

**WALSH**

ENGINEERING & PRODUCTION CORP.

2004 AUG 23

AM 11:28

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

August 19, 2004

Re: Non-standard Fruitland Locations

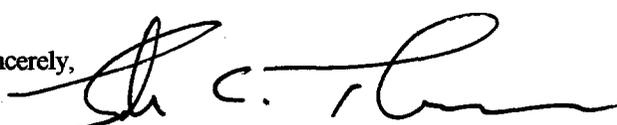
Dear Mr. Stogner,

Please find enclosed two applications for non-standard locations. Both are due to archaeology and topography issues. If you need any additional information, please do not hesitate to call.

Also, wanted to update you on the status of the Participating Area for the Fruitland formation for the Rosa Unit. Williams submitted the plan to the BLM in the fall of 2003. Last week, calls were made to the BLM to determine the status of the application. At this point, the only information was that they are currently "still working on it". So unfortunately, that is about all the information I was able to discover.

If you have any questions or concerns, please feel free to contact me anytime.

Sincerely,


John C. Thompson
Engineer

c:wp/px/pa/nsldoc

cc: Steve Hyden

**Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505**

July 21, 2004

***Re: Request for Administrative approval for Non-Standard Fruitland Location
Rosa Unit 268A (Sec33/T31N/R5W 1975 ' fnl & 440' fwl, Rio Arriba, New Mexico)***

Dear Mr. Stogner,

Williams Production Company is requesting an administrative approval to construct the Rosa 268A as a non-standard location in the Basin Fruitland formation. Williams has filed for an APD for a Basin Fruitland well with the Bureau of Land Management (BLM- Farmington office).

Originally, the surface location was picked by considering drainage from existing and planned offset Fruitland wells and topography/archaeology constraints. In this case, Williams would be unable to move the location any further to the east or north because of a large archaeology site adjacent to the proposed location.

Therefore, the reasons for requesting administrative approval for a non-standard location are:

1. Archaeology (Large archaeology site) – *refer to Arch Map.*

Currently there is no established Fruitland Participating Area for the Rosa Unit. However, all of the adjacent acreage that is being encroached upon is committed to the Rosa Unit, and Williams Production Company, LLC is the offset operator. In this case, Williams is also the offset lessee that is affected. Williams has 100% of section 32, which is being encroached.

Please find attached a drilling plat with topographical map showing location, archaeology map, as well as a portion of the unit map showing where the well is located within the unit.

If you have any questions or concerns, please feel free to contact me anytime.

Sincerely,



John C. Thompson
Engineer

c:wpx/nsdk268A

A Cultural Resources Survey of the Proposed Lawson 8" Crossover to Horton CDP Pipeline

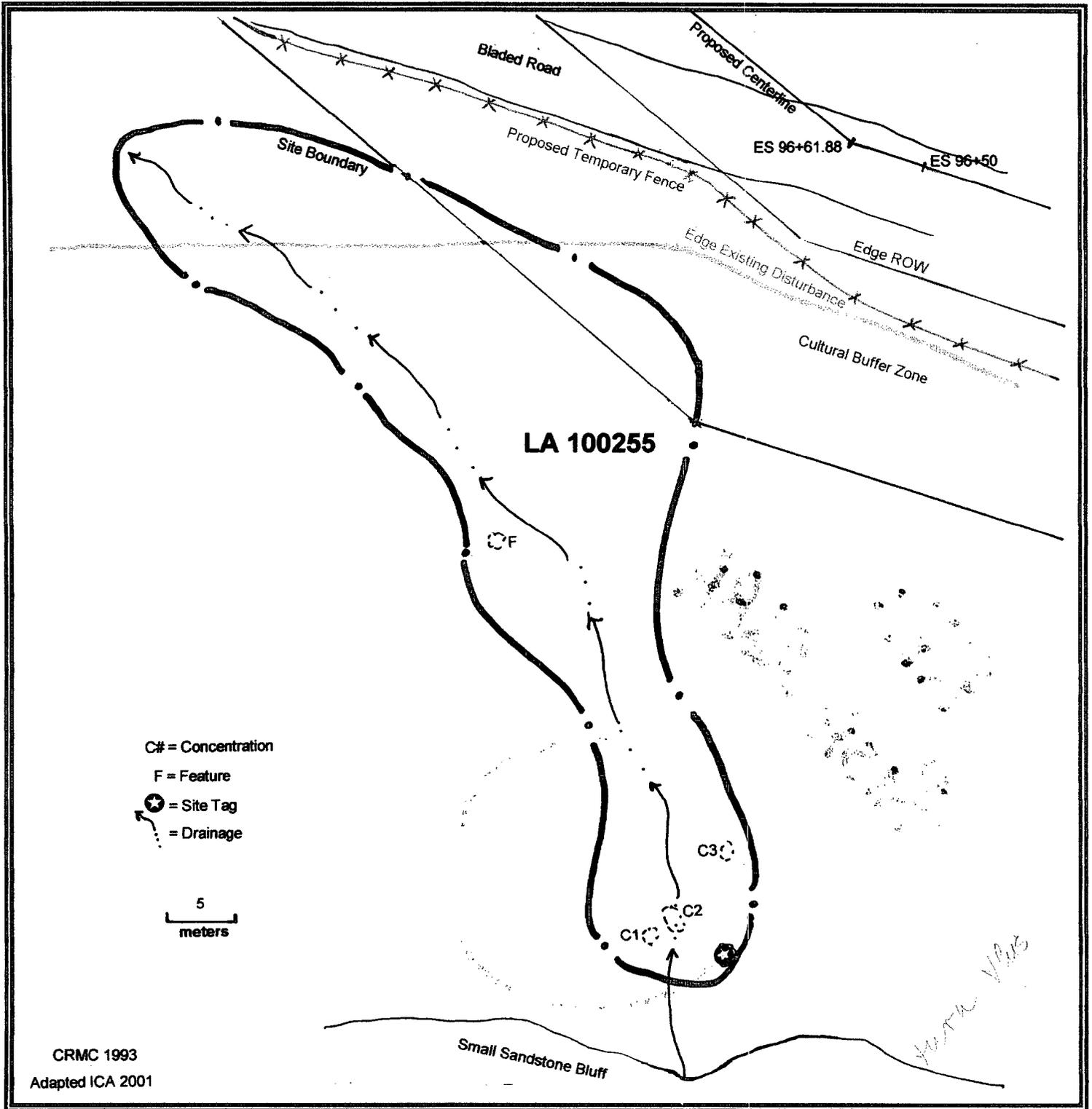


FIGURE 7 SITE MAP
LA 100255



SE¼ NE¼ NE¼
Section 34, T32N, R12W
San Juan County, New Mexico

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2004 JUL 16 PM 12 20

5. LEASE DESIGNATION AND SERIAL NO.
SF-078773

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL DEEPEN
1b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Rosa Unit

8. FARM OR LEASE NAME, WELL NO.
268A

2. NAME OF OPERATOR
Williams Production Company, LLC

9. API WELL NO.
3003927831

3. ADDRESS OF OPERATOR
P. O. Box 316 - Ignacio, CO 81137 (970) 563-3308

10. FIELD AND POOL OR WILDCAT
Basin Fruitland Coal

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At Surface 1975' FNL & 440' FWL
At proposed Prod. Zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
E Sec. 33, T31N, R5W (E)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
26 miles NE of Blanco, NM

12. COUNTY OR PARISH
Rio Arriba

13. STATE
NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
440'

16. NO. OF ACRES IN LEASE
1920

17. NO. OF ACRES ASSIGNED TO THIS WELL
320 (W)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.
1100'

19. PROPOSED DEPTH
3485'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6531' GR

22. APPROX. DATE WORK WILL START*
August 14, 2004

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#	+/- 3235'	~1010 cu.ft. 65/35 poz & ~70 cu.ft. Type II
6-1/4"	5-1/2"	15.5#	+/- 3135'-3385'	Open hole completion - no cement

Williams Production Company proposes to drill a well to develop the Fruitland Coal formation at the above described location in accordance with the attached drilling and surface use plans. The surface is under the jurisdiction of the Bureau of Land Management (BLM).

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 road and pipeline right-of-ways. This well will require approximately 100' of new access road (see Pipeline & Well Plats #3 & #4). This well will be accessed by Forest Service Road #309 which will connect with the new road in the NW qtr of sec 33, T31N, R5W.

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 7/16/2004

(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
APPROVED BY [Signature] TITLE AFM DATE 8-10-04
*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.

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

HOLD C104 FOR NSL

NSOCD

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 268A
*GRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6531'

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
E	33	31N	5W		1975	NORTH	440	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
*Dedicated Acres 320.0 Acres - (N/2)					*Joint or Infill	*Consolidation Code	*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



¹⁷ OPERATOR CERTIFICATION

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

John C. Thompson
Signature

John C. Thompson
Printed Name

Agent
Title

3/10/04
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.

Date of Survey: APRIL 19, 2004

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

Standard 640-acre
Section

