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November 15, 2013

Bureau of Land Management (3 copies)
Farmington Resource Area
Attn: Mr. Wayne Townsend
6251 College Blvd. Suite A
Farmington, NM 87402

State of New Mexico (2 copies)
Commissioner of Public Lands
Attn: Mr. Pete Martinez
P.O. Box 1148
Santa Fe, NM 87504-1138

State of New Mexico (2 copies)
Oil Conservation Division
Attn: Roy Johnson
1200 South St. Francis Drive
P.O. Box 2308
Santa Fe, NM 87504-2308

Re: Rosa Unit 1, Sec. No. 587
San Juan and Rio Arriba Counties, New Mexico
Notice of Completion on a Non-Commercial Well
Dakota formation

Gentlemen:

Pursuant to the provisions of Section 10 of the Rosa Unit Agreement 1 Sec. No. 587, WPX Energy Production, LLC, As Unit Operator, has determined that the Rosa #601 is not capable of producing unitized substances in paying quantities.

WELLDATA

The Rosa Unit #601 Dakota Formation Well (non-commercial) is located 1475 feet from the North Line and 1220 feet from the East Line, Section 31 Township 31 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spud on September 13, 2010, and completed in the Dakota formation on May 26, 2011. The Dakota formation was completed with a pre-perforated liner between the following depths:

8395' to 8540'

This well has a 4.5" tubing string. On October 28, 2010, the well was tested and after flowing for 1/2 hour on the 4.5" tubing, the well tested good.

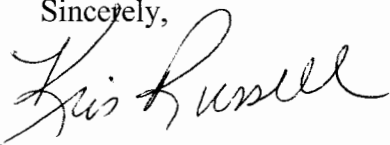
Based on the historic and projected production, the lease operating expenses, and the gas price, this well is expected to have a Before Tax Rate of Return (BTAXROR) of 0.00% and is therefore determined non-commercial.

If this determination meets with your approval, please indicate such approval in the space provided and return an approved copy for our files.

The Well Data, Reserves and Economics are attached.

Copies of this letter are being resubmitted sent to the Rosa Unit working interest owners on the attached sheet.

Sincerely,



Kris Russell
Land Data Specialist
WPX Energy Production, LLC
P.O. Box 3102
Tulsa, OK 74101
539/573-6181
kris.russell@wpxenergy.com

cc: Working Interest Owners
Federal Management Team

APPROVED _____ DATE _____

Assistant District Manager, Minerals
Bureau of Land Management
Subject to like approval by the
Commission of Public Lands
and the Oil Conservation Commission

APPROVED _____ DATE _____

Commissioner of Public Lands
Subject to like approval by the
Bureau of Land Management
and The Commissioner of Public Lands

APPROVED _____ DATE _____

Oil Conservation Commission
Subject to like approval by the
Bureau of Land Management
And The Commissioner of Public Lands

The foregoing is the approval of Notice of Completion of Non-Commercial well for the Rosa Unit #601
Mancos

WORKING INTEREST OWNERS
ROSA UNIT

BP AMERICA PRODUCTION CO.
ATTN: DONNA JONES
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
525 GILMER STREET #108
SULPHUR SPRINGS, TX 75482

OMIMEX PETROLEUM, INC
ATTN: CLARK P. STORMS
7950 JOHN T. WHITE ROAD
FORT WORTH, TX 76120

CONOCOPHILLIPS COMPANY
ATTN: ROCKY MTN AND
P.O. BOX 4289
FARMINGTON, NM 87499-4289

MS VICTORIA WEBB
806 CORDOVA
DALLAS, TX 75223

SCHULTZ MANAGEMENT, LTD.
500 N. AKARD, SUITE 2940
DALLAS, TX 75201

CROSSTIMBERS (XTO)
ATTN: SAN JUAN/ROCKY MTN LAND
810 HOUSTON STREET, STE 2000
FORT WORTH, TX 76102-6298

HENRIETTA E. SCHULTZ, TRUSTEE
500 NORTH AKARD, SUITE 2940
DALLAS, TX 75201

PATRICIA P. SCHIEFFER TRUST,
BANK OF AMERICA, N.A.AGT
ATTN: BILL BLEDSOE
P.O. BOX 2546
FORT WORTH, TX 76113-2546

SMUD
ATTN: RANDY DREITH
6201 S STREET, MAILSTOP A404
SACRAMENTO, CA 95817

SACRAMENTO MUNICIPAL UTILITIES DISTRICT
ATTN: BOB SHIPLEY
P.O. BOX 15830
SACRAMENTO, CA 95852-1830

November 15, 2013

The Rosa Unit #601 Dakota Formation Well (non-commercial) is located 1475 feet from the North Line and 1220 feet from the East Line, Section 31 Township 31 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico. This well was spud on September 13, 2010, and completed in the Dakota formation on May 26, 2011. The Dakota formation was completed with a pre-perforated liner between the following depths: 8395' to 8540'. This well has a 4.5" tubing string. On October 28, 2010, the well was tested and after flowing for 1/2 hour on the 4.5" tubing, the well tested good.

Based on the historic and projected production, the lease operating expenses, and the gas price, this well is expected to have a Before Tax Rate of Return (BTAXROR) of 0.00% and is therefore determined non-commercial.

Attached to this document are the following:

- ARIES economic model output including gas price assumptions
- Historic production plot with forecast
- Well-bore schematic
- State of NM Form C-104
- BLM Form 1004-0137 (Well Completion Report)

Evaluating Engineer

Marcia Brueggenjohann
Manager, Reservoir Engineering
WPX Energy, San Juan Basin Unit

ROSA UNIT #601 | 1PDP | DAKOTA | L6EFMIT21R | 62309549

Filtered by Scenario: SJB-OP-PostAudit

Titles

PROPID: @M.PROPID RSV CAT: @M.RESERVE_CATEGORY	BASE
WELL NAME: @M.WELL_NAME	BASE
FIELD: @M.FIELD	BASE
CNTY: @M.BHL_COUNTY ST: @M.STATE	BASE
RESERVOIR: @M.RESERVOIR	BASE
OPERATOR: @M.OPERATOR	BASE

Miscellaneous

BTU @M.BTU	BASE
WELLS 0 1	BASE
SHRINK @M.SHRINK_PLANT	BASE
<u>LOSS NO</u>	

Production

CUMS 0 0.000	SJ_OP_POST
START 09/2011	SJ_OP_POST
GAS 173.4600 X M/D 7.000000 EXP B/1.8000 39.420000	SJ_OP_POST
" X X M/D 277 IMO EXP 7.000000	SJ_OP_POST

Prices

SIDFILE SJB_JCM_07ACT_COMR	SJ_OP_POST
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Expenses

OPC/T @M.LIFTING_COST X \$/M TO LIFE PC 0	SJ_OP_POST
GTC/GAS @M.GATHERING_FEE X \$/M TO LIFE PC 0	SJ_OP_POST
FLU/REV @M.FLU_SHRINK X FRAC TO LIFE PC 0	SJ_OP_POST
ATX 5.478 X % TO LIFE PC 0	SJ_OP_POST
STX/GAS 3.75 X % TO LIFE PC 0	SJ_OP_POST
STX/OIL 3.75 X % TO LIFE PC 0	SJ_OP_POST
STX/NGL 3.75 X % TO LIFE PC 0	SJ_OP_POST

Ownership

NET @M.WI @M.NRI @M.NRI FRAC	SJ_OP_POST
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Investments

*POSTAUDIT D&C COSTS PULLED 03/2012	SJ_OP_POST
*CAPITAL 154.240 1369.025 M\$G 0 MOS ESC INV	SJ_OP_POST
*POSTAUDIT D&C COSTS PULLED 04/2013	SJ_OP_POST
CAPITAL 275.26531 550.53062 M\$G 09/2011 AD ESC INV	SJ_OP_POST

Overlays

LOAD MP.GAS GAS 09/2011 10/2013 #	SJ_OP_POST
SIDFILE STAX_AD TAX_ADJ	SJ_OP_POST

PropID: RSV CAT: 1PDP
 Well Name: ROSA UNIT #601
 Field: BASIN
 Cnty: RIO ARriba St: NM
 Reservoir: DAKOTA
 Operator: WPX

Date: 11/06/2013
 Time: 14:28:10
 DBS: SJB
 Settings: SETDATA_JM
 Scenario: SJB-OP-PostAudit

COMBINED INPUT DATA								INITIAL CALCULATED DATA				
KEYWORD & Ref. Code	Beginning, Ending Rates			Schedule Limit		Method & Value		Ultimate @	End Pt.	Init.Deff	Init. Rate	Final Rate
400 START	09/2011											
401 GAS	173.46	X	M/D	7.00	EXP	B/1.8000	39.42	187.933	8/2018	39.4200	5276.	1375.
402 "	X	X	M/D	277.00	IMO	EXP	7.00	372.690	9/2041	7.0000	1375.	257.
500 PRI/GAS	01/2006	8.697	6.687	6.097	5.567	#/M			4/2006			
501 "	X	5.687	4.757	5.077	5.967	#/M			8/2006			
502 "	X	6.642	5.424	6.714	7.135	#/M			12/2006			
503 "	01/2007	5.617	6.487	6.677	5.957	#/M			4/2007			
504 "	X	6.627	6.827	6.197	4.987	#/M			8/2007			
505 "	X	4.587	5.117	6.057	6.497	#/M			12/2007			
506 "	01/2008	6.377	7.277	8.087	8.277	#/M			4/2008			
507 "	X	9.427	9.846	11.356	7.637	#/M			8/2008			
508 "	X	6.427	4.267	2.837	4.627	#/M			12/2008			
509 "	01/2009	4.827	3.107	2.687	2.617	#/M			4/2009			
510 "	X	2.497	2.647	2.977	3.177	#/M			8/2009			
511 "	X	2.467	3.417	4.257	4.277	#/M			12/2009			
512 "	01/2010	5.72	5.32	4.64	3.77	#/M			4/2010			
513 "	X	3.80	3.69	4.28	4.08	#/M			8/2010			
514 "	X	3.20	3.56	2.98	4.12	#/M			12/2010			
515 "	01/2011	3.884	4.084	3.651	3.868	#/M			4/2011			
516 "	X	4.025	4.044	4.124	4.143	#/M			8/2011			
517 "	X	3.735	3.510	3.382	3.287	#/M			12/2011			
518 "	01/2012	4.86	4.86	4.86	4.86	#/M			4/2012			
519 "	X	4.86	4.86	4.86	4.86	#/M			8/2012			
520 "	X	4.86	4.86	4.86	4.86	#/M			12/2012			
521 "	01/2013	3.68	3.68	3.68	3.59	#/M			4/2013			
522 "	X	3.59	3.59	3.59	3.59	#/M			8/2013			
523 "	X	3.59	3.59	4.32	4.32	#/M			12/2013			
524 "	4.32	X	\$/M	TO	LIFE	PC	0.00		8/2012		4.320	4.860
600 OPC/T	1517.00	X	\$/M	TO	LIFE	PC	0.00		9/2041		1517.000	1517.000
601 GTC/GAS	0.50	X	\$/M	TO	LIFE	PC	0.00		9/2041		0.503	0.503
602 FLU/REV	0.05	X	FRAC	TO	LIFE	PC	0.00		9/2041		0.050	0.050
603 ATX	5.48	X	%	TO	LIFE	PC	0.00		9/2041		0.055	0.055
604 STX/GAS	3.75	X	%	TO	LIFE	PC	0.00		9/2041		0.037	0.037
605 STX/OIL	3.75	X	%	TO	LIFE	PC	0.00		9/2041		0.037	0.037
606 STX/NGL	3.75	X	%	TO	LIFE	PC	0.00		9/2041		0.037	0.037
705 LSE/WI	1.0000	D	FRAC	TO	LIFE	FLAT	0.00		9/2041		1.000	1.000
720 NET/OIL	0.8200	D	FRAC	TO	LIFE	FLAT	0.00		9/2041		0.820	0.820
740 NET/GAS	0.8200	D	FRAC	TO	LIFE	FLAT	0.00		9/2041		0.820	0.820
OVERLAYS	Beginning, Ending Rates			Schedule Limit		Method & Value		Ultimate @	End Pt.	Init.Deff	Init. Rate	Final Rate
900 GAS	09/2011	4243.38	6704.59	5492.29	2347.58	4932.53	#	23.720	1/2012			
901 "	X	2701.25	4322.88	3019.25	3543.66	2281.96	3838.4	43.428	7/2012			
902 "	X	3237.93	3383.59	3711.75	3176.08	3153.36	2726.84	62.817	1/2013			
903 "	X	2353.89	3606.91	1467.29	2800.61	170.72	72.04	73.290	9/2013			
904 S /772	S/428	X	FRAC	TO	LIFE	MINUS	708.00		9/2041			
905 S /772	S/772	X	FRAC	TO	LIFE	MINUS	709.00		9/2041			
906 S /772	S/772	X	FRAC	TO	LIFE	MINUS	710.00		9/2041			
907 S /772	S/772	X	FRAC	TO	LIFE	DIV	428.00		9/2041			
908 S /873	S/772	X	FRAC	TO	LIFE	MUL	873.00		9/2041			
909 S /773	S/431	X	FRAC	TO	LIFE	MINUS	711.00		9/2041			
910 S /773	S/773	X	FRAC	TO	LIFE	DIV	431.00		9/2041			
911 S /876	S/773	X	FRAC	TO	LIFE	MUL	876.00		9/2041			
912 S /678	1.00	X	FRAC	TO	LIFE	MUL	442.00		9/2041			
913 S /734	S/678	X	FRAC	TO	LIFE	MINUS	708.00		9/2041			
914 S /734	S/734	X	FRAC	TO	LIFE	MINUS	709.00		9/2041			
915 S /734	S/734	X	FRAC	TO	LIFE	MINUS	710.00		9/2041			
916 S /734	S/734	X	FRAC	TO	LIFE	MINUS	711.00		9/2041			
917 S /735	1.00	X	FRAC	TO	LIFE	MUL	473.00		9/2041			
918 S /736	S/734	X	X	TO	LIFE	DIV	678.00		9/2041			
919 S /1064	S/736	X	FRAC	TO	LIFE	MUL	1064.00		9/2041			
INVESTMENTS	Tangible Intang Units			Invest. Point		Method & Value		Total T&I	Month	Risk Inv.	Tot. T&I&R	Esc. T&I&R
800 CAPITAL	275.27	550.53	M\$G	09/2011	AD	ESC INV		825.796	9/2011	0	825.7	0.0

MISCELLANEOUS DATA PARAMETERS

201 BTU 1.02
 202 WELLS 0.00 1.00
 203 SHRINK 0.88
 204 CUMO, MB 0.00 CUMG, MMF 0.00 CUML, MB
 250 LOSS NO

PROJECT RUN SETTINGS

Base Date : 09/2011 Time Frames : 4,99*12,8
P.W. Date : 09/2011 Primary PW% : 10.0 Discount Freq. : MID
Report Date : 09/2011
Qualifiers : Prod = SJ_OP_POST Price = SJ_OP_POST Cost = SJ_OP_POST Owner = SJ_OP_POST
 Title = BASE Misc = BASE Invest = SJ_OP_POST Overlay = SJ_OP_POST

PropID: RSV CAT: 1PDP
 Well Name: ROSA UNIT #601
 Field: BASIN
 Cnty: RIO ARriba St: NM
 Reservoir: DAKOTA
 Operator: WPX

DATE : 11/06/2013
 TIME : 14:28:10
 DBS : SJB
 SETTINGS : SETDATA_JM
 SCENARIO : SJB-OP-PostAudit

RESERVES AND ECONOMICS

EFFECTIVE DATE: 09/2011

--END-- MO-YEAR	---GROSS PRODUCTION---			---NET PRODUCTION---			---PRICES---		NO. OF WELLS	---OPERATIONS, M\$---		
	OIL,	MBBL	GAS, MMCF	OIL,	MBBL	GAS, MMCF	OIL \$/B	GAS \$/M		OIL REVENUE	GAS REVENUE	TOTAL REVENUE
12-2011	0.000		18.788	0.000		13.557	0.00	3.562	1.0	0.000	48.285	48.285
12-2012	0.000		41.303	0.000		29.804	0.00	4.952	1.0	0.000	147.583	147.583
12-2013	0.000		20.300	0.000		14.648	0.00	3.869	1.0	0.000	56.676	56.676
12-2014	0.000		25.544	0.000		18.432	0.00	4.402	1.0	0.000	81.132	81.132
12-2015	0.000		22.202	0.000		16.021	0.00	4.402	1.0	0.000	70.517	70.517
12-2016	0.000		19.855	0.000		14.327	0.00	4.402	1.0	0.000	63.064	63.064
12-2017	0.000		18.094	0.000		13.056	0.00	4.402	1.0	0.000	57.469	57.469
12-2018	0.000		16.709	0.000		12.057	0.00	4.402	1.0	0.000	53.072	53.072
12-2019	0.000		15.533	0.000		11.208	0.00	4.402	1.0	0.000	49.335	49.335
12-2020	0.000		14.446	0.000		10.424	0.00	4.402	1.0	0.000	45.882	45.882
12-2021	0.000		13.434	0.000		9.694	0.00	4.402	1.0	0.000	42.670	42.670
12-2022	0.000		12.494	0.000		9.016	0.00	4.402	1.0	0.000	39.683	39.683
12-2023	0.000		11.619	0.000		8.385	0.00	4.402	1.0	0.000	36.905	36.905
12-2024	0.000		10.806	0.000		7.798	0.00	4.402	1.0	0.000	34.322	34.322
12-2025	0.000		10.050	0.000		7.252	0.00	4.402	1.0	0.000	31.919	31.919
12-2026	0.000		9.346	0.000		6.744	0.00	4.402	1.0	0.000	29.685	29.685
12-2027	0.000		8.692	0.000		6.272	0.00	4.402	1.0	0.000	27.607	27.607
12-2028	0.000		4.115	0.000		2.969	0.00	4.402	1.0	0.000	13.070	13.070
12-2029												
12-2030												
S TOT	0.000		293.329	0.000		211.666	0.00	4.388	1.0	0.000	928.877	928.877
AFTER	0.000		0.000	0.000		0.000	0.00	0.000	1.0	0.000	0.000	0.000
TOTAL	0.000		293.329	0.000		211.666	0.00	4.388	1.0	0.000	928.877	928.877

--END-- MO-YEAR	---OPERATIONS, M\$---				---CAPITAL COSTS, M\$---						10.0%	
	SEV + ADV TAXES	NET OPER EXPENSES	INTEREST+ PRINCIPAL	OPERATION CASH FLOW	TANGIBLE INV.	INTANG. INV.	TOTAL BORROW	TOTAL EQUITY INV	CASH BTAX,	FLOW M\$	CUM. BTAX,	DISC M\$
12-2011	3.539	17.332	0.000	27.415	275.265	550.531	0.000	825.796	-798.381		-798.813	
12-2012	11.336	45.492	0.000	90.755	0.000	0.000	0.000	0.000	90.755		-714.988	
12-2013	4.210	30.649	0.000	21.817	0.000	0.000	0.000	0.000	21.817		-696.669	
12-2014	6.140	34.462	0.000	40.530	0.000	0.000	0.000	0.000	40.530		-665.731	
12-2015	5.337	32.335	0.000	32.845	0.000	0.000	0.000	0.000	32.845		-642.938	
12-2016	4.773	30.842	0.000	27.449	0.000	0.000	0.000	0.000	27.449		-625.621	
12-2017	4.349	29.720	0.000	23.399	0.000	0.000	0.000	0.000	23.399		-612.201	
12-2018	4.017	28.839	0.000	20.216	0.000	0.000	0.000	0.000	20.216		-601.661	
12-2019	3.734	28.090	0.000	17.511	0.000	0.000	0.000	0.000	17.511		-593.361	
12-2020	3.472	27.398	0.000	15.011	0.000	0.000	0.000	0.000	15.011		-586.893	
12-2021	3.229	26.755	0.000	12.686	0.000	0.000	0.000	0.000	12.686		-581.924	
12-2022	3.003	26.156	0.000	10.524	0.000	0.000	0.000	0.000	10.524		-578.176	
12-2023	2.793	25.600	0.000	8.513	0.000	0.000	0.000	0.000	8.513		-575.420	
12-2024	2.598	25.082	0.000	6.642	0.000	0.000	0.000	0.000	6.642		-573.466	
12-2025	2.416	24.600	0.000	4.903	0.000	0.000	0.000	0.000	4.903		-572.154	
12-2026	2.247	24.153	0.000	3.286	0.000	0.000	0.000	0.000	3.286		-571.354	
12-2027	2.089	23.736	0.000	1.781	0.000	0.000	0.000	0.000	1.781		-570.961	
12-2028	0.989	11.721	0.000	0.360	0.000	0.000	0.000	0.000	0.360		-570.886	
12-2029												
12-2030												
S TOT	70.271	492.964	0.000	365.643	275.265	550.531	0.000	825.796	-460.153		-570.886	
AFTER	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		-570.886	
TOTAL	70.271	492.964	0.000	365.643	275.265	550.531	0.000	825.796	-460.153		-570.886	

PropID: RSV CAT: 1PDP
 Well Name: ROSA UNIT #601
 Field: BASIN
 Cnty: RIO ARRIBA St: NM
 Reservoir: DAKOTA
 Operator: WPX

DATE : 11/06/2013
 TIME : 14:28:10
 DBS : SJB
 SETTINGS : SETDATA JM
 SCENARIO : SJB-OP-PostAudit

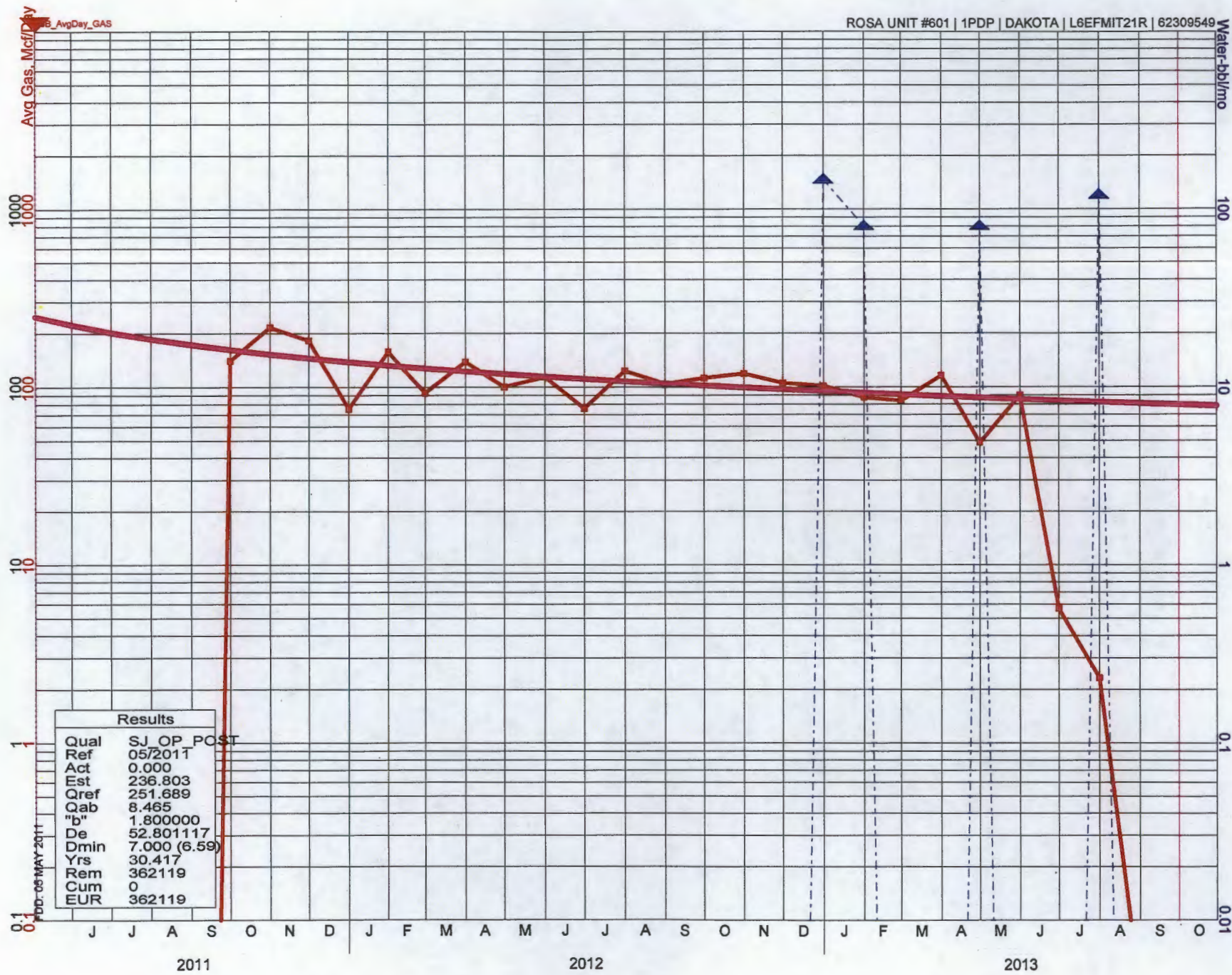
AFTER TAX ECONOMICS

EFFECTIVE DATE: 09/2011

--END-- MO-YEAR	TAXABLE CASH FLOW M\$-----	DEPRECIATION M\$-----	DEPLETION M\$-----	INTANG. EXPENSED M\$-----	INTEREST PAID & CAP M\$-----	TAXABLE INCOME M\$-----	TAX CREDIT M\$-----	TAXES PAYABLE M\$-----	CASH FLOW ATAK M\$-----	10.0% CUM. DISC ATAK M\$-----
12-2011	27.415	13.112	0.000	550.531	0.000	-536.228	0.000	-209.129	-589.252	-592.980
12-2012	90.755	48.694	0.000	0.000	0.000	42.060	0.000	16.404	74.351	-524.306
12-2013	21.817	60.990	0.000	0.000	0.000	-39.172	0.000	-15.277	37.094	-493.159
12-2014	40.530	43.556	0.000	0.000	0.000	-3.027	0.000	-1.180	41.710	-461.319
12-2015	32.845	31.114	0.000	0.000	0.000	1.731	0.000	0.675	32.170	-438.995
12-2016	27.449	24.572	0.000	0.000	0.000	2.877	0.000	1.122	26.327	-422.386
12-2017	23.399	24.563	0.000	0.000	0.000	-1.164	0.000	-0.454	23.853	-408.706
12-2018	20.216	24.572	0.000	0.000	0.000	-4.356	0.000	-1.699	21.915	-397.280
12-2019	17.511	4.092	0.000	0.000	0.000	13.419	0.000	5.233	12.278	-391.461
12-2020	15.011	0.000	0.000	0.000	0.000	15.011	0.000	5.854	9.157	-387.515
12-2021	12.686	0.000	0.000	0.000	0.000	12.686	0.000	4.947	7.738	-384.484
12-2022	10.524	0.000	0.000	0.000	0.000	10.524	0.000	4.104	6.419	-382.198
12-2023	8.513	0.000	0.000	0.000	0.000	8.513	0.000	3.320	5.193	-380.517
12-2024	6.642	0.000	0.000	0.000	0.000	6.642	0.000	2.591	4.052	-379.325
12-2025	4.903	0.000	0.000	0.000	0.000	4.903	0.000	1.912	2.991	-378.524
12-2026	3.286	0.000	0.000	0.000	0.000	3.286	0.000	1.281	2.004	-378.037
12-2027	1.781	0.000	0.000	0.000	0.000	1.781	0.000	0.695	1.087	-377.797
12-2028	0.360	0.000	0.000	0.000	0.000	0.360	0.000	0.140	0.219	-377.751
12-2029										
12-2030										
S TOT	365.643	275.265	0.000	550.531	0.000	-460.153	0.000	-179.460	-280.693	-377.751
AFTER	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-377.751
TOTAL	365.643	275.265	0.000	550.531	0.000	-460.153	0.000	-179.460	-280.693	-377.751

BTAX RATE OF RETURN (PCT)	0.00	ATAK RATE OF RETURN (PCT)	0.00
BTAX PAYOUT YEARS	16.83	ATAK PAY OUT YEARS	16.83
BTAX PAYOUT YEARS (DISC)	16.83	ATAK PAY OUT YEARS (DISC)	16.83
BTAX NET INCOME/INVEST	0.44	ATAK NET INCOME/INVEST	0.66
BTAX NET INCOME/INVEST(DISC)	0.31	ATAK NET INCOME/INVEST(DISC)	0.54
PRODUCTION START DATE	09/2011	PROJECT LIFE (YEARS)	16.83
		DISCOUNT - RATE (PCT)	10.00
INITIAL OIL PRICE (\$/B)	0.000	INITIAL GAS PRICE (\$/M)	3.806
MAXIMUM OIL PRICE (\$/B)	0.000	MAXIMUM GAS PRICE (\$/M)	4.402
GROSS OIL WELLS	0.	GROSS GAS WELLS	1.
CUMULATIVE OIL (MBBL)	0.000	CUMULATIVE GAS (MMF)	0.000
REMAINING OIL (MBBL)	0.000	REMAINING GAS (MMCF)	293.329
ULTIMATE OIL (MBBL)	0.000	ULTIMATE GAS (MMCF)	293.329
INITIAL WI (PCT)	100.000	FINAL WI (PCT)	100.000
INITIAL NET OIL (PCT)	0.000	FINAL NET OIL (PCT)	0.000
INITIAL NET GAS (PCT)	82.000	FINAL NET GAS (PCT)	82.000

PRESENT WORTH PROFILE AND ---- RATE-OF-RETURN VS. BONUS TABLE ----			
P.W. FACTOR	B.F.I.T. WORTH	A.F.I.T. WORTH	A.F.I.T. BONUS
%-----	M\$-----	M\$-----	M\$-----
0.00	-460.2	-280.7	-460.2
5.00	-526.0	-337.3	-478.8
10.00	-570.9	-377.8	-495.0
15.00	-602.9	-407.9	-508.8
20.00	-626.7	-431.2	-520.4
25.00	-645.0	-449.8	-530.2
30.00	-659.6	-464.9	-538.7
35.00	-671.3	-477.6	-546.0
40.00	-681.1	-488.3	-552.4
50.00	-696.3	-505.6	-563.0
60.00	-707.7	-519.1	-571.6
70.00	-716.6	-529.9	-578.7
80.00	-723.7	-539.0	-584.6
90.00	-729.7	-546.6	-589.8
100.00	-734.6	-553.2	-594.3



ROSA UNIT #601 BASIN MANCOS/BASIN DK

Location: 1475" FNL & 1220' FEL
SE/4 NE/4 Section 31 (H), T31N, R4W
Rio Arriba Co., NM
Elevation: 6963' GR
API: 30-039-30916

Spud Date 09/13/2010
Completed 08/23/2011
ID'd:
Mancos 05/26/2011
Dakota 05/05/2011

<u>Tops</u>	<u>Depth</u>
Ojo Alamo	3209'
Kirtland	3325'
Pictured Cliffs	3786'
Cliff House	6000'
Point Lookout	6217'
Mancos	6738'
Graneros	8328'
Dakota	8467'

MC 5th: 6925'-7025' (33, .34" holes) Frac w/7500#
100 mesh PSA followed w/99,900# 30/70 PSA

MC 4th: 7470'-7630' (39, .34" holes) Frac w/ 7500#
100 mesh Ottawa followed w/139,400# 40/70
Ottawa

MC 3rd: 7705'-7855' (42, .34" holes) Frac w/ 7660#
100 mesh followed w/130,050# 30/70 PSA

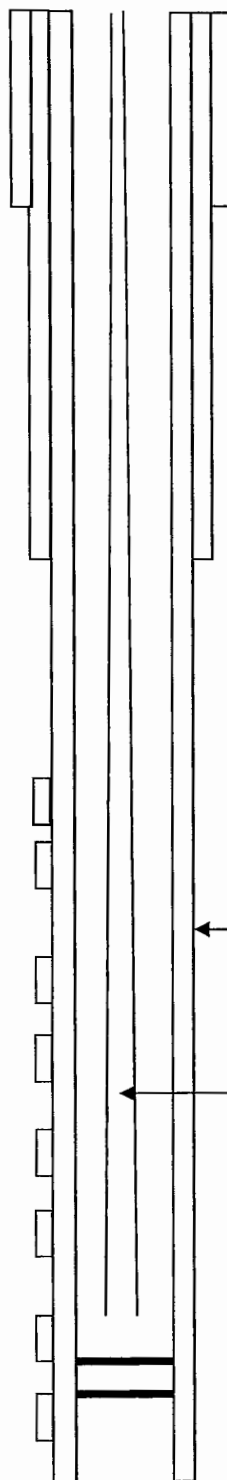
MC 2nd: 7985'-8095' (36, .34" holes) Frac
w/7640# 100 mesh followed w/61,545# 30/50
Ottawa

MC 1st: 8280'-8320' (27, .34" holes) Frac w/5200#
100 mesh followed w/80,200# 30/50 uniman sand

Dakota 3rd: 8395'-8430' (24, .34" holes)
No stimulation – pressured out @6950#

Dakota 2nd: 8468'-8540' (48, .34" holes) Frac
w/4961# 100 mesh sand followed w/101,529# 40/70
Ottawa sand

Dakota 1st stage: 8683'-8722' (27, .34" holes)
No stimulation



← 8 jts of 10-3/4", 40.5#, J-55, ST&C csg.
Set @ 353'
Hole Size: 14-3/4"

← 96 jts of 7-5/8", 26.4#, J-55, LT&C csg. Set @
4262'.
Hole Size: 9-7/8"

← 218 jts of 4-1/2", 11.6#, P-110, LT&C csg.
Landed @ 8805'. Float collar @ 8779'.
Marker jt @ 6230'
Hole Size: 6-3/4"

← Land well @ 8524 KB as follows, one 1/2 MS-Exp chk, one
jt 2.375" N-80, 4.7#, EUE 8md tbg, one 1.78" F-nple,
274 jts of 2.375" N-80, 4.7#, EUE 8md tbg (275 total jts), F-
nple set @ 8493'

CIBP left in hole @ 8630'
CIBP left in hole @ 8660'

TD @ 8807'
PBD @ 8610'

HOLE SIZE	CASING	CEMENT	VOLUME	CMT TOP
14-3/4"	10-3/4"	290 sx	522 cu.ft.	Surface
9-7/8"	7-5/8"	750 sx	1866 cu.ft.	Surface
6-3/4"	4-1/2"	615 sx	861 cu.ft.	4450' (CBL)

LH 08/24/11

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSFER

¹ Operator name and Address WILLIAMS PRODUCTION COMPANY P.O. Box 640 Aztec, NM 87410		² OGRID Number 120782
		³ Reason for Filing Code/ Effective Date NW
⁴ API Number 30-039-30916	⁵ Pool Name BASIN DAKOTA	⁶ Pool Code 71599
⁷ Property Code 17033	⁸ Property Name ROSA UNIT	⁹ Well Number 601

II. ¹⁰ Surface Location

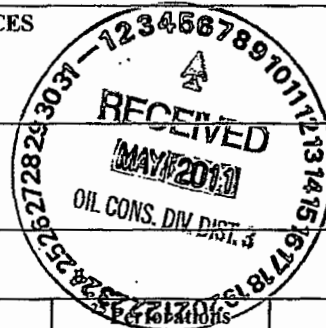
UL or lot no. H	Section 31	Township 31N	Range 4W	Lot.Idn	Feet from the 1475'	North/South Line NORTH	Feet from the 1220'	East/West line EAST	County Rio Arriba
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¹¹ Bottom Hole Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Ea	County
¹² Lse Code	¹³ Producing Method Code	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
009018	PACE ENERGY MARKETING PO BOX 4470 TULSA, OK 74159	O
025244	WILLIAMS FIELD SERVICES P O BOX 645 TULSA OK 74102	G



IV. Well Completion Data

²¹ Spud Date 9/13/10	²² Ready Date 5/5/11	²³ TD 8807' MD	²⁴ PBDT	²⁵ Perforations 8380'-8722'	²⁶ DHC, MC AZT-
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
14-3/4"	10-3/4", 40.5#, J-55	353'	290 sx - surface		
9-7/8"	7-5/8", 26.4#, J-55	4262'	650 sx - surface		
6-3/4"	4.5", 11.6#, P10	8805'	615 sx - 4450' CBL		

VI. Well Test Data

³¹ Date New Oil	³² Gas Delivery Date	³³ Test Date	³⁴ Test Length	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
³⁷ Choke Size	³⁸ Oil	³⁹ Water	⁴⁰ Gas		⁴¹ Test Method

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Larry Higgins</i>		OIL CONSERVATION DIVISION	
Printed name: Larry Higgins		Approved by: <i>Charles...</i> 5-16-2011	
Title: Permit Supervisor		Title: SUPERVISOR DISTRICT 3	
E-mail Address:		Approval Date: MAY 16 2011	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other		5. Lease Serial No. SF-078777
2. Name of Operator Williams Production Company, LLC		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 640 Aztec, NM 87410		7. If Unit of CA/Agreement, Name and/or No. Rosa Unit
3b. Phone No. (include area code) 505-634-4208		8. Well Name and No. Rosa Unit #601
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1475' FNL & 1220' FEL, sec 31, T31N, R4W		9. API Well No. 30-039-30916
		10. Field and Pool or Exploratory Area Blanco MV/Basin MC/Basin DK
		11. Country or Parish, State Rio Arriba

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

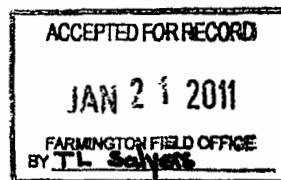
TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other CBL/CsgTest
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Williams Production Drilled this well in late Summer 2010. Due to winter closure we will be unable to complete this well until the end of closure in the spring of 2011. As such, we moved on location to test casing and run CBL as follows:

10-27-10 - MIRU BWWC and run CBL, TOC @ 4450' ✓

10-28-10 - Pressure test 4-1/2" casing to 1600 psi for 30 minutes, good test ✓



* Chart attached

RCUD JAN 25 '11

OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Larry Higgins		Title Permit Supervisor
Signature <i>Larry Higgins</i>		Date 1-18-10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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

(Instructions on page 2)

Submit copy of logs to OCD

NMOCD

In Lieu of
Form 3160-4
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SUBMITTED
DUPLICATE

(See other instructions on
reverse side)
AUG 24 2011

OIL CONS. DIV.

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

5 LEASE DESIGNATION AND LEASE NO.
NMSF-078777

6 IF INDIAN, ALLOTTEE OR

WELL COMPLETION OR RECOMPLETION REPORT
Farmington Field Office
Bureau of Land Management

1a. TYPE OF WELL ☐ OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER

b. TYPE OF COMPLETION
☒ NEW WELL ☐ WORKOVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER

2 NAME OF OPERATOR
WILLIAMS PRODUCTION COMPANY

3 ADDRESS AND TELEPHONE NO
P.O. Box 640, Aztec, NM 87410 (505) 634-4208

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At Surface: 1475' FNL & 1220' FEL, SEC 31, T31N, R4W
At top production interval reported below: Same
At total depth:

7. UNIT AGREEMENT NAME
Rosa Unit

8 FARM OR LEASE NAME, WELL NO
Rosa Unit #601

9 API WELL NO
30-039-30916 -DOC1

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

12 COUNTY OR 13 STATE
Rio Arriba New Mexico

15 DATE 16. DATE T D 17 DATE COMPLETED (READY TO PRODUCE)
SPUDDED REACHED
9-13-10 10-18-10 8/23/11

18 ELEVATIONS (DK, RKB, RT, GR, ETC)*
6963' GR

19 ELEVATION CASINGHEAD

20 TOTAL DEPTH.
8807' MD

21 PLUG BACK T D, MD & TVD
8610' MD

22 IF MULTICOMP.
HOW MANY
2

23 INTERVALS
DRILLED BY

ROTARY TOOLS
x

CABLE TOOLS

24 PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*
Basin Dakota: 8395'-8540' NOTE CIBPs @ 8630' & 8660' left in hole

25 WAS DIRECTIONAL SURVEY MADE
no

26 TYPE ELECTRIC AND OTHER LOGS RUN Run 1 - Array Compensated Resistivity, Spectral Density/Dual Spaced Neutral, GR.,
Run 2 - Wave Sonic, Compensated Spectral Natural Gamma Ray. CBL

27 WAS WELL CORED
NO

28 CASING REPORT (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB/FT	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
10-3/4", J-55	40.5#	353'	14-3/4"	290 SX - SURFACE	50 bbls.
7 5/8", J-55	26 4#	4262'	9-7/8"	750 SX - Surface	108 bbls.
4 1/2", P-110	11 6#	8805'	6-3/4"	615 SX - 4450'	

29 LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2.375", 4.7#, N-80, EUE 8rd	8524'	none

30 TUBING RECORD

32 ACID SHOT, FRACTURE, CEMENT SQUEEZE, ETC

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
8395'-8430'	No stimulation - pressured out @ 6950#
8468'-8540'	Frac with 4961# 100 mesh followed with 101,529# 40/70 mesh Ottawa
8683'-8722'	No Frac

DK 3rd Stage - 24, 0.34" holes

DK 2nd Stage - 48, 0.34" holes

DK 1st Stage - 27, 0.34" holes CIBP @ 8630 & 8660, this interval not producing

33 PRODUCTION

Commingled with Mancos per DHC-3636-AZ

DATE OF FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping-size and type of pump)				WELL STATUS (PRODUCING OR SI)	
5-5-11						producing	
DATE OF TEST	TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS-OIL RATIO
FLOW TBG PRESS	CASING PRESSURE	CALCULATED 24-HOUR RATE		OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY-API (CORR)

34 DISPOSITION OF GAS (Solid, used for fuel, vented, etc) TO BE SOLD

ACCEPTED FOR RECORD

35 LIST OF ATTACHMENTS SUMMARY OF POROUS ZONES, WELLBORE DIAGRAM

36 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Cory Higgins

TITLE PERMIT SUPV

DATE 8/24/11

NMOCD

AUG 26 2011

FARMINGTON FIELD OFFICE
BY SA