

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.

NMSF-078767

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

Rosa Unit

8. Lease Name and Well No.

336A

9. API Well No.

30-089-29511

10. Field and Pool, or Exploratory

Basin Fruitland Coal

11. Sec., T., R., M., or Blk. and Survey or Area

E Section 8, 31N, 5W

12. County or Parish

Rio Arriba

13. State

NM

1a. Type of Work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator

Williams Exploration and Production Company, LLC

3a. Address

P.O. Box 316 Ignacio, CO 81137

3b. Phone No. (include area code)

(970) 563-3308

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 1580' FNL & 915' FWL

At proposed prod. zone same

14. Distance in miles and direction from nearest town or post office*

approximately 30 miles northeast of Blanco, New Mexico

15. Distance from proposed*

location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)

915'

16. No. of Acres in-lease

2,518.40

17. Spacing Unit dedicated to this well

320.00 (N/2)

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.

300'

19. Proposed Depth

3,209'

20. BLM/BIA Bond No. on file

UT0847

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

6,299' GR

22. Approximate date work will start*

April 1, 2005

23. Estimated duration

1 month

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Larry Higgins* Name (Printed/Typed) Larry Higgins Date 3/29/05

Title Drilling COM

Approved by *D. Montee* Name (Printed/Typed) Date 6-15-05

Title AFM Office FFO

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Williams Exploration and Production Company, LLC, proposes to drill a well to develop the Basin Fruitland Coal formation at the above described location in accordance with the attached drilling and surface use plans.

The well pad surface is under jurisdiction of the Bureau of Reclamation.

This location has been archaeologically surveyed by La Plata Archaeological Consultants. Copies of their report have been submitted directly to the BLM.

This APD is also serving as an application to obtain road and pipeline rights-of-way. A 400-foot road and a 798.50-foot pipeline tie would be required for this location. 325 feet of the access road would be under jurisdiction of the BOR, with the remaining 75 feet under jurisdiction of the FFO/BLM. Approximately 490 feet of the pipeline would be under jurisdiction of the BOR, with the remaining 308.5 feet under jurisdiction of the FFO/BLM.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOC

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

2005 JUN 30 6 09 57

AMENDED REPORT

RECEIVED
C/O PARKINGTON INC

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29511		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL.
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 336A
*OGRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6299

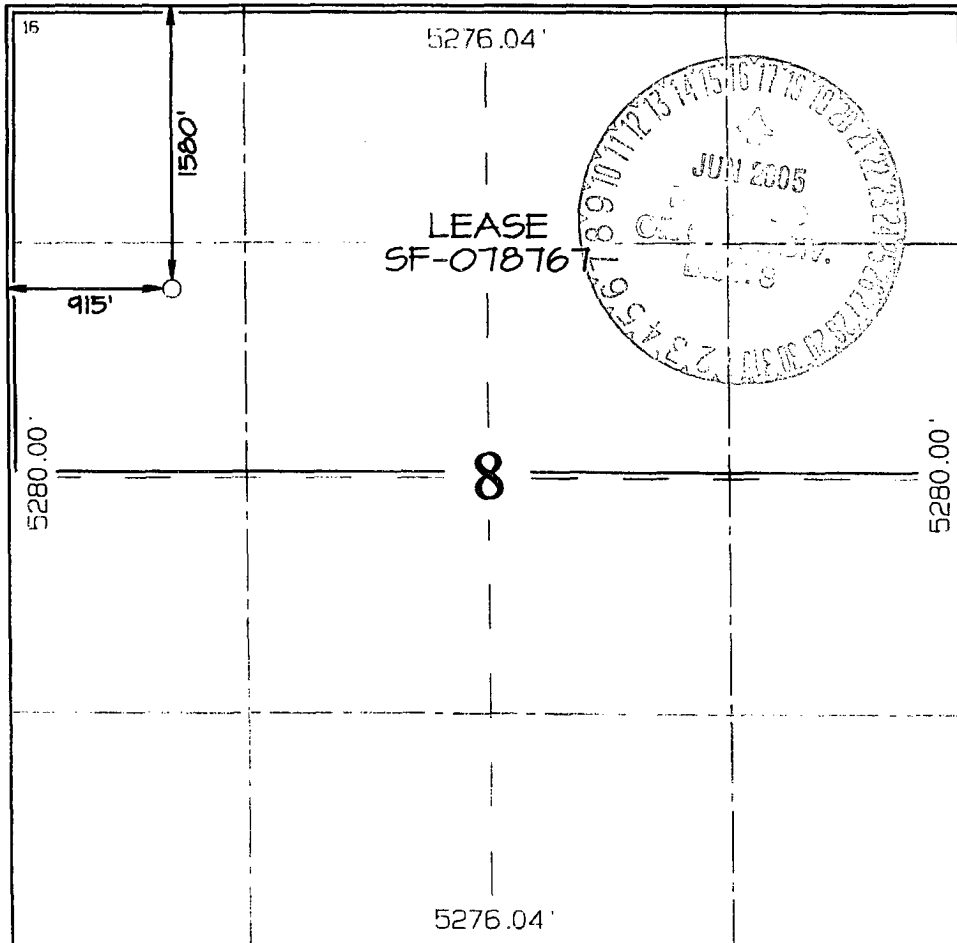
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	31N	5W		1580	NORTH	915	WEST	RIO ARriba

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	
¹² Dedicated Acres 320.0 Acres - (N/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



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Larry Higgins
Signature

LARRY HIGGINS
Printed Name

DRILLING COM
Title

3-29-05
Date

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

Survey Date: OCTOBER 20, 2004

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
Certificate Number 15269

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO.
5. Indicate Type of Lease FEDERAL X STATE FEE
6. State Oil & Gas Lease No. Federal NMSF-0078767
7. Lease Name or Unit Agreement Name Rosa Unit
8. Well Number 336A
9. OGRID Number 120782
10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator Williams Exploration and Production Company

3. Address of Operator P.O. Box 316, Ignacio, CO 81137

4. Well Location Unit Letter E: 1580 feet from the north line and 915 feet from the west line Section 8 Township 31N Range 5W NMPM County Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,299' GR

Pit or Below-grade Tank Application or Closure

Pit type reserve Depth to Groundwater >100' Distance from nearest fresh water well >1,000' Distance from nearest surface water >1,000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON TEMPORARILY ABANDON CHANGE PLANS PULL OR ALTER CASING MULTIPLE COMPL OTHER

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING COMMENCE DRILLING OPNS P AND A CASING/CEMENT JOB OTHER

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Reserve pit to be constructed in accordance with NMOCD Interim Pit and Below-grade Tank Guidelines

Reserve pit to be located approximately 30 feet north of the well head, in the northwest corner of the well pad

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines, a general permit or an (attached) alternative OCD-approved plan.

SIGNATURE Larry Higgins TITLE Drilling COM DATE 3-24-2005

Type or print name Larry Higgins E-mail address: larry.higgins@williams.com Telephone No. (970) 563-3308

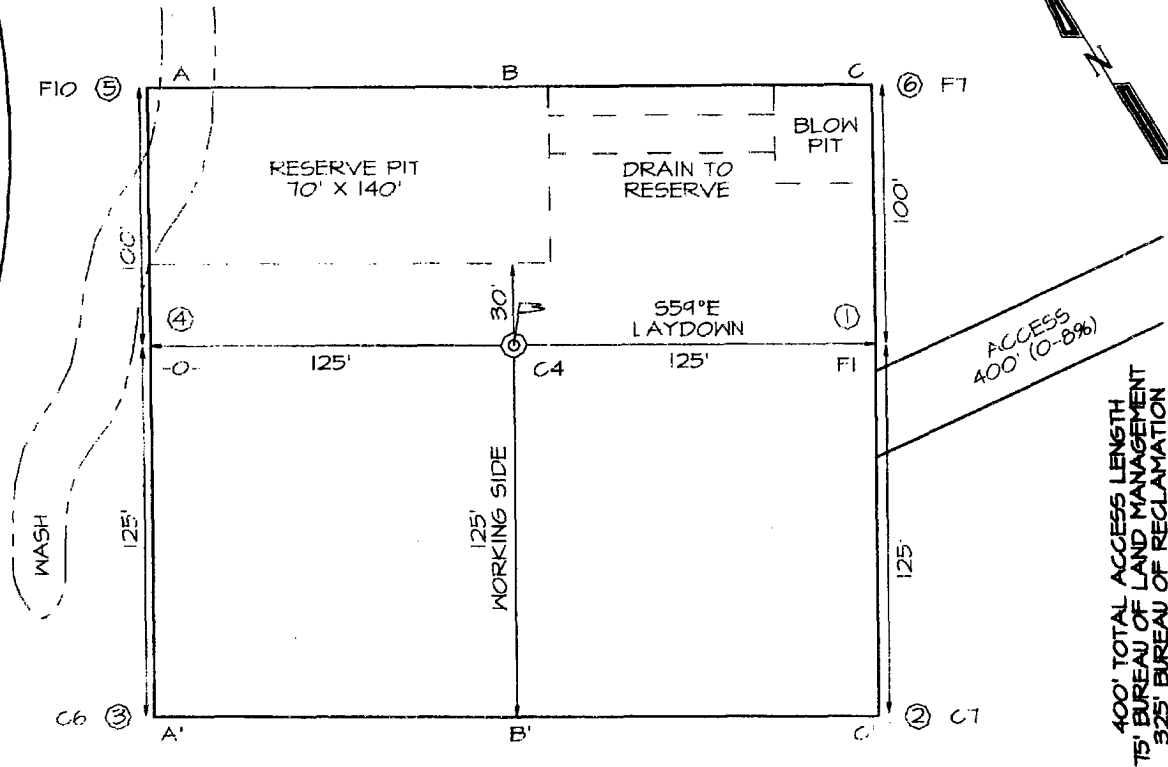
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. DATE JUN 17 2005

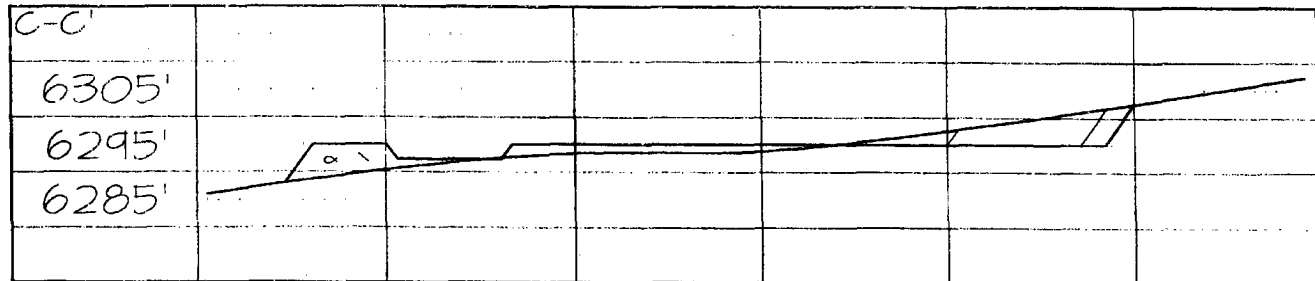
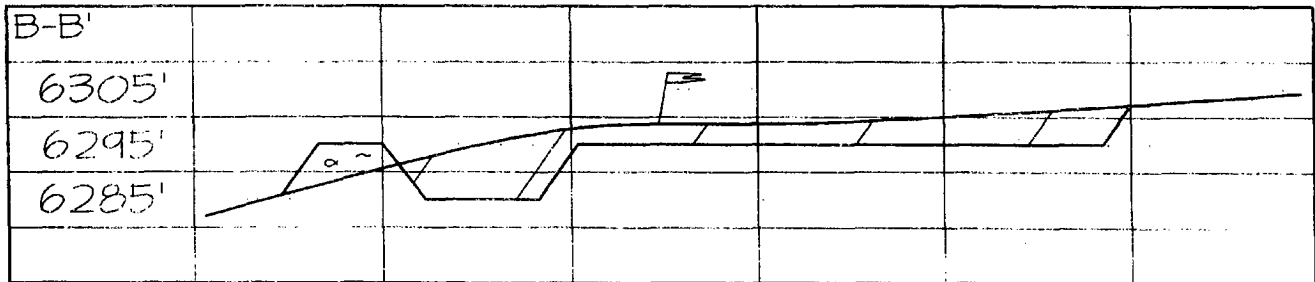
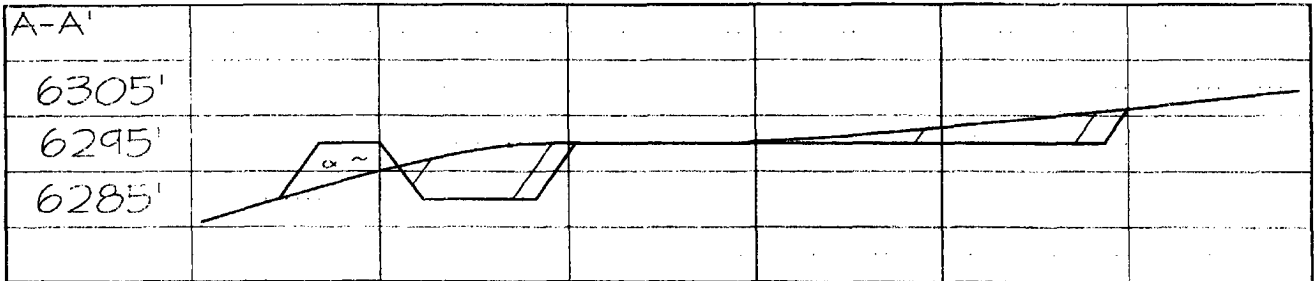
Conditions of Approval (if any):

WILLIAMS PRODUCTION COMPANY ROSA UNIT #336A
1580' FNL & 915' FWL, SECTION 8, T31N, R5W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6299'

LATITUDE: 36°55'01"
 LONGITUDE: 107°23'28"
 DATUM: NAD1927



400' TOTAL ACCESS LENGTH
 15' BUREAU OF LAND MANAGEMENT
 525' BUREAU OF RECLAMATION



- D. **BOP TESTING:** While drill pipe is in use, the pipe rams and the blind rams will be function tested once each trip. The anticipated reservoir is expected to be less than 1300 psi, so the rams will be tested to 1500 psi. The surface and intermediate casing strings will be pressure tested to 1500 psi in conjunction with the BOP test before drilling out cement. The drum brakes will be inspected and tested each tour. All tests, inspections and SPR's will be recorded in the tour book as to time and results.

III. MATERIALS

A. CASING PROGRAM:

<u>CASING TYPE</u>	<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CASING SIZE</u>	<u>WT. & GRADE</u>
Surface	12-1/4"	+/- 300'	9-5/8"	36# K-55
Intermediate	8-3/4"	+/- 2,949	7"	20# K-55
Prod. Liner	6-1/4"	+/- 2,849' - 3,109'	5-1/2"	15.5# K-55

B. FLOAT EQUIPMENT:

1. **SURFACE CASING:** 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of Surface Casing.
2. **INTERMEDIATE CASING:** 7" cement nose guide shoe with a self-fill insert float. Place float collar one joint above the shoe. Install (1) Turbulent centralizer on each of the bottom (3) joints and one standard centralizer every (3) joints to 2,500 ft. Run (1) Turbulent centralizer at 2,700 ft., 2,500 ft., 2,300ft., 2,000ft., 1,500 ft., and 1,000 ft. (NTL-FRA 90-1).
3. **PRODUCTION LINER / CASING:** 4-1/2" & 5-1/2" whirler type cement nose guide shoe with a latch collar on top of 20' bottom joint. Place marker joint above 5,400'. Place centralizers as needed across selected production intervals.

C. CEMENTING:

(Note: Volumes may be adjusted onsite due to actual conditions)

1. **SURFACE:** Use 190 sx (264 cu.ft.) of "Type III" with 2% CaCl₂ and 1/4# of cello-flake/sk (Yield = 1.41 cu.ft./sk, Weight = 14.5 #/gal.). Use **150% excess** to circulate the surface. WOC 12 hours. Total volume = ~~206~~²¹⁸ cu.ft. Test to 1500#.
2. **INTERMEDIATE:** Lead - 400 sx (821 cu.ft.) of "Type III" 65/35 poz with 8% gel, 1% CaCl₂ and 1/4# cello-flake/sk (Yield = 2.09 cu.ft./sk, Weight = 12.1 #/gal.). Tail - 50 sx (70cu.ft.) of "Type III" with 1/4# cello-flake/sk, and 1% CaCl₂ (Yield = 1.4 cu.ft./sk, Weight = 14.5#/gal.). Use **120% excess in Lead Slurry** to circulate to surface. **No excess in Tail Slurry.** Total volume = ~~891~~⁹⁴¹ cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface.
3. **PRODUCTION LINER:** Open hole completion. No cement.

GENERAL ROSA DRILLING PLAN

Rosa Unit boundaries:

T31N, R4W: all except sections 32-36
 T31N, R5W: all except sections 1 & 2
 T31N, R6W: all except sections 6,7,18,20, & 27-36
 T32N, R6W: sections 32-36

FORMATION	LITHOLOGY	WATER	GAS	OIL/COND	OVER-PRES	LOST CIRC
Nacimiento	Interbedded shales, siltstones and sandstones	Possible	Possible	No	No	No
Ojo Alamo	Sandstone and conglomerates with lenses of shale	Fresh	No	No	No	No
Kirtland	Shale W/interbedded sandstones	No	Possible	No	No	No
Fruitland	Inter, SS, SiltSt, SH & Coals w/carb, SS, SiltSt, SH	Yes	Yes	No	Possible	Possible
Pictured Cliffs	Massive Sandstone w/ thin interbedded shales	Possible	Yes	Possible	No	Possible
Lewis	Shale w/ thin interbedded sandstones and siltstones	No	Possible	No	No	No
Cliff House	Transgressive sandstones	Possible	Yes	No	No	No
Menefee	Sandstones, carb shales and coal	Possible	Yes	No	No	No
Point Lookout	Regressive coastal barrier sandstone	Possible	Yes	Possible	No	Yes
Mancos	Marine shale and interbedded sandstone	No	Possible	Possible	No	Possible
Upr Dakota	Marine sand and shales	No	Yes	Possible	No	Possible
Lwr Dakota	Fluvial sands, shales, & coal	Possible	Yes	Possible	No	Possible

DRILLING

Potential Hazards:

1. There are no overpressured zones expected in this well.
2. No H2S zones will be penetrated while drilling this well.

Mud System:

1. Surface - The surface hole will be drilled with a low-solids, non-dispersed system with starch and lost circulation material as needed. Expected mud weights will be in the 8.4 to 9.0 lb per gal range. Viscosities will be in the 30 to 60 sec/qrt range as needed to remove drill cuttings.
2. Intermediate - The intermediate hole will be drilled with clear water and Benex to TD where the well will be mudded up to log and run casing. The mud system will be low-solids, non-dispersed with mud weights in the 9 to 10 lb per gal range as needed to control the well. Viscosities will be in the 45 to 55 range as needed to support any weight material. The weight material will consist of Barite.
3. Production - The well will be drilled using air from the intermediate casing point to TD. For Fruitland Coal wells, the coal section will be drilled with air/mist.

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

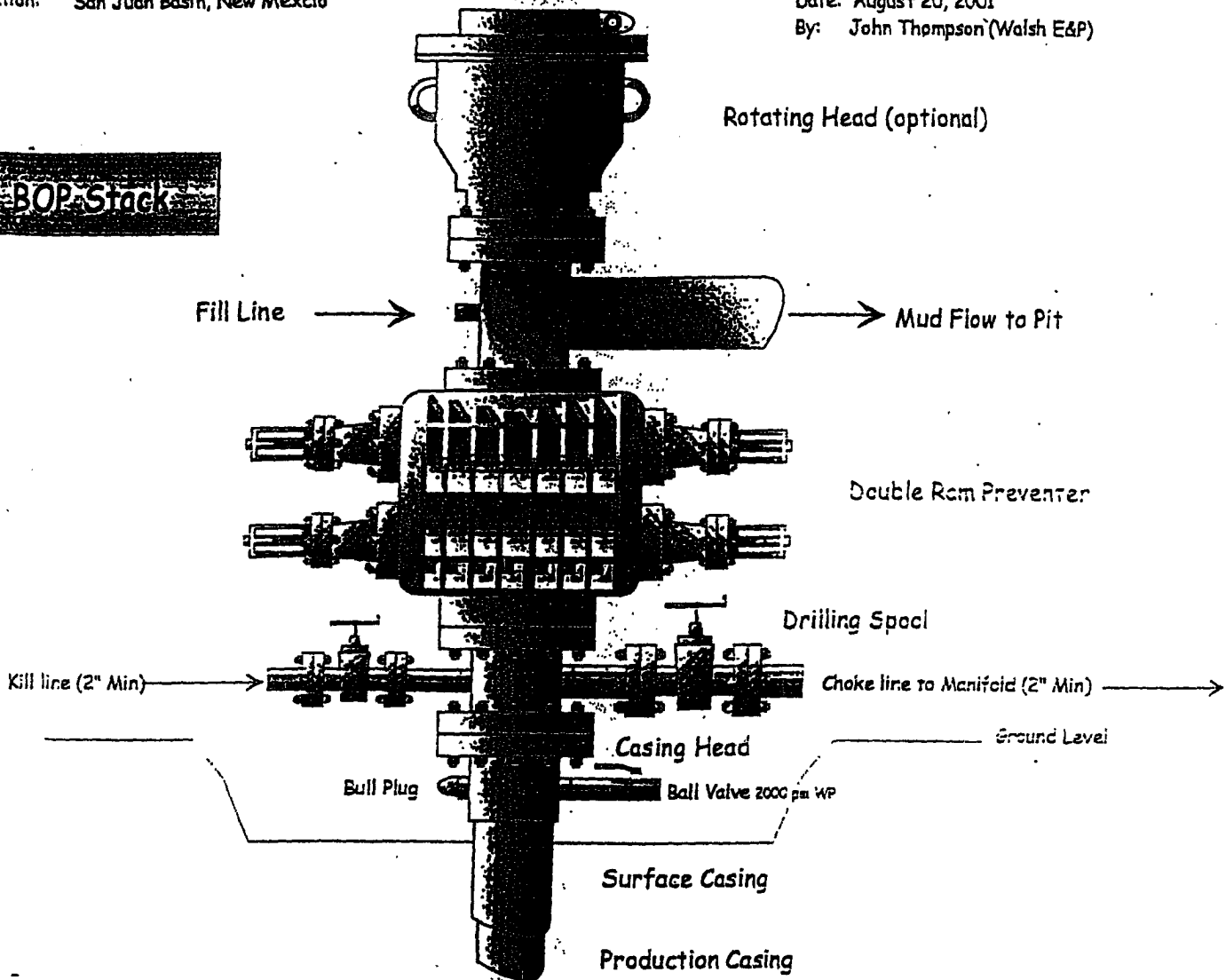
Typical BOP setup

Location: San Juan Basin, New Mexico

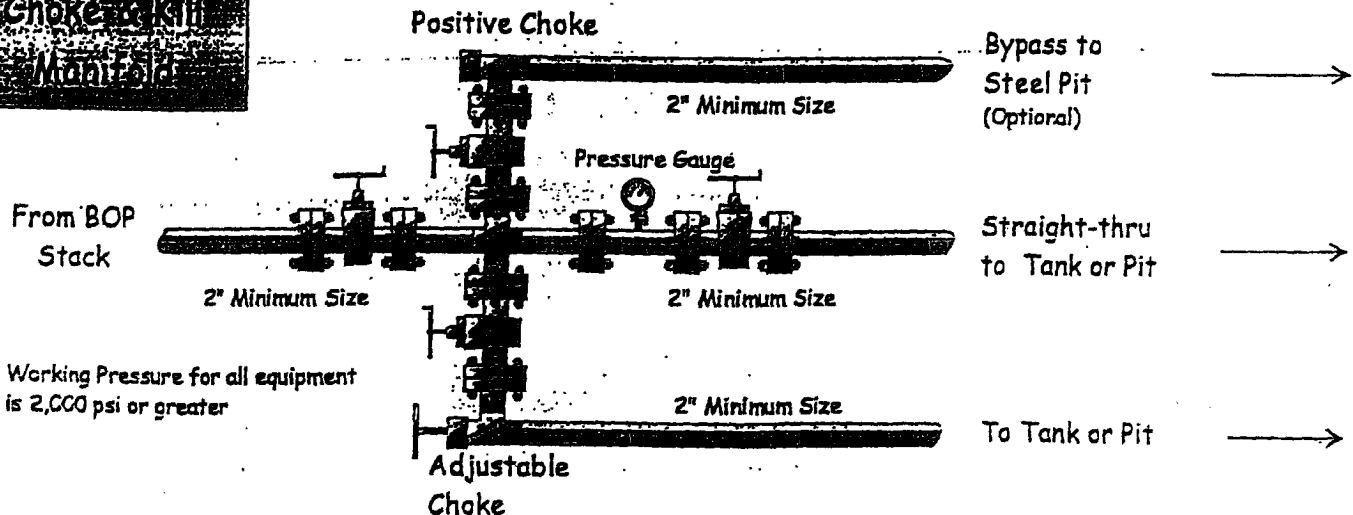
Date: August 20, 2001

By: John Thompson (Walsh E&P)

BOP Stack



Choke & Kill Manifold



Working Pressure for all equipment is 2,000 psi or greater