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|------------------------|----------|--------------------|--------------------------|----------------|---------------------------|
| DATE IN <u>6.24.11</u> | SUSPENSE | ENGINEER <u>DB</u> | LOGGED IN <u>6.24.11</u> | TYPE <u>SD</u> | APP NO. <u>1117550138</u> |
|------------------------|----------|--------------------|--------------------------|----------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Williams
 120782
 Case 14719

ADMINISTRATIVE APPLICATION CHECKLIST

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 Spec. Sr.
 Title

6/23/11
 Date

heather.riley@williams.com
 e-mail Address

2011 JUN 24 A 11:32
 RECEIVED OGD

Rosa Unit #242A ✓
30-045-31888 ✓



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

June 23, 2011

Jami Bailey
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 14719

Re: Application of Williams Production Company for Administrative Approval of the Simultaneous Dedication of the West-Half of Section 33, Township 32 North, Range 6 West, N.M.P.M., San Juan County, New Mexico to its proposed Rosa Unit Well No. 242A and the existing Rosa Unit #242.

Dear Ms. Bailey:

Williams Production Company is the operator of a 320-acre spacing unit in the Basin Fruitland Coal Pool (**Pool Code 71629**) comprised of the West-half of Section 33, Township 32 North, Range 6 West, N.M.P.M., San Juan County, New Mexico. This spacing unit is dedicated to Williams' Rosa Unit #242 which has been vertically drilled and produces from the Fruitland Coal formation.

Williams seeks administrative approval of the simultaneous dedication of this 320-acre spacing unit to the following two gas wells:

- A. the existing **Rosa Unit #242 well (API No. 30-045-27420)** vertically drilled from a surface location 790 feet from the West line and 2040 feet from the South line of said Section 33; and
- B. the proposed **Rosa Unit Well No. 242AA (API No. 30-045-31888)** to be horizontally drilled from a surface location 1095 feet from the North line and 1932 feet from the West line to a proposed end point or bottom hole location 1300 feet from the South line and 2546 feet from the West line of said Section 33.

The Rosa Unit #242 is at a standard location in the Fruitland Coal formation pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool. Williams now intends to horizontally drill and complete its proposed Rosa Unit Well No. 242A to be drilled to the targeted subsurface end-point or bottom hole location 1300 feet from the South line and 2546 feet from the West line (Unit N) of Section 33. Williams proposes to drill this well in compliance with the set-back requirements of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool.

Attached hereto as **Exhibit A** is a copy of Division Form C-102 for this well that shows the proposed surface and bottomhole location of the well.

Exhibit B is a map of offset operators around the spacing unit in Section 33, T32N - R6W. Williams is the operator of all offsetting spacing units within Rosa Unit. To the north, Burlington Resources is the operator of section 28 & 29 of T32N, R6W.

Williams has mailed, via USPS Certified Mail, Notice to the offset owners that this application has been submitted. A copy of the List of Offset Owners as well as the Notice is attached hereto as **Exhibit C**.

The simultaneous dedication of the West-Half of said Section 33 to the Rosa Unit #242 and Rosa Unit Well No. 242A will afford Williams the opportunity to efficiently produce the Fruitland Coal formation under this spacing unit. Williams' proposed simultaneous dedication of these wells does not exceed the number of wells allowed by Division Rule for this spacing unit.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Heather Riley". The signature is fluid and cursive, with the first name "Heather" and last name "Riley" clearly distinguishable.

Heather Riley
Regulatory Specialist Sr.
Williams Production Co.

Enclosures

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

Exhibit A

| | | |
|-----------------------------|---|------------------------------------|
| *API Number 30-045-31888 | *Pool Code 71629 | *Pool Name BASIN FRUITLAND COAL |
| *Property Code 17033 | *Property Name ROSA UNIT | *Well Number 242A |
| *OGRID No. 120782 | *Operator Name WILLIAMS PRODUCTION COMPANY | *Elevation 6469' |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| C | 33 | 32N | 6W | | 1095 | NORTH | 1932 | WEST | SAN JUAN |

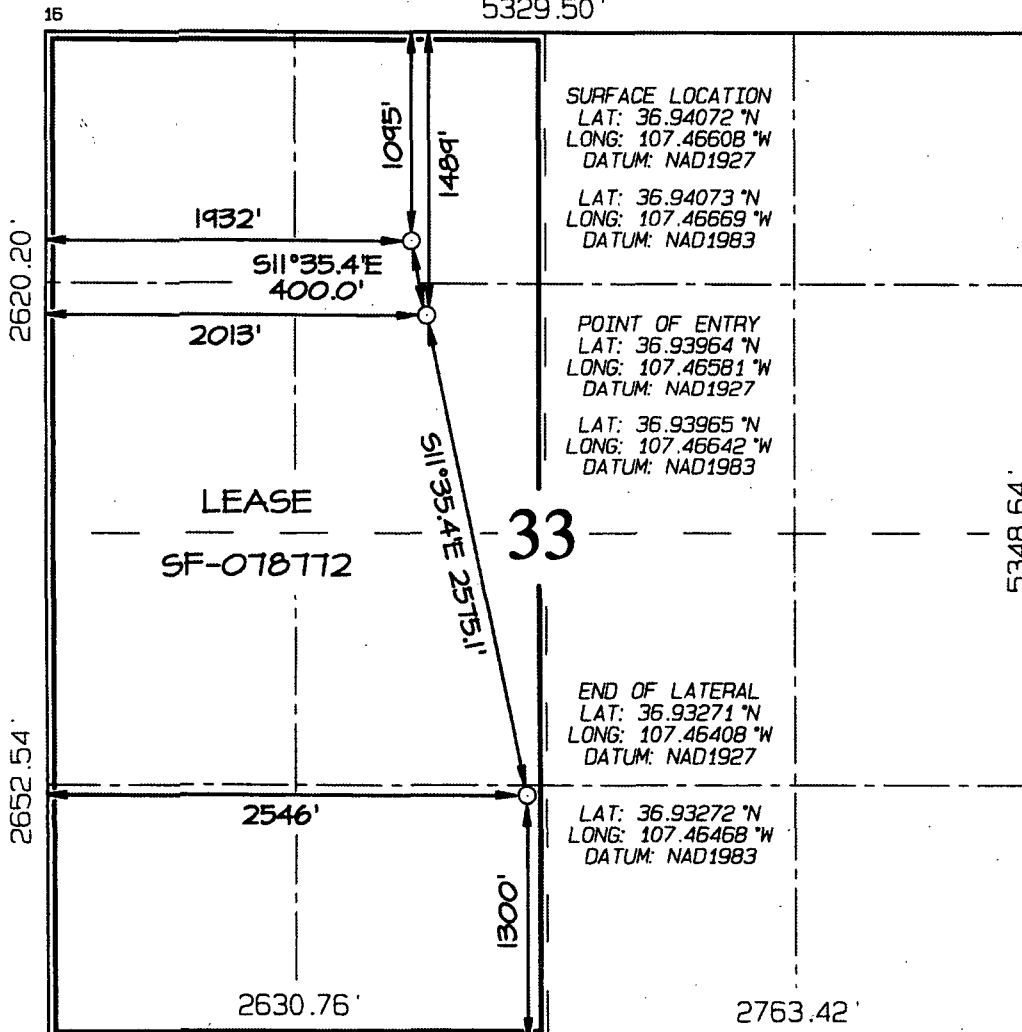
¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| N | 33 | 32N | 6W | | 1300 | SOUTH | 2546 | WEST | SAN JUAN |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320.0 Acres - (W/2) | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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

5329.50'



¹⁷ 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.

Heather Riley 11/22/2011
Signature Date
Heather Riley
Printed Name

¹⁸ SURVEYOR CERTIFICATION

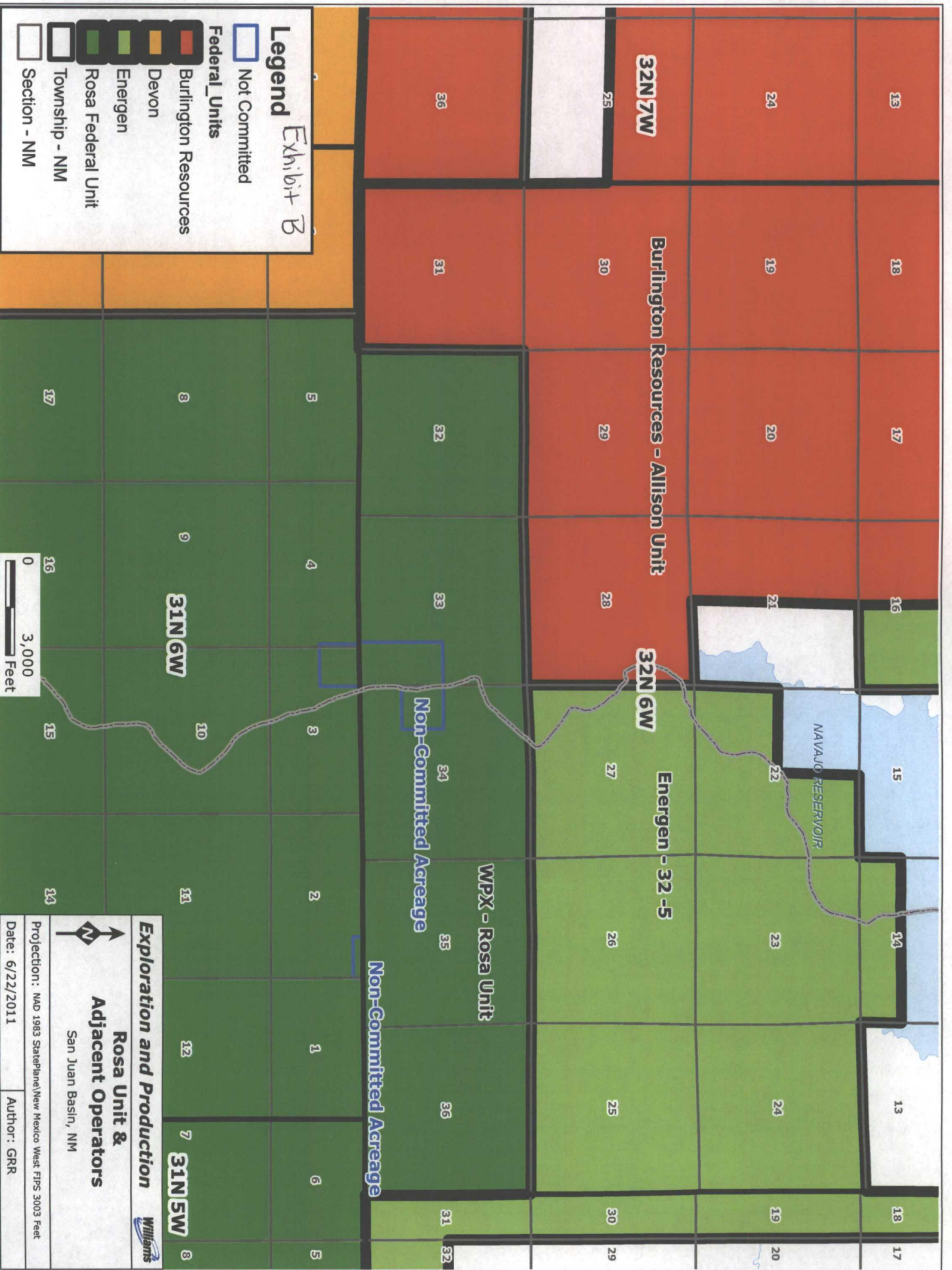
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Revisions: JUNE 2, 2011
Survey Date: DECEMBER 1, 2003

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269



Rosa Unit #242A
Offset Owners

BP AMERICA PRODUCTION CO.
ATTN: DONNA JONES
P.O. BOX 3092
HOUSTON, TX 77253

MR. FRED E. TURNER, L.L.C.
4925 GREENVILLE AVENUE, STE 852
DALLAS, TX 75206-4079

MS. ELIZABETH T. CALLOWAY
P.O. BOX 191767
DALLAS, TX 75219-1767

MR. J. GLENN TURNER, JR., L.L.C.
4809 COLE, SUITE 212
DALLAS, TX 75205

MR. JOHN TURNER
P.O. BOX 329
PORT ARANSAS, TX 78373

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

MARY FRANCES TURNER, JR TRUST
ATTN: SHERI ANDERSON
TX1-2931
P.O. BOX 660197
DALLAS, TX 75266-0197

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

CONOCOPHILLIPS COMPANY
ATTN: CHIEF LANDMAN, SJ/ROCKIES
P.O. BOX 4289
FARMINGTON, NM 87499-4289

ENERGEN RESOURCES
ATTN: DAVID M. POAGE
2010 AFTON PLACE
FARMINGTON, NM 87401

San Juan Basin Properties, LLC
1499 Blake Street, #10C
Denver, CO 80802

Riva Oil & Gas, LLC
621 17th Street, Suite 1040
Denver, CO 80293

T. H. McElvain Oil & Gas, LP
Attn: Rick Harris
1050 17th Street, Suite 1800
Denver, CO 80265

J & M Raymond, Ltd.
P.O. Box 291445
Kerrville, TX 78029-1445

James M. Raymond, Attorney-in-Fact
For Charles W. Gay
P.O. Box 291445
Kerrville, TX 78029-1445

James M. Raymond, Attorney-in-Fact
For Lorrain Gay Hacker
P.O. Box 291445
Kerrville, TX 78029-1445

Broome Family Limited Partnership
Attn: George B. Broome
HC-74, Box 62
Pecos, NM 87552

Tamacam, LLC
P.O. Box 291445
Kerrville, TX 78029



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

June 23, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re: Application of Williams Production Company for simultaneous dedication, 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 the simultaneous dedication of the Rosa Unit Well No. 242A and the Rosa Unit #242 to the W/2 of Section 33, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.

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.

Very truly yours,

A handwritten signature in black ink that reads "Heather Riley".

Heather Riley
REGULATORY SPECIALIST SR.
WILLIAMS PRODUCTION CO.
Enclosures