

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF- 078763	
2. NAME OF OPERATOR Williams Production Company, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR c/o Walsh Engineering 7415 E. Main St., Farmington, NM 87402		7. UNIT AGREEMENT NAME Rosa Unit	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At Surface 1710' FSL and 1680' FWL At proposed Prod. Zone		8. FARM OR LEASE NAME, WELL NO. 379	
9. API WELL NO. 30-039-26949		10. FIELD AND POOL OR WILDCAT Basin Fruitland Coal	
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA K Sec. 8, T31N, R5W		12. COUNTY OR PARISH Rio Arriba	
13. STATE NM		14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 27 miles NE of Blanco, NM	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1680'		16. NO. OF ACRES IN LEASE 62544.64	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 100'	
19. PROPOSED DEPTH 3117'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6276'		22. APPROX DATE WORK WILL START* April 1, 2002	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH
12-1/4"	9-5/8"	36.0#	+/- 250'
8-3/4"	7"	20.0#	+/- 2967'
6-1/4"	4-1/2"	15.5#	+/- 3117'
QUANTITY OF CEMENT			
~188 cu.ft. Type III with 2% CaCl ₂			
~683 cu.ft. 65/35 poz & ~209 cu.ft. Type I			
Open hole completion - no cement			

Williams Production Company proposes to drill a vertical well to develop the ~~Mesa Verde~~ **Fruitland Coal** formation at the above described location in accordance with the attached drilling and surface use plans.

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 BLM road and pipeline right-of-ways. This well will not require any new access road (see Pipeline & Well Plats #3 & #4). The well will be on the same pad as the Rosa #80 which is accessed by the main "Rosa Road" in the NE/SW of section 8, T31N, R5W.

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

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.

SIGNED *John C. Thompson* TITLE **John C. Thompson, Agent** DATE **3/5/02**

(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 *Wayne Townsend* TITLE **Pet. Eng.** DATE **7/19/02**

***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.

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NMOCD

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

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

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26949		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 17033	⁵ Property Name ROSA UNIT		⁶ Well Number 379
⁷ OGRID No. 120782	⁸ Operator Name WILLIAMS PRODUCTION COMPANY		⁹ Elevation 6276'

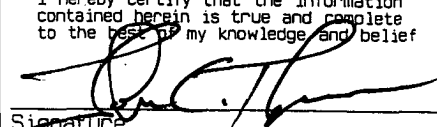
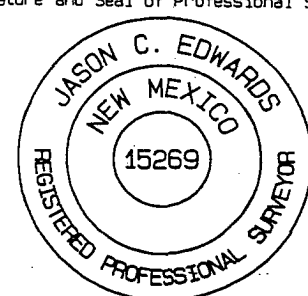
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	8	31N	5W		1710	SOUTH	1680	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
¹² Dedicated Acres 320.0 Acres - (S/2)					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

<div><div>RECEIVED 2007 MAR -6 AM 11:41 OIL CONSERVATION DIV. DIST. 3</div><div>5276.04'</div><div>8</div><div>SF-078763</div><div>1680'</div><div>1710'</div><div>5276.04'</div><div>5280.00'</div><div>5280.00'</div></div>	<div><div>¹⁷ OPERATOR CERTIFICATION</div><div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div><div></div><div>Signature</div><div>John C. Thompson</div><div>Printed Name</div><div>Agent/Engineer</div><div>Title</div><div>3/5/02</div><div>Date</div></div> <div><div>¹⁸ SURVEYOR CERTIFICATION</div><div>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.</div><div>Survey Date: JANUARY 11, 2002</div><div>Signature and Seal of Professional Surveyor</div><div></div><div>JASON C. EDWARDS</div><div>Certificate Number 15269</div></div>
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WILLIAMS PRODUCTION COMPANY

Operations Plan

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

<u>DATE:</u>	3/5/2002		
<u>WELLNAME:</u>	Rosa #379	<u>FIELD:</u>	Basin Fruitland Coal
<u>LOCATION:</u>	NE/4 SW/4 Sec. 8, T31N, R5W Rio Arriba, NM	<u>SURFACE:</u>	BLM
<u>ELEVATION:</u>	6276' GR	<u>MINERALS:</u>	Fed
<u>TOTAL DEPTH:</u>	3117'	<u>LEASE #</u>	SF-078763

I. GEOLOGY: Surface formation - San Jose

A. FORMATION TOPS: (KB)

Ojo Alamo	2397'
Kirtland	2507'
Fruitland	2897'
Base of Coal	3117'
Pictured Cliffs	3117'
Total Depth	3117'

B. LOGGING PROGRAM: No logging anticipated. Mud logger will be present to determine TD.

C. 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. Treat for lost circulation as necessary. Expect 100% returns prior to cementing. Notify Engineering of any mud losses. If coal is detected before 2897' DO NOT drill deeper until Engineering is contacted.

B. Drilling Fluid: Coal section will be drilled with Fruitland Coal water. Mud logger will pick TD at +/- 3117'.

C. BOP TESTING: 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 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"	+/- 250'	9-5/8"	36# K-55
Intermediate	8-3/4"	+/- 2967'	7"	20# K-55
Prod. Liner	6-1/4"	+/- 2867-3117'	5-1/2"	15.5# K-55

B. FLOAT EQUIPMENT:

1. SURFACE CASING: 9-5/8" notched regular pattern guide shoe.
2. INTERMEDIATE CASING: 7" cement nose guide shoe with a self- fill insert float. Place float one(1) joint above the shoe and five(5) centralizers, spaced every other joint, starting with the float collar. Place turbulent centralizers, at 120' intervals, starting at 1585' to the surface. Total centralizers = 5 regular and 14 turbulent.
3. PRODUCTION LINER: 5-1/2"liner with notched collar on bottom.

C. CEMENTING:

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

1. SURFACE: Use 130 sx (188 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 125% excess to circulate the surface. WOC 12 hours. Test to 1500#.
2. INTERMEDIATE: Lead - 325 sx (683 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 - 150 sx (209cu.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 and tail to circulate to surface. Total volume = 892 cu.ft. WOC 12 hours. Run a temperature survey after 8 hours if cement is not circulated. Test to 1500#.
3. PRODUCTION LINER: Open hole completion. No cement.

IV COMPLETION

A. PRESSURE TEST

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

B. STIMULATION

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