

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-078772

6. If Indian, Allottee or Tribe Name

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

Rosa Unit

8. Lease Name and Well No.

240A

9. API Well No.

30-039-30110

10. Field and Pool, or Exploratory

Basin Fruitland Coal

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

J Section 1, 31N, 6W

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 Production Company, LLC

3a. Address

P.O. Box 640 Aztec, NM 87410

3b. Phone No. (include area code)

(505) 634-4208

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

At surface Lot J: 1880' FSL & 895' FEL

At proposed prod. zone Lot K: 1880' FSL & 2395' FWL

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

approximately 25 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)

895'

16. No. of Acres in lease

2,561.86

17. Spacing Unit dedicated to this well

303.88 - Entire section

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

50'

19. Proposed Depth

3,638'

20. BLM/BIA Bond No. on file

UT0847

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

6,358' GR This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

22. Approximate date work will start*

April 1, 2006

23. Estimated duration

1 month

24. Attachments

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

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

Larry Higgins

Name (Printed/Typed)

Larry Higgins

Date

10-31-06

Title

Drilling COM

Approved by (Signature)

Monte Lewis
Attn

Name (Printed/Typed)

Office

PFO

Date

3/9/07

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

The well pad surface is under jurisdiction of the Bureau of Land Management, Farmington Field Office.

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

This APD is also serving as an application to obtain a pipeline right-of-way. An associated pipeline tie of 242.10 feet would be required for this location.

NOTIFY AZTEC OCD
IN TIME TO WITNESS

24 hrs
CSG & Cement

NMOCD

RCUD MAR12'07

OIL CONS. DIV.
DIST. 3

HOLD 0104 FOR *directional survey*
+ BH survey

Ky 3/14/07

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

RECEIVED

070 FARMINGTON NM

RCVD MAR12'07

WELL LOCATION AND ACREAGE DEDICATION PLAT OIL CONS. DIV.

*API Number 30-039-3010		*Pool Code 71629	*Pool Name DIST. 3 BASIN FRUITLAND COAL
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 240A
*GRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6358'

¹⁰ Surface Location

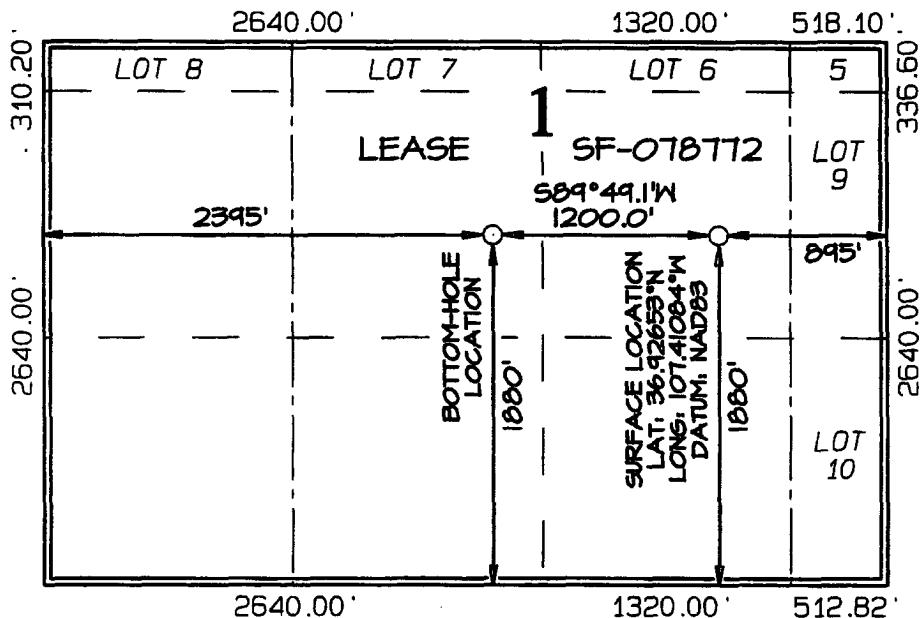
UL or lot no.	Section	Township	Range	Lot Idh	Feet from the	North/South line	Feet from the	East/West line	County
J	1	31N	6W		1880	SOUTH	895	EAST	RIO ARriba

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
K	1	31N	6W		1880	SOUTH	2395	WEST	RIO ARriba

¹² Dedicated Acres 303.88 Acres - Entire Section	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. INC.
Title

10-31-06
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: MARCH 21, 2006

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

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

Form C-103
May 27, 2004

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.)		WELL API NO. 30-039-30110
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease FEDERAL X STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Williams Production Company, LLC		6. State Oil & Gas Lease No. NMSF-078772
3. Address of Operator POB 640, Aztec, NM		7. Lease Name or Unit Agreement Name Rosa
4. Well Location Unit Letter J : 1880 feet from the S line and 895 feet from the E line Section 1 Township 31N Range 06W NMPM County Rio Arriba		8. Well Number 240A
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6358' GR		9. OGRID Number 120782
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Basin Fruitland Coal
Pit type Drilg/Completion Depth to Groundwater >100 ft Distance from nearest fresh water well >1000 ft Distance from nearest surface water >500 ft		
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls: Construction Material 		

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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <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.

Drilling/Completion pit to be located approximately 50 to 75 feet from well head. Pit multi-use drilling and completion to avoid additional site disturbance and pit will be considered out of service once production tubing set. Pit to be constructed, operated and closed in accordance with NMOCD guidelines and Williams procedures.

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 10-31-06

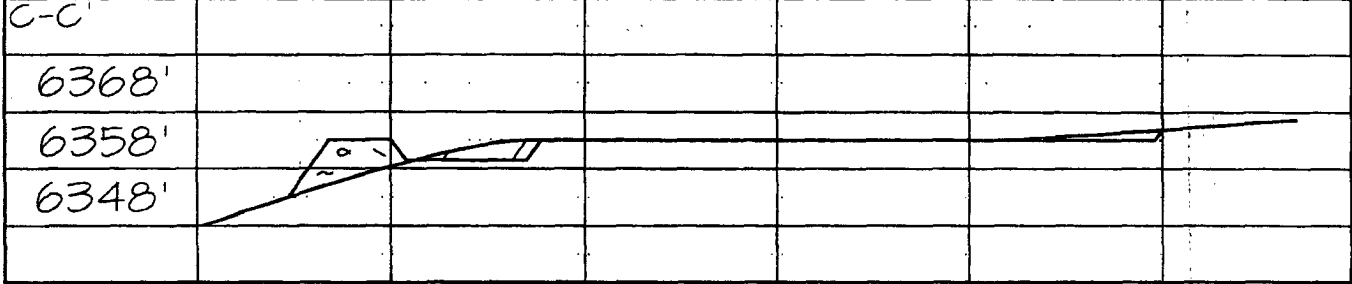
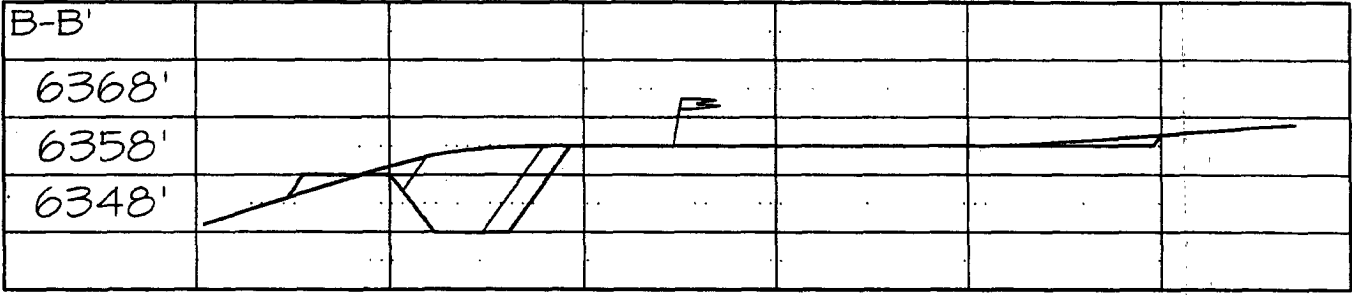
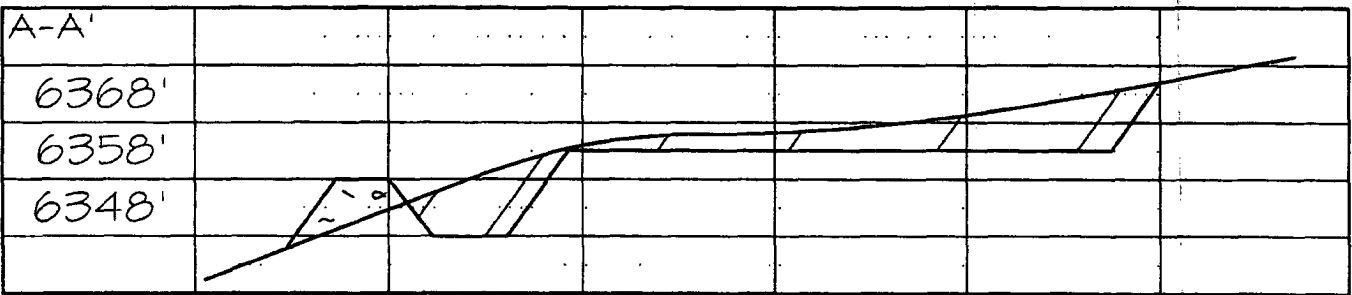
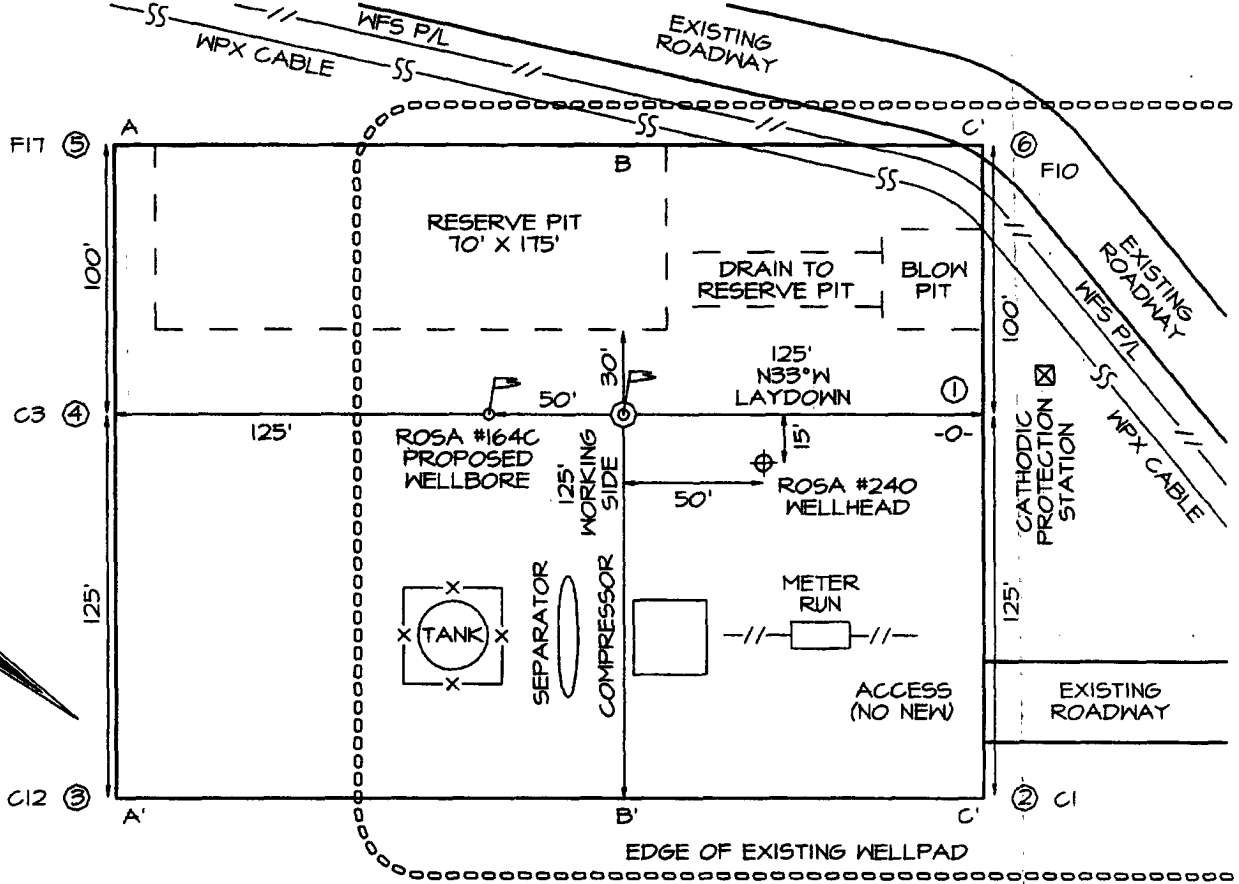
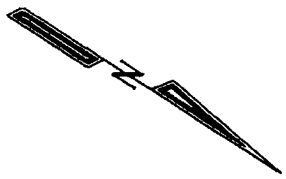
Type or print name **Larry Higgins** E-mail address: **larry.higgins@williams.com** Telephone No. **505-634-4208**

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE MAR 14 2007
Conditions of Approval (if any):

WILLIAMS PRODUCTION COMPANY ROSA UNIT #240A
1880' FSL & 895' FEL, SECTION 1, T31N, R6W, NMPM
RIO ARriba COUNTY, NEW MEXICO ELEVATION: 6358'

LATITUDE: 36.92653° N
 LONGITUDE: 107.41084° W
 DATUM: NAD1983





WILLIAMS PRODUCTION COMPANY

Operations Plan

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

DATE: 10/25/2006

WELLNAME: Rosa Unit #240A

FIELD: Basin Fruitland Coal

BH LOCATION: NESW Sec. 1-T31N-6W

SURFACE: BLM

SURF LOCATION: NWSE Sec 1-31N-6W
Rio Arriba, NM

MINERALS: BLM

ELEVATION: 6,358' GR

LEASE # SF-078772

TOTAL DEPTH: 3,638'

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

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

NAME	TVD	MD	NAME	TVD	MD
San Jose	Surface	Surface	Top Coal	3,062	3,392
Nacimiento	1,222	1,275	Bottom Coal	3,207	3,537
Ojo Alamo	2,427	2,744	Pictured Cliffs	3,207	3,537
Kirtland	2,562	2,886	TD	3,307	3,638
Fruitland	2,957	3,287			

B. **LOGGING PROGRAM:** none

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 3,373', **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	3,373	7	20	K-55
Liner	6 1/4	3,273 3,537	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:** Use 160 sx (224 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 cu.ft. Test to 1500#.
2. **INTERMEDIATE:** Lead - 420 sx (874 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 - 50 sx (70cu.ft.) of "Type III" with 1/4# cello-flake/sk (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 = 944 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

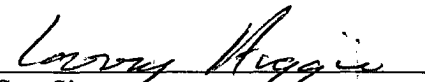
1. Pressure test 7" casing to 3300# for 15 minutes.

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.

FOR 
Gary Sizemore
Sr. Drilling Engineer



Rosa Unit 240 A
Section 1 T 31 N R 6 W
1880' FSL & 895' FEL
Rio Arriba County, NM
Plan 1



Weatherford®

SECTION DETAILS

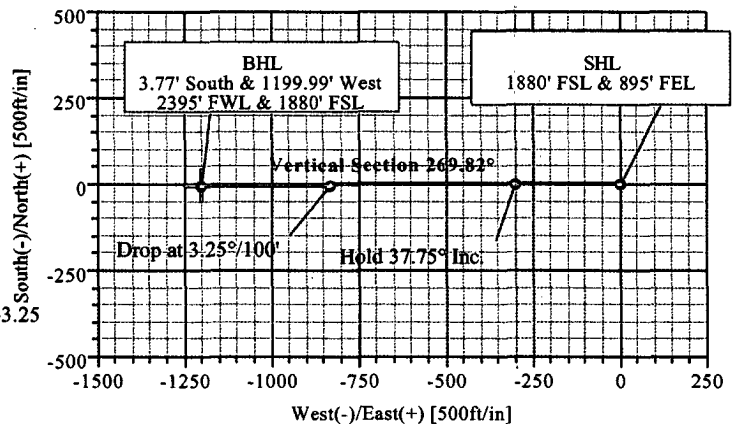
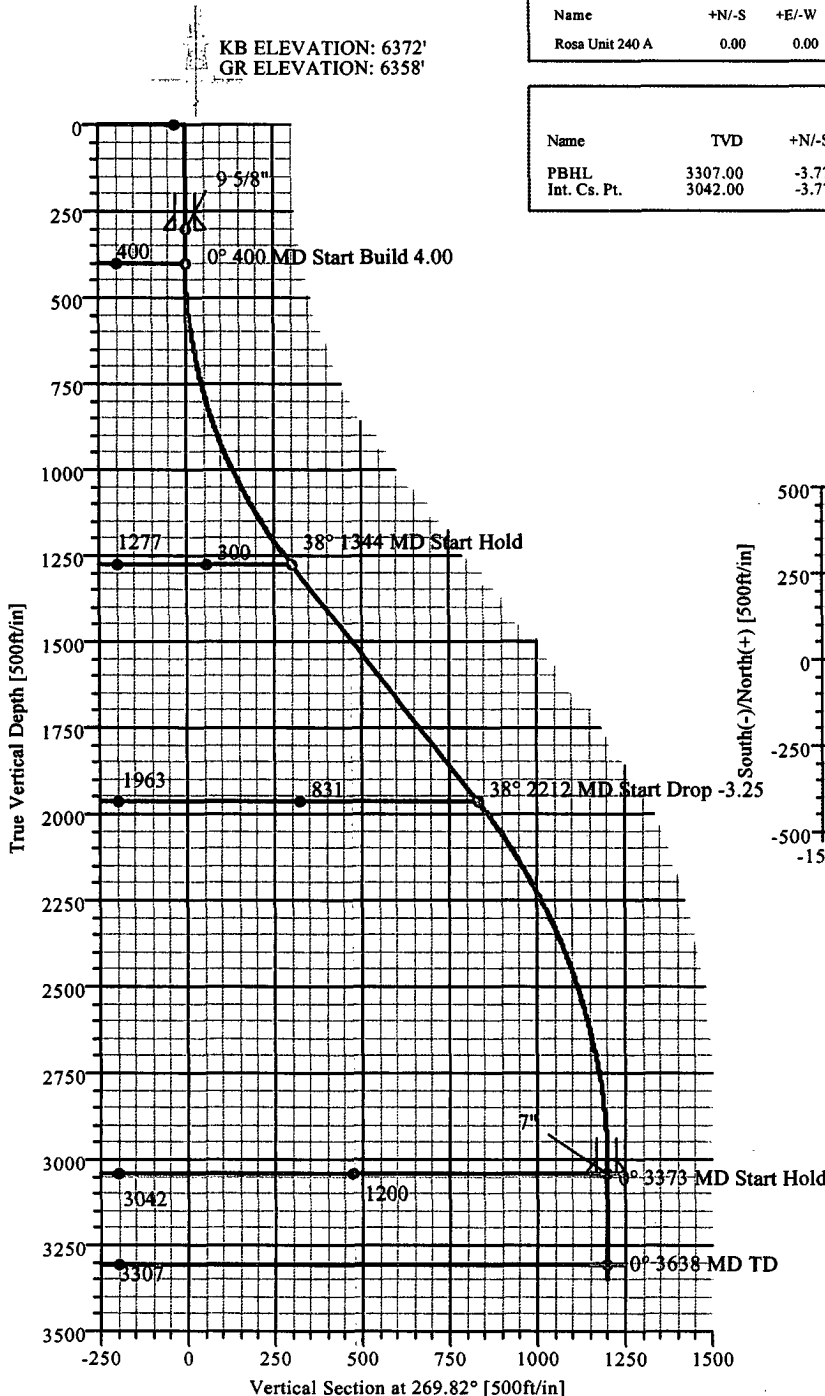
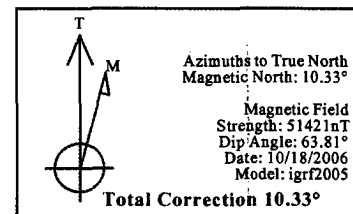
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	269.82	0.00	0.00	0.00	0.00	0.00	0.00	
2	400.00	0.00	269.82	400.00	0.00	0.00	0.00	0.00	0.00	
3	1343.75	37.75	269.82	1276.94	-0.94	-299.81	4.00	269.82	299.82	
4	2211.66	37.75	269.82	1963.18	-2.61	-831.16	0.00	0.00	831.16	
5	3372.67	0.00	269.82	3042.00	-3.77	-1199.99	3.25	180.00	1200.00	Int. Cs. Pt.
6	3637.67	0.00	269.82	3307.00	-3.77	-1199.99	0.00	269.82	1200.00	PBHL

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
Rosa Unit 240 A	0.00	0.00	2156862.76	2846587.76	36°55'35.508N	107°24'39.024W	N/A

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	3307.00	-3.77	-1199.99	2156853.67	2845387.79	Circle (Radius: 50)
Int. Cs. Pt.	3042.00	-3.77	-1199.99	2156853.67	2845387.79	Point



FORMATION TOP DETAILS

No.	TVDPath	MDPath	Formation
1	1222.00	1275.50	Nacimiento
2	2427.00	2744.45	Ojo Alamo
3	2562.00	2886.53	Kirtland
4	2957.00	3287.64	Fruitland
5	3062.00	3392.67	Top Coal Int.
6	3207.00	3537.67	Base Coal
7	3207.00	3537.67	Pictured Cliffs

Plan: Plan #1 (Rosa Unit 240 A)

Created By: Jose Perez Date: 10/18/06
Weatherford Drilling Services
11943 FM 529
Houston TX USA 77041
(713) 896 8194 MAIN
(713) 896 0498 FAX

GEOLOGIC PROGNOSIS

Company: **Williams Production Company. LLC**
Project: **2006 Drilling Plan (Fruitland Fm. Coal)**
Area: **Rosa Unit**

Operator: **Williams production Company. LLC**
Well Name: **Rosa Unit No. 240A (Kfc-Directional)**
Location: **NWSE 01-31N-06W**
Footage: **1880' FSL & 0895' FEL**
County/State: **Rio Arriba/New Mexico**

Surveyed GL: 6358 Est: (14') KB: 6372

<u>Formation</u>	<u>Thickness</u>	<u>TVD</u>	<u>Struct. Elev.</u>
<i>San Jose Fm.</i>	1222	Surface	6358
<i>Nacimiento Fm.</i>	1205	1222	5150
<i>Ojo Alamo Ss.</i>	135	2427	3945
<i>Kirtland Sh.</i>	395	2562	3810
<i>Fruitland Fm.</i>	85	2957	3415
<u>Int. Csg. Depth</u>	20	<u>3042</u>	3330
<i>Top Coal Interval</i>	145	3062	<u>3310</u>
<i>Base Coal Interval</i>	0	3207	3165
<i>Pictured Cliffs Ss.</i>	100	3207	3165
<u>Total Depth</u>	NA	<u>3307</u>	3065

Mud Log Mud log (5"=100') from intermediate casing to TD
(Mud Logger to pick TD)

Mechanical Logs: None

Correlation Logs: Rosa Unit No. 164A (NWSE 01-31N-06W)

Notes: Good open hole Fruitland log control in quarter section
- Rosa Unit No. 164A (HLS-05/99)

This well will be directionally drilled to a BHL 1880' FSL
& 2395' FWL 01-31N-06W

Revised for surface and bottom hole location changes

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
Nacimient	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/thin interbedded shales	Possible	Yes	Possible	No	Possible
Lewis	Shale w/thin 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.

Walsh Production Company, LLC

Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

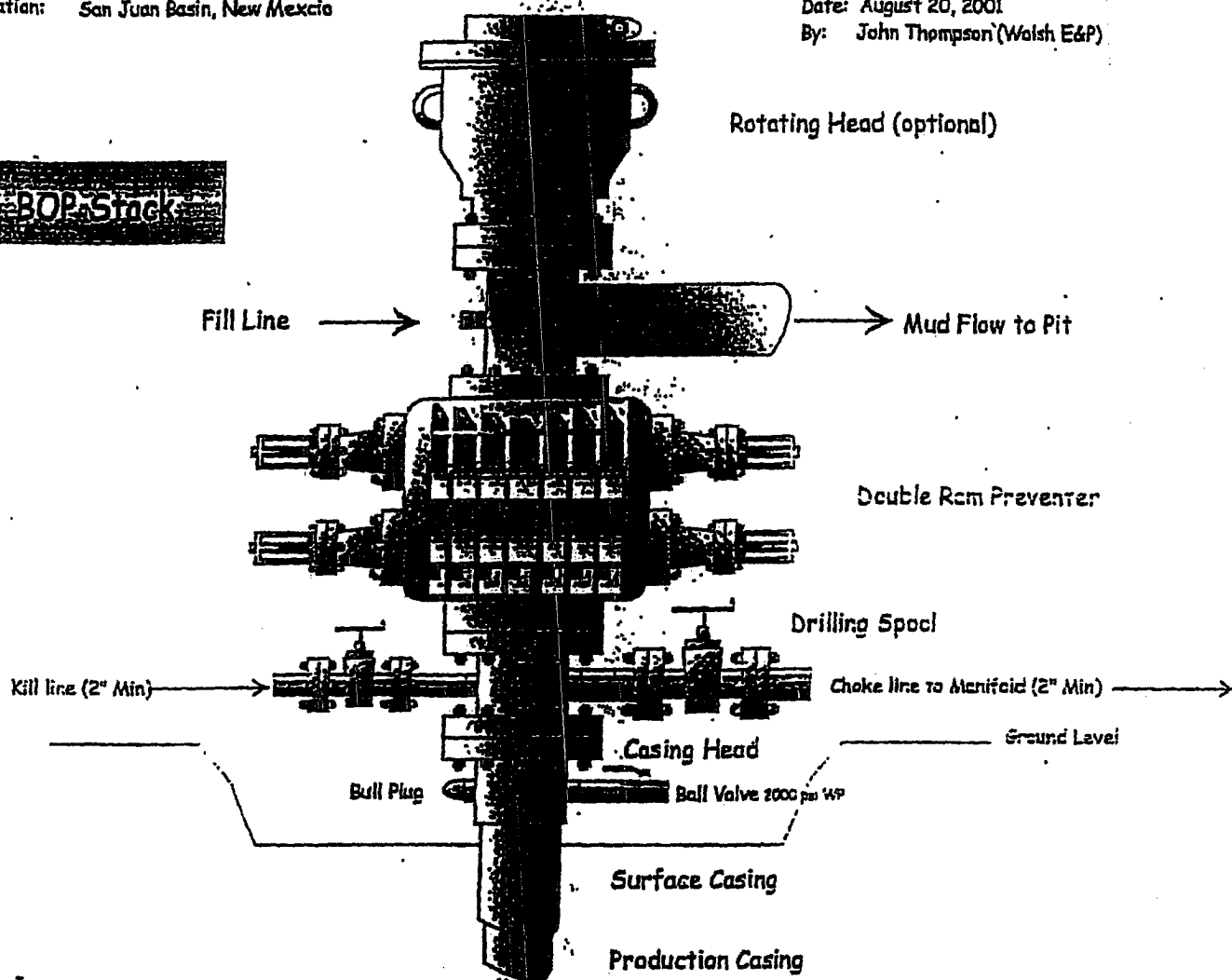
Typical BOP setup

Location: San Juan Basin, New Mexico

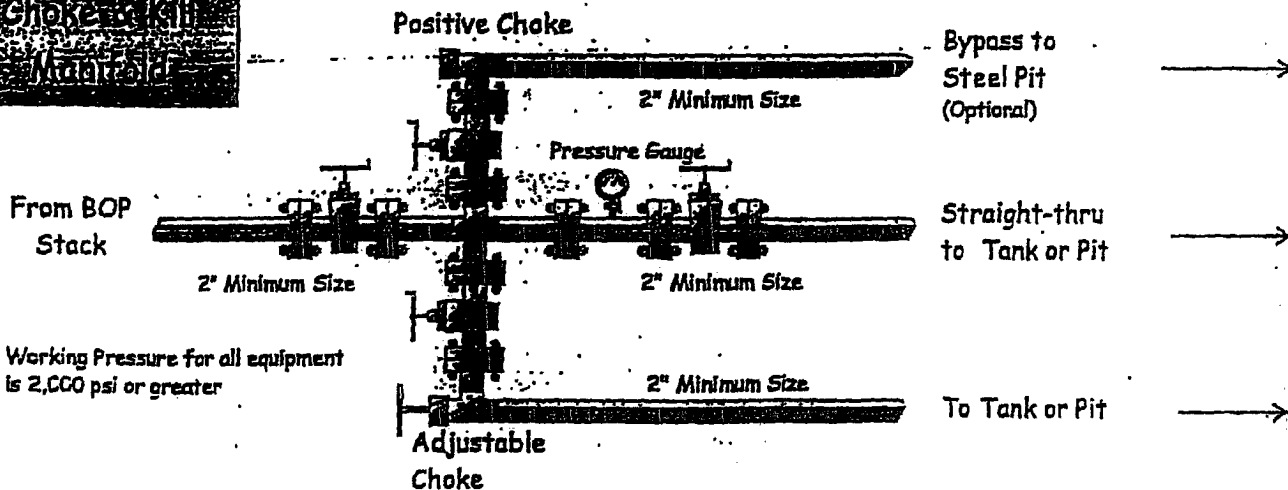
Date: August 20, 2001

By: John Thompson (Walsh E&P)

BOP Stack



Choke & Kill Manifold



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