

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-0078765
If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. 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 87410

3b. Phone No. (include area code)

(505) 634-4208

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

At surface 1675' FNL & 395' FEL

At proposed prod. zone 2310' FNL 990' FEL

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

Rosa Unit

8. Lease Name and Well No.

156C

9. API Well No.

30-045-34245

10. Field and Pool, or Exploratory

Blanco Mesaverde

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

H Section 9, 31N R.6W

12. County or Parish

San Juan

13. State

NM

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)

395'

16. No. of Acres in lease

2,460.230

17. Spacing Unit dedicated to this well

320.0(E/2)

RCVD APR24'07

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

500'

19. Proposed Depth

6,350'

20. BLM/BIA Bond No. on file

OIL CONS. DIV.

UT0647

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

6,447' GR

22. Approximate date work will start*

April 1, 2007

23. Estimated duration

1 month

DIST. 3

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

3-19-07

Title

Drilling COM

Approved by (Signature)

[Signature]

Name (Printed/Typed)

AFM

Date

4/19/07

Title

Office

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 well pad surface is under jurisdiction of the Bureau of Land Management, Farmington Field Office (BLM/FFO).

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

A 50-foot access road is needed to access this location. A pipeline tie of 209.8 feet would be required for this location. Williams Field Services has filed a pipeline route plan for the associated pipeline. The pipeline would be owned and operated by Williams Field Services.

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".

NMOCD

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

4/30/07

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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 & Natural Resources Department

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

Form C-102

Revised October 12, 2005

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

2007 MAR 19

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLATON NM

API Number 30-045-34245	Pool Code 72319	Pool Name BLANCO MESAVERDE
Property Code 17033	Property Name ROSA UNIT	Well Number 156C
GRID No. 120782	Operator Name WILLIAMS PRODUCTION COMPANY	Elevation 6447'

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
H	9	31N	6W		1675	NORTH	395	EAST	SAN JUAN

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
H	9	31N	6W		2310	NORTH	990	EAST	SAN JUAN

12 Dedicated Acres 320.0 Acres - (E/2)	13 Joint or Infill	14 Consolidation Code	15 Order No. RCVD APR 24 07 OIL CONS. DIV. DIST. 3
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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

16	5270.76'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Larry Higgins</u> Date: <u>3-19-07</u> Printed Name: <u>LARRY HIGGINS</u>
5280.00'	<p>SURFACE LOCATION LAT: 36.91673°N LONG: 107.46053°W DATUM: NAD1983</p> <p>BOTTOM-HOLE LAT: 36.91498°N LONG: 107.46256°W DATUM: NAD1983</p> <p>9</p> <p>LEASE SF-078765</p>	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. Date of Survey: <u>MAY 2, 2006</u> Signature and Seal of Professional Surveyor  <u>JASON C. EDWARDS</u> Certificate Number 15269
2638.68'	2638.68'	

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. 30-045-34245	
5. Indicate Type of Lease FEDERAL X STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. SF-078765	
7. Lease Name or Unit Agreement Name Rosa Unit	
8. Well Number	156C
9. OGRID Number	120782
Blanco Mesaverde	

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 H: 1675 feet from the north line and 395 feet from the east line

Section 9 Township 31N Range 6W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,447' 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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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.

Drilling/Completion pit to be located approximately 30 to 50 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 3-19-07

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

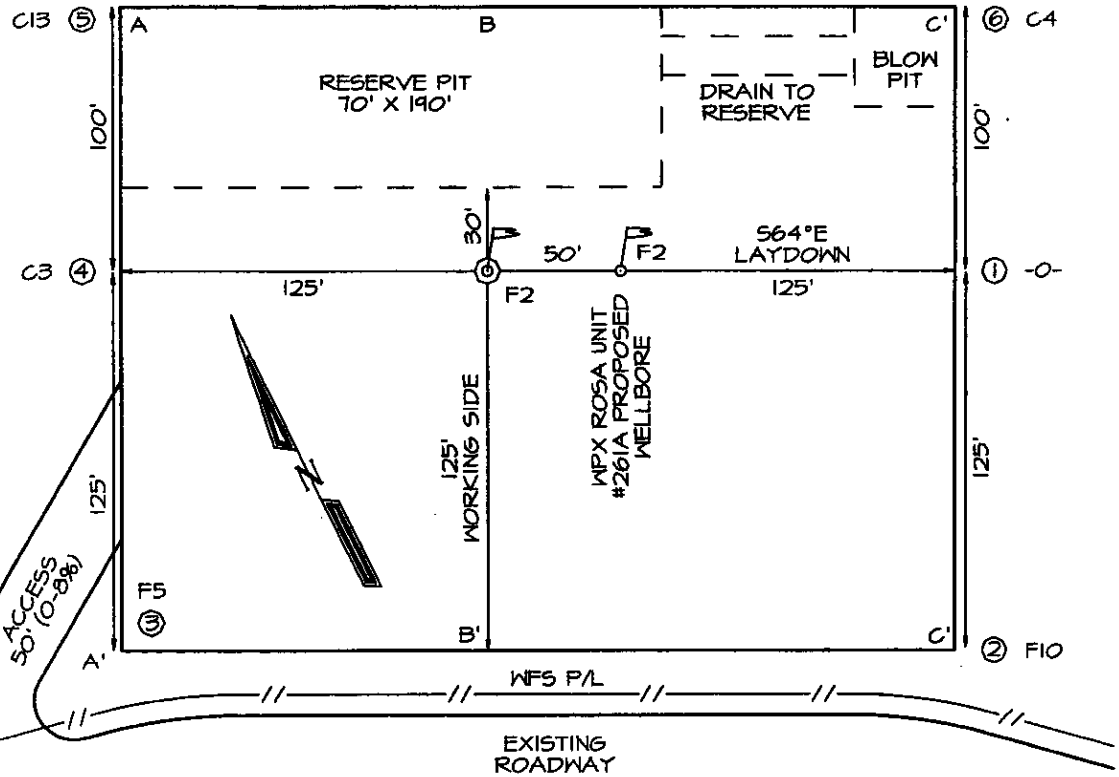
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE APR 30 2007

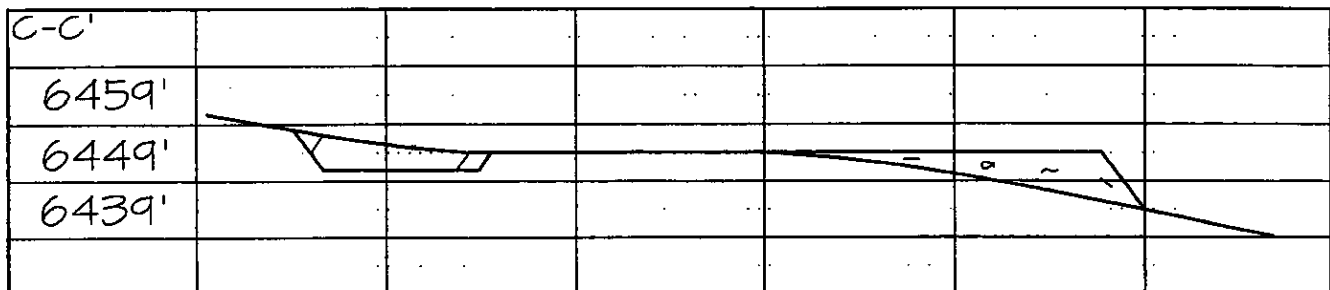
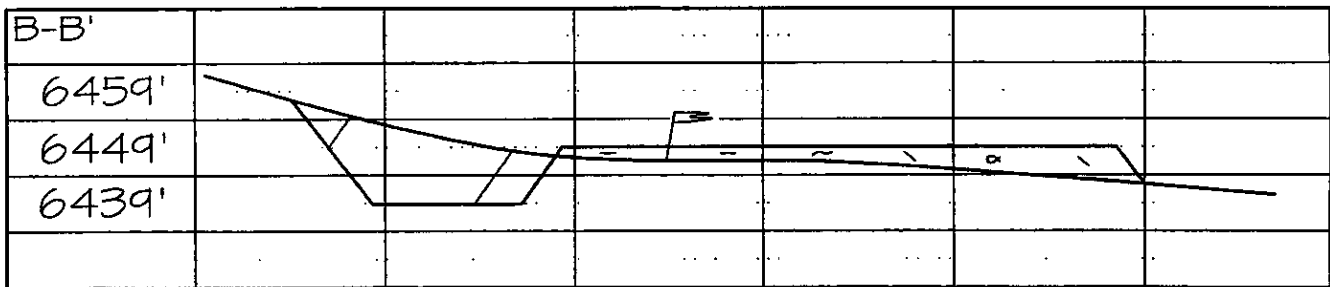
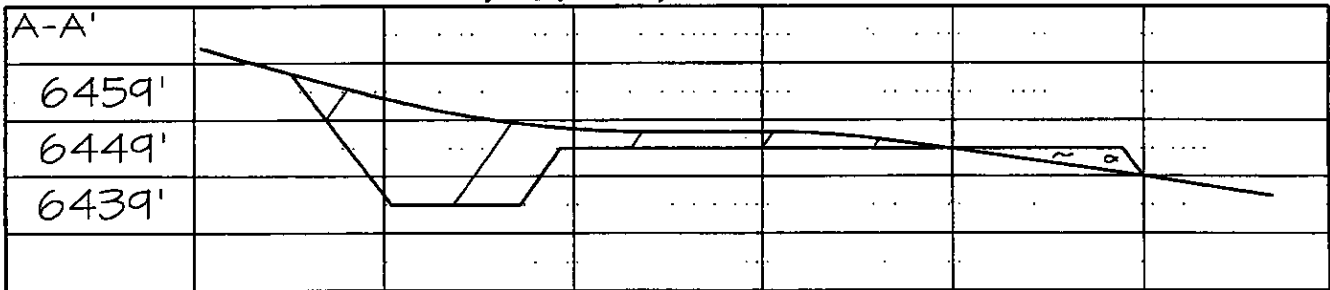
Conditions of Approval (if any):

LATITUDE: 36.91673° N
LONGITUDE: 107.46053° W

DATUM: NAD1983



PLAT # 1





WILLIAMS PRODUCTION COMPANY

Operations Plan

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

DATE: 2/27/2007 **FIELD:** Blanco MV
WELL NAME: Rosa #156C **SURFACE:** FED
BH LOCATION: SENE Sec 9-31N-6W **MINERALS:** FED
San Juan, NM
SURF LOCATION: SENE Sec 9-31N-6W
ELEVATION: 6,447' GR **LEASE #** SF-078765
MEASURED DEPTH: 6,350'

I. GEOLOGY: Surface formation - San Jose

A. FORMATION TOPS: (KB)

Name	TVD	MD	Name	TVD	MD
Ojo Alamo	2,441	2,556	Cliff House	5,471	5,615
Kirtland	2,546	2,667	Menefee	5,516	5,660
Fruitland	3,041	3,180	Point Lookout	5,731	5,875
Pictured Cliffs	3,251	3,393	Mancos	6,046	6,190
Lewis	3,531	3,674	TD	6,206	6,350

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:**

CASING TYPE	OH SIZE (IN)	DEPTH (MD) (FT)	CASING SIZE (IN)	WEIGHT(LB)	GRADE
Surface	12 1/4	300	9 5/8	36	K-55
Intermediate	8 3/4	3,870	7	20	K-55
Liner	6 1/4	3,770 6,350	4 1/2	10.5	J-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" 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 - 490 sx (1023) cu.ft.) of "Premium Light" 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 (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 = 1,093 cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface.
3. **PRODUCTION LINER:** 10 bbl Gelled Water spacer. Cement: 155 sx (330 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 330 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.

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

Exhibit #1

Typical BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson (Walsh E&P)

