

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 13 2011

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMSE-078762
2. Name of Operator Williams Production Company, LLC		6. If Indian, Allottee or Tribe Name
3a Address PO Box 640 Aztec, NM 87410	3b Phone No. (include area code) 505-634-4208	7. If Unit of CA/Agreement, Name and/or No Rosa Unit
4 Location of Well (Footage, Sec., T, R, M., or Survey Description) 2265' FNL & 320' FEL, sec 14, T31N, R5W		8. Well Name and No Rosa Unit #403
		9. API Well No. 30-039-30901
		10. Field and Pool or Exploratory Area Basin Fruitland Coal
		11. Country or Parish, State Rio Arriba

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

This well was proposed as a directional drilled well. Due to a change of plans, Williams now intends to drill this as a vertical well from the original proposed surface location. See attached C-102 and operations plan.

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Larry Higgins	Title Permit Supervisor
Signature <i>Larry Higgins</i>	Date 6/13/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Tray L. Salvors</i>	Title Petroleum Eng.	Date 6/17/2011
Conditions of approval, if any, are attached. Approval of this notice 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.	Office FFO	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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

(Instructions on page 2)

RCVD JUN 17 '11
OIL CONS. DIV.
DIST. 3

NMOC D A

District I
1625 N. French Dr., Hobbs, NM 88240

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

District III
1000 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 October 12, 2005

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 30-039-30901	*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 17033	*Property Name ROSA UNIT	*Well Number 403
*GRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY	*Elevation 6501'


¹⁰ Surface Location

UL or lot no. H	Section 14	Township 31N	Range 5W	Lot Idn	Feet from the 2265	North/South line NORTH	Feet from the 320	East/West line EAST	County RIO ARriba
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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. R-13200		

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

¹⁶	5281.98'	2265'	2640.00'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom-hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature <u>Larry Higgins</u> Date <u>6-14-11</u> Printed Name <u>LARRY HIGGINS</u>
	LAT: 36.90053°N LONG: 107.32309°W DATUM: NAD1927 LAT: 36.90054°N LONG: 107.32369°W DATUM: NAD1983			
5280.00'	14	320'	2640.00'	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: AUGUST 22, 2009 Signature and Seal of Professional Surveyor  JASON C. EDWARDS Certificate Number 15269
	5274.72'			



WILLIAMS PRODUCTION COMPANY

Operations Plan

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

DATE: 6/8/2011

WELLNAME: Rosa Unit #403

FIELD: Basin Fruitland Coal

SURFACE: USFS

SURF LOCATION: SENE Sec 14-T31N-R5W
Rio Arriba, NM

MINERALS: BLM

ELEVATION: 6,501' GR

LEASE # SF-078762

TOTAL DEPTH: 3,416'

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

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

NAME	TVD	NAME	TVD
San Jose	Surface	Top Coal	3,216
Nacimiento	1,346	Bottom Coal	3,316
Ojo Alamo	2,681	Pictured Cliffs	3,316
Kirtland	2,801	TD	3,416
Fruitland	3,131		

B. **LOGGING PROGRAM:** HRD from intermediate csg to TD, DSN from surface csg to TD

C. **NATURAL GAUGES:** Gauge any noticeable increases in gas flow. Record all gauges in Tour book and on morning reports.

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

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 3,196', **DO NOT** drill deeper until Engineering is contacted.

B. **DRILLING FLUID:** Coal section will be drilled with Fruitland Coal water.

- 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 BOPE will be tested to **250 psi (Low) for 5 minutes** and **1500 psi (High) for 10 minutes**. Utilize a BOPE Testing Unit with a recording chart and appropriate test plug for testing. The drum brakes will be inspected and tested each tour. **All tests and inspections will be recorded in the tour book as to time and results.**

III. MATERIALS

A. CASING PROGRAM:

CASING TYPE	OH SIZE (IN)	DEPTH (MD) (FT)	CASING SIZE (IN)	WEIGHT(LB)	GRADE
Surface	12 1/4	300	9 5/8	36	K-55
Intermediate	8 3/4	3,196	7	23	K-55
Liner	6 1/4	3,096 3,416	5 1/2	15.5	J-55

B. FLOAT EQUIPMENT:

1. SURFACE CASING: 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) 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 (1) Turbulent centralizer on each of the bottom (3) joints and one standard centralizer every (3) joints to 2,500 ft. Run (1) Turbulent centralizer at 2,700 ft., 2,500 ft., 2,300ft., 2,000ft., 1,500 ft., and 1,000 ft. (NTL-FRA 90-1).
3. PRODUCTION LINER / CASING: 5-1/2" whirler type cement nose guide shoe

C. CEMENTING:

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

1. SURFACE: Slurry: 125sx (225 cu.ft.) of "Type III" + 2% Cal-Seal 60 + 1/4 # of poly-e-flake/sk + 0.3% Versaset + 2% Econolite + 6% Salt (Yield = 1.796 cu.ft./sk, Weight = 13.5 #/gal.). The 100% excess should circulate cement to the surface. WOC 12 hours. Test csg to 1500psi. ~~For~~ **30 min.**
2. INTERMEDIATE: Lead - 400 sx (1089 .2cu.ft.) of "EXTENDACEM" + 5 #/sk pheno-seal + 5% Cal-Seal 60 (Yield = 2.723 cu.ft./sk, Weight = 11.5 #/gal.). Tail - 100 sx (117.8cu.ft.) of Premium cement + 0.125 #/sk Poly-E-Flake, (Yield = 1.178 cu.ft./sk, Weight = 15.6#/gal.). **PUMP AS WRITTEN SHOULD CIRCULATE TO SURFACE** Total volume = 1207 cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface
1. PRODUCTION LINER: Open hole completion. No cement.

IV. **COMPLETION**

A. **PRESSURE TEST**

1. Pressure test 7" casing to 1500# for 30 minutes.

B. **STIMULATION**

1. Cavitate well with reciprocation and rotation. Surge wells with water and air and then flow back. Cavitate for 2 to 3 weeks. Maximum pressure not expected to exceed 2,000 psi.

C. **RUNNING TUBING**

1. Fruitland Coal: Run 2-7/8", 6.5#, J-55, EUE tubing with a SN on top of bottom joint. Land tubing approximately 50' above TD.

Brian Alleman
Drilling Engineer