

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.

NMSF-078890

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

Rosa Unit

8. Lease Name and Well No.

365

9. API Well No.

58-039-29500

10. Field and Pool, or Exploratory

Basin Fruitland Coal

11. Sec., T., R., M., or Blk. and Survey or Area

9 Section 7, 31N, 4W

12. County or Parish

Rio Arriba

13. State

NM

1a. Type of Work: ☒ DRILL

☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

☒ Single Zone

☐ Multiple Zone

2. Name of Operator

Williams Exploration and Production Company, LLC

3a. Address

P.O. Box 316 Ignacio, CO 81137

3b. Phone No. (include area code)

(970) 563-3308

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 2475' FNL & 2280' FEL

At proposed prod. zone 660' FNL & 660' FEL

14. Distance in miles and direction from nearest town or post office*

approximately 30 miles northeast of Blanco, New Mexico

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

2280'

16. No. of Acres in lease

2,539.58

17. Spacing Unit dedicated to this well

320.00 (E/2)

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

50'

19. Proposed Depth

5,767'

20. BLM/BIA Bond No. on file

UT0847

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

6,461' GR

22. Approximate date work will start*

April 1, 2005

23. Estimated duration

1 month

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/Typed)

Date

Title

Larry Higgins

3/17/05

Drilling COM

Approved by (Signature)

Name (Printed/Typed)

Date

Title

Office

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, are attached.

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 reverse)

Williams Exploration and Production Company, LLC, proposes to drill a well to develop the Basin Fruitland Coal formation at the above described location in accordance with the attached drilling and surface use plans.

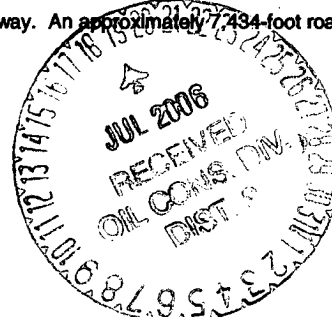
The surface is under jurisdiction of the Carson National Forest Service, Jicarilla Ranger District.

This location has been archaeologically surveyed by La Plata Archaeological Consultants. Copies of their report have been submitted directly to the USFS.

This location is proposed to be twinned with the proposed Rosa Unit 365A, 389, and 389A wells.

This APD is also serving as an application to obtain road and pipeline rights-of-way. An approximately 7,434-foot road and a 25.80-foot pipeline tie would be required for this location.

HOLD ON FOR directional
survey



NMCCD

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

*API Number 30-039-29500		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 365
*OGRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6461'

10 Surface Location

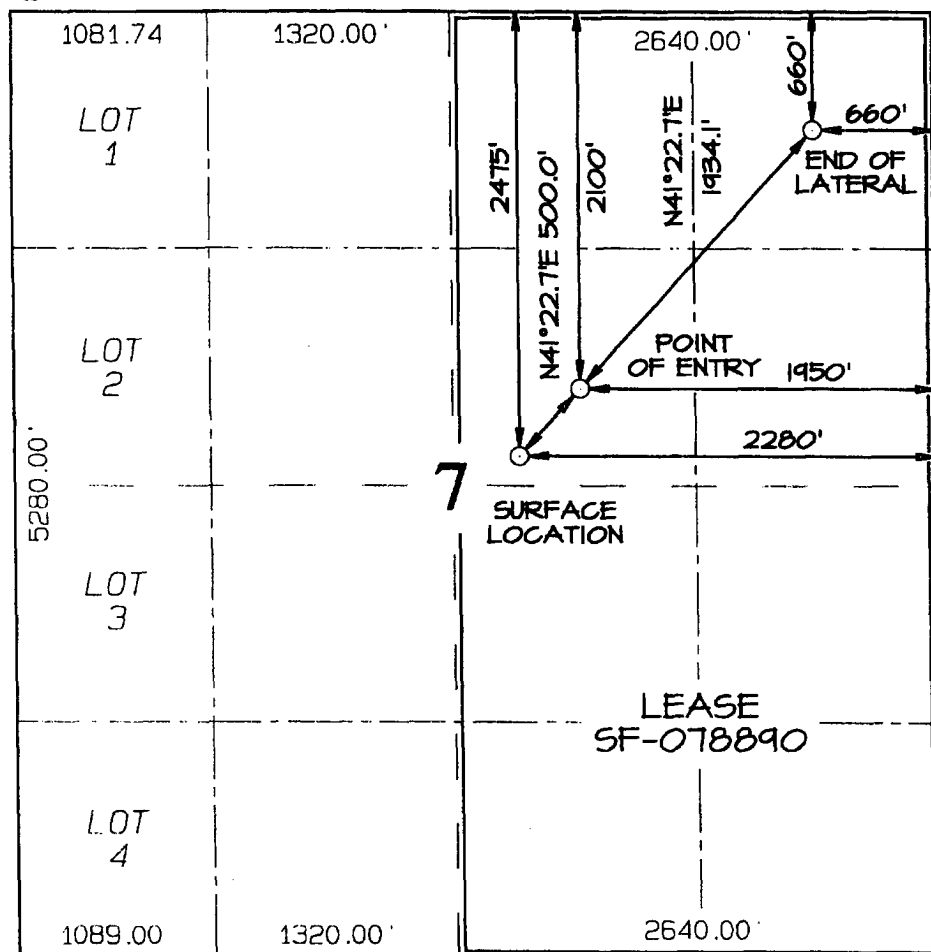
UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
G	7	31N	4W		2475	NORTH	2280	EAST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
A	7	31N	4W		660	NORTH	660	EAST	RIO ARriba

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

Larry Higgins
Signature

Larry Higgins
Printed Name

DRILLING CO
Title

3-16-05
Date

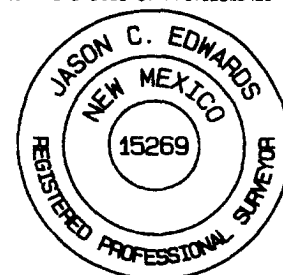
Date

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: **JULY 22, 2004**

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-1037
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. <u>30-039-29500</u>	
5. Indicate Type of Lease FEDERAL <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. Federal NMSF-0078890	
7. Lease Name or Unit Agreement Name Rosa Unit	
8. Well Number	365
9. OGRID Number	120782
10. Pool name or Wildcat Basin Fruitland Coal	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6,461' GR	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>reserve</u> Depth to Groundwater <u>550'</u> Distance from nearest fresh water well <u>>1,000'</u> Distance from nearest surface water <u>>1,000'</u>	
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

2. Name of Operator
Williams Exploration and Production Company

3. Address of Operator
P.O. Box 316, Ignacio, CO 81137

4. Well Location
Unit Letter G: 2475 feet from the north line and 2280 feet from the east line
Section 7 Township 31N Range 4W NMPM County Rio Arriba

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	P AND A <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPL <input type="checkbox"/>	OTHER: <input type="checkbox"/>
OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Reserve pit to be constructed in accordance with NMOCD Interim Pit and Below-grade Tank Guidelines

Reserve pit to be located approximately 30 feet south of the well head, in the southeast corner of the well pad

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Larry Higgins TITLE Drilling COM DATE 3-17-2005

Type or print name Larry Higgins E-mail address: larry.higgins@williams.com Telephone No. (970) 563-3308

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JUL 19 2006
Conditions of Approval (if any): _____



WILLIAMS PRODUCTION COMPANY

Operations Plan

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

DATE: 3/16/2005

WELLNAME: Rosa #365 **FIELD:** Basin Fruitland Coal

SURF LOCATION: SWNE Sec. 7-T31N-R4W **SURFACE:** Forest
Rio Arriba, NM

BH LOCATION NENE Sec 7-31N-4W

ELEVATION: 6,461' GR **MINERALS:** Federal

TOTAL DEPTH: 5,538' **LEASE #** SF-078890

I. GEOLOGY: Surface formation - San Jose

A. FORMATION TOPS: (KB)

	Pilot Hole	Horizontal Section		Pilot Hole	Horizontal Section
	TVD	MD		TVD	MD
San Jose	Surface	Surface	Top Coal	3,191	3,463
Nacimiento	1,251	1,251	Top Target Coal	3,296	
Ojo Alomo	2,651	2,651	Bottom Target Coal	3,311	
Kirtland	2,761	2,761	Base Coal	3,311	3,583
Fruitland	3,131	3,154	Picture Cliffs	3,311	
			TD	3,411	5,538

- **NOTE:** Well will be vertically drilled to 100' into Picture Cliff, logged through the PC, plug back the PC and 8-3/4" hole to 200 ft. above adjusted KOP. Dress / Kick-off cement plug and horizontally drill through the coal.

B. LOGGING PROGRAM: High Resolution Induction/ GR from surface casing to TD of pilot hole. Geologist will pick Density/ Neutron log intervals..

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

D. SURVEYING: Run Single Shot surveys every 500 ft. while drilling the Pilot Hole to 3,411 ft. (MD).

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 3,131' DO NOT drill deeper until Engineering is contacted.

B. Drilling Fluid: Horizontal section will be drilled with Calcium Chloride water.

C. MUD LOGGING PRORAM: Mud logger will be on location from 2,500' to TD of pilot hole then from drillout of intermediate casing to TD. Desorption samples collected in vertical hole and horizontal hole.

D. 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</u>	<u>CASING SIZE</u>	<u>WT. & GRADE</u>
Surface	12-1/4"	+/- 350'	9-5/8"	36# K-55
Intermediate	8-3/4"	+/- 3,566'	7"	20# K-55
Prod. Liner	6-1/4"	+/- 3,300-5,954'	4-1/2" perfed	10.5# K-55

***Note: All casing depths are measured depths.**

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:** 4-1/2" perforated liner with guide shoe on bottom.

C. CEMENTING:

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

1. **SURFACE:** Use 170 sx (237 cu.ft.) of "Type III" with 2% CaCl₂ and 1/4# of cello-flake/sk (Yield = 1.41 cu.ft./sk, Weight = 14.5 #/gal.). Use **100% excess** to circulate the surface. WOC 12 hours. Total volume = ~~206~~²⁴⁰ cu.ft. Test to 1500#.
2. **INTERMEDIATE:** Lead - 420 sx (873 cu.ft.) of Premium Light 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 **120% excess in Lead Slurry** to circulate to surface. **No excess in Tail Slurry.** Total volume = 1,012 cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface.
3. **PRODUCTION LINER:** Open hole completion. No cement.

IV COMPLETION

A. PRESSURE TEST

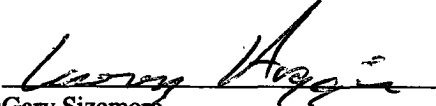
Pressure test 7" casing to 3300# for 15 minutes.

B. STIMULATION

None

C. RUNNING TUBING

1. **Fruitland Coal:** Run 2-3/8", 4.7#, J-55, EUE tubing with a SN (1.375" ID) on top of bottom joint. Land tubing at approximately 3,730'.


18.2 Gary Sizemore
Sr. Drilling Engineer

GENERAL ROSA DRILLING PLAN

Rosa Unit boundaries:

T31N, R4W: all except sections 32-36
 T31N, R5W: all except sections 1 & 2
 T31N, R6W: all except sections 6,7,18,20, & 27-36
 T32N, R6W: sections 32-36

FORMATION	LITHOLOGY	WATER	GAS	OIL/COND	OVER-PRES	LOST CIRC
Nacimlento	Interbedded shales, siltstones and sandstones	Possible	Possible	No	No	No
Ojo Alamo	Sandstone and conglomerates with lenses of shale	Fresh	No	No	No	No
Kirtland	Shale W/interbedded sandstones	No	Possible	No	No	No
Fruitland	Inter. SS, SiltSt, SH & Coals w/carb, SS, SiltSt, SH	Yes	Yes	No	Possible	Possible
Pictured Cliffs	Massive Sandstone w/within interbedded shales	Possible	Yes	Possible	No	Possible
Lewis	Shale w/within interbedded sandstones and siltstones	No	Possible	No	No	No
Cliff House	Transgressive sandstones	Possible	Yes	No	No	No
Menefee	Sandstones, carb shales and coal	Possible	Yes	No	No	No
Point Lookout	Regressive coastal barrier sandstone	Possible	Yes	Possible	No	Yes
Mancos	Marine shale and interbedded sandstone	No	Possible	Possible	No	Possible
Upr Dakota	Marine sand and shales	No	Yes	Possible	No	Possible
Lwr Dakota	Fluvial sands, shales, & coal	Possible	Yes	Possible	No	Possible

DRILLING

Potential Hazards:

1. There are no overpressured zones expected in this well.
2. No H2S zones will be penetrated while drilling this well.

Mud System:

1. Surface - The surface hole will be drilled with a low-solids, non-dispersed system with starch and lost circulation material as needed. Expected mud weights will be in the 8.4 to 9.0 lb per gal range. Viscosities will be in the 30 to 60 sec/qrt range as needed to remove drill cuttings.
2. Intermediate - The intermediate hole will be drilled with clear water and Benex to TD where the well will be mudded up to log and run casing. The mud system will be low-solids, non-dispersed with mud weights in the 9 to 10 lb per gal range as needed to control the well. Viscosities will be in the 45 to 55 range as needed to support any weight material. The weight material will consist of Barite.
3. Production - The well will be drilled using air from the intermediate casing point to TD. For Fruitland Coal wells, the coal section will be drilled with air/mist.

Williams Production Company, LLC
Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

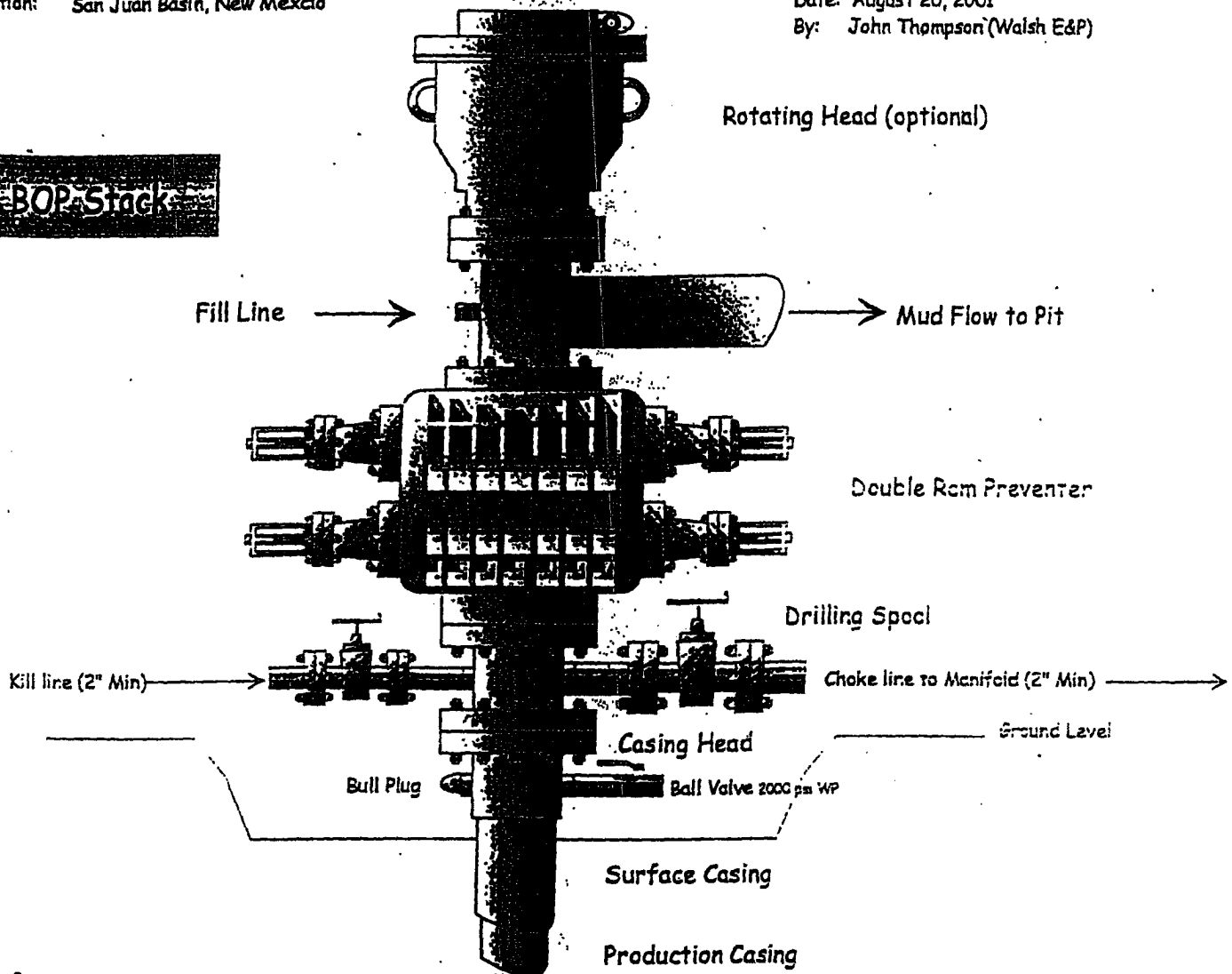
Typical BOP setup

Location: San Juan Basin, New Mexico

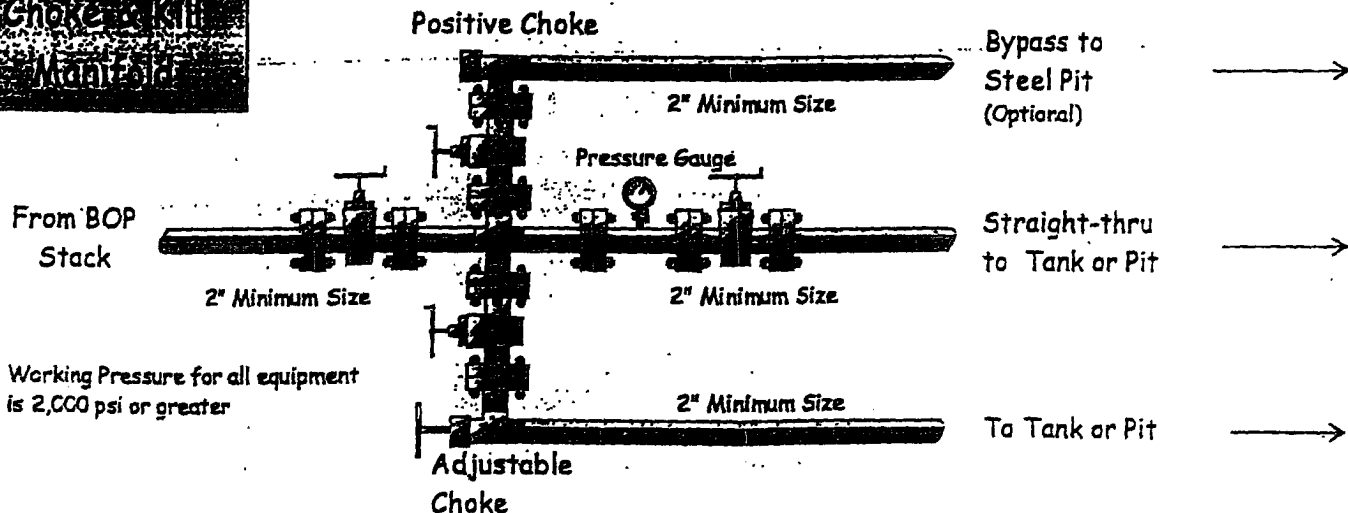
Date: August 20, 2001

By: John Thompson (Walsh E&P)

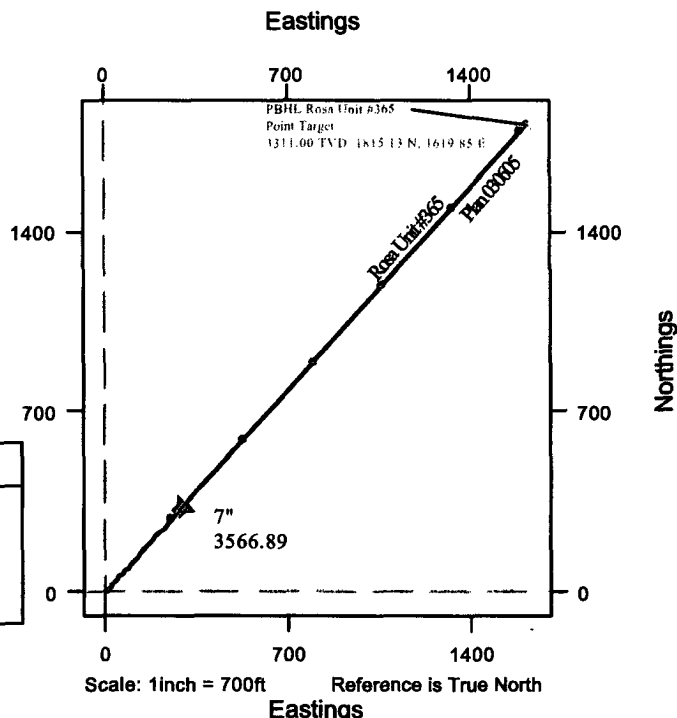
BOP Stack



Choke & Kill Manifold



New Mexico
Rio Arriba County
Sec. 07-T31N-R04W
Rosa Unit #365
Plan 030605

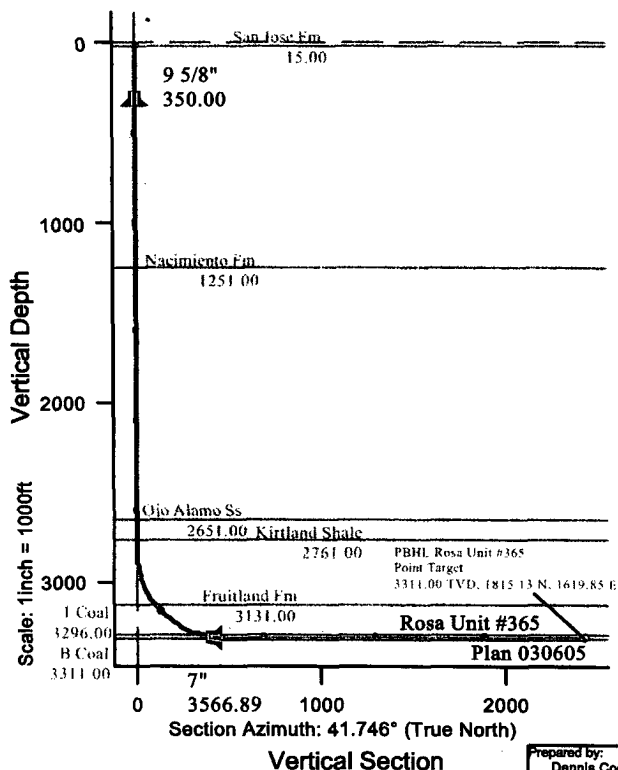


Rosa Unit #365 Surface Location

RKB Elevation: 6476.00ft above Mean Sea Level
Ref. NE Corner of Sec 7: 2475.00 S, 2280.00 W
Ref. Global Coordinates: 2152552.33 N, 657509.43 E
Ref. Geographical Coordinates: 36° 54' 51.8517" N, 107° 17' 40.3842" W

Plan 030605 Proposal Data

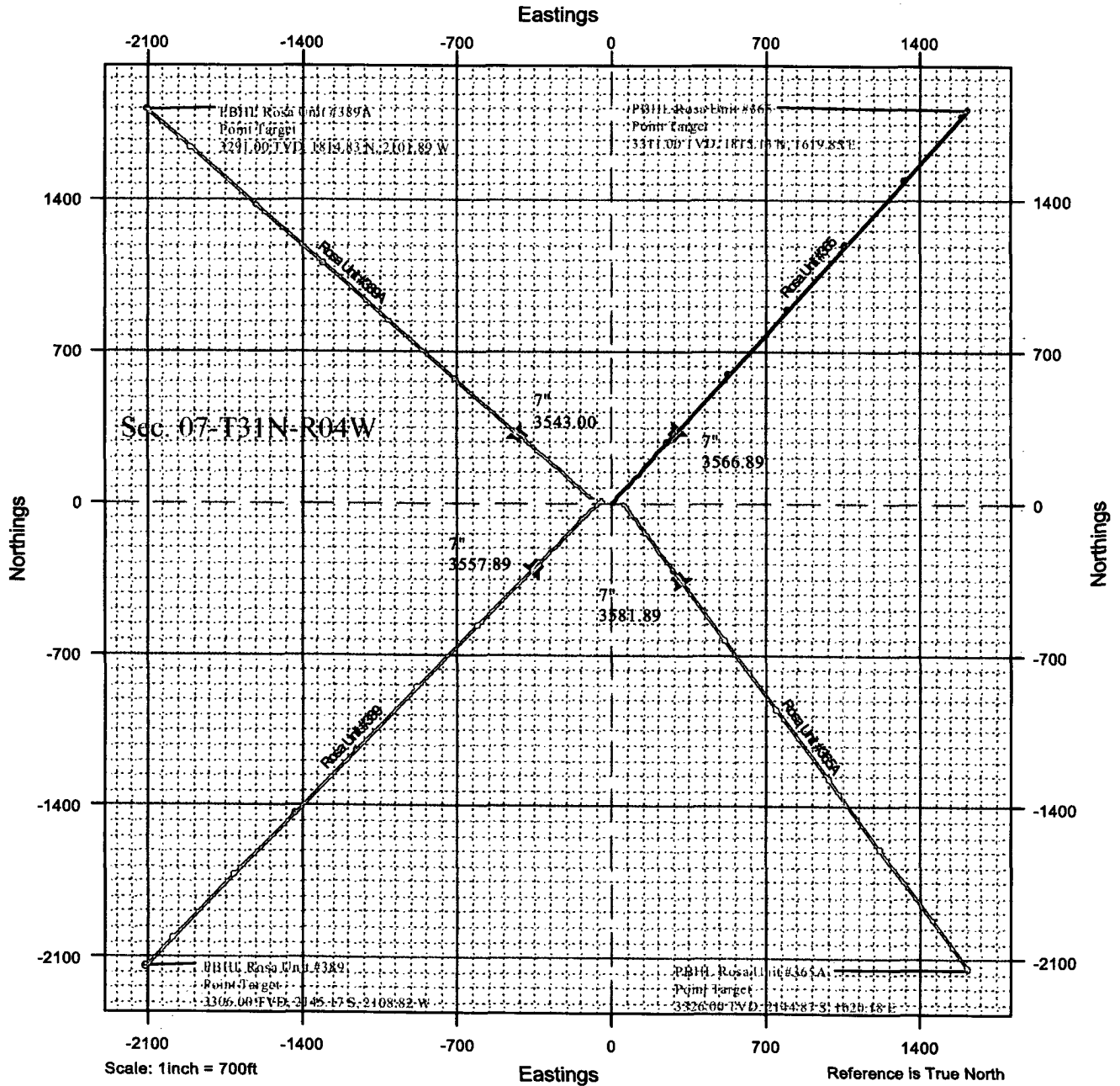
	Measured Depth	Incl.	Azim.	Vertical Depth	Northings	Eastings	Vertical Section	Dogleg Rate
	0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00	
Kick-Off Point	2833.54	0.000	0.000	2833.54	0.00 N	0.00 E	0.00	0.00
Hold Angle	3583.54	90.000	41.746	3311.00	356.24 N	317.91 E	477.46	12.00
Total Depth	5538.89	90.000	41.746	3311.00	1815.13 N	1619.85 E	2432.82	0.00



Plan 030605 Bottom Hole Location

Ref. RKB(6461+15"KB): 3311.00ft
Ref. Structure: -3165.00ft
Ref. Wellhead: 1815.13 N, 1619.85 E (True North)
Ref. NE Corner of Sec 7: 660.00 S, 660.00 W (True North)
Ref. Global Coordinates: 2154376.59 N, 659119.00 E
Ref. Geographical Coordinates: 36° 55' 09.7999" N, 107° 17' 20.4361" W

New Mexico
Rio Arriba County
Sec. 07-T31N-R04W
Rosa Unit #365;#365A;#389;#389A
Plan 030605



Prepared by:
Dennis Cook

Date/Time:
6 March, 2005 - 13:03

Checked:

Approved: