

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|--|---|--|------------------------|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | | 7. UNIT AGREEMENT NAME <i>Armington, NM Cox Canyon Unit</i> | |
| 1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 8. FARM OR LEASE NAME, WELL NO. <i>200A</i> | |
| 2. NAME OF OPERATOR <i>Williams Production Company, LLC</i> | | 9. API WELL NO. <i>3004532126</i> | |
| 3. ADDRESS OF OPERATOR <i>P. O. Box 361, Ignacio, CO 81137 (505) 563-3308</i> | | 10. FIELD AND POOL OR WILDCAT <i>Basin Fruitland Coal</i> | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At Surface <i>1050' FSL and 2305' FEL</i> At proposed Prod. Zone | | 11. SEC., T., R. M., OR BLK. AND SURVEY OR AREA <i>Sec. 9, T32N, R11W</i> | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <i>12 miles NW of Aztec, New Mexico</i> | | 12. COUNTY OR PARISH <i>San Juan</i> | 13. STATE <i>NM</i> |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) <i>1050'</i> | 16. NO. OF ACRES IN LEASE <i>1384.60</i> | 17. NO. OF ACRES ASSIGNED TO THIS WELL <i>336.40 A11</i> | |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. <i>500'</i> | 19. PROPOSED DEPTH <i>3363'</i> | 20. ROTARY OR CABLE TOOLS <i>Rotary</i> | |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) <i>6613' GR</i> | | 22. APPROX. DATE WORK WILL START* <i>February 15, 2004</i> | |

| 23. PROPOSED CASING AND CEMENTING PROGRAM | | | | |
|---|----------------|-------------|-------------------|--|
| SIZE OF HOLE | SIZE OF CASING | WEIGHT/FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
| 12-1/4" | 9-5/8" | 36.0# | +/- 300' | ~206 cu.ft. Type III with 2% CaCl ₂ |
| 8-3/4" | 7" | 20.0# | +/- 3028' | ~770 cu.ft. 65/35 poz & ~70 cu.ft. Type I |
| 6-1/4" | 5-1/2" | 15.5# | +/- 2928' - 3363' | Open hole completion - no cement |

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

This location has been archaeologically surveyed by Independent Contract Archaeology. Copies of their report have been submitted directly to your office.

This APD also is serving as an application to obtain BLM road and pipeline right-of-ways. This well will require approx. 450' new access road (see Pipeline & Well Plats #3 & #4). This new road will join an existing road in the SW qtr of sec 9, T32N, R11W. This road crosses the NE qtr sec 16, the NW qtr sec 15 and the SW qtr of sec 10 where it joins San Juan county road #2300.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Larry Higgins* TITLE *Larry Higgins, Drlg COM* DATE *1/7/2004*

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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: *10/ David J. Mankiewicz* *FEB - 9 2004*

APPROVED BY _____ TITLE _____ DATE _____

***See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes 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.

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-------------------------|---|---------------------|------------------------------------|
| *API Number | | *Pool Code 71629 | *Pool Name BASIN FRUITLAND COAL |
| *Property Code 17036 | *Property Name COX CANYON UNIT | | *Well Number 200A |
| *GRID No. 120782 | *Operator Name WILLIAMS PRODUCTION COMPANY | | *Elevation 6613' |

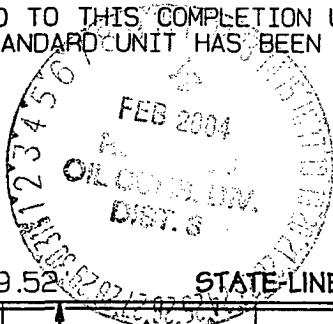
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| 0 | 9 | 32N | 11W | | 1050 | SOUTH | 2305 | 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 |
|--|---------|----------|-------|---------|-------------------------------|----------------------------------|-------------------------|----------------|--------|
| ¹² Dedicated Acres 336.40 Acres - Entire Section | | | | | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. | | |

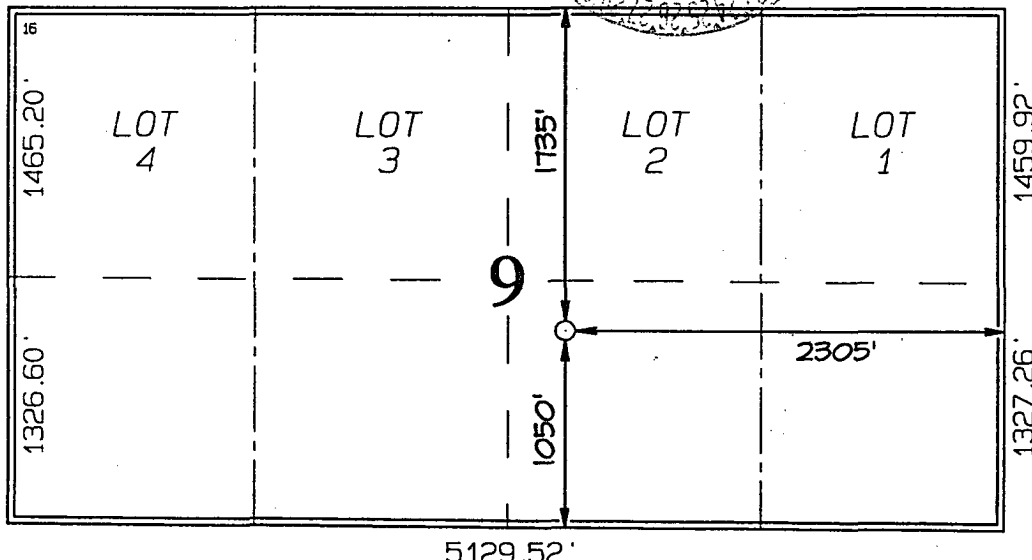
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



COLORADO / NEW MEXICO

5129.52'

STATE LINE



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

1-7-04
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 31, 2003

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269



WILLIAMS PRODUCTION COMPANY

Operations Plan

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

| | | | |
|----------------------------|--|-------------------------|----------------------|
| <u>DATE:</u> | 1/6/2004 | | |
| <u>WELLNAME:</u> | Cox Canyon #200A | <u>FIELD:</u> | Basin Fruitland Coal |
| <u>LOCATION:</u> | SW/4 SE/4 Sec. 9-T32N-R11W San Juan, NM | <u>SURFACE:</u> | Federal |
| <u>ELEVATION:</u> | 6613' GR | <u>MINERALS:</u> | Federal |
| <u>TOTAL DEPTH:</u> | 3363' | <u>LEASE #</u> | NM-03189 |

I. GEOLOGY: Surface formation - San Jose

A. FORMATION TOPS: (KB)

| | | | |
|-------------|---------|-----------------|-------|
| San Jose | Surface | Top Coal | 3,048 |
| Nancimiento | 303 | Bottom Coal | 3,288 |
| Ojo Alomo | 1,433 | Pictured Cliffs | 3,298 |
| Kirtland | 1,463 | TD | 3,363 |
| Fruitland | 2,823 | | |

NOTE: A plug will need to be set in the top of the Picture Cliffs as this well is with the limits of the Blanco Pictured Cliffs pool.

B. LOGGING PROGRAM: High resolution SDL from TD to Intermediate casing. DSN from TD to surface casing.

C. 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. Treat for lost circulation as necessary. Expect 100% returns prior to cementing. Notify Engineering of any mud losses. If coal is detected before 3028' DO NOT drill deeper until Engineering is contacted.

B. Drilling Fluid: Coal section will be drilled with Fruitland Coal water. Mud logger will pick TD at +/- 3363'.

C. MUD LOGGING PRORAM: Mud logger will be on location at drill out below 7" casing to TD.

C. 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" | +/- 3028' | 7" | 20# K-55 |
| Prod. Liner | 6-1/4" | +/- 2928-3363' | 5-1/2" | 15.5# K-55 |

B. FLOAT EQUIPMENT:

1. SURFACE CASING: 9-5/8" notched regular pattern guide shoe.
2. INTERMEDIATE CASING: 7" cement nose guide shoe with a self- fill insert float. Place float one(1) joint above the shoe and five(5) centralizers, spaced every other joint, starting with the float collar. Place turbulent centralizers, at 120' intervals, starting at 1585' to the surface. Total centralizers = 5 regular and 14 turbulent.
3. PRODUCTION LINER: 5-1/2"liner with notched collar on bottom.

C. CEMENTING:

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

1. SURFACE: Use 155 sx (206 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 **100% excess** to circulate the surface. WOC 12 hours. Total volume = 206 cu.ft. Test to 1500#.
2. INTERMEDIATE: Lead - 370 sx (770 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 = 840 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.

Williams Production Company, LLC

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

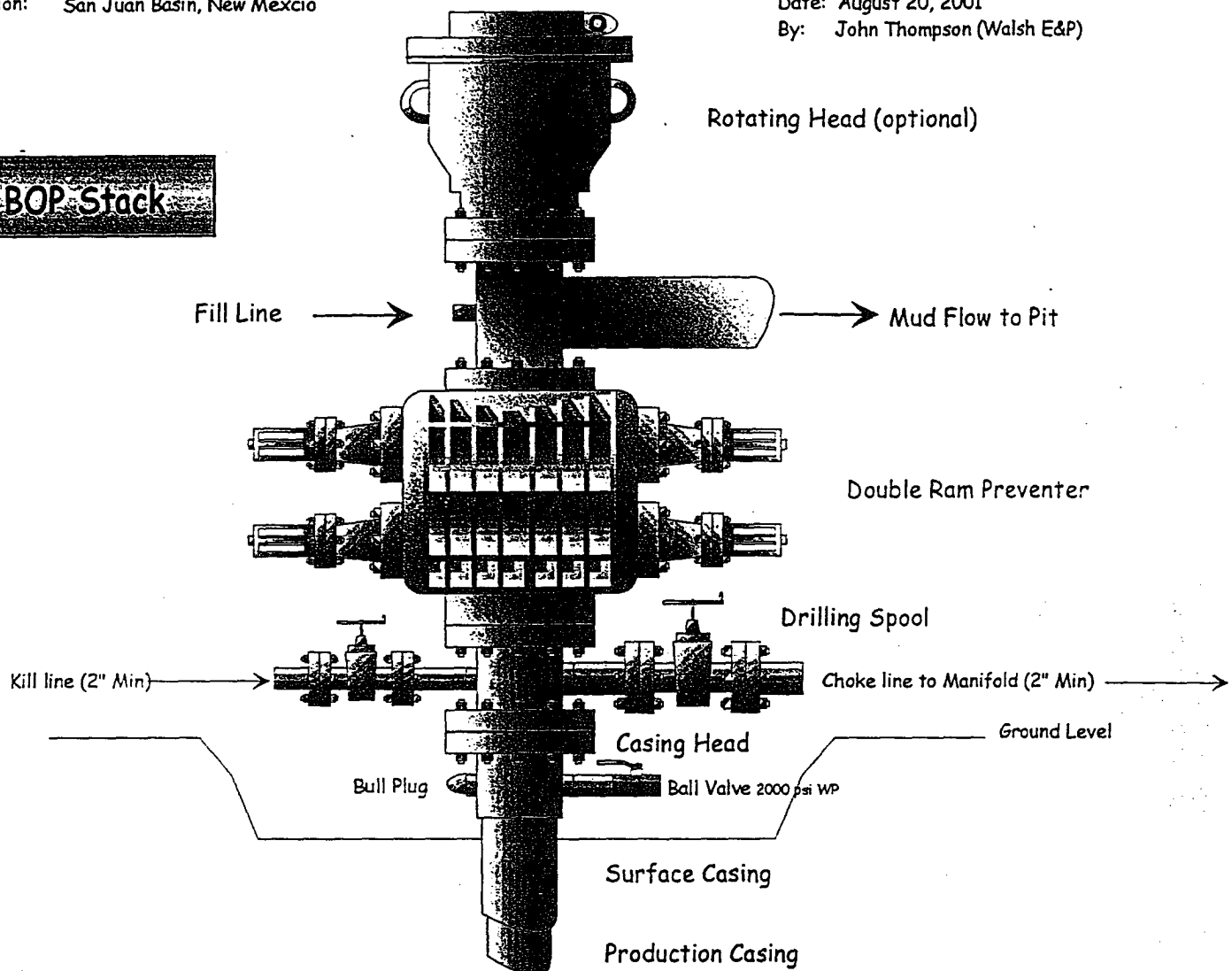
Typical BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson (Walsh E&P)

BOP Stack



Choke & Kill Manifold

