30-039-29365

DATE IN 6/12/06	SUSPENSE 7-3-06	ENGINEER Mike Stogner	LOGGED IN 6/13/06	TYPE NSL	APP NO. pTDS0616455313

ABOVE THIS LINE FOR DIVISION USE ONLY

Rosa Unit #351A

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505 2006 JUN 12 PM 4 09

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify HORIZONTAL DRILLING

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William F. Carr	William F. Carr	Attorney	6-12-06
Print or Type Name	Signature	Title	Date

wfcarr@hollandhart.com
e-mail Address

HOLLAND&HART LLP

William F. Carr
wcarr@hollandhart.com

June 12, 2006

HAND DELIVERED

Mark Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Williams Production Company, L.L.C. for Administrative Approval of Horizontal Drilling and an Unorthodox Surface and Bottomhole Location in the Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.
Rosa Unit Well No. 351A

30-039-29385

Dear Mr. Fesmire:

Pursuant to the provisions of Division Rule 111.C(2) and Rules 8 and 9 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768 dated October 17, 1988, Williams Production Company, L.L.C. hereby files its application for an administrative exception to the requirements of Rule 7 as amended by Division Order No. R-8768-B, effective February 10, 2000, for the drilling of its Rosa Unit Well No. 351A as an intentionally deviated horizontal wellbore on a standard coalbed methane gas spacing unit comprised of the W/2 of Section 11, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. This spacing unit will be the Project Area for this horizontal well.

Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool provides that wells shall be located in the NE/4 or SW/4 of a single governmental section and shall be located no closer than 660 feet to any outer boundary of the spacing unit nor closer than 10 feet to any interior quarter or quarter-quarter section line.

The Rosa Unit Well No. 351A has been drilled by Williams Production Company as operator of the Rosa Unit. The surface location for the proposed Rosa Unit Well No. 351A well is 1310 feet from the North line and 215 feet from the West line of said Section 11, Township 31 North, Range 5 West, and is therefore does not comply with Rule 7 of the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool. This unorthodox surface location is necessary to enable Williams to enter the Fruitland

HOLLAND&HART LLP

Coal at the proposed Entry Point and thereby have as much of the horizontal portion of the wellbore as possible in the Project Area for the well. The Point of Entry into the Fruitland Coal is 1390 feet from the North line and 705 feet from the West line of Section 11. The lateral portion of the well is projected to a point 1700 feet from the North line and 2620 feet from the West line of the section or approximately 10 feet from the outer boundary of the Project Area for the well (W/2 of Section 11). The horizontal portion of the wellbore of the Rosa Unit Well No. 351A will be entirely confined within the NW/4 of Section 11. The wellbore is therefore unorthodox under to Division Rule 111.C (2) and Rule 7 of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool.

Williams proposes to drill a vertical well to a kick-off point at a depth of 3147.83 feet and build a curve at a rate of 12.00 degrees per 100 feet and drill until a 90 degree curve is achieved at a true vertical depth of 4053.61 feet. Williams proposes to then drill a lateral in an easterly direction along an azimuth of 98.85 degrees for a bottomhole displacement of approximately 1942.4 feet to a terminus in the NW/4 of Section 11 at a point 1700 feet from the North line and 2620 feet from the West line of said Section 11.

The spacing unit for the proposed horizontal well comprised of the W/2 of said Section 11 is located within the Rosa Unit, a voluntary exploratory unit operated by Williams Production Company, LLC. This spacing unit/project area is offset on the all sides by the Rosa Unit except for Section 2 which offsets this spacing unit project/area to the north that is located in the Carracas Canyon Unit which is operated by Energen Resources Corporation. Pursuant to Rules 8 and 9(A)of the Special Pool Rules for the Basin Fruitland Coal Gas Pool, Energen Resources Corporation has been notified of this application by certified mail and have been advised that if they have objections to this application the objection must be filed in writing with the Santa Fe Office of the Division located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within 20 days of the date of this application or the application may be approved.

Attached to this application are the following documents:

Exhibit A. Plats showing the proposed spacing unit, the unorthodox surface location, projected horizontal wellbore and the proposed lateral end of the wellbore and the boundary of the offsetting Carracas Unit;

Exhibit B. A copy of Division Form C-102 identifying the proposed 320-acre standard gas spacing or proration unit/project area to be dedicated to the well; and

Exhibit C. The Halliburton Sperry-Sun Proposal Report for the Rosa Unit Well No. 351A which contains schematic drawings of the proposed well that fully

HOLLAND&HART LLP

describe the casing, tubing, perforated or open hole interval, kick-off point, and proposed trajectory of the directional wellbore.

Enclosed in hard copy is a proposed order granting this application.

Your attention to this matter is appreciated.

Very truly yours,

William F. Carr
Attorney for Williams Production Company

Enclosures

cc: Oil Conservation Division-Aztec

June __, 2006

Williams Production Company, L.L.C.
c/o Holland & Hart LLP **Telefax No. (505) 983-6043**
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Administrative Order NSL- ____
(Non-Standard Subsurface Location/Producing Area)

Dear Mr. Carr:

Reference is made to the following: (**i**) your application on behalf of the operator, Williams Production Company, L.L.C. ("Williams") dated June 12. 2006 (***application reference No.*** _____); (**ii**) the records of the New Mexico Oil Conservation Division ("Division") in Aztec and Santa Fe: all concerning William's request for exception to Division Rules 111.A (13) and 111.C (2) and Rule 7 of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended.

The Division Director Finds That:

(1) The subject application has been duly filed under the provisions of Division Rule 111.C (2) and the applicable provisions of the special rules governing the Basin-Fruitland Coal (Gas) Pool (**71629**);

(2) The special rules governing the Basin-Fruitland Coal (Gas) Pool provides for 320-acre gas spacing units and wells to be located within either the NE/4 or SW/4 of the section and not closer than 660 feet from any outer boundary of the spacing unit nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary;

(4) The "project area" proposed by Williams is to consist of a single standard 320-acre stand-up gas spacing unit comprising the W/2 of Section 11, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico;

(5) It is our understanding that Williams intends to drill its Rosa Unit Well No. 351A (**API No. 30-039-_____**) from a surface location 1310 feet from the North line and 215 feet from the West line (Unit D) of Section 11, Township 31 North, Range 5 West, and directionally drill a vertical wellbore to an approximate depth of 3147.83 feet, kick-off in an easterly direction, build angle at a rate of 12 degrees per 100 feet until 90 degrees of vertical is achieved at a depth of 4053.61 feet (TVD). The point of entry into the Fruitland Coal will be at a point 1390 feet

from the North line and 705 feet from the West line of Section 11, Township 31 North, Range 5 West and Williams will then directionally drill a horizontal drainhole a lateral distance of 1942.4 feet to an unorthodox terminus location at a point 1700 feet from the North line and 2620 feet from the West line of said Section 11;

(6) It appears that the applicant has satisfied all of the appropriate requirements prescribed in Division Rule 111.C (2) and Rule 9 (B) of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool; therefore the subject application should be approved; and

(7) The provisions contained within this order and all other applicable provisions of Division Rule 111 and Division Order No. R-8768, as amended, should govern the subject well and 320-acre gas spacing unit.

It Is Therefore Ordered That:

(1) By the authority granted me under the provisions of Rule 9 (B) of the "*Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool*," as promulgated by Division Order No. R-8768, as amended, the application of Williams Production Company, L.L.C. ("Williams") for exception to Division Rules 111.A (13) and 111.C (2) and Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool (**71629**), is hereby approved. Williams is further authorized to drill its Rosa Unit Well No. 351A (**API No.** _____) at a surface location 1310 feet from the North line and 215 feet from the West line (Unit D) of Section 11, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, drill vertical to an approximate depth of 3147.83 feet, kick-off in an easterly direction, build angle at a rate of 12 degrees per 100 feet until 90 degrees off of vertical is achieved at a depth of 4053.61 feet (TVD). The point of entry into the Fruitland Coal will be at a point 1390 feet from the North line and 705 feet from the East line of Section 11, Township 31 North, Range 5 West and Williams will then directionally drill a horizontal drainhole a lateral distance of 1942.4 feet to an unorthodox location at a point 1700 feet from the North line and 2620 feet from the West line of said Section 11.

(2) The "project area" for this well shall consist of a single standard 320-acre stand-up gas spacing unit comprising the W/2 of Section 11.

(3) An exception to the provisions of Rule 7 of the Special Rules for the Basin-Fruitland Coal (Gas) Pool is hereby granted to permit the horizontal portion of the wellbore to be within a drilling window or producing area for the within the Basin-Fruitland Coal (Gas) Pool for this wellbore 10 feet from the outer boundary of the project area.

(4) The operator shall comply with all applicable requirements and conditions set forth in Division Rule 111 and Division Order No. R-8768, as amended.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.
Director

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management - Farmington

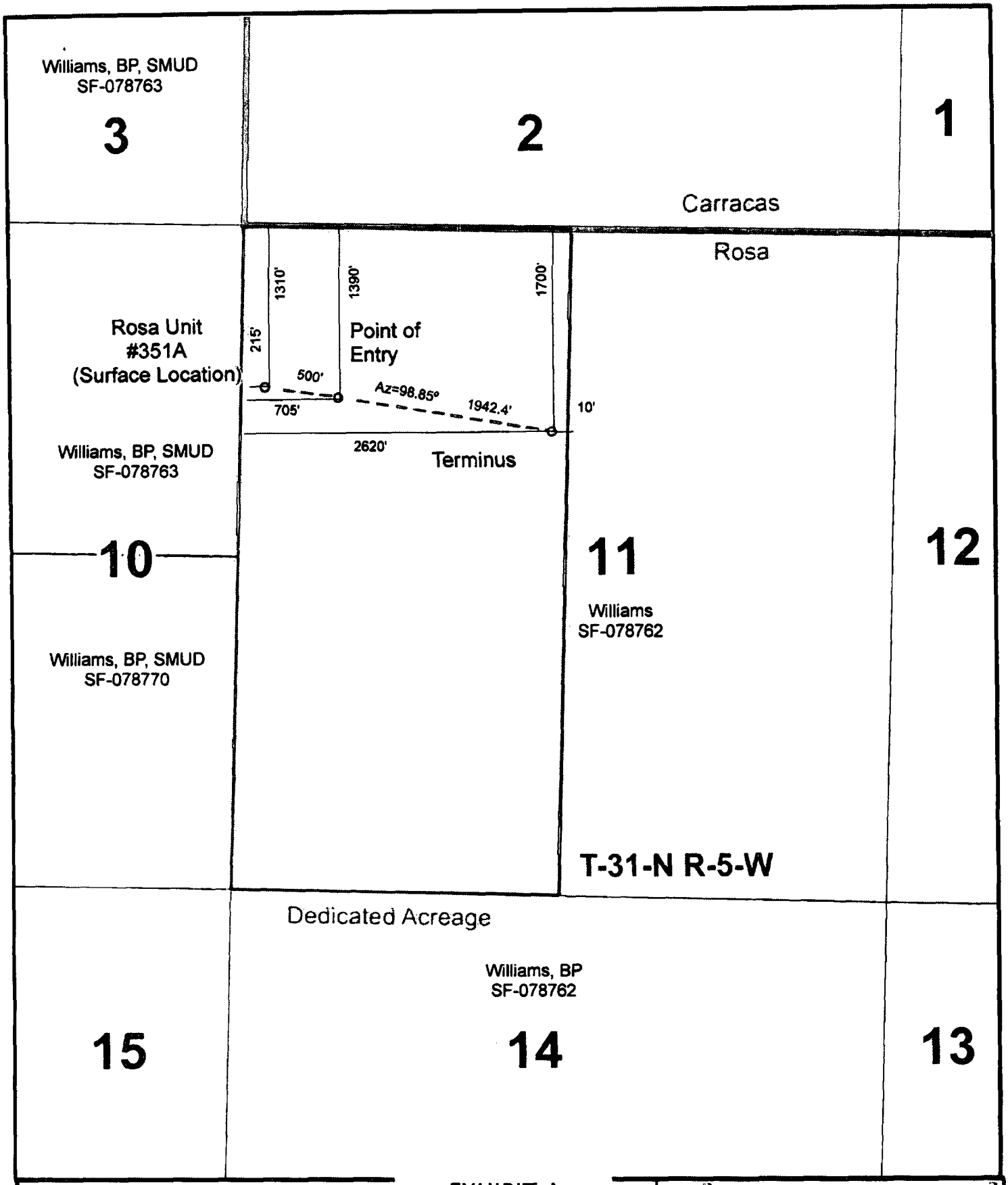


EXHIBIT A

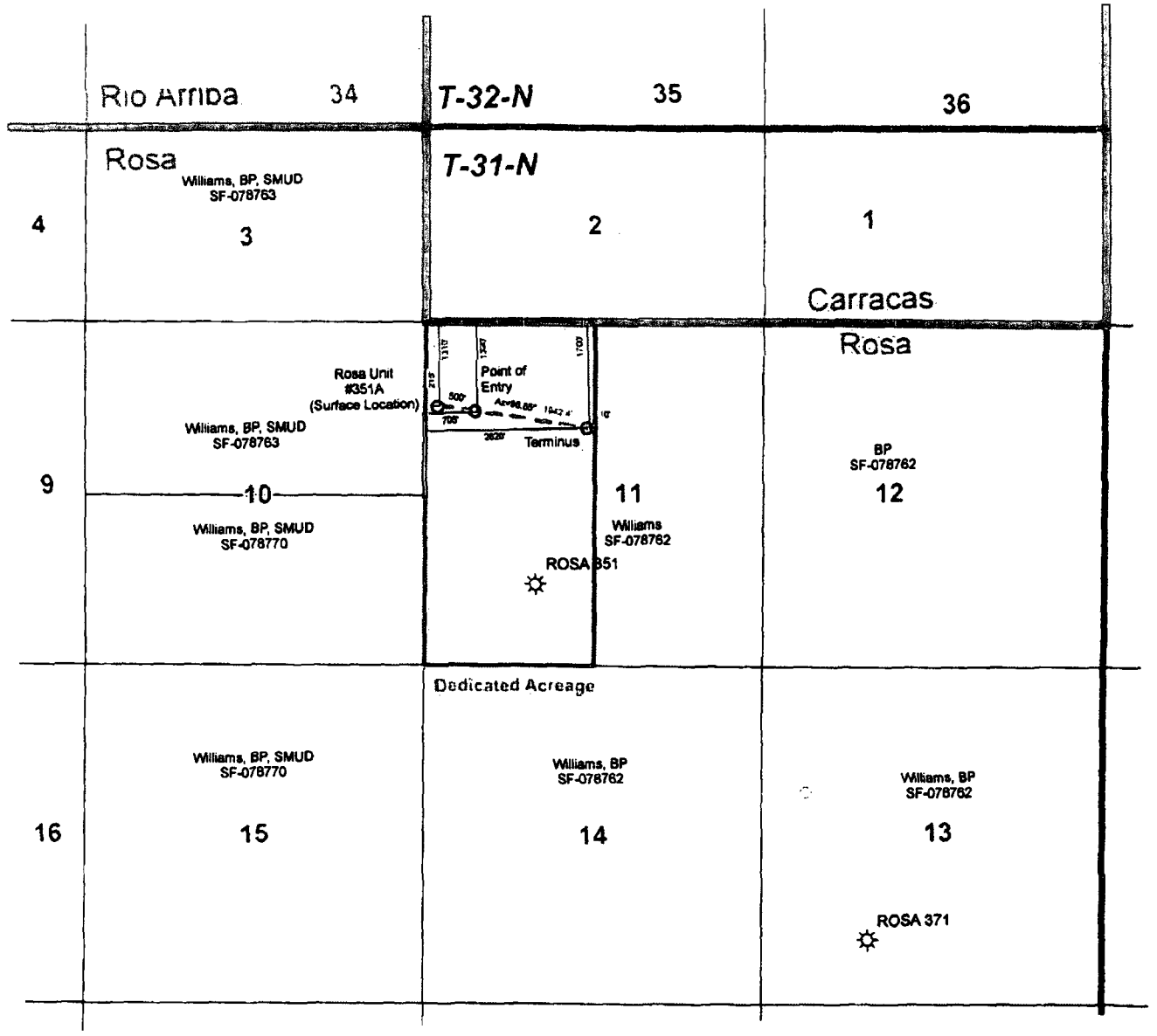
1,000 500 0 1,000 Feet

Map Document: (G:\Project\Employee\Vern_Hansen\Rosa_Unit_351A\LARGE_PLAT_351A.mxd)
6/10/2005 – 11:13:01 AM

Williams Exploration & Production

Rosa Unit #351A
Sec. 11, T-31-N, R-5-W

Scale: 1:30000	Projection: UTM 1927, Zone 13
	Author: Suzanne Armstrong



2,500 1,250 0 2,500 Feet

Map Document: (G:\Project\Employee\VERN_H~1\ROSA_U~2\9_SECT~2.MXD)
6/16/2005 – 4:37:36 PM

Williams Exploration & Production

Rosa Unit #351A

Sec. 11, T-31-N, R-5-W

Scale: 1:30000	Projection: UTM 1927, Zone 13
	Author: Suzanne Armstrong

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

[1] API Number	[2] Pool Code	[3] Pool Name
	71629	BASIN FRUITLAND COAL

[4] Property Code	[5] Property Name	[6] Well Number
17033	ROSA UNIT	351A
[7] OGRID No.	[8] Operator Name	[9] Elevation
120782	WILLIAMS PRODUCTION COMPANY	6825'

[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
D	11	31N	5W		1310	NORTH	215	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	11	31N	5W		1700	NORTH	2620'	WEST	RIO ARRIBA

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

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

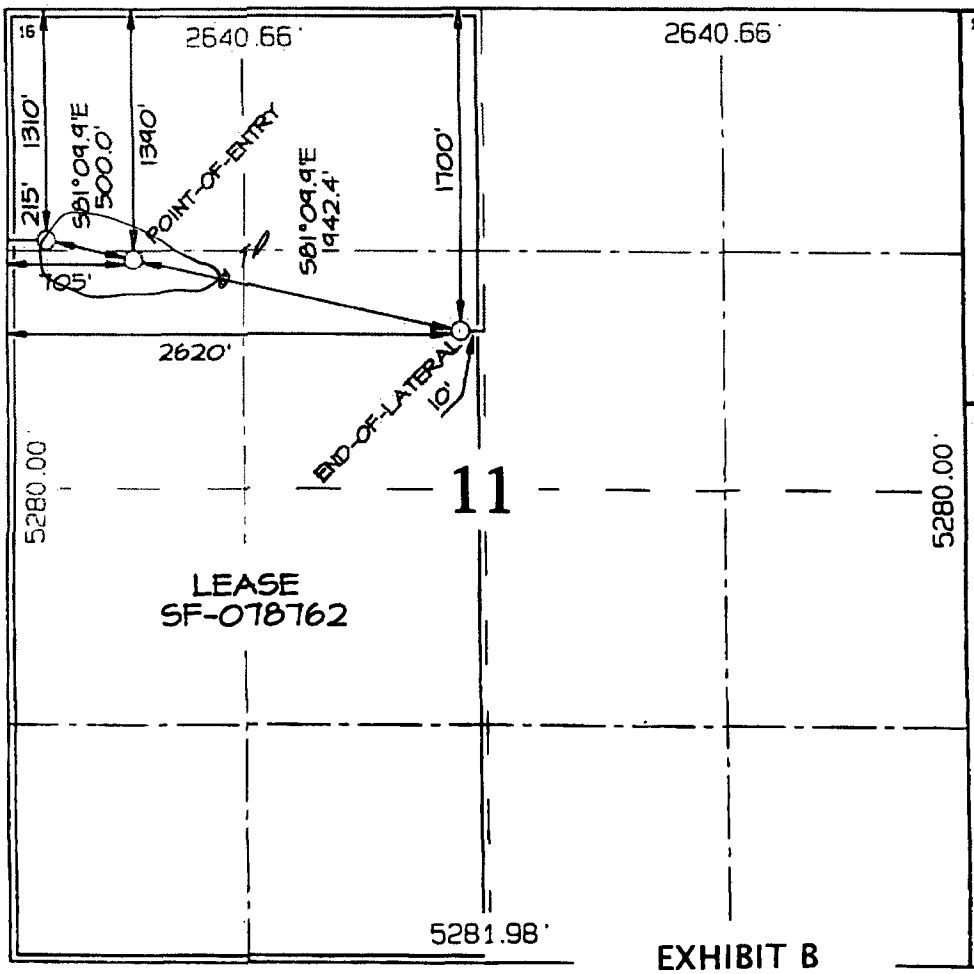


EXHIBIT B

[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Printed Name

Title

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 Revised: JUNE 7, 2005
Date of Survey: JUNE 8, 2004

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Certificate Number 15269

Williams Production Company
New Mexico
Rio Arriba County
Sec. 11-T31N-R05W
Rosa Unit #351A - Plan 052605

Revised: 8 June, 2005

Halliburton Sperry-Drilling
Proposal Report

8 June, 2005

Data Source: Mr. Gary Sizemore
Surface Coordinates: 2153778.68 N, 644275.04 E (36° 55' 04.6862" N, 107° 20' 23.2724" W)
Grid Coordinate System: NAD27 New Mexico State Planes, Western Zone

Surface Coordinates relative to Global Coordinates: 648787.56 N, 346594.28 E (Grid)
Surface Coordinates relative to Structure: 1310.00 S, 215.00 E (True)
Kelly Bushing Elevation: 6840.00ft above Mean Sea Level
Kelly Bushing Elevation: 73.00ft above Structure

Proposal Ref: pro8521

HALLIBURTON
Sperry Drilling Services

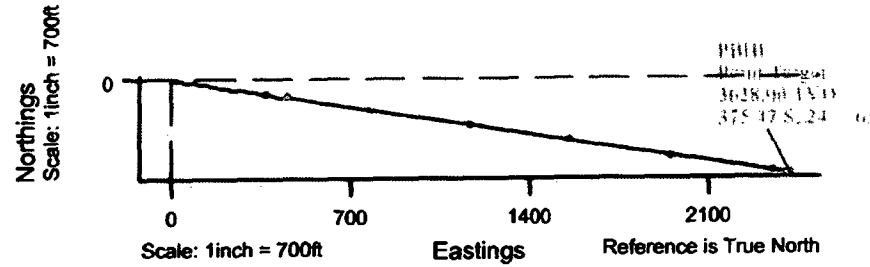
EXHIBIT C

HALLIBURTON
Sperry Drilling Services

Williams Production Company

DrillQuest
Sperry-Sun

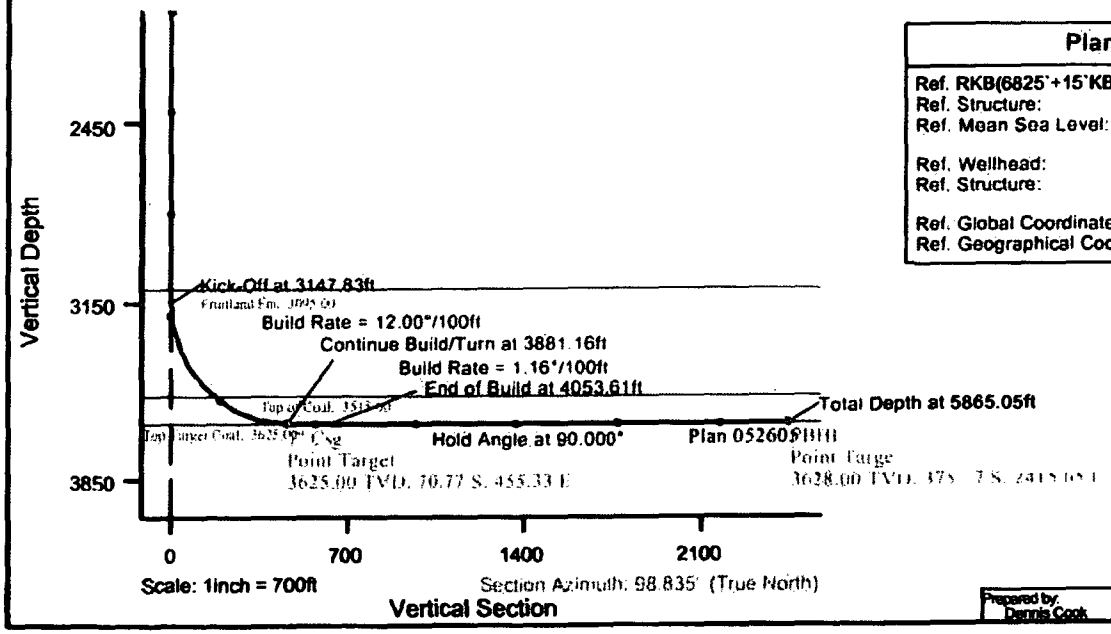
New Mexico
Rio Arriba County
Sec. 11-T31N-R05W
Rosa Unit #351A
Plan 052605



Rosa Unit #351A Surface Location	
RKB Elevation:	6840.00ft above Mean Sea Level
Ref. Structure:	1310.00 S, 215.00 E
Ref. Global Coordinates:	2153778.68 N, 644275.04 E
Ref. Geographical Coordinates:	36° 55' 04.6862" N, 107° 20' 23.2724" W

Plan 052605 Proposal Data

	Measured Depth	Incl.	Azim.	Vertical Depth	Northings	Eastings	Vertical Section	Dogleg Rate
	0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00	
Kick-Off Point	3147.83	0.000	0.000	3147.83	0.00 N	0.00 E	0.00	0.00
Continue Build/Turn	3881.16	88.000	98.835	3625.00	70.77 S	455.33 E	460.80	12.00
Hold Angle	4053.61	90.000	98.835	3628.01	97.26 S	625.71 E	633.22	1.16
Total Depth	5865.05	90.000	98.835	3628.00	375.47 S	2415.65 E	2444.66	0.00



Plan 052605 Bottom Hole Location

Ref. RKB(6825'+15'KB):	3628.00ft
Ref. Structure:	3555.00ft
Ref. Mean Sea Level:	-3212.00ft
Ref. Wellhead:	375.47 S, 2415.65 E (True North)
Ref. Structure:	1685.46 S, 2630.66 E (True North)
Ref. Global Coordinates:	2153415.71 N, 646692.61 E
Ref. Geographical Coordinates:	36° 55' 00.9724" N, 107° 19' 53.5249" W

Williams

Prepared by:	Date/Time:	Checked:	Approved:
Dennis Cook	8 June, 2005 - 10:10		

Proposal Report for Sec. 11-T31N-R05W - Rosa Unit #351A - Plan 052605
Data Source: Mr. Gary Sizemore
Revised: 8 June, 2005

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates N-S (ft)	Local Coordinates E-W (ft)	Dogleg Severit (°/100ft)	Lease Calls FNL-FSL (ft)	Lease Calls FEL-FWL (ft)	Global Coordinates Grid Y (ft)	Global Coordinates Grid X (ft)
0.00	0.000	0.000	0.00	0.00	0.00 N	0.00 E		1310.00 FNL	215.00 FWL	2153778.68 N	644275.04 E
Kirtland Shale											
1625.00	0.000	0.000	1625.00	0.00	0.00 N	0.00 E	0.00	1310.00 FNL	215.00 FWL	2153778.68 N	644275.04 E
Fruitland Fm											
3095.00	0.000	0.000	3095.00	0.00	0.00 N	0.00 E	0.00	1310.00 FNL	215.00 FWL	2153778.68 N	644275.04 E
Kick-Off at 3147.83ft											
3147.83	0.000	0.000	3147.83	0.00	0.00 N	0.00 E	0.00	1310.00 FNL	215.00 FWL	2153778.68 N	644275.04 E
3200.00	6.261	98.835	3199.90	2.85	0.44 S	2.81 E	12.00	1310.44 FNL	217.81 FWL	2153778.26 N	644277.86 E
3300.00	18.261	98.835	3297.44	24.05	3.69 S	23.76 E	12.00	1313.69 FNL	238.76 FWL	2153775.11 N	644298.82 E
3400.00	30.261	98.835	3388.44	65.06	9.99 S	64.29 E	12.00	1319.99 FNL	279.29 FWL	2153769.02 N	644339.38 E
3500.00	42.261	98.835	3468.92	124.10	19.06 S	122.63 E	12.00	1329.06 FNL	337.63 FWL	2153760.26 N	644397.76 E
Top of Coal											
3566.70	50.265	98.835	3515.00	172.25	26.45 S	170.21 E	12.00	1336.45 FNL	385.21 FWL	2153753.11 N	644445.38 E
3600.00	54.261	98.835	3535.38	198.58	30.50 S	196.22 E	12.00	1340.50 FNL	411.22 FWL	2153749.20 N	644471.42 E
3700.00	66.261	98.835	3584.89	285.25	43.81 S	281.87 E	12.00	1353.81 FNL	496.87 FWL	2153736.33 N	644557.13 E
3800.00	78.261	98.835	3615.30	380.32	58.41 S	375.81 E	12.00	1368.41 FNL	590.81 FWL	2153722.21 N	644651.15 E
Continue Build/Turn at 3881.16ft, Top Target Coal, Target - 7" Csg, Current Target											
3881.16	88.000	98.835	3625.00	460.80	70.77 S	455.33 E	12.00	1380.77 FNL	670.33 FWL	2153710.26 N	644730.74 E
3900.00	88.218	98.835	3625.62	479.63	73.66 S	473.94 E	1.16	1383.66 FNL	688.94 FWL	2153707.47 N	644749.36 E
4000.00	89.378	98.835	3627.72	579.61	89.02 S	572.73 E	1.16	1399.02 FNL	787.73 FWL	2153692.62 N	644848.23 E
End of Build at 4053.61ft											

Measure Depth (ft)	Incl. Angle (Deg)	Drift Direction (Deg)	True Vertical Depth	Vertical Section (ft)	Local Coordinates N-S (ft)	Local Coordinates E-W (ft)	Dogleg Severit (°/100ft)	Lease Calls FNL-FSL (ft)	Lease Calls FEL-FWL (ft)	Global Coordinates Grid Y (ft)	Global Coordinates Grid X (ft)
4053.61	90.000	98.835	3628.01	633.22	97.25 S	625.71 E	1.16	1407.25 FNL	840.71 FWL	2153684.66 N	644901.24 E
4100.00	90.000	98.835	3628.01	679.61	104.38 S	671.54 E	0.00	1414.38 FNL	886.54 FWL	2153677.78 N	644947.12 E
4200.00	90.000	98.835	3628.01	779.61	119.73 S	770.36 E	0.00	1429.73 FNL	985.36 FWL	2153662.93 N	645046.01 E
4300.00	90.000	98.835	3628.01	879.61	135.09 S	869.17 E	0.00	1445.09 FNL	1084.17 FWL	2153648.08 N	645144.90 E
4400.00	90.000	98.835	3628.01	979.61	150.45 S	967.98 E	0.00	1460.45 FNL	1182.98 FWL	2153633.23 N	645243.79 E
4500.00	90.000	98.835	3628.01	1079.61	165.81 S	1066.80 E	0.00	1475.81 FNL	1281.80 FWL	2153618.39 N	645342.68 E
4600.00	90.000	98.835	3628.01	1179.61	181.17 S	1165.61 E	0.00	1491.17 FNL	1380.61 FWL	2153603.54 N	645441.58 E
4700.00	90.000	98.835	3628.01	1279.61	196.52 S	1264.43 E	0.00	1506.52 FNL	1479.43 FWL	2153588.69 N	645540.47 E
4800.00	90.000	98.835	3628.01	1379.61	211.88 S	1363.24 E	0.00	1521.88 FNL	1578.24 FWL	2153573.84 N	645639.36 E
4900.00	90.000	98.835	3628.01	1479.61	227.24 S	1462.05 E	0.00	1537.24 FNL	1677.05 FWL	2153559.00 N	645738.25 E
5000.00	90.000	98.835	3628.00	1579.61	242.60 S	1560.87 E	0.00	1552.60 FNL	1775.87 FWL	2153544.15 N	645837.14 E
5100.00	90.000	98.835	3628.00	1679.61	257.96 S	1659.68 E	0.00	1567.96 FNL	1874.68 FWL	2153529.30 N	645936.03 E
5200.00	90.000	98.835	3628.00	1779.61	273.32 S	1758.49 E	0.00	1583.32 FNL	1973.49 FWL	2153514.45 N	646034.93 E
5300.00	90.000	98.835	3628.00	1879.61	288.67 S	1857.31 E	0.00	1598.67 FNL	2072.31 FWL	2153499.61 N	646133.82 E
5400.00	90.000	98.835	3628.00	1979.61	304.03 S	1956.12 E	0.00	1614.03 FNL	2171.12 FWL	2153484.76 N	646232.71 E
5500.00	90.000	98.835	3628.00	2079.61	319.39 S	2054.93 E	0.00	1629.39 FNL	2269.93 FWL	2153469.91 N	646331.60 E
5600.00	90.000	98.835	3628.00	2179.61	334.75 S	2153.75 E	0.00	1644.75 FNL	2368.75 FWL	2153455.06 N	646430.49 E
5700.00	90.000	98.835	3628.00	2279.61	350.11 S	2252.56 E	0.00	1660.11 FNL	2467.56 FWL	2153440.22 N	646529.38 E
5800.00	90.000	98.835	3628.00	2379.61	365.47 S	2351.38 E	0.00	1675.47 FNL	2566.38 FWL	2153425.37 N	646628.27 E
Total Depth at 5865.05ft, Target - PBHL, Current Target											
5865.05	90.000	98.835	3628.00	2444.66	375.46 S	2415.66 E	0.00	1685.46 FNL	2630.66 FWL	2153415.71 N	646692.61 E

All data is in Feet (US) unless otherwise stated. Directions and coordinates are relative to True North.
Vertical depths are relative to RKB(6825`+15`KB). Northings and Eastings are relative to Wellhead.

Based upon Minimum Curvature type calculations, at a Measured Depth of 5865.05ft.,
The Bottom Hole Displacement is 2444.66ft., in the Direction of 98.835° (True).

Proposal Report for Sec. 11-T31N-R05W - Rosa Unit #351A - Plan 052605
Data Source: Mr. Gary Sizemore
Revised: 8 June, 2005

Comments

Measured Depth (ft)	Station Coordinates TVD (ft)	Northings (ft)	Eastings (ft)	Comment
3147.83	3147.83	0.00 N	0.00 E	Kick-Off at 3147.83ft
3881.16	3625.00	70.77 S	455.33 E	Continue Build/Turn at 3881.16ft
4053.61	3628.01	97.25 S	625.71 E	End of Build at 4053.61ft
5865.05	3628.00	375.46 S	2415.66 E	Total Depth at 5865.05ft

Formation Tops

Formation Plane (Below Well Origin) Sub-Sea (ft)	Dip Angle	Up-Dip Dirn.	Profile Penetration Point Measured Depth (ft)	Vertical Depth (ft)	Sub-Sea Depth (ft)	Northings (ft)	Eastings (ft)	Formation Name
-5215.00	0.000	180.683	1625.00	1625.00	-5215.00	0.00 N	0.00 E	Kirtland Shale
-3745.00	0.000	180.683	3095.00	3095.00	-3745.00	0.00 N	0.00 E	Fruitland Fm
-3325.00	0.000	180.683	3566.70	3515.00	-3325.00	26.45 S	170.21 E	Top of Coal
-3215.00	0.000	180.683	3881.16	3625.00	-3215.00	70.77 S	455.33 E	Top Target Coal

Proposal Report for Sec. 11-T31N-R05W - Rosa Unit #351A - Plan 052605
Data Source: Mr. Gary Sizemore
Revised: 8 June, 2005

Targets associated with this wellpath

Target Name		Target Entry Coordinates TVD (ft)	Northings (ft)	Eastings (ft)	Target Shape	Target Type
7" Csg		3625.00	70.77 S	455.33 E	Point	Current Target
	Mean Sea Level/Global Coordinates:	-3215.00	2153710.26 N	644730.74 E		
	Geographical Coordinates:		36° 55' 03.9863" N	107° 20' 17.6651" W		
PBHL		3628.00	375.46 S	2415.66 E	Point	Current Target
	Mean Sea Level/Global Coordinates:	-3212.00	2153415.71 N	646692.61 E		
	Geographical Coordinates:		36° 55' 00.9724" N	107° 19' 53.5249" W		

North Reference Sheet for Sec. 11-T31N-R05W - Rosa Unit #351A

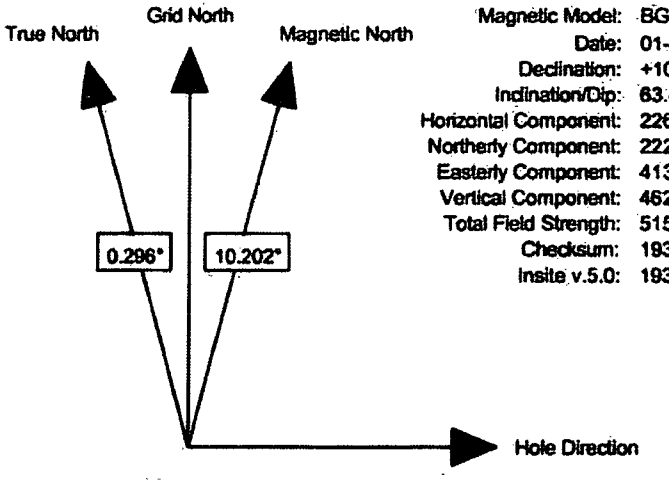
Coordinate System is NAD27 New Mexico State Planes, Western Zone, US Foot
Source: Snyder, J.P., 1987, Map Projections - A Working Manual

Datum is North American Datum of 1927 (US48, AK, HI, and Canada)

Spheroid is Clarke - 1866
Equatorial Radius: 6378206.400m.
Polar Radius: 6356583.800m.
Inverse Flattening: 294.978698213901

Projection method is Transverse Mercator or Gauss Kruger Projection
Central Meridian is -107.833°
Longitude Origin: 0.000°
Latitude Origin: 31.000°
False Easting: 152400.00m
False Northing: 0.00m
Scale Reduction: 0.99991667

Grid Coordinates of Well: 2153778.68 N, 644275.04 E
Geographical Coordinates of Well: 36° 55' 04.6862" N, 107° 20' 23.2724" W
Surface Elevation of Well: 6840.00ft
Grid Convergence at Surface is +0.296°
Magnetic Declination at Surface is +10.498° (1 July, 2005)



Magnetic Model:	BGGM2005
Date:	01-Jul-05
Declination:	+10.498
Inclination/Dip:	63.678
Horizontal Component:	22678 nT
Northerly Component:	22298 nT
Easterly Component:	4132 nT
Vertical Component:	46247 nT
Total Field Strength:	51508 nT
Checksum:	1938116
Insite v.5.0:	1938116

Grid North is 0.296° East of True North (Grid Convergence)
Magnetic North is 10.498° East of True North (Magnetic Declination)
Magnetic North is 10.202° East of Grid North (Magnetic Convergence)

To convert a True Direction to a Grid Direction, Subtract 0.296 degrees
To convert a Magnetic Direction to a True Direction, Add 10.498 degrees
To convert a Magnetic Direction to a Grid Direction, Add 10.202 degrees

Halliburton Sperry-Sun

Williams Production Company
Rosa Unit #351A - Plan 052605

New Mexico
Rio Arriba County
Sec. 11-T31N-R05W
Data Source: Mr. Gary Sizemore

Meas.			Sub-Sea	Vert.	Local	Local	Global	Global	Vert.	Dogleg	
0	0	0	-6840	0	0.00 N	0.00 E	2153778.68 N	644275.04 E	0	0	
1625	0	0	-5215	1625	0.00 N	0.00 E	2153778.68 N	644275.04 E	0	0	Kirtland Shale
3095	0	0	-3745	3095	0.00 N	0.00 E	2153778.68 N	644275.04 E	0	0	Fruitland Fm
3147.83	0	0	-3692.17	3147.83	0.00 N	0.00 E	2153778.68 N	644275.04 E	0	0	Kick-Off at 3147.83ft
3200	6.261	98.835	-3640.1	3199.9	0.44 S	2.81 E	2153778.26 N	644277.86 E	2.85	12	
3300	18.261	98.835	-3542.56	3297.44	3.69 S	23.76 E	2153775.11 N	644298.82 E	24.05	12	
3400	30.261	98.835	-3451.56	3388.44	9.99 S	64.29 E	2153769.02 N	644339.38 E	65.06	12	
3500	42.261	98.835	-3371.08	3468.92	19.06 S	122.63 E	2153760.26 N	644397.76 E	124.1	12	
3566.7	50.265	98.835	-3325	3515	26.46 S	170.21 E	2153753.11 N	644445.38 E	172.25	12	Top of Coal
3600	54.261	98.835	-3304.62	3535.38	30.50 S	196.22 E	2153749.20 N	644471.42 E	198.58	12	
3700	66.261	98.835	-3255.11	3584.89	43.81 S	281.87 E	2153736.33 N	644557.13 E	285.25	12	
3800	78.261	98.835	-3224.7	3615.3	58.41 S	375.81 E	2153722.21 N	644651.15 E	380.32	12	
3881.16	88	98.835	-3215	3625	70.77 S	455.39 E	2153710.26 N	644730.74 E	460.8	12	Continue Build/Turn at 3881.16ft - Top Target Coal - Target - 7" Csg Current Target
3900	88.218	98.835	-3214.38	3625.62	73.67 S	473.94 E	2153707.47 N	644749.36 E	479.63	1.16	
4000	89.378	98.835	-3212.28	3627.72	89.02 S	572.73 E	2153692.62 N	644848.23 E	579.61	1.16	
4053.61	90	98.835	-3211.99	3628.01	97.26 S	625.71 E	2153684.66 N	644901.24 E	633.22	1.16	End of Build at 4053.61ft
4100	90	98.835	-3211.99	3628.01	104.38 S	671.54 E	2153677.78 N	644947.12 E	679.61	0	
4200	90	98.835	-3211.99	3628.01	119.74 S	770.36 E	2153662.93 N	645046.01 E	779.61	0	
4300	90	98.835	-3211.99	3628.01	135.10 S	869.17 E	2153648.08 N	645144.90 E	879.61	0	
4400	90	98.835	-3211.99	3628.01	150.46 S	967.98 E	2153633.23 N	645243.79 E	979.61	0	
4500	90	98.835	-3211.99	3628.01	165.82 S	1066.80 E	2153618.39 N	645342.68 E	1079.61	0	
4600	90	98.835	-3211.99	3628.01	181.18 S	1165.61 E	2153603.54 N	645441.58 E	1179.61	0	
4700	90	98.835	-3211.99	3628.01	196.53 S	1264.42 E	2153588.69 N	645540.47 E	1279.61	0	
4800	90	98.835	-3211.99	3628.01	211.89 S	1363.24 E	2153573.84 N	645639.36 E	1379.61	0	
4900	90	98.835	-3211.99	3628.01	227.25 S	1462.05 E	2153559.00 N	645738.25 E	1479.61	0	
5000	90	98.835	-3212	3628	242.61 S	1560.86 E	2153544.15 N	645837.14 E	1579.61	0	
5100	90	98.835	-3212	3628	257.97 S	1659.68 E	2153529.30 N	645936.03 E	1679.61	0	
5200	90	98.835	-3212	3628	273.33 S	1758.49 E	2153514.45 N	646034.93 E	1779.61	0	
5300	90	98.835	-3212	3628	288.69 S	1857.31 E	2153499.61 N	646133.82 E	1879.61	0	
5400	90	98.835	-3212	3628	304.05 S	1956.12 E	2153484.76 N	646232.71 E	1979.61	0	
5500	90	98.835	-3212	3628	319.41 S	2054.93 E	2153469.91 N	646331.60 E	2079.61	0	
5600	90	98.835	-3212	3628	334.76 S	2153.75 E	2153455.06 N	646430.49 E	2179.61	0	
5700	90	98.835	-3212	3628	350.12 S	2252.56 E	2153440.22 N	646529.38 E	2279.61	0	
5800	90	98.835	-3212	3628	365.48 S	2351.37 E	2153425.37 N	646628.27 E	2379.61	0	
5865.05	90	98.835	-3212	3628	375.47 S	2415.65 E	2153415.71 N	646692.61 E	2444.66	0	Total Depth at 5865.05ft - Target - PBHL Current Target

All data is in feet (us) unless otherwise stated. Directions and coordinates are relative to True North.
Vertical depths are relative to RKB(6825'+15'KB). Northings and Eastings are relative to Wellhead.

The Dogleg Severity is in Degrees per 100 feet.
Vertical Section is from Wellhead and calculated along an Azimuth of 98.835° (True).

Based upo at a Measured Depth of 5865.05ft.
The Botton in the Direction of 98.835° (True).