

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

03 OCT 30 AM 10:12

5. LEASE DESIGNATION AND SERIAL NO.
Jicarilla Apache Contract #60

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache Nation

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

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Indian "H" #2

2. NAME OF OPERATOR
Williams Production Company LLC

9. API WELL NO.
30-039-29222

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

10. FIELD AND POOL OR WILDCAT
Blanco Mesa Verde

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At Surface *740' FNL & 2076' FEL*
At proposed Prod. Zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
B Sec. 22, T28N, R3W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
21 miles NE of Lindrith, 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 drlg. unit line, if any)
740'

16. NO. OF ACRES IN LEASE
2560

17. NO. OF ACRES ASSIGNED TO THIS WELL
320.00 E/2

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.
2700'

19. PROPOSED DEPTH
6500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6994' GR

22. APPROX. DATE WORK WILL START*
December 15, 2003

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<i>12-1/4"</i>	<i>9-5/8"</i>	<i>36.0#</i>	<i>~250 ft</i>	<i>~205 cu.ft. Type III with 2% CaCl₂</i>
<i>8-3/4"</i>	<i>7"</i>	<i>20.0#</i>	<i>~4215 ft</i>	<i>~989 cu.ft. 65/35 poz & ~139 cu.ft. Type III</i>
<i>6-1/4"</i>	<i>4-1/2"</i>	<i>10.5#</i>	<i>~4115'-6500' ft</i>	<i>~290 cu.ft. Premium Light w/ additives</i>

Williams Production Company proposes to drill a vertical well to develop the Mesa Verde formation 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 247 ft of new road that ties into J-62 in the NE qtr of sec 22, T28N, R3W

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 *10/27/2003*

(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 */s/ David B. Sitzler* TITLE *Assistant Field Manager* DATE *SEP 2 2004*

***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
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1090 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30039-29222		² Pool Code	³ Pool Name BLANCO - MESA VERDE
⁴ Property Code 17030	⁵ Property Name Indian H		⁶ Well Number 2
⁷ OGRID No. 120782	⁸ Operator Name WILLIAMS PRODUCTION COMPANY		⁹ Elevation 6994'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	RIO County
	22	28N	3W		740	NORTH	2076	EAST	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 ¹³ Joint or Infill ¹⁴ Consolidation Code ¹⁵ Order No.

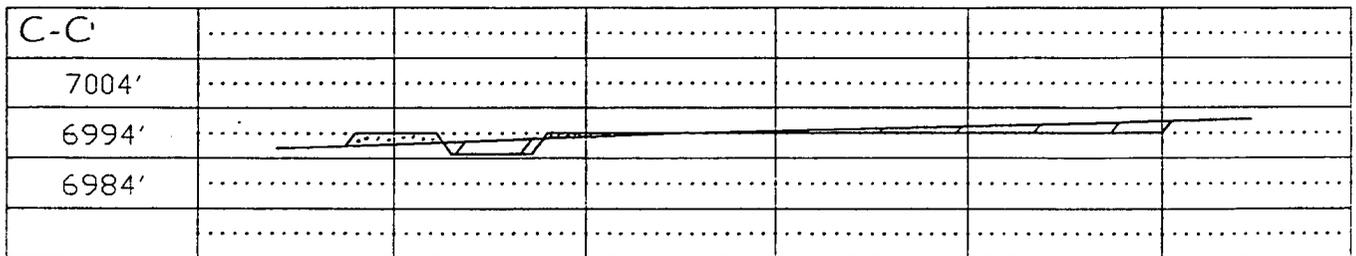
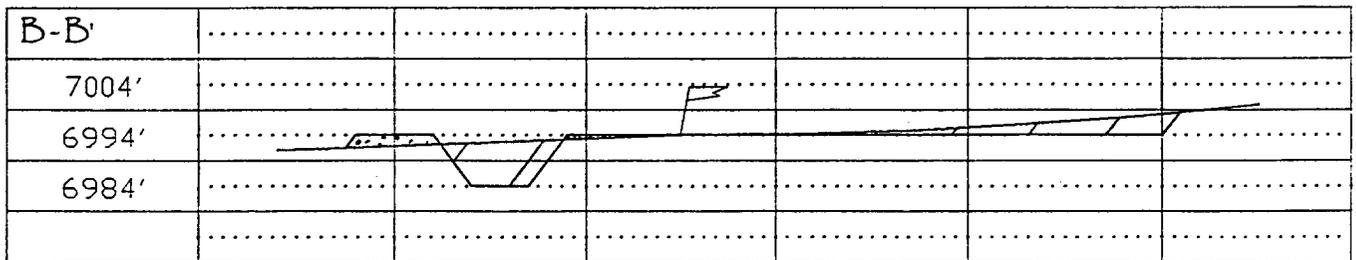
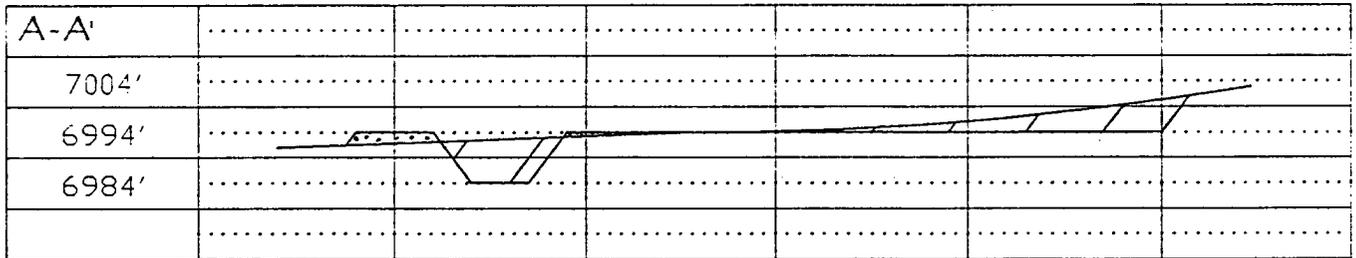
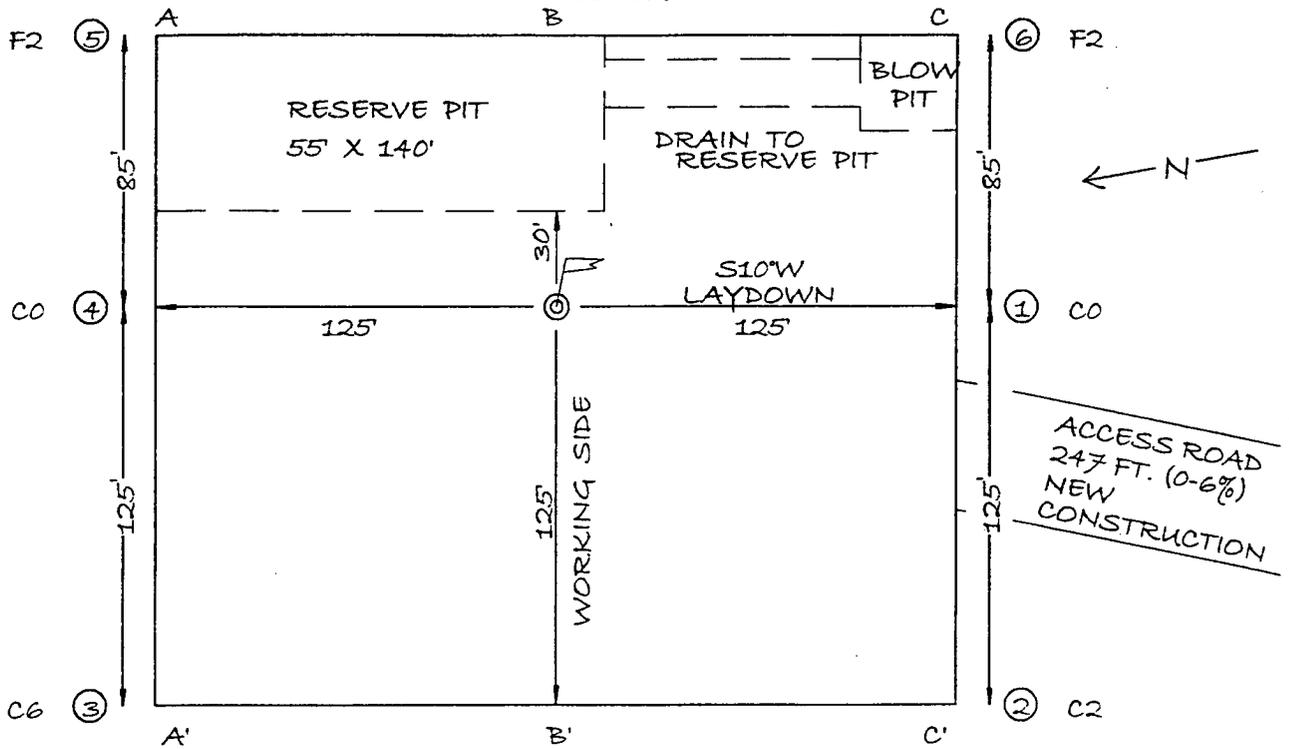
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Larry Higgins</i> Signature</p> <p>LARRY HIGGINS Printed Name</p> <p>DRILLING CO. INC. Title</p> <p>10-27-03 Date</p>
	<p>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.</p> <p>July 3, 2003 Date of Survey</p> <p><i>Douglas M. Critchfield</i> Signature and Seal of Professional Surveyor</p> <p>11222 Certificate Number</p>

WILLIAMS PRODUCTION COMPANY INDIAN H #2
740' FNL & 2076' FEL, SECTION 22, T28N, R3W, NMPM
RIO ARriba COUNTY, NEW MEXICO
GROUND ELEVATION 6994'

Plat #2 - cut & fill

Lat:
N 36°37'49"
Long:
W 107°08'08"
NAD 1927





WILLIAMS PRODUCTION COMPANY

Operations Plan

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

<u>DATE:</u>	10/27/2003	<u>FIELD:</u>	Jicarilla MV
<u>WELL NAME:</u>	Indian H #2	<u>SURFACE:</u>	Jicarilla
<u>LOCATION:</u>	NW/4 NE/4 Sec 22-28N-3W Rio Arriba, NM	<u>MINERALS:</u>	Jicarilla
<u>ELEVATION:</u>	6994' GR	<u>LEASE #</u>	Jicarilla Apache Contract #60
<u>MEASURED DEPTH:</u>	6500'		

I. GEOLOGY: Surface formation - San Jose

A. FORMATION TOPS: (KB)

	<u>MD</u>		<u>MD</u>
Ojo Alamo	3295'	Cliff House	5690'
Kirtland	3440'	Menefee	5750'
Fruitland	3440'	Point Lookout	5975'
Pictured Cliffs	3620'	Total Depth	6500'
Lewis	4000'		

- B. MUD LOGGING PROGRAM:** Mud logger on location from approximately 3,000' to intermediate casing point.
- C. LOGGING PROGRAM:** High Resolution Induction/ GR and Density/ Neutron log from surface to intermediate casing point and High Resolution Induction/ GR and Density/ Neutron log from intermediate shoe to TD. Onsite geologist will pick Density/ Neutron log intervals on both logging runs.
- 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 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 (MD)</u>	<u>CASING SIZE</u>	<u>WT. & GRADE</u>
Surface	12-1/4"	+/- 250'	9-5/8"	36# K-55
Intermediate	8-3/4"	+/- 4215'	7"	20# K-55
Prod. Liner	6-1/4"	+/- 4115'-6500'	4-1/2"	10.5# K-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 one Turbulent centralizer on each of the bottom (3) joints and one standard centralizer every (4) joints to the surface casing. Total centralizers = (26) regular and (3) turbulent.
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 5630'. Place one positive standoff turbolizer every other joint. Total turbolizers is 34.

C. CEMENTING:

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

1. SURFACE: Slurry: 150sx (205 cu.ft.) of "Type III" + 2% CaCl₂ + 1/4 # 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 - 475 sx (989 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 - 100 sx (139cu.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 = 1128 cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface.
3. PRODUCTION LINER: 10 bbl Gelled Water space. Lead: 50sx (130ft³) of Premium Light HS + 1% FL-52 + .2% CD-32, 0.1% R-3, 3 #/sk CSE, 1/4 #/sk cello flake. (Yield = 2.59 cu.ft./sk, Weight = 11.6 #/gal.). Tail: 80 sx (160 ft³) of Premium Light HS + 1% FL-52 + .2% CD-32, 0.1% R-3, 3 #/sk CSE, 1/4 #/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 290ft³. 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 is not circulated to surface.

B. PRESSURE TEST

1. Pressure test 7" & 4-1/2" casing to 3300# for 15 minutes.

C. STIMULATION

1. Stimulate with approximately 80,000# of 20/40 sand in slick water.
2. Isolate Point Lookout with a CIBP.
3. Perforate the Menefee/Cliff House as determined from the open hole logs.
4. Stimulate with approximately 80,000# of 20/40 sand in slick water.
5. 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.


Gary Sizemore
Sr. Drilling Engineer

Williams Production Company, LLC

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

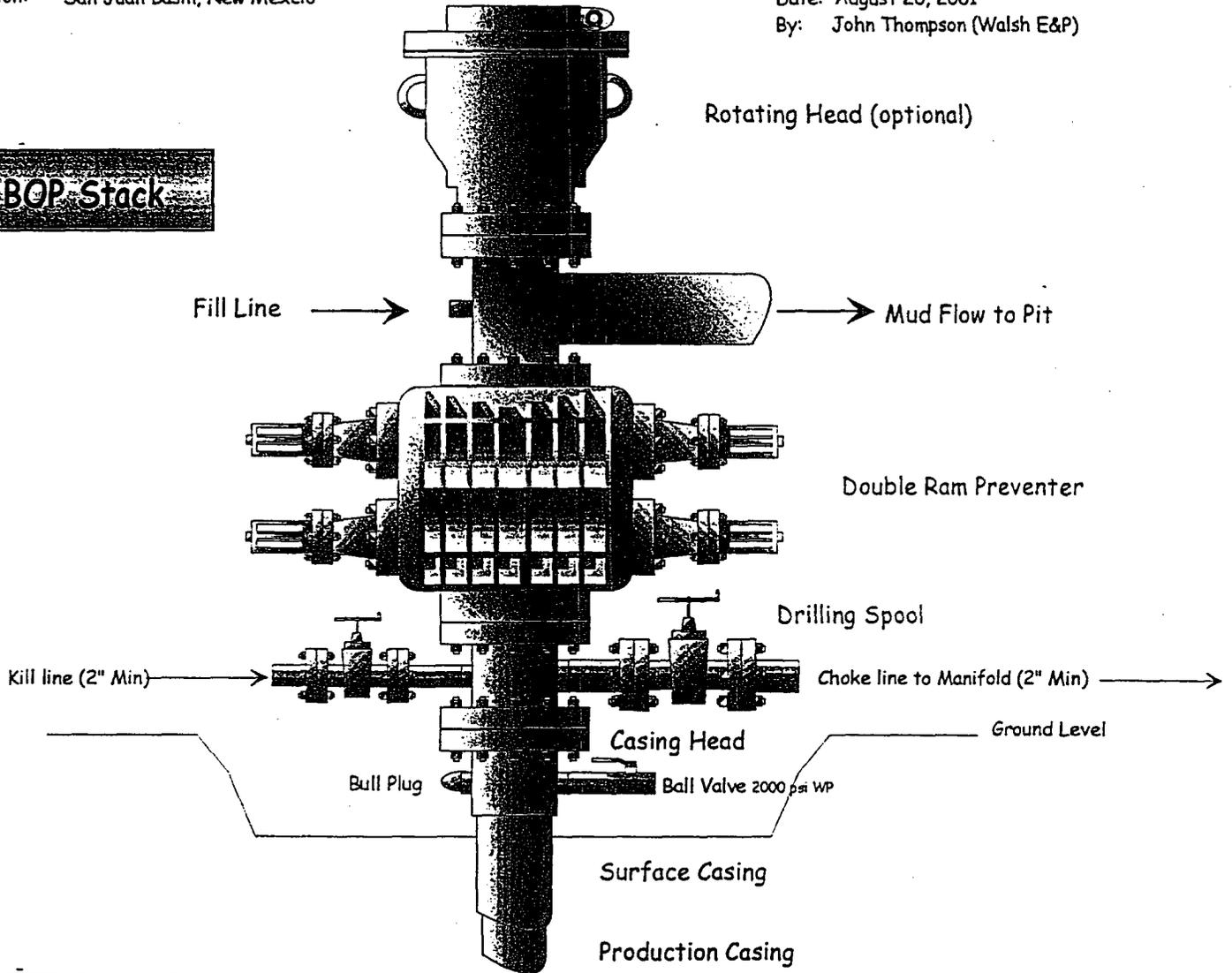
Typical BOP setup

Location: San Juan Basin, New Mexico

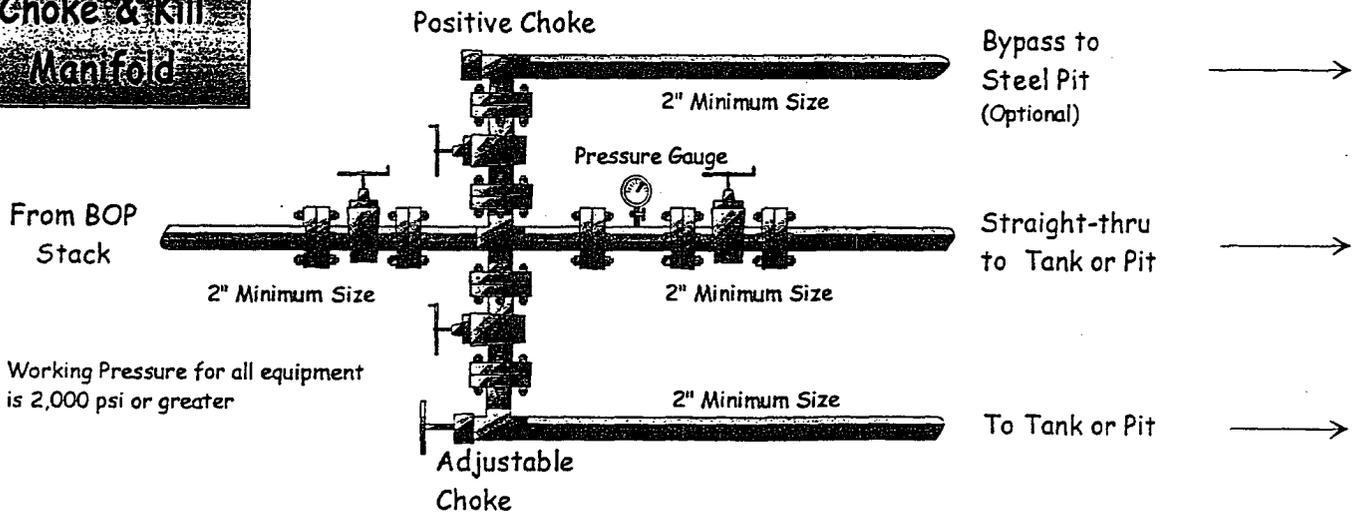
Date: August 20, 2001

By: John Thompson (Walsh E&P)

BOP Stack



Choke & Kill Manifold



Working Pressure for all equipment is 2,000 psi or greater