley, Heather '  
**Subject:** Rosa Unit Well No. 9C; NSL Application

Dear Ms. Riley

Because this location encroaches toward several units, I would like some clarification of the statement in your application that "working interest ownership is common in each spacing units."

It would appear that the spacing units or potential spacing units encroached upon would be:

W/2 or N/2 of Section 14  
E/2 of Section 10  
E/2 or N/2 of Section 15

Is working interest ownership common as to all of these units?

Thanks

David K. Brooks  
Legal Examiner  
505-476-3450

## Brooks, David K., EMNRD

---

**From:** Riley, Heather [Heather.Riley@Williams.com]  
**Sent:** Thursday, June 11, 2009 8:39 AM  
**To:** Brooks, David K., EMNRD  
**Cc:** Higgins, Larry ; Winters, Lacey ; West, Brennan ; Hansen, Vern  
**Subject:** RE: Rosa Unit Well No. 9C; NSL Application

Mr. Brooks,

Working interest ownership is common as to all of the below listed units in the MC and DK formations.

Thanks,

Heather Riley  
Regulatory Specialist  
Williams Production Co., LLC  
(505) 634-4222 (office)  
(970) 749-8747 (cell)

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, June 10, 2009 2:46 PM  
**To:** Riley, Heather  
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505-476-3450

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## Brooks, David K., EMNRD

---

**From:** Riley, Heather [Heather.Riley@Williams.com]  
**Sent:** Thursday, June 11, 2009 9:37 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Rosa Unit Well No. 9C; NSL Application

Yes.

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Thursday, June 11, 2009 9:07 AM  
**To:** Riley, Heather  
**Subject:** RE: Rosa Unit Well No. 9C; NSL Application

For clarification, does "MC" refer to Mancos?

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**From:** Riley, Heather [mailto:Heather.Riley@Williams.com]  
**Sent:** Thursday, June 11, 2009 8:39 AM  
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E/2 or N/2 of Section 15