

Brooks, David K., EMNRD

From: Ocean Munds-Dry [Omundsdry@hollandhart.com]
Sent: Wednesday, August 24, 2011 3:34 PM
To: Brooks, David K., EMNRD
Cc: jamesbruc@aol.com
Subject: RE: Case No. 14667; Application of Williams for a Project Area for the Mancos etc.

David: The best I can give you in a way of a legal description of the uncommitted acreage is as follows:

T31N - R6W

38.12 acres of H.E.S. #6721 lying in Section 3 (approximately the NW/4SW/4 of Section 3)
2.54 acres of H.E.S. #6721 lying in Section 4 (approximately the E/2NE/4NE/4 of Section 4)
Rio Arriba and San Juan Counties, NM

T32N - R6W

Section 33: E/2SE/4
Section 34: NW/4SW/4
Rio Arriba and San Juan Counties, NM

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Tuesday, August 16, 2011 5:12 PM
To: Ocean Munds-Dry
Cc: jamesbruc@aol.com
Subject: Case No. 14667; Application of Williams for a Project Area for the Mancos etc.

Dear Ocean

One of the stipulations in this application and in the testimony was that no well would be drilled to within 660 feet of an uncommitted tract until there is a cost and production sharing agreement in place with the owners of the uncommitted tract. If we are to make that stipulation part of the order, I will need a legal description of the uncommitted tracts, which I do not find in the record or exhibits. Please furnish.

This stipulation seems somewhat at variance with the concern of San Juan Basin Resources that horizontals might NOT be drilled across the uncommitted tracts. However, Jim said on the record that he was not requesting any language in the order to assure that they would be drilled. If the 660-foot setbacks are to be observed until an agreement is in place, it seems that the owners of the non-committed tracts are taking the risk that other owners in those tracts may not reach an agreement with Williams.

Sincerely

David K. Brooks