

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

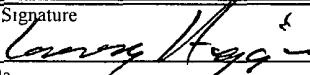
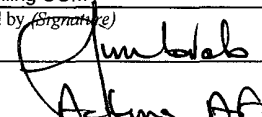
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. Jicarilla Apache Contract #61
1b Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6 If Indian, Allottee or Tribe Name Jicarilla Apache Nation
2 Name of Operator Williams Production Company, LLC		7 If Unit or CA Agreement, Name and No
3a Address P.O. Box 640 Aztec, NM 87410		8 Lease Name and Well No Indian I #08
3b Phone No (include area code) (505) 634-4208		9 API Well No. 30-039-29979
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface 2050' FNL & 660' FWL At proposed prod zone same		10 Field and Pool, or Exploratory Blanco MV
14 Distance in miles and direction from nearest town or post office* 16 miles from Lindrieth, NM		11 Sec., T., R., M., or Blk. and Survey or Area E Section 35, T28N R3W
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 660'	16 No. of Acres in lease 320	17 Spacing Unit dedicated to this well 320 (W/2)
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 32680'	19 Proposed Depth 6,404'	20 BLM/BIA Bond No. on file B001576
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 7,050' GR	22 Approximate date work will start* August 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 | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5 Operator certification |
| 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). | 6 Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Larry Higgins	Date 6-26-06
Title Drilling COM		
Approved by (Signature) 	Name (Printed/Typed) Acting AFM	Date 7/10/08
Title Acting AFM	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 Production Company, LLC, proposes to drill a vertical well to develop the Blanco Mesa Verde formation at the above described location in accordance with the attached drilling and surface use plans.

The surface is located on Jicarilla Apache Nation lands.

This location has been archaeologically surveyed by Velarde Energy

A 3352.8 foot pipeline tie would be required for this location and it is also located on Jicarilla Apache Nation

3,000' new access road will be needed to access this well.

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

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

NMOCD

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

JUL 17 2008

ROVD JUL 14 08
OIL CONS. DIV.
DIST. 3

RCVD JUL 17 '08

OIL CONS. DIV.

DIST. 3

District I:

1615 N. Front St., Hobbs, NM 88240

District II:

1201 W. Grand Avenue, Artesia, NM 88210

District III:

1000 Rio Brato Rd., Aztec, NM 87416

District IV:

1219 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 June 10, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-29979	Pool Code 72319	Pool Name BLANCO MESA VERDE
Property Code 17031	Property Name INDIAN I	Well Number 8
OGRIID No. 120782	Operator Name WILLIAMS PRODUCTION COMPANY	Direction 7050

10 Surface Location

TL or Lot no.	Section	Township	Range	Let Mts	Feet from the	North-South line	Feet from the	East-West line	County
E	35	28N	3W		2050	NORTH	660	WEST	RIO ARRIBA

11 Bottom Hole Location: If Different From Surface

TL or Lot no.	Section	Township	Range	Let Mts	Feet from the	North-South line	Feet from the	East-West line	County

Dedicated Acres: 320Ac (W/2)	Joint or Infill	Consolidation Code	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

16'			5282.64		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: Heather Ritey Printed Name: Heather Ritey Title and Office Address: Regulatory Specialist City and State: 7117108 Date:
2050'					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was placed from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief. Signature: CECH B. TULLIS Printed Name: CECH B. TULLIS Title and Office Address: REGISTERED PROFESSIONAL LAND SURVEYOR City and State: NEW MEXICO Date: 2005
660'					
6282.18			35		
			5343.48		



WILLIAMS PRODUCTION COMPANY

Operations Plan

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

DATE: 6/12/2006 **FIELD:** Blanco MV
WELL NAME: Indian I #8 **SURFACE:** ~~BOA~~ B1A
BH LOCATION: SWNW Sec 35-28N-3W **MINERALS:** Jicarilla #61
Rio Arriba, NM
ELEVATION: 7,050' GR **LEASE #** Jicarilla #61
MEASURED DEPTH: 6,404'

I. GEOLOGY: Surface formation - San Jose

A. FORMATION TOPS: (KB)

Name	MD	Name	MD
Ojo Alamo	3,334	Cliff House	5,619
Kirtland	3,419	Menefee	5,699
Fruitland	3,419	Point Lookout	5,954
Picture Cliffs	3,654	Mancos	6,214
Lewis	3,899	TD	6,404

B. MUD LOGGING PROGRAM: Mudlogger on location at 3,200' to intermediate casing TD and intermediate casing to TD.

C. LOGGING PROGRAM: High Resolution Induction/ GR and Density/ Neutron log from surface casing to intermediate casing and 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 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	4,144	7	20	K-55
Liner	6 1/4	4,044 6,404	4 1/2	10.5	J-55

B. FLOAT EQUIPMENT:

- SURFACE CASING: 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (3) joints of Surface Casing.
- 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).
- PRODUCTION CASING: 4-1/2" & 5-1/2" whirler type cement nose guide shoe with a latch collar on top of 20' bottom joint. Place marker joint above 5,400'. Place centralizers as needed across selected production intervals.

IV. CEMENTING:

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

- 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.
- INTERMEDIATE: Lead - 530 sx (1,105 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 = 1,175 cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface.
- 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. (Yield = 2.59 cu.ft./sk, Weight = 11.6 #/gal.). Tail: 100 sx (215 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 303 ft³. WOC 12 hours

345

V. IV COMPLETION**A. CBL**

- 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

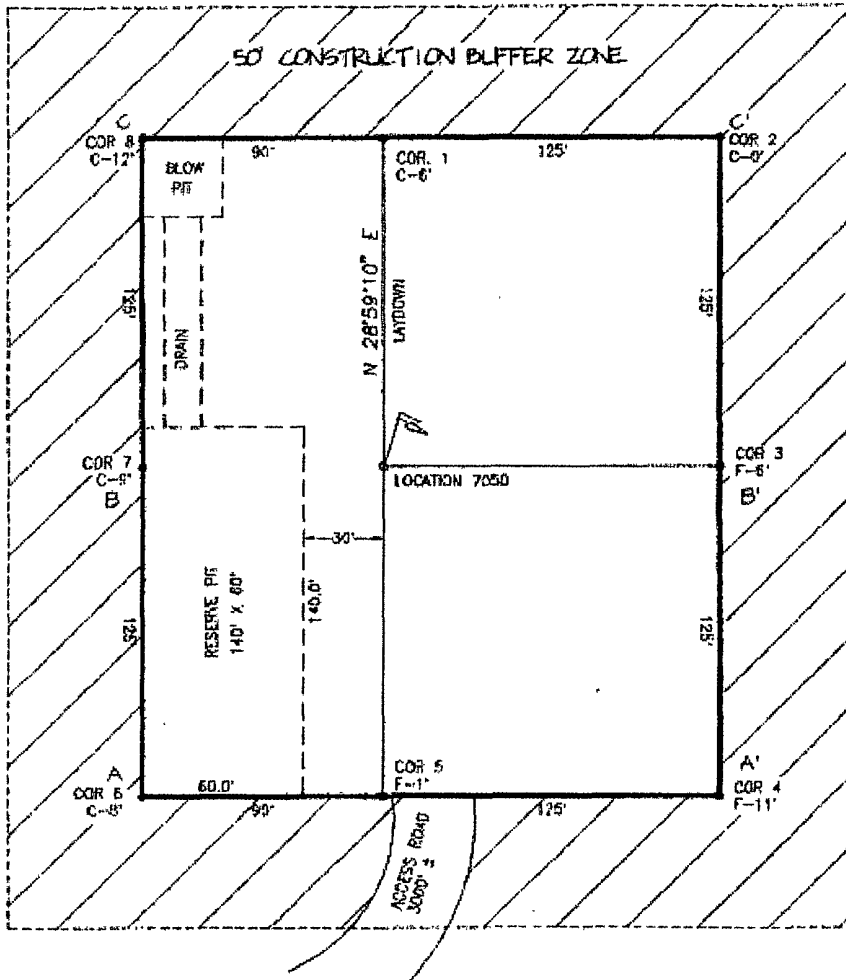
1. Perforate the Point Lookout as determined from the open hole logs.
2. Stimulate with approximately 9,300# of 14/30 LiteProp™ sand in slick water.
3. Isolate Point Lookout with a CIBP.
4. Perforate the Menefee/Cliff House as determined from the open hole logs.
5. Stimulate with approximately 9,300# of 14/30 LiteProp™ sand in slick water.
6. Test each zone before removing bridge plugs.

D. RUNNING TUBING

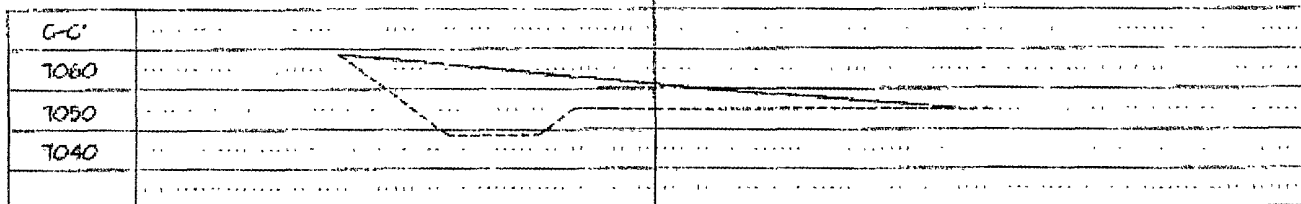
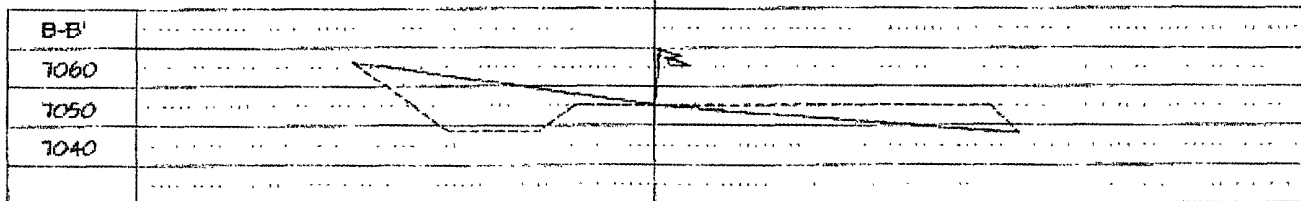
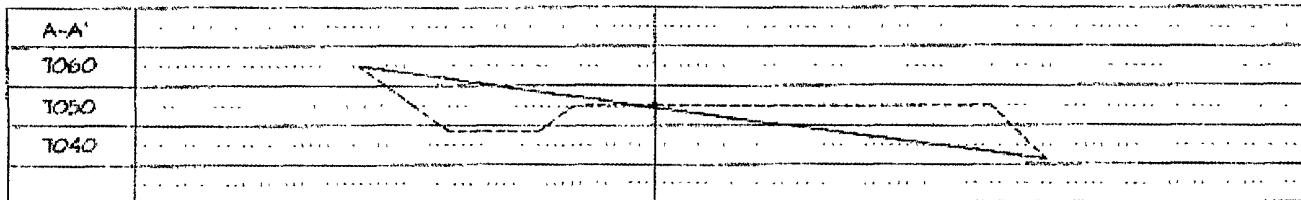
1. Mesa Verde: Run 2-3/8", 4.7#, J-55, EUE tubing with a SN (1.91" ID) on top of bottom joint. Land tubing approximately 25' above the bottom Point Lookout perforation.

FOR 
Gary Sizemore
Sr. Drilling Engineer

WILLIAMS PRODUCTION COMPANY
 INDIAN 1 #8
 2050 FNL & 660 FWL
 SECTION 35 T28N R3W NMPM
 RIO ARriba COUNTY, NEW MEXICO
 ELEVATION: 7050

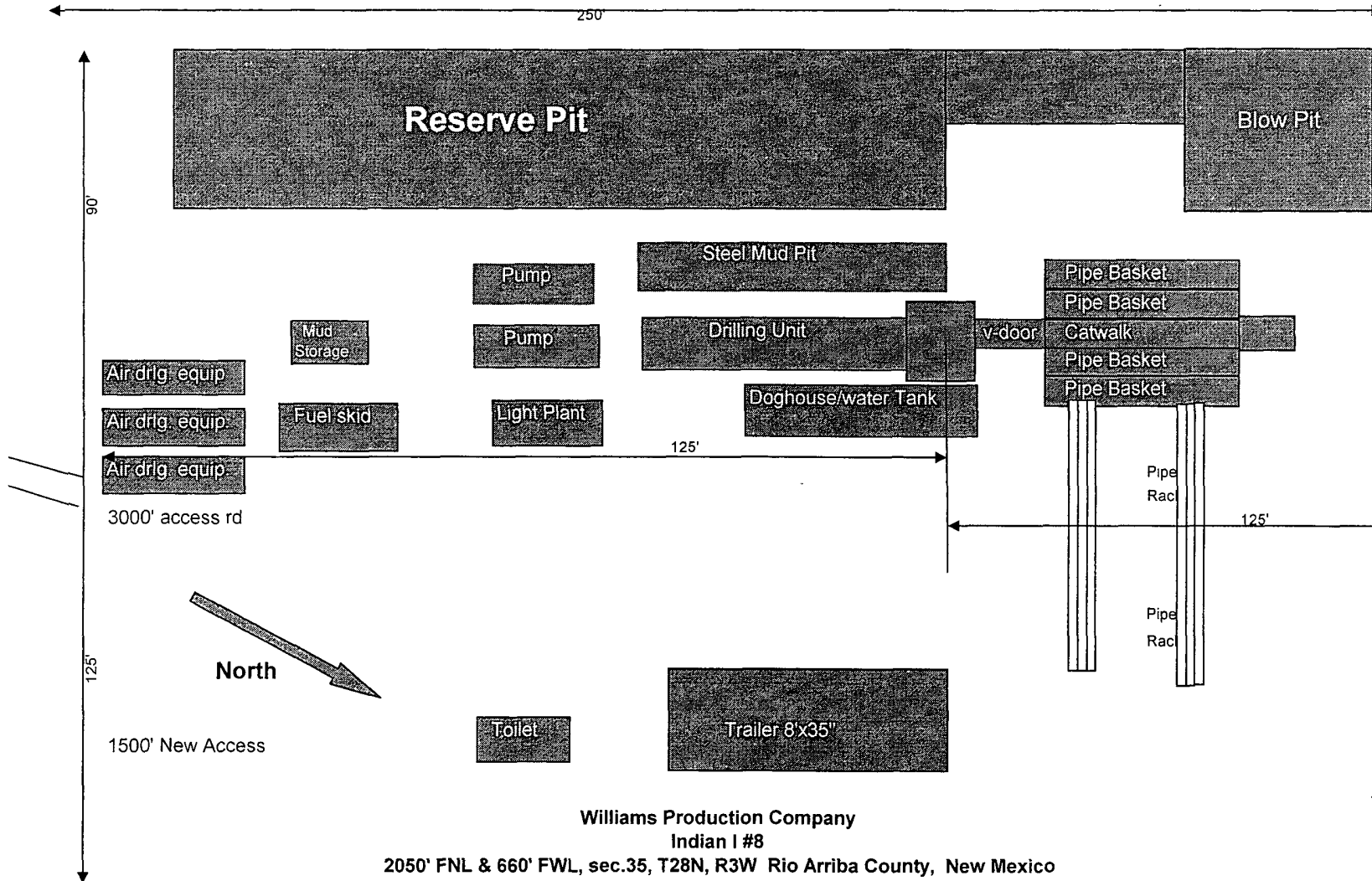


LATITUDE: 36°35'52" N
 LONGITUDE: 107°07'37" W
 MGS 84'
 VERT. DATUM: NAD 1921



Plat #3 Location Diagram

Location Dimensions 215' X 250'



Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

Exhibit #1 Typical BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson (Walsh E&P)

