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ABOVE THIS LINE FOR DIVISION USE ONLY

30-045-34950

RECEIVED - Engineering Bureau -

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

2009 JUN 9 PM 1 26

ADMINISTRATIVE APPLICATION CHECKLIST

Rosa Unit 1380

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-	[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [alified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]	
[1]	TYPE OF	APPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD	
	CI (B	ck One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM	
	[C	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR	
	[[Other: Specify	
[2]	NOTIFIC	TION, REQUIRED TO: - Check Those Which Apply, or Does Not Apply 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	
	[15	For all of the above, Proof of Notification or Publication is Attached, and/or,	
	[F	Waivers are Attached	
[3]		CCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE CATION INDICATED ABOVE.	
	al is <mark>accur</mark> a	ATION: I hereby certify that the information submitted with this application for administrative and complete to the best of my knowledge. I also understand that no action will be taken on this required information and notifications are submitted to the Division.	
١ .		te: Statement must be completed by an individual with managerial and/or supervisory capacity.	
Heat Print or	NOV Kilo Type Name	Signature Kegulatory Special & 18100 Date	<u> </u>
	_	heather rileyawilliams. Ce e-mail Address	M



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

June 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 and Basin

Dakota Location Rosa Unit #138D API # 30-045-34959

SHL: 2280' FNL & 820' FEL, Sec. 17, T31N, R6W BHL: 1000' FNL & 200' FEL, Sec. 17, 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) and the Basin Dakota (71599) formations in Rosa Unit Well #138D. This is a directional well with a bottom hole location of 1000' FNL & 200' FEL, Sec. 17, T31N, R6W. This well will be a triple completion in the Mesaverde, Basin Mancos and Basin Dakota formations and is part of the Pilot Project pursuant to Order No. R-13123 which allows for one additional Mesaverde infill well on each standard 320-acre gas proration unit.

Pursuant to Order No. R-12984, spacing requirements allow for up to 4 Basin Mancos 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. Additionally, pursuant to Order No. R-10987-B(2), spacing requirements allow for up to 4 Dakota wells in a standard GPU and they shall be located not closer than 660 feet to the outer boundary of the GPU and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary. Given these requirements, this location is encroaching to the east (Section 16) by 460 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

Mark E. Fesmire June 4, 2009 Page 2 of 2

utilizing a single well bore for a triple completion will also negate the need for additional disturbance of another wellpad, road, and pipeline.

The surface for this well is being located on a multi-well pad, therefore, we will be utilizing existing surface disturbance. The bottom hole location was chosen by considering drainage patterns from the existing Mesaverde wells in that spacing unit, i.e. the Rosa Unit #138, #138A, #138B, and #138C. Further, drainage patterns from the other offset Mesaverde wells were also considered. They are the Rosa Unit #167C in the SE of Section 8, the Rosa Unit #180 and #180B in the SW of 9, the Rosa Unit #145A and #145C in the NW of 16, and the Rosa Unit #185A and #185B in the SW of 16. See attached drainage map.

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.

Enclosed for your reference are copies of the Participating Area maps for the Mesaverde and Dakota Formations. All of Sections 16 and 17 are in the PA in the Mesaverde Formation therefore no setback requirements apply. Neither the east half of Section 17 nor the north half of Section 16 are in the Dakota PA, therefore setback requirements do apply.

The offset unit's working interest owners to the east are uncommon in the Mancos and Dakota formations. Notice was sent out and a list is attached hereto. There are no unleased mineral owners.

The spacing unit for all three formations is the east half. The other Mesaverde wells in the spacing unit are the Rosa Unit #138, #138A, #138B, and #138C. There are no other Mancos or Dakota wells.

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,

Heather Riley

Regulatory Specialist

Enc.: 1st page of APD

Plat

Drainage Map

PA Maps (MV & DK) Mineral ownership map List of Affected Persons

Form 3160-3 FORM APPROVED OMB No. 1004-0136 Expires January 31, 2004 (September 2001) 5. Lease Serial No. ARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT

Bureau of Land Management NMSF-078766

Familington Field Office 6. If Indian, Allottec or Tribe Name

APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. la. Type of Work: DRILL. REENTER Rosa Unit 8. Lease Name and Well No. ☐ Oil Well ☐ Gas Well ☐ Other Multiple Zone ☐ Single Zone 1b. Type of Well: 138D 2. Name of Operator API Well No Williams Production Company, LLC 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory P.O. Box 640 Aztec, NM 87410 (505) 634-4208 Basin Mancos/Blanco Mesaverde/Basin Dakota 11. Sec., T., R., M., or Blk. and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements. *) 2280' FNL & 820' FEL At surface 1000' FNL & 200' FEL At proposed prod. zone Section 17, 31N, 6W 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State approximately 30 miles northeast of Blanco, New Mexico San Juan 17. Spacing Unit dedicated to this well 15. Distance from proposed* 16. No. of Acres in lease location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any) 820 2,552.71 320.0 - (E/2)18. Distance from proposed location 19. Proposed Depth 20. BLM/BIA Bond No. on file to nearest well, drilling, completed, applied for, on this lease, ft. 60' Rosa 276 8.370 UT0847 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 23. Estimated duration 22. Approximate date work will start* 6,333' GR. This action is subject to technical and April 1, 2009 1 month and appeal pursuant to 43 CFR 3165.4 24. Attachments DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form: GENERAL REQUIREMENTS". 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) 2. A Drilling Plan. 5. Operator certification. 3. A Surface Use Plan (if the location is on National Forest System Lands, the 6. Such other site specific information and/or plans as may be required by the SUPO shall be filed with the appropriate Forest Service Office) authorized officer. 25. Signature Name (Printed/Typed) Larry Higgins Title Drilling CQM Name (Printed/) Date Approved-by Title Office

anythis subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United

Williams Production Company, LLC, proposes to develop the Basin Mancos, Blanco Mesaverde, and Basin Dakota formations at the above described location in accordance with the attached drilling and surface use plans.

The well pad surface is under jurisdiction of the Bureau of Land Management, Farmington Field Office (BLM/FFO).

Application approval foes not warrant or certify that the applicant holds legal or equitable title to those right

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

This location has been archaeologically surveyed by La Plata Archaeological Consultants. Copies of their report have been submitted directly to the BLM.

No new access road will be required for this proposed well.

This APD is also serving as an application to obtain a pipeline right-of-way. An associated pipeline tie of 129.20 feet would be required for this well.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIANT AND

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

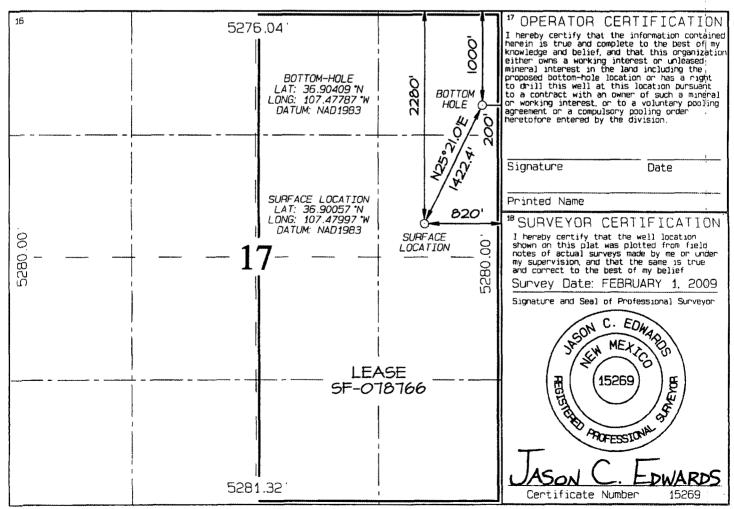
Form C-102 Revised October 12, 2005 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

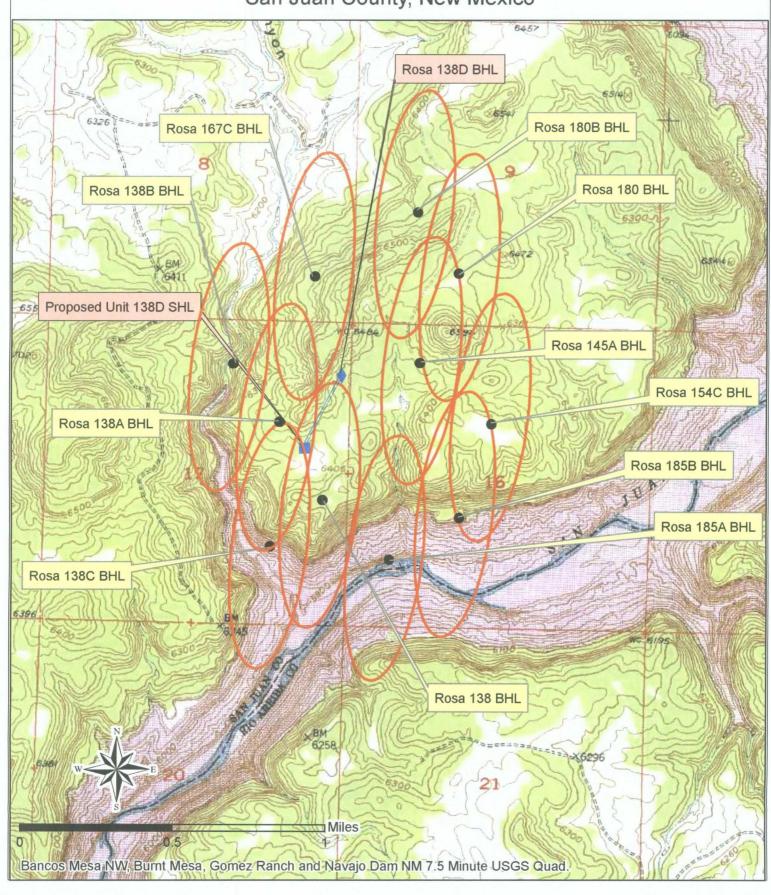
WELL LOCATION AND ACREAGE DEDICATION PLAT

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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



NSL Application Drainage Map Williams Production Company, LLC Proposed Rosa Unit No. 138D T31N, R06W, Section 17 NMPM San Juan County, New Mexico



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WILLIAMS PRODUCTION COMPANY, LLC One Williams Center P.O. Box 3102 Tulsa, OK 74101-3102 918/573-2878

June 4, 2009

CERTIFIED MAIL RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re:

Application of Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Rosa Unit #138D Mancos/Dakota formation well to be drilled to a bottom hole location at 1000 feet from the North line and 200 feet from the East line of Section 17, Township 31 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date by Williams Production Company, LLC for administrative approval of an unorthodox well location for its proposed Rosa Unit #138D Mancos/Dakota formation well to be drilled to a bottom hole location at 1000 feet from the North line and 200 feet from the East line of Section 17, Township 31 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. The E/2 of Sec. 17, T31N, R6W, a standard 320.00 acre spacing unit is dedicated to the well.

As an owner of an interest that may be affected by the proposed well, you may object to this application. Objections must be filed in writing within twenty days from this date at the Division's Santa Fe office that is located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. If no objection is received within this twenty-day period, this application for an unorthodox well location may be approved.

Enclosures

Sincerely,

Brennan West Landman

Rosa Unit #138D Mancos and Dakota Formation Well Affected Interest Owners

N/2 of Sec. 16, T31N, R6W (Mancos and Dakota Drill Block Owners)
S/2 of Sec. 16, T31N, R6W (Mancos Drill Block Owners, Dakota Participating Area
Owners)

BP AMERICA PRODUCTION CO. ATTN: JOHN LARSON P.O. BOX 3092 HOUSTON, TX 77253-3092 MR. J. GLENN TURNER, JR., LLC 4809 COLE, SUITE 212 DALLAS, TX 75205

MS. ELIZABETH T. CALLOWAY P.O. BOX 191767 DALLAS, TX 75219-1767 MR. FRED E. TURNER, LLC 4925 GREENVILLE AVENUE, #852 DALLAS, TX 75206-4079

MARY FRANCES TURNER, JR TRUST ATTN: SHERI ANDERSON TX1-2931 P O BOX 660197 DALLAS, TX 75266-0197 MR. JOHN L. TURNER P.O. BOX 329 PORT ARANSAS, TX 78373

SACRAMENTO MUNICIPAL UTILITIES DISTRICT ATTN: BARRY BRUNELLE P. O. BOX 15830 SACRAMENTO, CA 95852-1830 OMIMEX PETROLEUM, INC. ATTN: CLARK P. STORMS 2001 BEACH ST., SUITE 810 FORT WORTH, TX 76103