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May 26, 2009

Via Hand Delivery

Mark E. Fesmire, P.E., Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 14335

RECEIVED
2009 MAY 26 PM 4 00

**Re: Application of Williams Production Co., LLC for Pre-Approval of
Non-Standard Locations in the Rosa Unit, San Juan and Rio Arriba
Counties, New Mexico.**

Dear Mr. Fesmire:

Enclosed is the application of Williams Production Company, LLC in the above-referenced case as well as a copy of a legal advertisement. Williams requests that this matter be placed on the docket for the June 25, 2009 Examiner hearings.

Sincerely,

Ocean Munds-Dry

Ocean Munds-Dry
for Holland & Hart LLP

cc: Mr. Vern Hansen

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May 26, 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

**Re: Application of Williams Production Co., LLC for Pre-Approval of
Non-Standard Locations in the Rosa Unit, San Juan and Rio Arriba
Counties, 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 pre-approval of non-standard locations in the Rosa Unit, NMPM, San Juan and Rio Arriba Counties.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on June 25, 2009. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should 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,

A handwritten signature in black ink that reads "Ocean Munds-Dry".

Ocean Munds-Dry
for Holland & Hart LLP

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

**IN THE MATTER OF THE APPLICATION
OF WILLIAMS PRODUCTION CO., LLC FOR
PRE-APPROVAL OF NON-STANDARD LOCATIONS
IN THE ROSA UNIT, SAN JUAN AND
RIO ARRIBA COUNTIES, NEW MEXICO.**

CASE NO. 14335

APPLICATION

WILLIAMS PRODUCTION COMPANY, LLC, (“Williams”) through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order allowing non-standard locations in the Rosa Unit, San Juan and Rio Arriba Counties and in support of this application states:

1. Williams is a working interest owner and the designated operator of the Rosa Unit. The horizontal limits of said Unit Area are described as follows:

Township 32 North, Range 6 West

Section 32-36: All

Township 31 North, Range 6 West

Sections 1 -3: All
Sections 4, 5, 8-17, 21-26: All

Township 31 North Range 5 West

Sections 3-36: All

Township 31 North Range 4 West

Sections 1-31: All

2. Williams produces from the Dakota, Mesaverde, Fruitland Coal, Pictured Cliffs and Mancos formations in the Rosa Unit. Williams commingles production in the following pools within the Rosa Unit: Basin Dakota Gas Pool, Basin Fruitland Coal Gas Pool, Rosa Pictured Cliffs Pool, East Blanco Pictured Cliffs Pool, Carracas-Pictured Cliffs Pool, Blanco Mesaverde Pool, Cottonwood-Fruitland Sand Pool and the Basin Mancos Pool.

} Pools

3. Because of topographical, archeological, geological and cultural factors, it is difficult to comply with Division well location rules. Additionally, in this federal unit, Williams is required to create Participating Areas. Because these Participating Areas often overlap and Williams often commingles production, a well may be standard in one pool and non-standard in another pool.

4. Williams therefore seeks an order from the Division that authorizes wells to be drilled and recompleted at unorthodox well locations in the Rosa Unit in the above-mentioned pools, provided that any such unorthodox well location is no closer than the required minimum orthodox distance (660 feet) from the outer boundary of the Unit or any non-participating or partially committed tract nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

5. Exhibit A to this application is a list of affected persons as defined by Division Rules. Williams has given notice to the listed parties in accordance with Division Rules.

6. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Williams Production Company, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 25, 2009 and, after notice and hearing as required by law, that the application be approved.

Respectfully submitted,

HOLLAND & HART LLP

By: Ocean Munds-Dry

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ATTORNEYS FOR WILLIAMS PRODUCTION CO., LLC

145 total

EXHIBIT A
WILLIAMS PRODUCTION CO., LLC's APPLICATION TO COMMINGLE IN
THE ROSA UNIT

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CASE 14335: **Application of Williams Production Co., LLC for Pre-Approval of Non-Standard Locations in the Rosa Unit, San Juan and Rio Arriba Counties, New Mexico.** Applicant, in the above-styled cause seeks pre-approval for non-standard locations in the Basin Fruitland Coal Gas Pool, Rosa Pictured Cliffs Pool, East Blanco Pictured Cliffs Pool, Carracas-Pictured Cliffs Pool, Blanco Mesaverde Pool, Cottonwood-Fruitland Sand Pool and the Basin Mancos Pool in the Rosa Unit in Township 32 North, Range 6 West, Township 31 North, Ranges 4, 5 and 6 West, NMPM, San Juan and Rio Arriba Counties. Said area is located approximately 9 miles southeast of Arboles, Colorado.