

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMSF-078769	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Williams Production Company, LLC		7. If Unit or CA Agreement, Name and No. Rosa Unit	
3a. Address P O Box 640 Aztec, NM 87410		8. Lease Name and Well No. 168B	
3b. Phone No. (include area code) (505) 634-4208		9. API Well No. 30-039-30356	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 845' FSL & 1895' FWL N At proposed prod zone 1650' FSL & 2310' FEL J		10. Field and Pool, or Exploratory Blanco Mesaverde	
14. Distance in miles and direction from nearest town or post office* approximately 25 miles northeast of Blanco, New Mexico		11. Sec., T., R., M., or Blk. and Survey or Area N RCVD MAY 28 '08 OIL CONS. DIV. Section 28, 31N, 5W	
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg. unit line, if any) 845'		12. County or Parish DIST. 3 State NM	
16. No. of Acres in lease 2560.00		17. Spacing Unit dedicated to this well 320.00 - (E/2)	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 75'		20. BLM/BIA Bond No. on file UT0847 UT0899	
21. Elevations (Show whether DF, KDB, RT, GL, etc) 6,511' GR		23. Estimated duration 1 month	
22. Approximate date work will start* April 1, 2008			

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 <i>Larry Higgins</i>	Name (Printed/Typed) Larry Higgins	Date 9-12-07
Title Drilling COM		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 5/27/08
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 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 U.S. Forest Service, Carson National Forest, Jicarilla Ranger District.

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 a pipeline right-of-way. An associated pipeline tie of 330.50 feet would be required for this location.

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".

Hold C104
for Directional Survey
and "As Drilled" plat

NMOCD
JUN 16 2008

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

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

RECEIVED

SEP 12 2007

Bureau of Land Management
Farmington Field Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30356		*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 168B
*GRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6511'

¹⁰ Surface Location

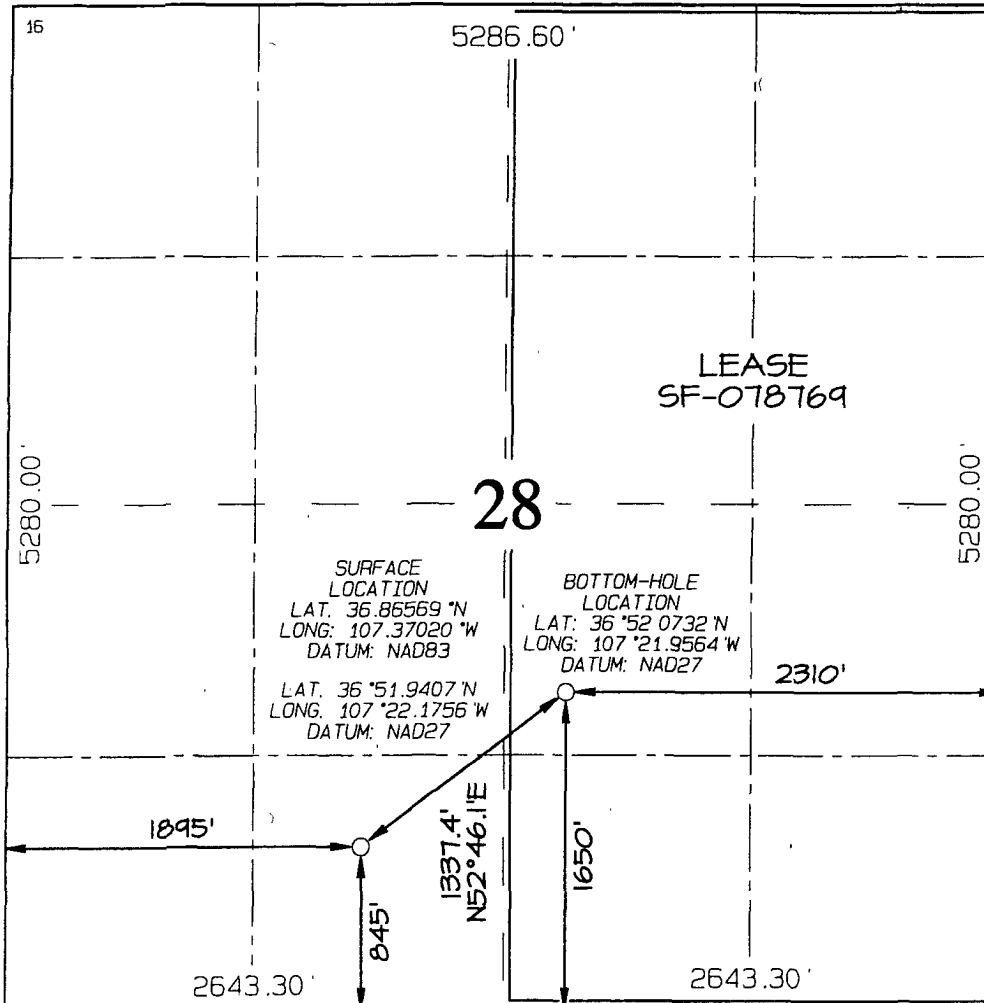
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	28	31N	5W		845	SOUTH	1895	WEST	RIO ARriba

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
J	28	31N	5W		1650	SOUTH	2310	EAST	RIO ARriba

¹² Dedicated Acres 320.0 Acres - (E/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



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

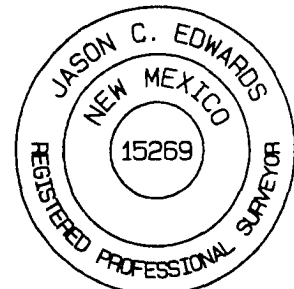
9-12-07
Date

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

Date of Survey: AUGUST 24, 2006

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

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.
30-039-303570

5. Indicate Type of Lease FEDERAL ☒
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
NMSF-078769

7. Lease Name or Unit Agreement Name

Rosa

8. Well Number **168B**

9. OGRID Number
120782

10. Pool name or Wildcat
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
POB 640, Aztec, NM

4. Well Location
Unit Letter **N** : **845** feet from the **S** line and **1895** feet from the **W** line
Section **28** Township **31N** Range **05W** NMPM County **Rio Arriba**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6511' GR

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Drilg/Completion Depth to Groundwater >100 ft Distance from nearest fresh water well >1000 ft Distance from nearest surface water >500 ft

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.

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 9-12-07

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,
District #3 DATE JUN 16 2008

Conditions of Approval (if any):



WILLIAMS PRODUCTION COMPANY

Operations Plan

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

DATE: 8/6/2007 **FIELD:** Blanco MV
WELL NAME: Rosa #168B **SURFACE:** USFS
BH LOCATION: NWSE Sec 28-31N-5W **MINERALS:** BLM
Rio Arriba, NM
SURF LOCATION: SESW Sec 28-31N-5W
ELEVATION: 6,511' GR **LEASE #** SF-078769
MEASURED DEPTH: 6,663'

I. **GEOLOGY:** Surface formation - San Jose

A. **FORMATION TOPS:** (KB)

Name	TVD	MD	Name	TVD	MD
Ojo Alamo	2,665	2,936	Cliff House	5,580	5,893
Kirtland	2,800	3,084	Menefee	5,630	5,943
Fruitland	3,175	3,480	Point Lookout	5,875	6,188
Pictured Cliffs	3,410	3,720	Mancos	6,175	6,488
Lewis	3,675	3,988	TD	6,350	6,663

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	4,213	7	20	K-55
Liner	6 1/4	4,113 6,663	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 + ¼ # 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 - 540 sx (1126) 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 = 1,196 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 (326 ft³) of Premium Light HS + 1% FL-52 + .2% CD-32, 0.1% R-3, 3 #/sk CSE, ¼ #/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 326 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 max 3300 psi, hold at 1500 psi for 30 minutes.

C. STIMULATION

1. Perforate the Point Lookout as determined from the open hole logs.
2. Stimulate with approximately 9,300# of 14/30 LiteProp™ sand in slick water.
3. Isolate Point Lookout with a CIBP.
4. Perforate the Menefee/Cliff House as determined from the open hole logs.
5. Stimulate with approximately 9,300# of 14/30 LiteProp™ sand in slick water.
6. Test each zone before removing bridge plugs.

D. RUNNING TUBING

1. Mesa Verde: Run 2-3/8", 4.7#, J-55, EUE tubing with a SN (1.91" ID) on top of bottom joint. Land tubing approximately 25' above the bottom Point Lookout perforation.

Larry Higgins
for Gary Sizemore
Sr. Drilling Engineer

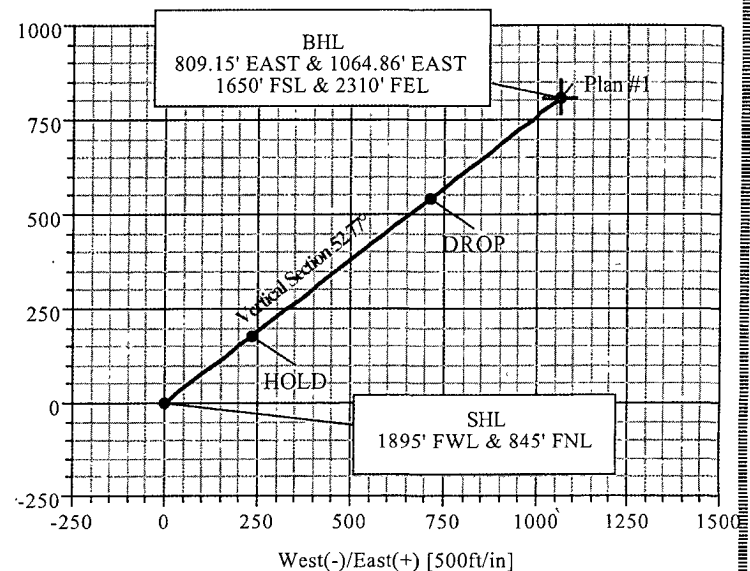
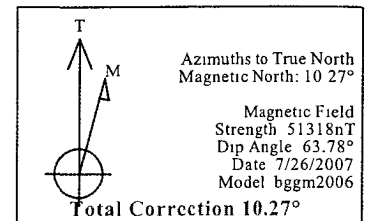
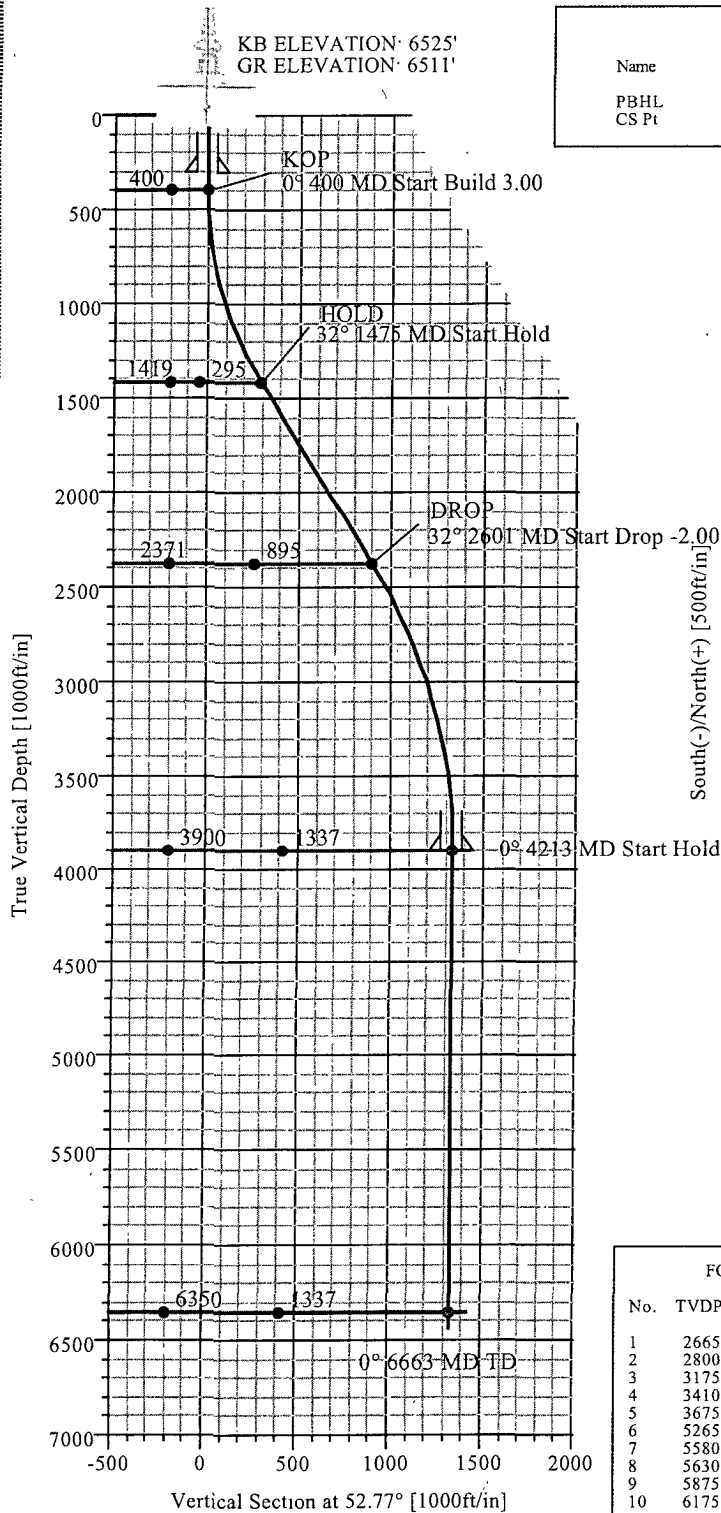


ROSA UNIT 168B
SECT. 28 T31N R5W
1895' FWL & 845' FSL
RIO ARriba COUty, NM
PLAN 1

SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec Target
1	0.00	0.00	52.77	0.00	0.00	0.00	0.00	0.00	0.00
2	400.00	0.00	52.77	400.00	0.00	0.00	0.00	0.00	0.00
3	1475.04	32.25	52.77	1419.16	178.27	234.61	3.00	52.77	294.66
4	2600.83	32.25	52.77	2371.26	541.74	712.94	0.00	0.00	895.41
5	4213.38	0.00	52.77	3900.00	809.15	1064.86	2.00	180.00	CS Pt
6	6663.38	0.00	52.77	6350.00	809.15	1064.86	0.00	52.77	PBHL

WELL DETAILS							
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
Rosa Unit 168B	0 00	0 00	2134768 11	2858573 99	36°51'56 484N	107°22'12 720W	N/A

TARGET DETAILS						
Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
PBHL	6350 00	809 15	1064 86	36°52'04 485N	107°21'59 615W	Point
CS Pt	3900 00	809 15	1064 86	36°52'04 485N	107°21'59 615W	Point



FORMATION TOP DETAILS			
No.	TVDPath	MDPath	Formation
1	2665 00	2936 52	San Jose
2	2800 00	3084 38	Ojo Alamo
3	3175 00	3480 41	Kirtland
4	3410 00	3720 96	Pictured Cliffs
5	3675 00	3988 15	Lewis
6	5265 00	5578 38	Cliff House Trans
7	5580 00	5893 38	Cliff House
8	5630 00	5943 38	Menefee
9	5875 00	6188 38	Point Lookout
10	6175 00	6488 38	Mancos

Plan Plan #1 (Rosa Unit 168B)

Created By Jose Perez Date 07/26/07
Weatherford Drilling Services
11943 FM 529
Houston TX USA 77041
(713) 896 8194 MAIN
(713) 896 0498 FAX



Weatherford Drilling Services Planning Report



Weatherford

Company: WILLIAMS PRODUCTION	Date: 7/26/2007	Time: 11:03:46	Page: 5
Field: Rio Arriba County (NAD 83)	Co-ordinate(NE) Reference: Site: Rosa Unit 168B, True North		
Site: Rosa Unit 168B	Vertical (TVD) Reference: SITE 6525.0		
Well: Rosa Unit 168B	Section (VS) Reference: Well (0.00N,0.00E,52.77Azi)		
Wellpath: 1	Plan:	Plan #1	

Formations

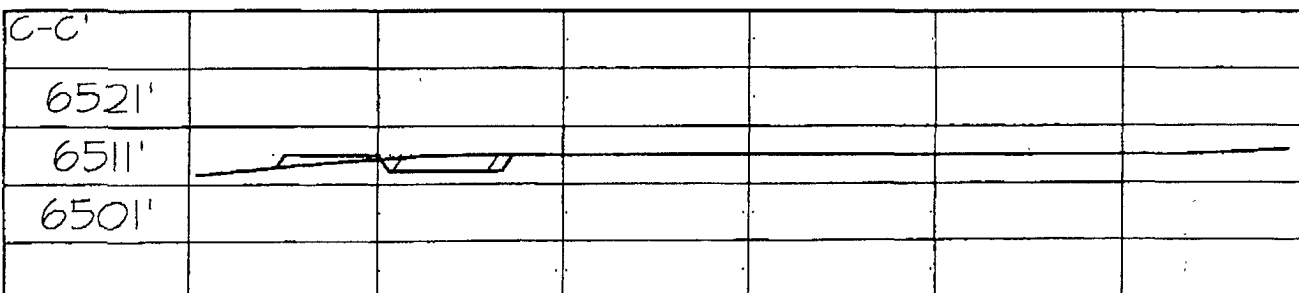
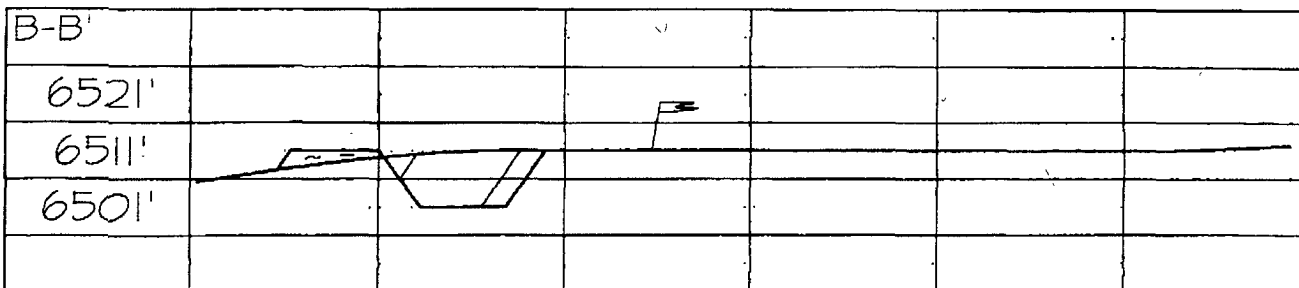
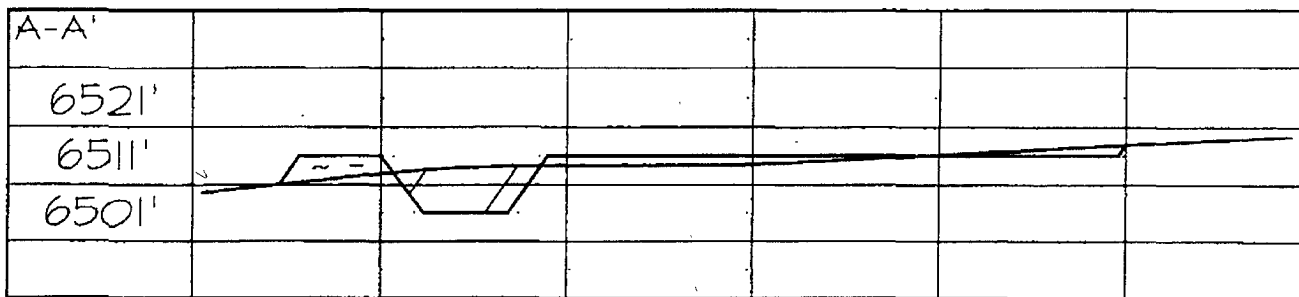
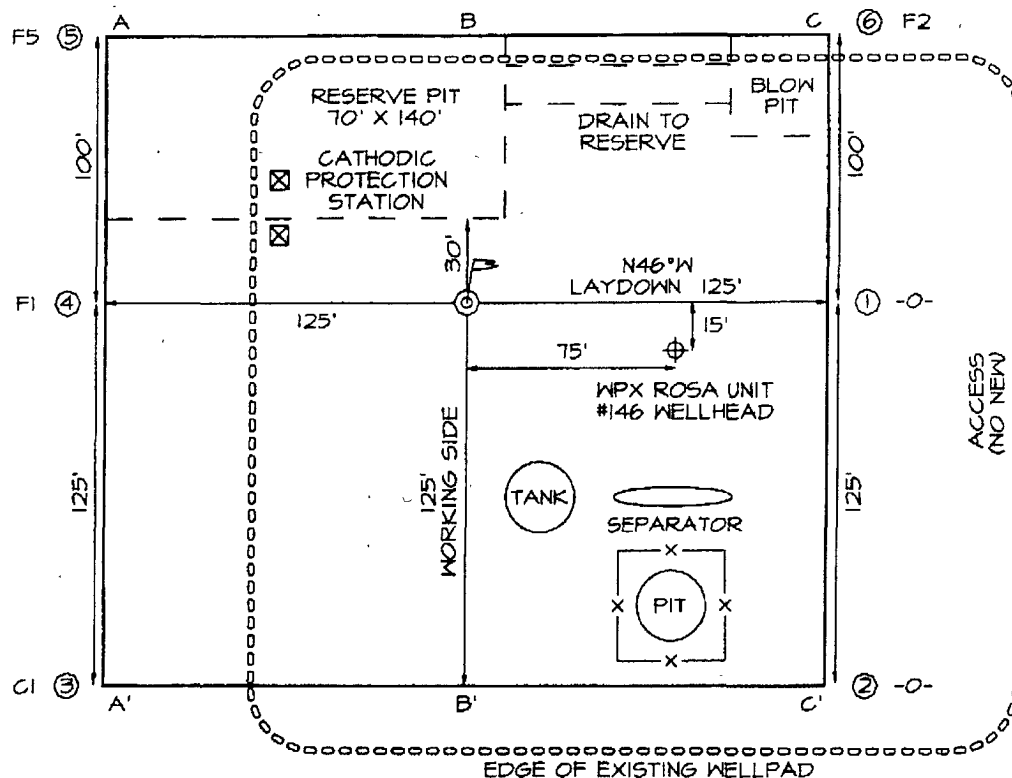
MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
2936.52	2665.00	San Jose		0.00	0.00
3084.38	2800.00	Ojo Alamo		0.00	0.00
3480.41	3175.00	Kirtland		0.00	0.00
3720.96	3410.00	Pictured Cliffs		0.00	0.00
3988.15	3675.00	Lewis		0.00	0.00
5578.38	5265.00	Cliff House Trans		0.00	0.00
5893.38	5580.00	Cliff House		0.00	0.00
5943.38	5630.00	Menefee		0.00	0.00
6188.38	5875.00	Point Lookout		0.00	0.00
6488.38	6175.00	Mancos		0.00	0.00

Annotation

MD ft	TVD ft	
400.00	400.00	KOP
1475.04	1419.16	HOLD
2600.83	2371.26	DROP

WILLIAMS PRODUCTION COMPANY ROSA UNIT #168B
845' FSL & 1895' FWL, SECTION 28, T31N, R5W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6511'

LATITUDE: 36.86569° N
 LONGITUDE: 107.37020° W
 DATUM: NAD1983



GEOLOGIC PROGNOSIS

Company: Williams Production Company. LLC
Project: 2007 Drilling Plan
Area: Rosa Unit

Operator: Williams Production Company. LLC
Well Name: Rosa Unit No. 168B (Kmv-Directional)
Location: SESW 28-31N-05W
Footage: 0845' FSL & 1895' FWL
County/State: Rio Arriba/New Mexico

Surveyed GL: 6511 Estimate (14') KB: 6525

<u>Formation</u>	<u>Thickness</u>	<u>TVD</u>	<u>Struct. Elev.</u>
San Jose Fm.	2665	Surface	6511
Ojo Alamo Ss.	135	2665	3860
Kirtland Sh.	375	2800	3725
Fruitland Fm.	235	3175	3350
Pictured Cliffs Ss.	265	3410	3115
Lewis Sh.	210	3675	2850
<u>Intermediate Casing Depth</u>	1380	<u>3885</u>	2640
Cliff House Ss. Trans.	315	5265	1260
Cliff House Ss.	50	5580	945
Menefee Fm.	245	5630	895
Point Lookout Ss.	300	5875	650
Mancos Sh.	175	6175	350
<u>Total Depth</u>	NA	<u>6350</u>	175

Mechanical Logs: Cased hole (TMDL, CBL) logs only

Correlation Logs: Rosa Unit No. 146 (SESW 28-31N-05W)

Notes: This well will be directionally drilled to a BHL
1650' FSL & 2310' FEL 28-31N-05W

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

Exhibit #1 Typical BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson (Walsh E&P)

