

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

APPLICATION OF WILLIAMS PRODUCTION COMPANY, LLC FOR EXCEPTION
TO THE PROVISIONS OF RULE 19.15.16, OR IN THE ALTERNATIVE, A SPECIAL
RULE FOR THE ROSA UNIT, THAT AUTHORIZES THE USE OF THE POINT WHERE
THE DIRECTIONAL WELLBORE PENETRATES THE TOP OF THE PRODUCING
INTERVAL WITHIN THE POOL AS THE PENETRATION POINT FOR THE
DIRECTIONAL WELLS IN THE ROSA UNIT AREA, SAN JUAN AND RIO ARriba
COUNTIES, NEW MEXICO.

CASE NO. 14290

AMENDED ENTRY OF APPEARANCE
& PRE-HEARING STATEMENT

The Oil Conservation Division submits this entry of appearance and amended
pre-hearing statement pursuant to OCD Rule 19.15.4.10 NMAC.

APPEARANCES

APPLICANT

WILLIAMS PRODUCTION CO. LLC.

APPLICANT'S ATTORNEY

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OTHER PARTIES

OIL CONSERVATION DIVISION

ATTORNEY

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STATEMENT OF THE CASE

Applicant Williams is seeking an exception to the provisions of Rule 19.15.16, or, alternatively, the creation of a special rule for the Rosa Unit that would authorize the use of the point where a directional wellbore penetrates the top of the producing interval within a pool as the penetration point for directional wells drilled in the Rosa Unit Area.

Case 14290

Entry of Appearance & Pre-hearing Statement

October 7, 2009

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TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM

Sections 1 through 31: All

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Sections 3 through 36: All

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

Sections 1-5: All

Sections 8-17: All

Sections 21-26: All

TOWNSHIP 32 NORTH, RANGE 6 WEST, NMPM

Sections 32-36: All

As stated in its original pre-hearing statement, the OCD was not wholly opposed to the Applicant's request, but did initially have some concerns. Specifically, the OCD had concerns regarding ensuring that the interval from the top of the pool to the start of productive interval does not release gas and oil to the open hole (non-cemented) casing.

Since the filing of this application, and since the filing of the OCD's original pre-hearing statement, Williams has met with OCD and BLM representatives regarding its plans for this Unit. The information provided to agency representatives in the course of those discussions has alleviated the OCD's concerns regarding the Applicant's request in this matter. Specifically, during the discussions with the BLM and OCD, Williams provided the following information:

- The "starting point of penetration" would be defined as the point where the preceding casing string is cemented in the producing pool, or the point where the lateral penetrates the formation, whichever is the deeper. In other words, if the well bore enters the formation at a non-standard location point, but the intermediate casing is set deeper at a standard location, the casing point will be the point that is used.
- Any un-cemented casing that is exposed to the formation in the pool will have to comply with setbacks to be a standard Location.

DIVISION'S PROPOSED EVIDENCE

WITNESS:

Steven Hayden, OCD District III Geologist ***by telephone***

ESTIMATED TIME:

15 minutes

PROCEDURAL MATTERS

None.

Respectfully submitted
this 7th day of October, 2009 by



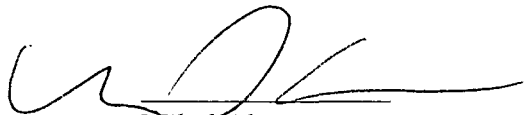
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was emailed to counsel for Williams Production Co., Ms. Ocean Munds-Dry at OMundsDry@HollandHart.com, and counsel for Devon Energy, Mr. James Bruce at JamesBruc@aol.com this 7th day of October, 2009.



Mikal Altomare