

JUN 2006

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, 20045. Lease Serial No.
22 NMSF-078772
6. If Indian, Allottee or Tribe Name1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Williams Production Company, LLC

3a. Address
P.O. Box 640 Aztec, NM 874103b. Phone No. (include area code)
(505) 634-4208

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

At surface 1730' FSL & 2030' FWL K

At proposed prod. zone 2325' FNL & 1660' FWL E

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

approximately 18 miles northeast of Navajo City, New Mexico

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

1730'

16. No. of Acres in lease

2,561.86

17. Spacing Unit dedicated to this well

320.0 (W/2)

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

1600'

19. Proposed Depth

6,402'

20. BLM/BIA Bond No. on file

UT0847

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

6,361' GR

22. Approximate date work will start*

June 1, 2006

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:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. 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

4/17/2006

Title

Drilling COM

Approved by (Signature)

[Signature]

Name (Printed/Typed)

Office

Date

6/8/06

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 Blanco Mesaverde formation at the above described location in accordance with the attached drilling and surface use plans.

The surface is under jurisdiction of the Bureau of Reclamation, with federal minerals administered by the BLM, Farmington Field Office.

This location has been archaeologically surveyed 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 pipeline rights-of-way. A 101.0-foot pipeline tie would be required for this location.



HOLD COPY FOR directional survey

NMCCD

[Signature]

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

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

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

Form C-102

Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

APR 19 AM 8 22
RECEIVED ☐ AMENDED REPORT
OTO FARMINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29883		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 47033-17212	*Property Name ROSA UNIT COM		*Well Number 129C
*GRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6361'

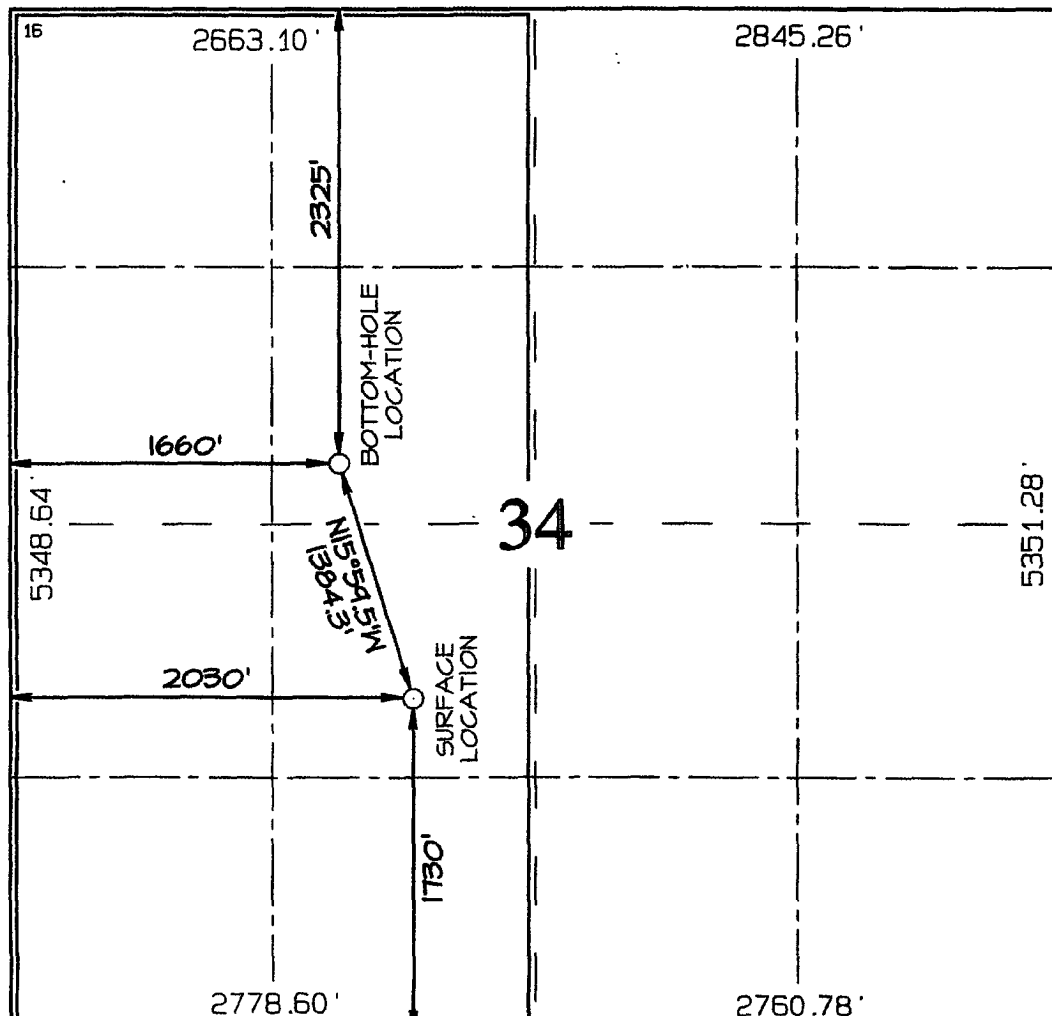
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	32N	6W		1730	SOUTH	2030	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
F	34	32N	6W		2325	NORTH	1660	WEST	RIO ARriba
¹² Dedicated Acres 320.0 Acres - (W/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

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Larry Higgins</i> Signature LARRY HIGGINS Printed Name DRILLING COM Title 4-17-06 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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</p> <p>Survey Date: OCTOBER 12, 2005</p> <p>Signature and Seal of Professional Surveyor</p> <p>JASON C. EDWARDS REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 15269</p> <p>JASON C. EDWARDS Certificate Number 15269</p>
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Submit 3 Copies To Appropriate District
Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-039-29883	
5. Indicate Type of Lease FEDERAL <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. NMSF-078772	
7. Lease Name or Unit Agreement Name Rosa Unit	
8. Well Number	129C
9. OGRID Number	120782
Blanco Mesaverde	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,361' GR	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u> </u> reserve <u> </u> Depth to Groundwater <u> </u> >100' Distance from nearest fresh water well <u> </u> >1,000' Distance from nearest surface water <u> </u> >1,000'	
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u> </u>	

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 Production Company, LLC

3. Address of Operator
P.O. Box 640 Aztec, NM 87410

4. Well Location
Unit Letter K: 1730 feet from the south line and 2030 feet from the west line
Section 34 Township 32N Range 6W NMPM County Rio Arriba

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

Drilling/Completion pit to be located approximately 50 to 75 feet from well head. Pit multi-use drilling and completion to avoid additional site disturbance and pit will be considered out of service once production tubing set. Pit to be constructed, operated and closed in accordance with NMOCD guidelines and Williams procedures.

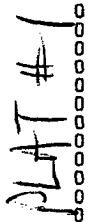
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Larry Higgins TITLE Drilling COM DATE 4-17-2006

Type or print name Larry Higgins E-mail address: larry.higgins@williams.com Telephone No. (505) 634-4208

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 8 DATE JUN 12 2006
Conditions of Approval (if any):



A-A'							
6371'							
6361'							
6351'							

B-B'						
6371'						
6361'						
6351'						

C-C'										
6371'										
6361'										
6351'										



WILLIAMS PRODUCTION COMPANY

Operations Plan

(Note: This procedure will be adjusted on site based upon actual conditions)

DATE: 4/12/2006 **FIELD:** Blanco MV
WELL NAME: Rosa #129C **SURFACE:** BLM
BH LOCATION: SENW Sec 34-32N-6W **MINERALS:** BLM
Rio Arriba, NM
SURF LOCATION: NESW Sec 34-32N-6W
ELEVATION: 6,361' GR **LEASE #** SF-078772
MEASURED DEPTH: 6,402'

I. GEOLOGY: Surface formation - San Jose

A. FORMATION TOPS: (KB)

Name	TVD	MD	Name	TVD	MD
Ojo Alamo	2,350	2,618	Cliff House	5,380	5,730
Kirtland	2,460	2,749	Menefee	5,420	5,770
Fruitland	2,880	3,215	Point Lookout	5,600	5,950
Picture Cliffs	3,140	3,486	Mancos	5,910	6,260
Lewis	3,455	3,805	TD	6,050	6,402

B. MUD LOGGING PROGRAM: none

C. LOGGING PROGRAM: Cased Hole Logs only

D. NATURAL GAUGES: Gauge any noticeable increases in gas flow. Record all gauges in Tour book and on morning reports.

II. DRILLING:

A. MUD PROGRAM: Clear water with benex to 7" casing point. Convert to a LSND mud to log and run pipe. Treat for lost circulation as necessary. Obtain 100% returns prior to cementing. Notify Engineering of any mud losses. Use air w/Air Hammer from 7 in. csg.to TD.

B. 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 BOPE will be tested to **250 psi (Low) for 5 minutes** and **1500 psi (High) for 10 minutes**. Utilize a BOPE Testing Unit with a recording chart and appropriate test plug for testing. The drum brakes will be inspected and tested each tour. **All tests and inspections 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 (MD)</u>	<u>CASING SIZE</u>	<u>WT. & GRADE</u>
Surface	12-1/4"	+/- 300'	9-5/8"	36# K-55
Intermediate	8-3/4"	+/- 4,002'	7"	20# K-55
Prod. Liner	6-1/4"	+/- 3,902'-6,402'	4-1/2"	10.5# 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 (3) 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 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.

IV. CEMENTING:

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

1. SURFACE: Slurry: 150sx (205 cu.ft.) of "Type III" + 2% CaCl₂ + 1/4 # of cello-flake/sk (Yield = 1.39 cu.ft./sk, Weight = 14.5 #/gal.). The 100% excess should circulate cement to the surface. WOC 12 hours. Test csg to 1500psi.
2. INTERMEDIATE: Lead - 510 sx (1,063 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 **100% excess in Lead Slurry** to circulate to surface. **No excess in Tail Slurry**. Total volume = 1,133 cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface.
3. PRODUCTION LINER: 10 bbl Gelled Water space. Lead: 50sx (130ft³) of Premium Light HS + 1% FL-52 + .2% CD-32, 0.1% R-3, 3 #/sk CSE. (Yield = 2.59 cu.ft./sk, Weight = 11.6 #/gal.). Tail: 100 sx (215 ft³) of Premium Light HS + 1% FL-52 + .2% CD-32, 0.1% R-3, 3 #/sk CSE, 1/4 #/sk cello flake and 4% Phenoseal. (Yield = 2.15 ft³/sk, Weight = 12.3 #/gal.). Displace cement at a minimum of 8 BPM. The 20% excess in lead and tail should cover 100 ft into intermediate casing. Total volume 320 ft³. WOC 12 hours

V. IV COMPLETION**A. CBL**

1. Run Cement Bond Log across all intervals to be perforated and find Top of Cement behind all casing strings if cement is not circulated to surface.

B. PRESSURE TEST

1. Pressure test 7" & 4-1/2" casing to 3300# for 15 minutes.

Williams Production

HALLIBURTON

Sperry Drilling Services



Project: Rio Arriba Co. NM NAD 83

Site: Sec. 34-T32N-R06W

Well: Rosa Unit #129-C

Wellbore: Wellbore #1

Plan: Plan 031906 (Rosa Unit #129-C/Wellbore #1)

CASING DETAILS

TVD	MD	Name	Size
3650.00	4002.91	7"	7

SECTION DETAILS

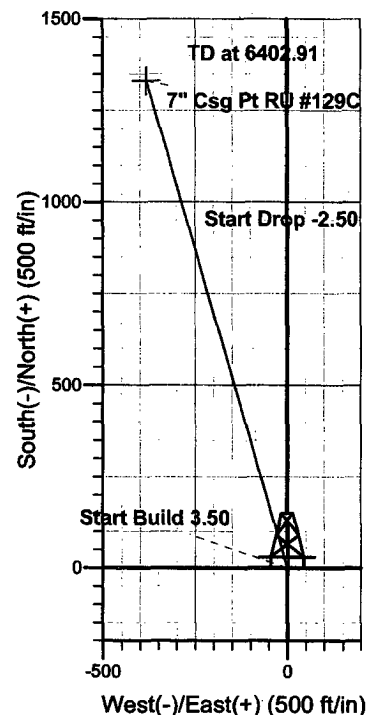
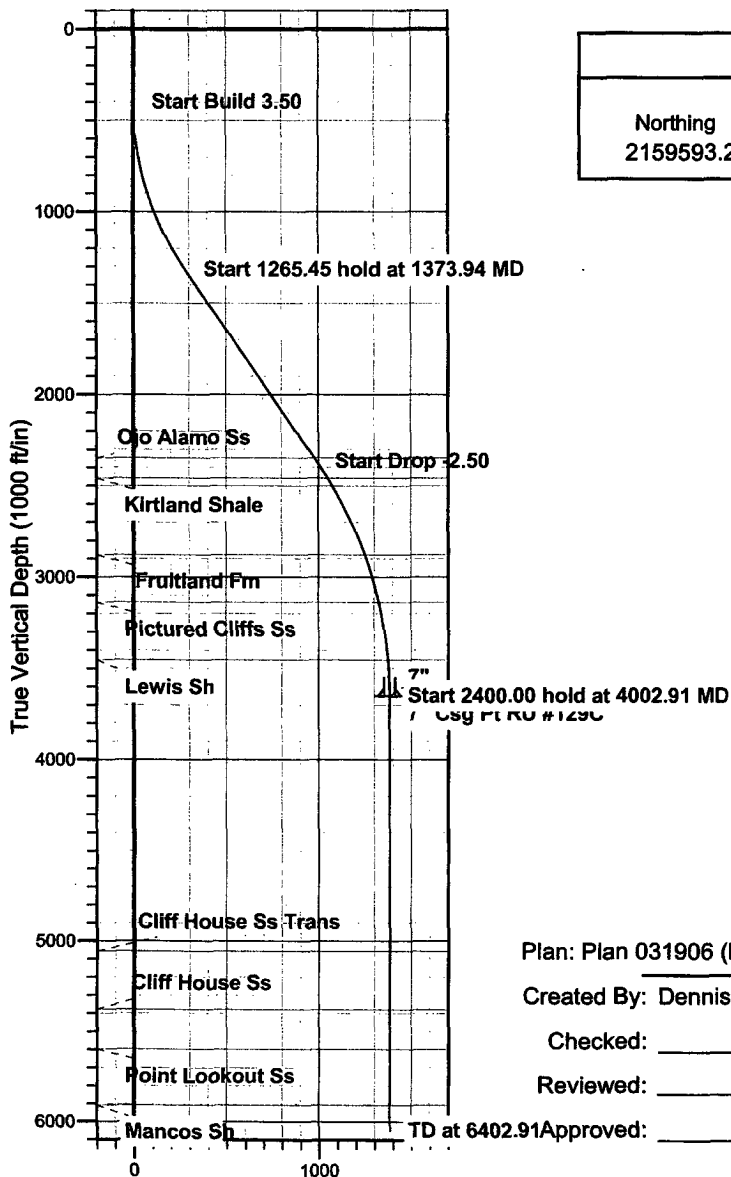
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
K.O.P.	400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	
End Build	1373.94	34.09	344.00	1317.49	270.38	-77.52	3.50	344.00	281.28	
Start Drop	2639.39	34.09	344.00	2365.51	952.16	-272.97	0.00	0.00	990.51	
End Drop	4002.91	0.00	0.00	3650.00	1330.69	-381.50	2.50	180.00	1384.30	7" Csg Pt RU #129C
Target	6402.91	0.00	0.00	6050.00	1330.69	-381.50	0.00	0.00	1384.30	

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
7" Csg Pt RU #129C	3650.00	1330.69	-381.50	2160922.43	2835468.56	Point

WELL DETAILS: Rosa Unit #129-C

Ground Level: 6361.00			
Northing	Easting	Latitude	Longitude
2159593.29	2835855.43	36° 56' 3.000 N	107° 26' 51.000 W



Plan: Plan 031906 (Rosa Unit #129-C/Wellbore #1)

Created By: Dennis Cook Date: 3/18/2006

Checked: Date:

Reviewed: Date:

Approved: Date:

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.

WALSH PRODUCTION Company, LLC
Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

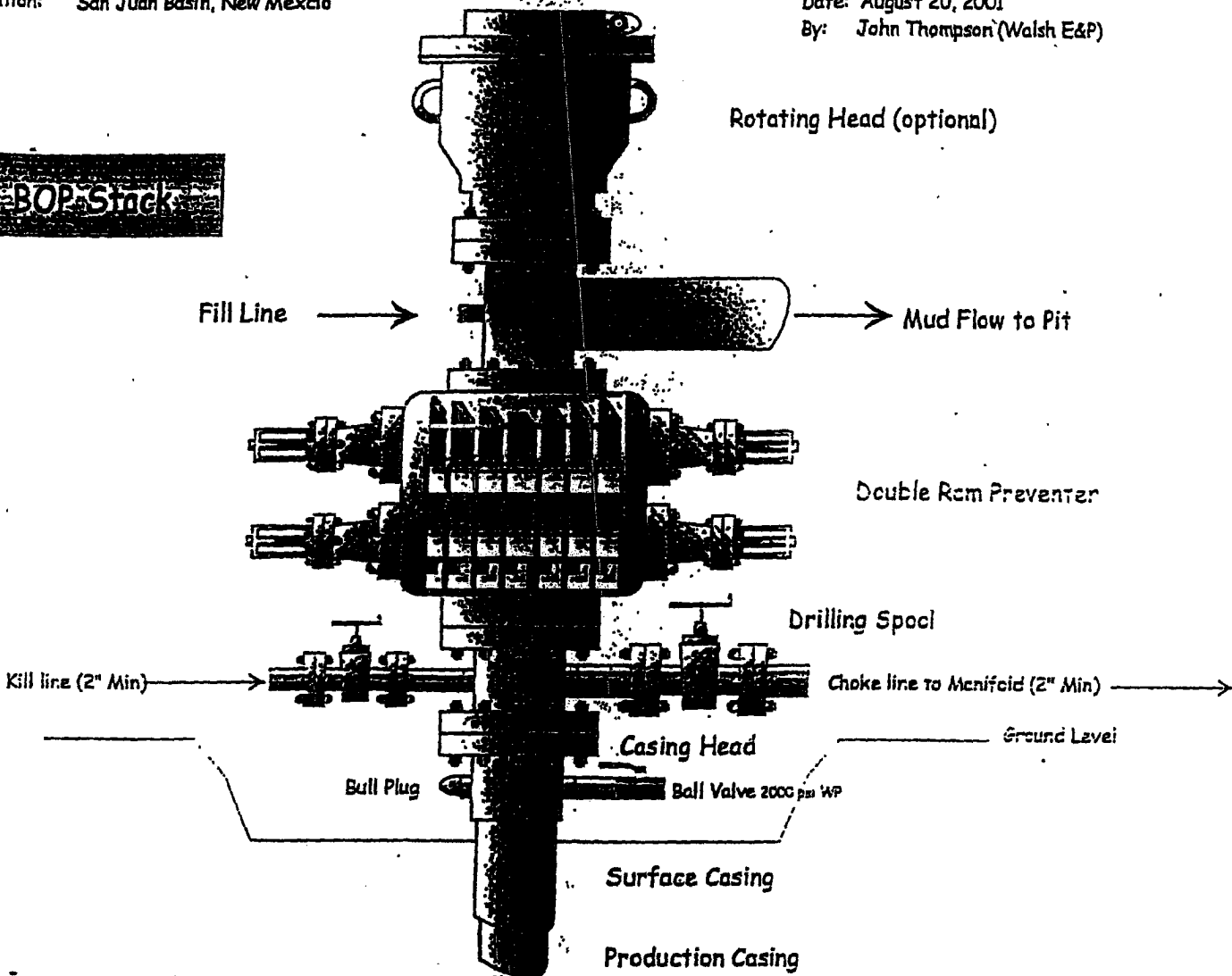
Typical BOP setup

Location: San Juan Basin, New Mexico

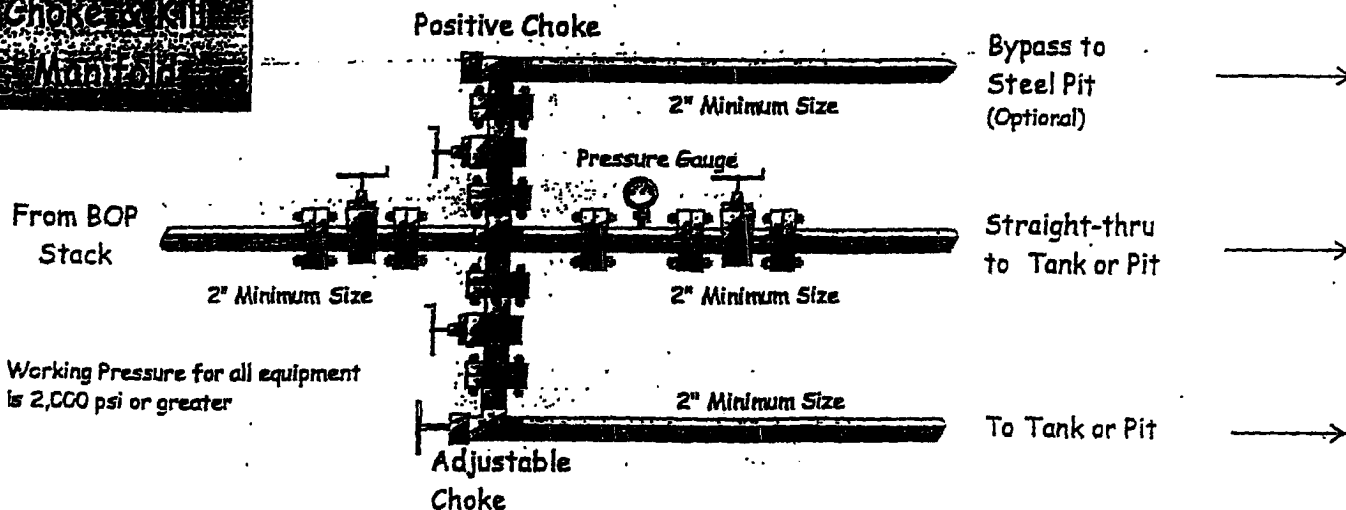
Date: August 20, 2001

By: John Thompson (Walsh E&P)

BOP Stack



Choke & Kill Manifold



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