

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"/>		5. LEASE DESIGNATION AND SERIAL NO. <i>Jicarilla Apache Contract #61</i>		
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME <i>Jicarilla Apache Nation</i>		
2. NAME OF OPERATOR <i>Williams Production Company LLC</i>		7. UNIT AGREEMENT NAME <i>17031</i>		
3. ADDRESS OF OPERATOR <i>c/o Walsh Engineering 7415 E. Main St., Farmington, NM 87402 (505) 327-4892</i>		8. FARM OR LEASE NAME, WELL NO. <i>Indian I #3</i>		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) <i>At Surface 1020' FNL & 1970' FEL</i> <i>At proposed Prod. Zone</i>		9. API WELL NO. <i>30-039-26872</i>		
10. FIELD AND POOL OR WILDCAT <i>Blanco Mesa Verde/DK</i>		11. SEC. T, R, M, OR BLK. AND SURVEY OR AREA <i>B Sec. 34, T28N, R3W</i>		
12. COUNTY OR PARISH <i>Rio Arriba</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>1020'</i>		16. NO. OF ACRES IN LEASE <i>2560</i>		
17. NO. OF ACRES ASSIGNED TO THIS WELL <i>320.00</i> <i>Ed</i>		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. <i>8380'</i>		
19. PROPOSED DEPTH <i>8368'</i>		20. ROTARY OR CABLE TOOLS <i>Rotary</i>		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <i>7006'</i>		22. APPROX. DATE WORK WILL START* <i>December 1, 2001</i>		
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<i>14-3/4"</i>	<i>10-3/4"</i>	<i>32.75#</i>	<i>~250 ft</i>	<i>~313 cu.ft. Type III with 2% CaCl₂</i>
<i>9-7/8"</i>	<i>7-5/8"</i>	<i>26.4#</i>	<i>~4108 ft</i>	<i>~1439 cu.ft. 65/35 poz & ~326 cu.ft. Type III</i>
<i>6-3/4"</i>	<i>5-1/2"</i>	<i>17.0#</i>	<i>~8368 ft</i>	<i>~546 cu.ft. Premium Light w/ additives</i>

Williams Production Company proposes to drill a vertical well to develop the Mesa Verde and Dakota formations at the above described location in accordance with the attached drilling and surface use plans.

This location has been archaeologically surveyed by Velarde Energy Service. 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 be accessed by an existing road that crosses the SW/NE, NW/SW of section 34 of T28N R3W where it joins "J-10".

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 <i>John C. Thompson</i> TITLE <i>John C. Thompson, Agent</i> DATE <i>10/4/01</i>	
(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:	
APPROVED BY <i>SW Anderson</i> TITLE <i>Dist. Field Mgr.</i> DATE <i>NOV 27 2001</i>	

*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.

* Attached

All casing strings will be centralized

K

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

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

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

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-26872		Pool Code 72319 - 71599	Pool Name Blanco Mesaverde - Basin Dakota
Property Code 17031	Property Name INDIAN I		Well Number 3
GRID No. 120782	Operator Name WILLIAMS PRODUCTION COMPANY		Elevation 7006'

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
B	34	28N	3W		1020	NORTH	1970	EAST	RIO ARriba

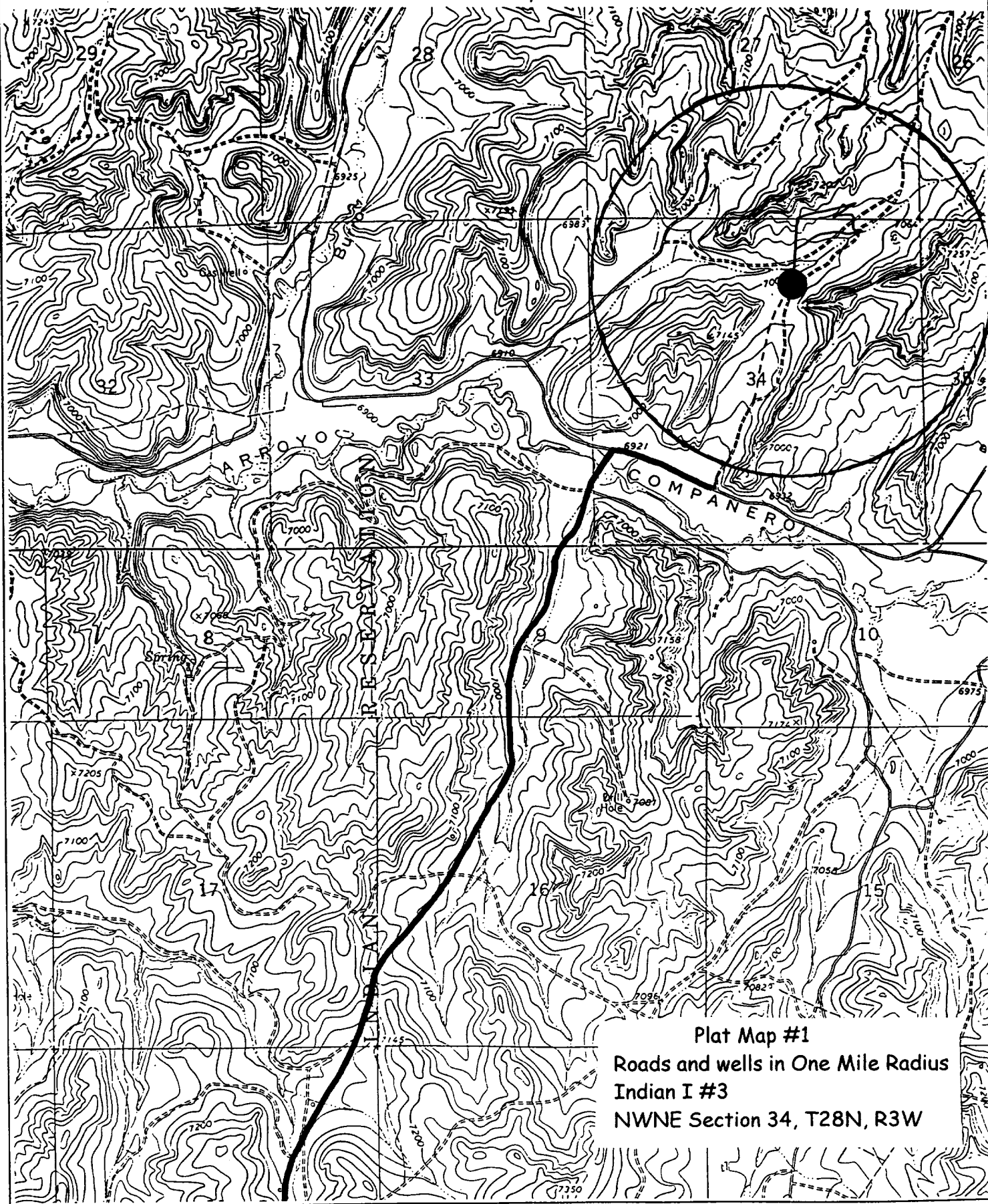
11 Bottom Hole Location If Different From Surface

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 - (E/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

<div>16</div> <div>34</div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>[Signature]</i> Signature John C. Thompson Printed Name Engineer/Agent Title 10/4/01 Date</p>
	<div>18 SURVEYOR CERTIFICATION</div> <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>JUNE 22, 2001 Date of Survey <i>[Signature]</i> Signature and Seal of Professional Surveyor Certificate Number 6857</p>

WILLIAMS PRODUCTION COMPANY INDIAN I #3
1020' FNL + 1970' FEL, SECTION 34, T28N, R3W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO





WILLIAMS PRODUCTION COMPANY

OPERATIONS PLAN

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

DATE: 10/4/2001

WELL NAME: Indian I #3 **FIELD:** Basin MV/DK

SURFACE LOCATION: NW/4 NE/4 Sec. 34- T28N-R3W **SURFACE:** Jicarilla
Rio Arriba, NM

ELEVATION: 7006' GR **MINERALS:** Jicarilla

LEASE # Jicarrilla Apache
Contract #61

MEASURED DEPTH: 8368'

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

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

Neunibby 50'	Ojo Alamo	<u>MD</u> 3278'	Mancos sh	<u>MD</u> 6133'
	Kirtland sh	3448'	Gallup ss	6978'
	Fruitland cl	3448'	Greenhorn ls	7913'
	Pictured Cliffs ss	3628'	Graneros sh	7973'
	Lewis sh	3888'	Dakota ss	8118'
	Cliff House ss	5608'		
	Menefee	5693'		
	Point Lookout ss	5938'	Total Depth	8368'

B. **LOGGING PROGRAM:** IND/GR/TEMP from TD to the Intermediate Casing Shoe.
DEN/Neutron/GR (selected intervals by on-site Geologist). *Subject to change as wellbore conditions dictate.*

C. **NATURAL GAUGES:** Gauge any noticeable increases in gas flow. Gauge well @ 5800' and before TOH for logs @ 7954'. Record all gauges in Tour book and on morning reports.

II. **DRILLING**

A. **MUD PROGRAM:** Clear water with benex to 7" casing point. LSND to log and run pipe. Treat for lost circulation as necessary. Obtain 100% returns prior to cementing. Notify Engineering of any mud losses.

B. **BOP TESTING:** While drill pipe is in use, the pipe rams will be function tested not less than once each day. 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 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	14-3/4"	+/- 250'	10-3/4"	32.75# H-40
Intermediate	9-7/8"	+/- 4108'	7-5/8"	26.4# K-55
Prod. Casing	6-3/4"	+/- 8368'	5-1/2"	17.0# N-80

B. FLOAT EQUIPMENT:

1. SURFACE CASING: 10-3/4" notched regular pattern guide shoe. Run (1) Standard centralizer on each of the bottom (3) Joints.
2. INTERMEDIATE CASING: 7-5/8" 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 1500' to the surface. Total centralizers (5 regular and 13 turbulent).
3. PRODUCTION CASING: 5-1/2" whirler type cement nose guide shoe with a latch collar on top of 20' bottom joint. Place 20' marker joint on top of 10 th joint and one above 5100'.

C. CEMENTING:

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

1. SURFACE: Use 230sx (313cu.ft.) of class "Type III" with 2% CaCl₂ and 1/4# of cello-flake/sk (Yield = 1.39 cu.ft./sk, Weight = 14.5 #/gal.). 125% excess to circulate the surface. WOC 12 hours. Test to 1500#.
2. INTERMEDIATE: Lead: 690sx (1439cu.ft.) of class "Premium Lite" 65/35, Type III/Poz with 8% gel and 1/4# cello-flake/sk (Yield = 2.09 cu.ft./sk, Weight = 12.1 #/gal.). Tail: 235sx (326cu.ft.) of class "Type III" with 1/4# cello-flake/sk (Yield = 1.39 cu.ft./sk, Weight = 14.5#/gal.). 100% excess in lead and tail to circulate to surface. Total volume = 1765 cu.ft. WOC 12 hours. Run a temperature survey after 8 hours if cement is not circulated.
3. PRODUCTION CASING: 50 sks Scavenger of Premium Light HS + 1% FL-52 + .2% CD-32 + .25 #/sk Celloflake + 4% Phenoseal + .1% R3. (Weight = 11 #/gal.). **Cement Slurry:** 275 sx (546 ft³) of Premium Light HS + 1% FL-52 + .2% CD-32 + .25 #/sk Celloflake + 4% Phenoseal + .1% R3. (Yield = 1.99 ft³/sk, Weight = 12.5 #/gal.). Displace cement at a minimum of 8 BPM. Use 50% excess in calculation to raise cement 100' into intermediate casing. Total volume 546ft³. WOC 12 hours.

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 not circulated to surface.

B. PRESSURE TEST


1. Pressure test 7 5/8" & 5-1/2" casing to 3300# for 15 minutes.

C. STIMULATION

1. Stimulate Dakota with approximately 70,000# of 20/40 sand in x-link foam.
2. Isolate Dakota with a RBP.
3. Stimulate Point Lookout with approximately 80,000# of 20/40 sand in slick water.
4. Isolate Point Lookout with a RBP.
5. Perforate the Menefee/Cliff House as determined from the open hole logs.
6. Stimulate with approximately 80,000# of 20/40 sand in slick water.
7. Test each zone before removing bridge plugs.

D. RUNNING TUBING

1. Dakota: Run 2-1/16", 3.25#, J-55, IJ tubing with 1/2 mule shoe on bottom, SN with pump-out plug on top of bottom joint. Isolate Dakota w/ production packer containing 5 Seal Units. Land tubing approximately 100' below top Dakota perf.
2. Mesa Verde: Run 2-1/16", 2.9#, J-55, EUE tubing with a SN (1.91" ID) on top of bottom joint. Land tubing approximately 25' above the bottom Point Lookout perforations.


John C. Thompson
Engineer

Waisn Engineering & Production

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

Typical Mesaverde/Dakota BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson

