

EXHIBIT A

**APPLICATION OF
WILLIAMS PRODUCTION CO.
FOR TWO NON-STANDARD SPACING UNITS
SECTION 8 AND 17, TOWNSHIP 32 NORTH, RANGE 11 WEST, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO.**

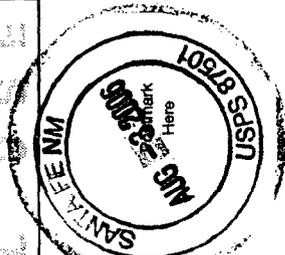
Great Western Drilling Co.
P. O. Box 1659
Midland, TX 79702-1659

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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Restricted Delivery Fee (Endorsement Required)	
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 Great Western Drilling Co.
 Street, Apt. No.; P. O. Box 1659
 or PO Box No.
 City, State, ZIP+4: Midland, TX 79702-1659
 PS Form 3800



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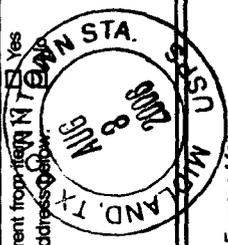
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Great Western Drilling Co.
 P. O. Box 1659
 Midland, TX 79702-1659

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- A. Received by (Please Print Clearly) *Self* Restricted Delivery
- C. Signature *Bell* Agent Addressee
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3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes No

2. Article Number (Copy from 7001 1140 0002 9558 9923)

PS Form 3811, July 1999

Domestic Return Receipt

102585-00-11-0962

August 1, 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

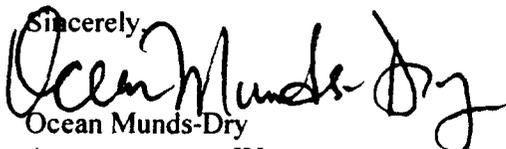
Re: Application of Williams Production Company for approval two non-standard spacing units, San Juan County, New Mexico.

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 an exception to the spacing provisions of the Basin-Dakota Pool (71599) allowing development of Dakota gas production on the same two spacing and proration units previously approved for the Blanco-Mesaverde Pool (72319) in Sections 8 and 17 of Township 32 North, Range 11 West, NMPM. These two spacing units comprise the following lands: (1) E/2 W/2, W/2 E/2 of Section 17 containing 320 acres; (2) E/2 of Section 8, E/2 E/2 of Section 17 containing 328.28 acres.

This application has been set for hearing before a Division Examiner on August 31, 2006. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Sincerely,

Ocean Munds-Dry
ATTORNEY FOR WILLIAMS PRODUCTION CO.

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

**IN THE MATTER OF THE APPLICATION
OF WILLIAMS PRODUCTION COMPANY
FOR TWO NON-STANDARD GAS PRORATION
UNITS IN THE BASIN-DAKOTA POOL,
SAN JUAN COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Williams Production Company ("Williams") through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order authorizing two non-standard gas proration units in the Basin-Dakota Pool, San Juan County, New Mexico and in support of its application states:

1. Williams is the operator of the Cox Canyon Unit located in Sections 8, 9, 16, 17, 20, 21 and 28, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico.
2. Williams seeks an exception to the spacing provisions of the Basin-Dakota Pool (71599) to allow development of Dakota gas production on two spacing and proration units ("GPU") previously approved for the Blanco-Mesaverde Pool (72319).
3. These two GPU's comprise the following lands: (1) E/2 W/2, W/2 E/2 of Section 17 containing 320 acres; (2) E/2 of Section 8 and the E/2 /E/2 of Section 17 containing 328.28 acres.
4. The spacing unit in Section 17 was approved for the Blanco-Mesaverde Gas Pool by Administrative Order NWU-162 on February 16, 1956.
5. The spacing unit in Section 8 and Section 17 was approved by Order R-784 on April 16, 1956.

6. Acreage requirements within the Basin-Dakota Prorated Gas Pool are governed by the "Special Rules for the Basin-Dakota Pool," as promulgated January 29, 2002, in Division Order R-10987(B)(2). These rules establish a standard GPU in the Basin-Dakota Pool as 320 acres, more or less, comprising any two contiguous quarter section that is a legal subdivision. The spacing units described above do not meet these requirements.

7. Williams is interested in drilling new wells in these spacing units to be completed in both the Mesaverde and Dakota formations.

8. Exhibit A to this application is a list of affected persons as defined by Division Rules.

Williams has given notice to the listed parties and advised that if they have objection to this

application it must be filed in writing in the Division's Santa Fe office within twenty days from the date this notice was sent.

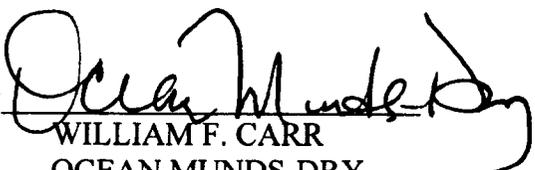
9. Approval of these non-standard spacing units will prevent waste and will protect correlative rights.

WHEREFORE, Williams Production Company requests this application be set for hearing before a Division Examiner on August 31, 2006 and, after notice and hearing as required by law, the Division enter its order approving the two non-standard gas proration units in the Basin-Dakota Pool, San Juan County, New Mexico.

Respectfully Submitted,

HOLLAND & HART LLP

By:


WILLIAM F. CARR
OCEAN MUNDS-DRY
Post Office Box 2208
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR WILLIAMS PRODUCTION CO

CASE _____: Application of Williams Production Company for two non-standard spacing units, San Juan County, New Mexico. Applicant in the above-styled cause seeks an exception to the spacing provisions of the Basin-Dakota Pool (71599) allowing development of Dakota gas production on the same two spacing and proration units previously approved for the Blanco-Mesaverde Pool (72319) in Sections 8 and 17 of Township 32 North, Range 11 West, NMPM. These two spacing units comprise the following lands: (1) E/2 W/2, W/2 E/2 of Section 17 containing 320 acres; (2) E/2 of Section 8 and E/2 E/2 of Section 17 containing 328.28 acres. Said area is located approximately 11 miles north of Aztec, New Mexico.

AFFIDAVIT OF PUBLICATION

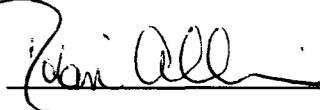
Ad No. 53845

**STATE OF NEW MEXICO
County of San Juan:**

ROBIN ALLISON, being duly sworn says:
That she is the CLASSIFIED MANAGER of
THE DAILY TIMES, a daily newspaper of
general circulation published in English at
Farmington, said county and state, and that
the hereto attached Legal Notice was
published in a regular and entire issue of the
said DAILY TIMES, a daily newspaper duly
qualified for the purpose within the meaning of
Chapter 167 of the 1937 Session Laws of the
State of New Mexico for publication and
appeared in the Internet at The Daily Times
web site on the following day(s):

Monday, August 7, 2006.

And the cost of the publication is \$123.70.



ON 8/15/06 ROBIN ALLISON
appeared before me, whom I know personally
to be the person who signed the above
document.


My Commission Expires November 17, 2008.

COPY OF PUBLICATION

NOTICE OF PUBLICATION

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DE
PARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO**

The State of New Mexico through its Oil Conserva-
tion Division hereby gives notice pursuant to law
and the Rules and Regulations of the Division of the
following public hearing to be held at 8:15 A.M. on
August 31, 2006, in the Oil Conservation Division
Hearing Room at 1220 South St. Francis, Santa Fe,
New Mexico, before an examiner duly appointed for
the hearing. If you are an individual with a disabili-
ty who is in need of a reader, amplifier, qualified sign
language interpreter, or any other form of auxiliary
aid or service to attend or participate in the hearing,
please contact Florene Davidson at 505-476-3458
or through the New Mexico Relay Network, 1-800-
659-1779 by August 21, 2006. Public documents in-
cluding the agenda and minutes, can be provided in
various accessible forms. Please contact Florene
Davidson if a summary or other type of accessible
form is needed.

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.**

(NOTE: All land descriptions herein refer to the New
Mexico Principal Meridian whether or not so stated.)

CASE 13766:

Application of Williams Production Company for two
non-standard spacing units, San Juan County, New
Mexico. Applicant in the above-styled cause seeks
an exception to the spacing provisions of the Basin-
Dakota Pool (71599) allowing development of Dako-
ta gas production on the same two spacing and pro-
ration units previously approved for the Blanco-
Mesaverde Pool (72319) in Sections 8 and 17 of
Township 32 North, Range 11 West, NMPM. These
two spacing units comprise the following lands: (1)
E/2 W/2, W/2 E/2 of Section 17, containing 320
acres; (2) E/2 of Section 8 and E/2 E/2 of Section 17
containing 328.28 acres. Said area is located ap-
proximately 11 miles north of Aztec, New Mexico.

Given under the Seal of the State of New Mexico Oil
Conservation Commission at Santa Fe, New Mexico
on this 2nd day of August 2006.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

Mark E. Feamte, P.E., Director

Legal No. 53845 published in The Daily Times, Farm-
ington, New Mexico on Monday, August 07, 2006.