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To Appropriate  
District Office  
**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
811 South First, Artesia NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**

2040 South Pacheco  
Santa Fe, NM 87505

Form C-103  
Revised 1-1-89

WELL API NO.  30-039-24863
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name:  ROSA UNIT
8. Well No.  310
9. Pool name or Wildcat  BASIN FRUITLAND COAL

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator  WILLIAMS PRODUCTION COMPANY	
3. Address of Operator  P O BOX 3102, MS 25-1, TULSA, OK 74101	
4. Well Location (Surface) Unit letter N : 1245 feet from the SOUTH line & 1850 feet from the WEST line Sec 26-31N-04W RIO ARRIBA, NM	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)  6892' GR	

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILLING OPNS.	PLUG AND ABANDONMENT
PULL OR ALTER CASING		CASING TEST AND CEMENT JOB	
OTHER:		OTHER: DRILLING/COMPLETION OPERATIONS	

12. 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.

08-27-2002 MIRU, spot all equipment. ND WH & NU BOP. TOO H w/ 116 jts of 2-3/8" tubing. Secure location & SDON

08-28-2002 RU Computalog & run Pulsed Neutron from 3696' (PBSD) to 2650'. Top of coal stringer at 3654', top of main coal at 3663'. TIH w/ tbg to 3676' (PBSD). RU BJ Services & pressure test pumps & lines. Spot 5sx (7 cu.ft) of Type III w/ 2% CaCl<sub>2</sub> from 3696' - 3646'. TOH. PU 7" casing scraper & RIH to 3380' (liner top). TOO H. RU Computalog. RIH w/ 7" CIBP. Had a misfire, TOH & change out firing head. RIH & set CIBP at 3378'. TIH w/ tubing to 3378'. RU BJ Services. Spot 10 sx (14 cu.ft.) of Type III w/ 2% CaCl<sub>2</sub> from 3378' - 3312'. TOH. RU Computalog & RIH w/ GR/CCL/CBL log. Log from 3250' - 2350'. Bond looked good across logged interval (and all the way to surface). RIH w/ CIBP and set at 3174. RD Computalog. Secure location & SDON  
Continued on back

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tracy Ross TITLE: Production Analyst DATE: December 26, 2002

Type or print name TRACY ROSS Telephone No: (918) 573-6254  
(This space for State use)

APPROVED BY Charles H. [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 49 DATE DEC 27 2002  
Conditions of approval, if any:

08-29-2002

Recap: TIH w/ 2-3/8" tubing. Lay down tubing & haul back to FIS yard. ND BOP & NU WH. Well ready for drilling rig. Rig down unit & load out equipment for move. Move rig & equipment back to town. Rig released, drop from report until drilling rig moves on

09-02-2002

Recap: MOL and RU. Drill rat and mouse holes with bit #1 (12-1/4", RTC, L-114). NU BOP's. Pressure test csg & surface equipment, tested OK. PU whipstock & TIH. TIH @ report time

09-03-2002

Recap: Finish TIH. Orientate whipstock to 320 degrees. Set whipstock @ 3161'. Mill 7" casing with starter mill from 3161' to 3164'. TOO H. MU watermelon mill & TIH. Mill 7" casing from 3164' to 3172'. TOO H, MU bit #2 (6-1/4", HTC, STX-O9C). PU directional tools @ report time

09-04-2002

Recap: PU directional tools & TIH with bit #2 (6-1/4", HTC, STX-O9C). Orientate tool face with Scientific Gyro. Bit tagged up @ 3167'. Try to wash to formation. Wouldn't wash down. TOO H, PU window mill & watermelon mill. TIH, mill from 3164' to 3173'. TOO H with mills. MU bit #3-RR (6-1/4", HTC, STX-O9C), on the end of watermelon mill. TIH, ream whipstock from 3161' to 3174'. TOO H, PU directional tools. TIH with bit #2 (6-1/4", HTC, STX-O9C). TIH @ report time

09-05-2002

TIH with bit #2 (6-1/4", HTC, STX-O9C). Orientate tool face. Drill from 3174' to 3235' with Gyro. Directional tools quit working. TOO H, repair directional equipment. TIH, orientate tools. Drill from 3235' to 3266'. Survey with Gyro. Drill from 3266' to 3385'. Drilling @ 3385', 20' per hour @ report time.

09-06-2002

Drill from 3385' to 3426' with bit #2 (6-1/4", HTC, STX-O9C). Circulate. TOO H. MU bit #4 (6-1/4", HTC, STX-O9C). (Bit #3 was used to dress window). Orientate tools & TIH. Drill from 3426' to 3662'. Drilling @ 3662', 18' per hour @ report time.

09-07-2002

Drill from 3662' to 3922' with bit #4 (6-1/4", HTC, STX-O9C). Circulate @ Intermediate TD. TOH & lay down BHA. TIH with bit #4 (6-1/4", HTC, STX-O9C). TIH to condition hole for 5-1/2" casing @ report time.

09-08-2002

Finish TIH. Circulate & condition hole for 5-1/2" casing. TOH. Rig up casing crew & run 5-1/2" casing. Casing stopped @ 3225'. TOH & lay down casing. (Float Collar appeared to be hanging up inside of whipstock). TIH. Circulate & condition hole. TOH. Rig up casing crew & run 5-1/2" casing. Running 5-1/2" casing @ report time

09-09-2002

Finish tripping in hole with 5-1/2" liner. Ran 24 jts. (971.86') of 5-1/2", 14.0#, K-55, ST&C casing, landed at 3922' KB. Top of liner at 2950' - 212' of overlap into 7". Rig up BJ. Hold safety meeting. Cement with 75sx (168 ft<sup>3</sup>) of Premium Light HS + 1% FL-52 + .3% CD-32 + 2% KCL + .25 #/sk Celloflake. Displaced plug w/ 44 bbls of water. Plug down at 01030 hrs 9/8/02. Circulate out 10 bbls of cement. LDDP & TIW setting tool. WOC & X-O to 2-7/8" tools @ report time

09-10-2002

X-O to 3-1/2" tools. Pressure test BOP's & casing @ 1000#. Make up bit #5 (4-3/4", HTC, STX-20). Pick up 2-7/8" HWDP & 2-7/8" DP off racks & TIH. Tag plug @ 3760'. Drill cement from 3760' to 3923'. Circulate & TOH. Waiting for 3-1/2" liner to leave Houston Texas @ report time

09-11-2002

Waiting for 3-1/2" liner to leave Houston Texas @ report time

09-12-2002

Waiting for 3-1/2" liner to leave Houston Texas @ report time

09-13-2002

Wait for confirmation 3-1/2" liner had left Houston Texas. Pick up & orientate directional tools. Make up bit #6 (4-3/4", HTC, STX-20). TIH. Begin drilling 4-3/4" formation with CaCl fluid. Drill from 3922' to 4150'. Drilling @ 4150' 60' per hour @ report time.

09-14-2002

Drill from 4150' to 4181' with bit #6 (4-3/4", HTC, STX-20). MWD stopped working. TOH. Work on MWD tools. TIH. MWD tools not working. TOH. Work on MWD tools. TIH. Hit bridge @ 3770'. Clean out coal from 3770' to 3950'. TIH. Drill from 4181' to 4496'. Drilling @ 4496', 60' per hour @ report time.

09-15-2002 Drill from 4496' to 4932' with bit # 6(4-3/4''), HTC, STX-20). MWD stopped working. TOH. Lay down Scientific tools. Waiting on Schlumberger MWD tools @ report time.

09-16-2002 Wait for Schlumberger MWD tools to arrive on location. Waiting on directional tools @ report time.

09-17-2002 Wait for Schlumberger MWD tools to arrive on location. Pick up & orientate directional tools. Make up bit # 7(4-3/4''), HTC, STX-20). TIH. Survey from 4500' to 4932'. Drill from 4932' to 5489'. Drilling @ 5489', 60' per hour @ report time.

09-18-2002 Drill from 5489' to 5835'. Drill pipe stuck @ 5825'. Circulate & work stuck drill pipe. Rig up BJ & pump nitrogen & CaCl fluid in an attempt to free drill pipe from wall of hole. Hole quit circulating, moved drill pipe 2' up the hole. Working stuck pipe @ report time

09-19-2002 Work stuck pipe. RU Weatherford backoff truck & backoff 2-7/8'' DP @ 3000' KB. LDDP, recovered 30 jts of 2-7/8'' HWDP & 65 jts of 2-7/8'', S-135 DP. RU & run 96 jts of 2-3/8'', 4.7#, J-55 tbg, (3000.73'). Sting tbg into 2-7/8'' DP @ 3000' KB & land @ 5825'. Left 89 joints of 2-7/8'', 10.40 #, S-135 DP (2740') & BHA in hole. ND BOP's. Release rig @ 0600 hours 9/19/02. Final report, RD @ report time.

10-24-2002 Road rig to location & rig up on 10/23. Drove to location & finish rigging up & held safety meeting. Found well dead. ND WH. PU 2-3/8'' tbg sub & pull donut. Discovered that 2-3/8'' tubing was free (not screwed into 2-7/8'' DP). Rotated 2-3/8'' tubing into 2-7/8'' DP. Pulled 60K on string. Removed 8' sub & land tubing in well head w/ donut w/ 48K tension on string. NU WH. RU BJ Services & pump ~31 bbls of produced water down tbg. Pressured up to 2,650# then fell down to 1,600# while pumping 0.7 – 1.2 bpm. Pressure fell to 0# after SD. RU Computalog & RIH w/ 1'' OD (pipe recovery/perf gun). RIH w/ ~3668' unassisted. Had BJ start pumping in attempt to pump gun downhole. Made multiple attempts but unable to get past 3750'. TOH & install swab cups on bottom of gun & TIH. Made multiple attempts but never able to get gun past 3670'. TOH & add more cups on bottom of gun & TIH. Still unable to get gun past 3670'. BJ was pumping 2.4 bpm at 2750#. TOH & RD Computalog & BJ Services. RD & release Key #33. Secure location & SWI. Total fluid pumped: 241 bbls.

10-28-2002 RU BJ Services & Computalog. BJ established a rate of 2 bpm @ 4800# down tbg. w/ produced water w/ friction reducer. Casing 0#. RIH w/ 1'' OD (pipe recovery/perf gun). Note: configured swab cup assembly above gun to assist w/ pump down operations. RIH to ~3600' unassisted. Brought BJ on line & pumped gun down to 5730'. (Very slow going, only able go down at ~ 12 fpm). BJ pumped gun down at 2 bpm at 4800# (never saw any breaks). Fired gun at 5730', TOH & lay down gun. Had BJ pump down tbg, only able to pump 1 bpm at 4800#. Will reload tanks overnight & will try again in morning.

10-29-2002 RU BJ Services & Computalog. RIH w/ pipe recovery/perf gun to 3756' unassisted. Brought BJ online & established a rate of 1.2 bpm @ 5000# down tbg. w/ produced water w/ friction reducer. Casing 0#. (Very slow going, only able go down at ~ 12 fpm). Unable to get gun past 4056'. Mixed and pumped 2sx of gel w/ 30 bbls of water & pumped downhole to try to increase viscosity. Made slight increase in wireline tension but still unable to get past 4056'. Pumped additional 35 bbls of water to clear tubing string & drill pipe. TOH & lay down gun. RD & release BJ & Computalog from location. Will shut down operations & wait for coiled tubing.

11-07-2002 RU Cudd Pressure Control. RIH w/ 1'' coiled tubing. Had trouble getting thru 3033'. Made it thru OK on third attempt. Continued downhole to 5529'. Unable to get past 5529' (hard tag). Pulled out of hole w/ coiled tubing. RD Cudd. Shut well in. Will shut down operations until 1'' cutters and coiled tubing can get to Farmington (should be sometime next week.)

11-14-2002 RU Cudd Pressure Control coiled tubing unit and related pumping equipment. Test cutting tool and establish injection rate down 2-3/8'' tbg & 2-7/8'' drill pipe: 0.8 bpm at 4000#. RIH w/ cutting tool on 1'' coiled tubing. Had trouble getting past 4150'. Made multiple attempts to work coiled tubing down. While working coiled tubing, stacked out w/ 6000# pump pressure on coiled tubing. Coiled tubing parted/failed at the surface (inside the injector head). Shut down pump. Set slips on coiled tubing & removed injector head. Will shut down operations until coiled tubing can be welded/repared on Saturday 11/16. Blow pumps and lines clear. Secure location and shut down until Saturday.

11-16-2002 Weld/repair 1" coiled tubing. TOOH. Cut off ~ 50' of tubing. Remove cutter & install wash nozzle. TIH, tag up at 4751'. Made multiple attempts to work coiled tubing down. TOH (up to vertical section at ~ 2900'). Appeared to be dragging something that would fall off when coming out of 2-7/8" DP and into 2-3/8" tubing. TIH, tag up at 4994'. Attempt to work tubing down with no success. Tried variable pump rates down coiled tubing as well as coiled tubing/tubing annulus. TOOH, noticed that a "pin hole" had developed in 1" coiled tbg. Cudd personnel suggest replace 1" coiled tbg because of welded spot and pin hole. TOOH. RD coiled tubing unit and related equipment & sent to town to get replacement string. Cudd personnel indicated that replacement string that is coming from Houston, Texas, should be installed and ready for operations by November 23<sup>rd</sup> - 25<sup>th</sup>. SWI and SD operations.

11-25-2002 RU Coiled tubing unit & related pumping equipment. Pump 4 bbl "XANFIS" (gel/polymer) pill followed by 28 bbls of water (containing "Mill-Lube") to clear tubing. Pumped at 0.4 - 0.6 bpm at 4,500#. NU BOP's and injector head. Install cutting tool & RIH on 1" coiled tubing. TIH to 5700' w/ no problems. Cut holes in 2-7/8" drill pipe at the following depths: 5700', 5680', 5650' & 5635'. TOOH. Cutting tool was in good shape. Change out cutting tools. Remove nipple on well head that was starting to collapse. TIH, cut holes in 2-7/8" drill pipe at the following depths: 5620' 5605', 5590', 5570', 5560' & 5540'. TOOH. Remove injector head, blow pumps & lines clear. SWI & SDON.

11-26-2002 Install 3rd cutting tool & RIH on 1" coiled tubing. TIH, stopped at 5424'. Pumped water down coiled tubing/tubing annulus to clear tubing. Proceeded down to 5530'. Cut holes in 2-7/8" drill pipe at the following depths: 5530', 5510', 5470', 5450', 5435' & 5415'. TOH. Cutting tool was in good shape. Change out cutting tools. TIH in w/ 4<sup>th</sup> cutting tool. Cut holes in 2-7/8" drill pipe at the following depths: 5400', 5385', 5370', 5350', 5340', 5320', 5310' & 5290'. TOH. Pump down coil tubing/tubing annulus while TOH. Pumped 30 bbls of water w/ Mil-Lube at 1.9 bpm at 1500 psi. Remove injector head, blow pumps & lines clear. SWI & SD until after Thanksgiving Holiday. Will haul in more frac tanks and load w/ produced water, which will be filtered. Note: There are 4 holes being cut at 1' spacing and 90 degree phasing at each setting depth noted on the reports. Total settings to date: 24, total holes in drill pipe to date: 96 holes.

12-02-2002 Install 5th cutting tool & RIH on 1" coiled tubing. TIH to 5275'. Cut holes in 2-7/8" drill pipe at the following depths: 5275', 5260', 5245', 5230', 5215', 5195', 5180', 5165', 5150' & 5135'. TOH. Damaged coiled tubing while TOH. Rollers on measuring head quit, damaging coiled tubing at ~1,026'. Continue TOOH, remove cutting tool. Cutting tool looked OK but was washed/cut out in places (will not do anymore than 10 setting). Spool out and cut off ~1,050' of coiled tubing. Remove injector head, blow pumps & lines clear. SWI & SDON. Note: Pumped down coiled tbg/tbg annulus at 1.8 bpm at 2,900# after last cut.

12-03-2002 Install 6th cutting tool & RIH on 1" coiled tubing. TIH to 5120'. Cut hole in 2-7/8" drill pipe at 5120'. Well started flowing out tbg/coiled tubing annulus. Concerned that sand would damage CUDD's flow lines & that coiled tubing may become stuck. TOH. Let well flow to flow back tank. Re-manifold flow lines from well head to flow back tank. TIH w/ 6<sup>th</sup> cutting tool. Pump down coiled tubing while TIH & let well flow back while TIH. TIH to 5100' and cut holes in 2-7/8" drill pipe at the following depths: 4970', 95', 5005', 25', 40', 55', 70', 85' & 5100'. TOOH. Remove cutting tool. Cutting tool looked OK but was becoming washed/cut out in several places. Remove injector head, blow pumps & lines clear. SWI & SDON.

12-04-2002 Install 7th cutting tool & RIH on 1" coiled tubing. TIH to 4910'. Cut hole in 2-7/8" DP at the following depths: 4750', 68', 82', 4800', 12', 30', 50', 70', 84' & 4910'. TOOH, change out cutting tool. TIH w/ 8<sup>th</sup> cutting tool. TIH to 4734' and cut holes in 2-7/8" DP at the following depths: 4594', 4610', 28', 42', 60', 74', 90', 4704', 20' & 4734'. TOOH, remove cutting tool. Both cutting tools had heavy sand cuts. Remove injector head, blow pumps & lines clear. SWI & SDON. Total settings to date: 64, total holes cut in 2-7/8" DP: 256 holes.

12-05-2002 Install 9th cutting tool & RIH on 1" coiled tubing. TIH to 4580'. Cut hole in 2-7/8" DP at the following depths: 4358', 74', 90', 4422', 38', 52', 70', 4520', 34', 46', 64' & 80'. TOOH, change out cutting tool. TIH w/ 10<sup>th</sup> cutting tool. TIH to 4344' and cut holes in 2-7/8" DP at the following depths: 3902', 10', 4120', 74', 4200', 32', 50', 64', 80', 96', 4312', 26' & 44'. TOOH, remove cutting tool. Both cutting tools had heavy sand cuts. Remove injector head, blow pumps & lines clear. SWI & SDON. Cut at 3902' was final cut. Total settings to date: 90, total holes cut in 2-7/8" DP: 360 holes. Will clean out with foam/nitrogen in morning.

12-06-2002 Thaw out freeze in well head & RU BJ Services (nitrogen). TIH w/ 1" coiled tubing. Brought nitrogen online at ~2000'. Clean out 2-7/8" drill pipe down to 5730' KB w/ foam/nitrogen. Cut foamer/water & blow hole with nitrogen only. TOOH (while continuing to blow nitrogen). Remove injector head & ND BOP. RD Cudd Pressure Control. Re-manifold well head together. Open well to production tank. Well flowing gas & unloading water. Turned over to production department, final report