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Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office
Bureau of Land Management

AUG 30 2010

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		5. Lease Serial No. NMSF 0078771
<input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Williams Production Company, LLC		7. If Unit of CA/Agreement, Name and/or No. Rosa Unit
3a. Address PO Box 640 Aztec, NM 87410	3b. Phone No. (include area code) 505-634-4208	8. Well Name and No. Rosa Unit #634A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SURF: 1480' FNL & 700' FEL BHL: 725' FNL & 20' FEL SEC 22, T31N, R 6W		9. API Well No. 30-039-30970
		10. Field and Pool or Exploratory Area Basin Mancos
		11. Country or Parish, State Rio Arriba

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

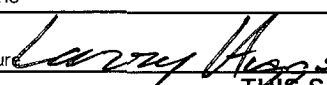
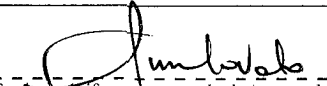
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 checked="" type="checkbox"/> Other Sidetrack
	<input 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 recompleat 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 recompleat 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.)

CONFIDENTIAL

Williams Production wishes to sidetrack this well as per attached procedure. We were unable to retrieve fish. Verbal approvals have been granted by both BLM and NMOCD.

RCVD SEP 8 '10
OIL CONS. DIV.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Larry Higgins		DIST. 3	
Signature 		Title Permits Supervisor	
Date 08/30/2010			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by 		Title Petr. Eng	Date 9/3/10
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	
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)

NMOCD



Rosa Unit 634A Sidetrack

Background: At approximately 13:00 on Friday August 20, 2010, Rosa Unit 634A was being drilled ahead at a depth of 6,286' MD. At this time, a loss of 200 psi of stand pipe pressure was observed and the assembly stopped drilling off. It was believed that the motor had failed ~60' short of intermediate TD. Jim Lovato with BLM and Kelly Roberts with NMOCD were contacted about moving the intermediate casing point to 6,286' MD. However, when the BHA was brought to surface it was found that the pin on the bottom of the float sub connected to the motor had broken off and the motor and bit were left in the hole with the top of fish estimated at 6,256'. Efforts were made to retrieve the fish with an overshot over the next 5 days with all attempts ending in failure. At this time, the decision was made to sidetrack Rosa Unit 634A according to the following procedure.

Procedure:

1. TIH w/ 4-1/2" XH 16.6# DP picking up 66 jts off of rack as needed to replace HWDP and 3' mixing sub made from joint of 4-1/2" XH 16.6# DP
2. Tag top of fish at approximately 6,256' and pull back up to 6,243'
3. Kelly up and break circulation
4. Circulate bottoms up to ensure good hole conditions
5. Stand Kelly back and rig Halliburton cementing head
6. Pump balanced plug of 330 sacks Class "G" w/ 3% KCl and 0.3% HR-5 (16.5 lb/gal; 1.06 ft³/sack) with following pumping schedule (**estimated top of plug 5,800' MD**):
 - a. 25 bbl fresh water
 - b. 62.3 bbl cement slurry
 - c. 2.8 bbl fresh water
 - d. 78.7 bbl 9.0 lb/gal water based mud
7. Rig down and release Halliburton
8. POOH to 4,900' MD (Do not exceed 30'/minute until above 5,800' MD)
9. Kelly up at 4,900' MD and circulate two (2) bottoms up to flush cement stringers from drill pipe
10. POOH and LD last 66 jts of drill pipe
11. WOC for 24 hours
12. TIH with 12-1/4" mill tooth bit, bit sub, 4-1/2" XH HWDP and 4-1/2" XH 16.6# DP

13. Tag top of cement and dress off cement until cement can support 30,000 lbs weight on bit treat for lost circulation as necessary
14. Circulate hole clean and POOH for directional tools
15. P/U Weatherford directional tools and MWD. **Set motor to 3.0° bend**
16. TIH w/ 4-1/2" XH HWDP and 4-1/2" XH 16.6# DP
17. Tag top of cement and trough side of hole with gravitational toolface of 270°
18. Time drill at 150 seconds/inch with gravitational toolface of 270° off of plug. Mudloggers to take sample every hour and report percent formation and percent cement. Once two (2) samples of at least 75% formation have been observed decrease to 100 seconds/inch. Treat for lost circulation as necessary
19. Drill additional 15' once two (2) samples of 100% formation have been observed. for lost circulation as necessary
20. Circulate hole clean for trip
21. POOH
22. Adjust motor setting to 2.66°
23. TIH
24. Drill (slide and rotate) to 6,376' MD. Treat for lost circulation as necessary.
25. Circulate hole clean for casing
26. POOH (make wiper trip to HWDP if necessary)
27. Run and cement 9-5/8" 40# HCP-110 LT&C casing

Verbal approvals:

Jim Lovato, BLM Farmington Field Office

09:00 August 26, 2010 (requested cement be brought up to top of Mancos)

Steve Hayden, New Mexico Oil Conservation Division Aztec Office

14:00 August 26, 2010

Brian Alleman
Drilling Engineer I