

|                       |          |                     |                         |                 |                           |
|-----------------------|----------|---------------------|-------------------------|-----------------|---------------------------|
| DATE IN <b>4/3/11</b> | SUSPENSE | ENGINEER <b>DKB</b> | LOGGED IN <b>4/3/11</b> | TYPE <b>DHC</b> | APP NO. <b>1112356045</b> |
|-----------------------|----------|---------------------|-------------------------|-----------------|---------------------------|

PTG-W

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



*Williams J*  
*Schalk 32 #1A*

**ADMINISTRATIVE APPLICATION CHECKLIST**

*30889-30915*

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]

*Ris Arriba*  
*fed*  
*4371*

[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

*None*  
*needed*

[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.

**ADAM RANKIN**

Print or Type Name

*[Signature]*

Signature

Title

Date

*4/3/11*

*agrankin@hollandhart.com*  
e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240

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

District III  
1090 Rio Bravo Road, Aztec, NM 87410

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

**Oil Conservation Division**

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well  
Establish Pre-Approved Pools

EXISTING WELLBORE

☐ Yes ☒ No

**APPLICATION FOR DOWNHOLE COMMINGLING**

Williams Production Company, LLC P.O. Box 649, Aztec, NM 87410 (505) 634-4222

Operator Address

Schalk 32 #1A E 32-31N-4W Rio Arriba  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 120782 Property Code 301345 API No. 30-039-30915 Lease Type: ☒ Federal ☐ State ☐ Fee

| DATA ELEMENT   | UPPER ZONE             | INTERMEDIATE ZONE      | LOWER ZONE          |
|--|------------------------|------------------------|---------------------|
| Pool Name  | WC Kirtland            | Basin Fruitland Coal   |                     |
| Pool Code  |                        | 71629                  |                     |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)  | 3287                   | 3679                   |                     |
| Method of Production<br>(Flowing or Artificial Lift)   | Flowing                | Flowing                |                     |
| Bottomhole Pressure<br>(Note: Pressure data will not be required if the bottom<br>perforation in the lower zone is within 150% of the<br>depth of the top perforation in the upper zone)       | NA                     | NA                     |                     |
| Oil Gravity or Gas BTU<br>(Degree API or Gas BTU)  | .94                    | .94                    |                     |
| Producing, Shut-In or<br>New Zone  | New Zone               | New Zone               |                     |
| Date and Oil/Gas/Water Rates of<br>Last Production.<br>(Note: For new zones with no production history,<br>applicant shall be required to attach production<br>estimates and supporting data.) | Date:<br><br>Rates: NA | Date:<br><br>Rates: NA | Date:<br><br>Rates: |
| Fixed Allocation Percentage<br>(Note: If allocation is based upon something other<br>than current or past production, supporting data or<br>explanation will be required.)                     | Oil Gas<br><br>% 0.1%  | Oil Gas<br><br>% 99.9% | Oil Gas<br><br>% %  |

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones?

Yes ☒  
No ☐

If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☐  
No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒  
No ☐

Will commingling decrease the value of production?

Yes ☐  
No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒  
No ☐

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

**Attachments:**

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

**PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

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

SIGNATURE Ben Mitchell TITLE Regulatory Specialist DATE 5/3/2011  
TYPE OR PRINT NAME Ben Mitchell TELEPHONE NO. (505) 694-4206  
E-MAIL ADDRESS ben.mitchell@williams.com

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

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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<br>71629 | *Pool Name<br>BASIN FRUITLAND COAL/WC KIRTLAND |
| *Property Code      | *Property Name<br>SCHALK 32                   |                     | *Well Number<br>1A                             |
| *GRID No.<br>120782 | *Operator Name<br>WILLIAMS PRODUCTION COMPANY |                     | *Elevation<br>6978'                            |

#### <sup>10</sup> Surface Location

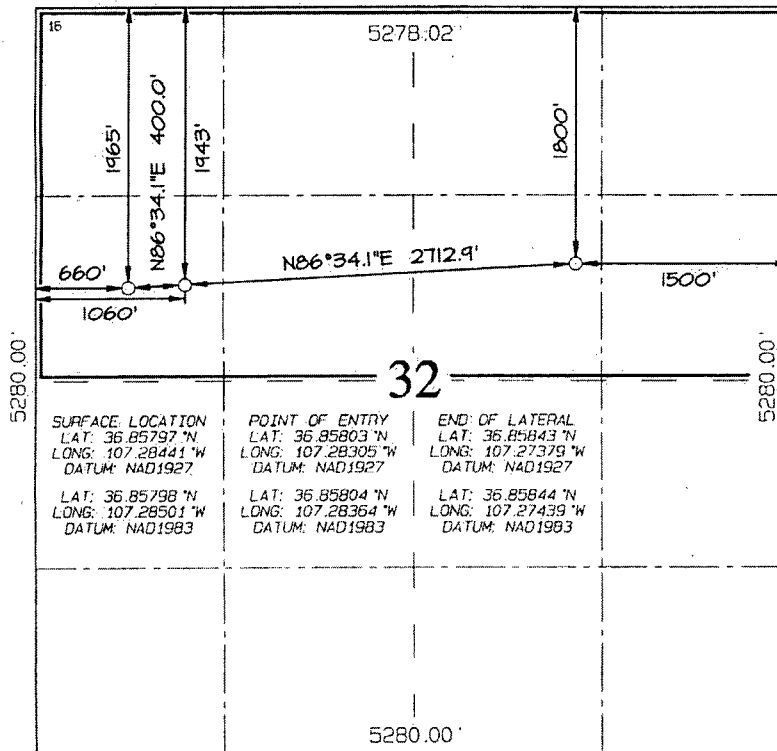
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| E             | 32      | 31N      | 4W    |         | 1965          | NORTH            | 660           | 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     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| G             | 32      | 31N      | 4W    |         | 1800          | NORTH            | 1500          | EAST           | RIO ARriba |

|  |                               |                                  |                         |
|--|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>320.0 Acres - (N/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



<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.

*Ben Mitchell* 5/3/2011  
Signature Date  
Ben Mitchell  
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 Revised: APRIL 1, 2011  
Survey Date: SEPTEMBER 9, 2008  
Signature and Seal of Professional Surveyor

JASON C. EDWARDS  
Certificate Number 15269

## Warnell, Terry G, EMNRD

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**From:** Adam Rankin [AGRankin@hollandhart.com]  
**Sent:** Tuesday, May 03, 2011 3:12 PM  
**To:** Brooks, David K., EMNRD; Warnell, Terry G, EMNRD  
**Subject:** Williams: Schalk 32 Well #1A

David and Terry,

I am on way over to deliver the commingling application. Ken McQueen's contact information is below, should you have any questions that neither myself nor Bill are able to answer.

Best,  
Adam

[ken.mcqueen@williams.com](mailto:ken.mcqueen@williams.com)  
918.573.2889

**Adam G. Rankin**  
*Associate Attorney*  
Holland & Hart LLP  
110 North Guadalupe Suite 1  
Santa Fe, NM 87501  
Phone (505) 988-4421  
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