



September 14, 2004

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13347

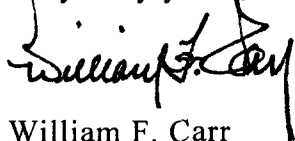
2004 SEP 14 PM 2 16

Re: Application of Williams Production Company for an exception to Rule 7(d) of the Special Pool Rules and Regulations for Basin-Fruitland Coal Gas Pool to authorize the simultaneous dedication of the south half of Section 8, Township 31 North, Range 5 West, NMPM, to two coal gas well located in the same quarter section, Rio Arriba County, New Mexico.

Dear Mr. Fesmire:

Enclosed in triplicate is an Application of Williams Production Company in the above-referenced case as well as a copy of a legal advertisement. Williams Production Company respectfully requests that this matter be placed on the docket for the October 7, 2004 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Oil Conservation Division District III
1000 Rio Brazos Road
Aztec, New Mexico 87410

M. Vern Hansen, CPL
Williams Production Company
Post Office Box 3102
Tulsa, Oklahoma 74101

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

2009 SEP 14 PM 3:28

IN THE MATTER OF THE APPLICATION OF WILLIAMS PRODUCTION COMPANY FOR AN EXCEPTION TO RULE 7(d) OF THE SPECIAL POOL RULES AND REGULATIONS FOR THE BASIN-FRUITLAND COAL GAS POOL TO AUTHORIZE THE SIMULTANEOUS DEDICATION OF THE SOUTH HALF OF SECTION 8, TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM, TO TWO COAL GAS WELLS LOCATED IN THE SAME QUARTER SECTION, RIO ARriba COUNTY, NEW MEXICO.

CASE NO. 13347

APPLICATION

WILLIAMS PRODUCTION COMPANY ("Williams"), by its undersigned attorneys, Holland & Hart, LLP, seeks an exception to Rule 7(d)(2) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool, to authorize the simultaneous dedication of the S/2 of Section 8, Township 31 North, Range 5 West, NMPM, San Juan County, New Mexico to two coal gas wells located in the same quarter section. In support of its application, Williams Production Company states:

1. Williams is the operator of the S/2 of said Section 8, Township 31 North, Range 5 West, NMPM, on which is located the Rosa Unit Well No. 379 that, pursuant to Rule 9(A) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool, has been drilled as an intentionally deviated horizontal wellbore on a project area comprised of the S/2 of this section. The surface location for the Well is 1710 feet from the South line and 1680 feet from the West line (Unit K) and the horizontal portion of the wellbore extends in a east southeast direction with a vertical section of approximately 2500 feet. The wellbore traverses both quarter sections in the S/2 of Section 8. This well is not effectively and efficiently draining the reserves under this spacing unit/project area.

2. Williams proposes to drill its Rosa Unit Well No. 379A as the optional infill well on this 320-acre spacing unit in the Basin-Fruitland Coal Gas Pool. This well will be drilled as a vertical well from a surface location 1130 feet from the South line and 1680 feet from the West line of Section 8. The surface locations for the Rosa Unit Well Nos. 379 and 379A will both be located in the SE/4 of Section 8. Attached hereto as Exhibit A are Williams' Forms C-102 for each well.

3. Williams seeks an exception to the provisions of Rule 7(d) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool to permit the INITIAL Fruitland Coal Well and the OPTIONAL INFILL WELL to located in the same quarter Section of said Section 8. Furthermore, the simultaneous dedication both wells to this 320-acre spacing unit in the Basin-Fruitland Coal Gas Pool will

permit Williams to efficiently and effectively produce the gas from this pool.

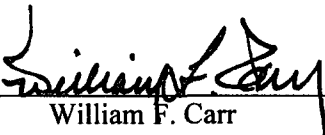
4. This well is located in the interior of the Rosa Unit Area and therefore there are no "affected persons" (Division-designated operators or owners of undrilled tracts) as defined in Division Rule 1207(a)(2) offsetting this S/2 spacing unit to whom notice of this application must be provided may be provided is required by Division rules. Since the well is located on federal land, the application has been provided by Certified Mail-Return Receipt Requested to the Bureau of Land Management with copies of form 3160-3. A copy of this application has also been mailed to the Division's Aztec Office.

5. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Williams Production Company requests that this application be set for hearing on October 7, 2004 before a duly appointed Examiner of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

HOLLAND & HART, LLP

By: 
William F. Carr

ATTORNEYS FOR WILLIAMS
PRODUCTION COMPANY

PROPOSED LEGAL ADVERTISEMENT:

Case 1334? **Application of Williams Production Company for an exception to Rule 7(d) of the Special Pool Rules and Regulations for Basin-Fruitland Coal Gas Pool to authorize the simultaneous dedication of the south half of Section 8, Township 31 North, Range 5 West, NMPM, to two coal gas well located in the same quarter section, Rio Arriba County, New Mexico.** Applicant seeks an exception to Rule 7(d) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool, to authorize the simultaneous dedication of the S/2 of Section 8, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico to the following four existing coal gas wells:

the existing **Rosa Unit Well No. 379** that has been drilled as an intentionally deviated horizontal wellbore on a project area comprised of the S/2 of this section from a surface location 1710 feet from the South line and 1680 feet from the West line (Unit K) with the horizontal portion of the wellbore extending in an east southeast direction with a vertical section of approximately 2500 feet traversing both quarter sections in the S/2 of Section 8, and

the proposed **Rosa Unit well No. 379A** to be drilled as a vertical well as the optional infill well on this 320-acre spacing unit from a surface location 1130 feet from the South line and 1680 feet from the West line (Unit N) of Section 8.

The surface locations for the Rosa Unit Well Nos. 379 and 379A will both be located in the SE/4 of Section 8.

Said spacing unit is located approximately 8 miles North of Espezoq, New Mexico.

AUG-31-2004 16:14
District I
PO Box 1980, Hobbs, NM 88241-1980

WILLIAMS PRODUCTION
State of New Mexico
Energy, Minerals & Natural Resources Department

918 573 1963 P.02
Form C-10
Revised February 21, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District II
PO Drawer 00, Artesia, NM 88211-0719

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 379A
*OGAID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6258'

¹⁰ Surface Location

UL or lot no. N	Section 8	Township 31N	Range 5W	Lot ID#	Feet from the 1130	North/South line SOUTH	Feet from the 1680	East/West line WEST	County RIO ARriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ID#	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320.0 Acres - (5/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

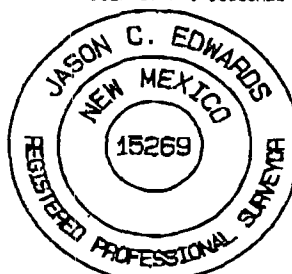
<div>16</div> <div>5276.04'</div> <div><i>FINAL</i> <i>6-29-04</i> <i>LA</i></div> <div>5280.00'</div> <div>1680'</div> <div>1130'</div> <div>5276.04'</div> <div>LEASE SF-078763</div>	<div>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature _____ Printed Name _____ Title _____ Date _____</div> <div>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. Revised: JUNE 25, 2004 Date of Survey: MAY 7, 2004 Signature and Seal of Professional Surveyor  JASON C. EDWARDS Certificate Number 15269</div>
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EXHIBIT A

TUE 15:11 [TX/RX NO 8387] 002

AUG-31-2004 16:14
District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

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

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

WILLIAMS PRODUCTION
State of New Mexico
Energy, Minerals & Natural Resources Department

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

918 573 1963 P.03
Form L-102
Revised February 21, 1994
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 71629	Pool Name Basin Fruitland Coal
Property Code 17033	Property Name ROSA UNIT		Well Number 17033
GRID No. 120782	Operator Name WILLIAMS PRODUCTION COMPANY		Elevation 5276'

¹⁰ Surface Location

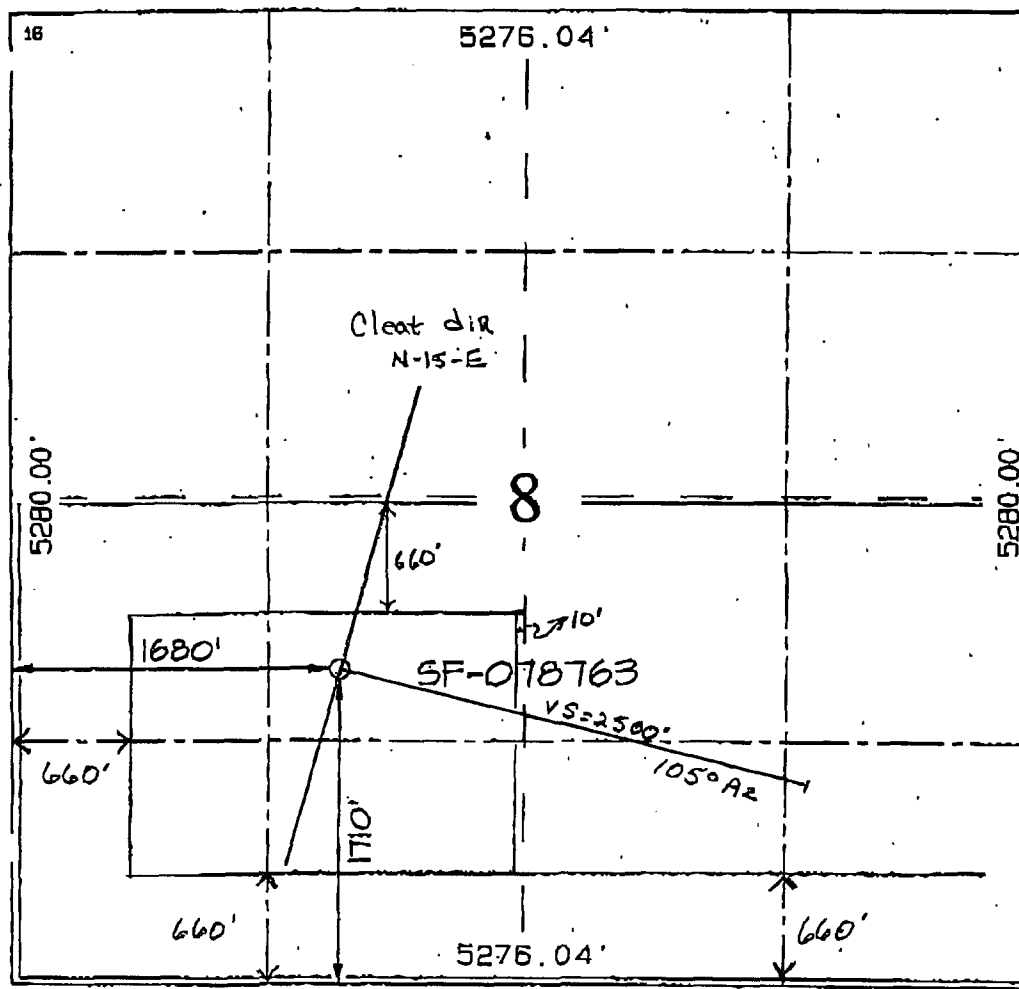

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	31N	5W		1710	SOUTH	1680	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320.0 Acres - (S/2)	Joint or Infill	Consolidation Code	Order No.
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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

<div><p>¹⁶</p></div>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Survey Date: JANUARY 11, 2002</p> <p>Signature and Seal of Professional Surveyor</p> <div></div> <p><u>JASON C. EDWARDS</u> Certificate Number 15269</p>

HOLLAND & HART ^{LLP}



September 14, 2004

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Bureau of Land Management
1235 LaPlata Highway, Suite A
Farmington, New Mexico 87401-8731

Re: Application of Williams Production Company for an exception to Rule 7(d) of the Special Pool Rules and Regulations for Basin-Fruitland Coal Gas Pool to authorize the simultaneous dedication of the south half of Section 8, Township 31 North, Range 5 West, NMPM, to two coal gas well located in the same quarter section, Rio Arriba County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Williams Production Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking and exception to the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool authorizing it to simultaneously dedicate the S/2 of Section 8, Township 31 North, Range 5 West, NMPM, to two coal gas wells located in the same quarter section.

This application has been set for hearing before a Division Examiner on October 7, 2004. You are not required to attend this hearing, but you may appear and present testimony. This letter and application are being provided to you pursuant to Rule 7(d)(2)(i) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool. Williams has previously filed with you Form 3160-3 for the proposed Rosa Unit Well No. 379A.

Very truly yours,

William F. Carr
Attorney for Williams Production Company

Enclosures

cc: Vern Hansen, CPL
Williams Production Company

Holland & Hart LLP

Phone [505] 986-4421 Fax [505] 963-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address: P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.