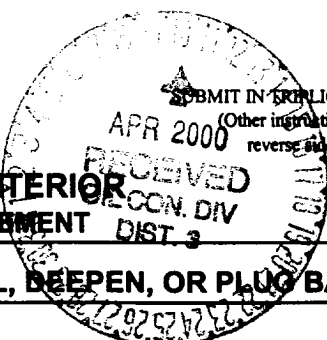


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB 1004-0136
Expires: May 31, 2000



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF-078768	
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> <input checked="" type="checkbox"/> OTHER SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Williams Production Company		7. UNIT AGREEMENT NAME Rosa Unit	
3. ADDRESS OF OPERATOR c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 327-4892		8. FARM OR LEASE NAME, WELL NO. 345	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At Surface 1850' FSL and 975' FWL At proposed Prod. Zone		9. API WELL NO. 30-039-26248	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 35 miles NE of Blanco, NM		10. FIELD AND POOL OR WILDCAT Basin Fruitland Coal	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 790'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T31N, R5W	
16. NO. OF ACRES IN LEASE 2560		12. COUNTY OR PARISH Rio Arriba	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 2600'		19. PROPOSED DEPTH 3405'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6561' GR	
22. APPROX. DATE WORK WILL START* April 1, 2000			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36# K-55	250'	176 cu ft. Cl "B" w/ 3% CaCl ₂
8-3/4"	7"	20# K-55	3300'	1048cuft. Cl "B" 65/35 poz & 60cuft w/ 2% CaCl
6-1/4"	5-1/2"	15.5# K-55	3200' - 3405'	None

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

Williams Production Company proposes to drill a vertical well to develop the 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 Moore Anthropological Research. 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 be accessed by a new road which is 20' wide by 2500' long which crosses the NW/SW and SW/NW where it joins an existing road which crosses the S/2N/2 and NE/SE of Sec. 23 and the NW/SW of Sec. 24, T31N, R5W, where it joins Forest Road #309B. The pipeline route is described on Plat #4.

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.

24. SIGNED Paul C. Thompson TITLE Paul Thompson, Agent DATE 12/1/99

(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 /s/ Charlie Beecham TITLE _____ DATE APR - 6 2000

*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.

chse

NMOC

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30039-26248		*Pool Code 71629	*Pool Name Basin Fruitland Coal
*Property Code 17033	*Property Name ROSA UNIT		*Well Number 345
*OGRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6561'

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
L	23	31N	5W		1850	SOUTH	975	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	13 Joint or Infill Y	14 Consolidation Code U	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

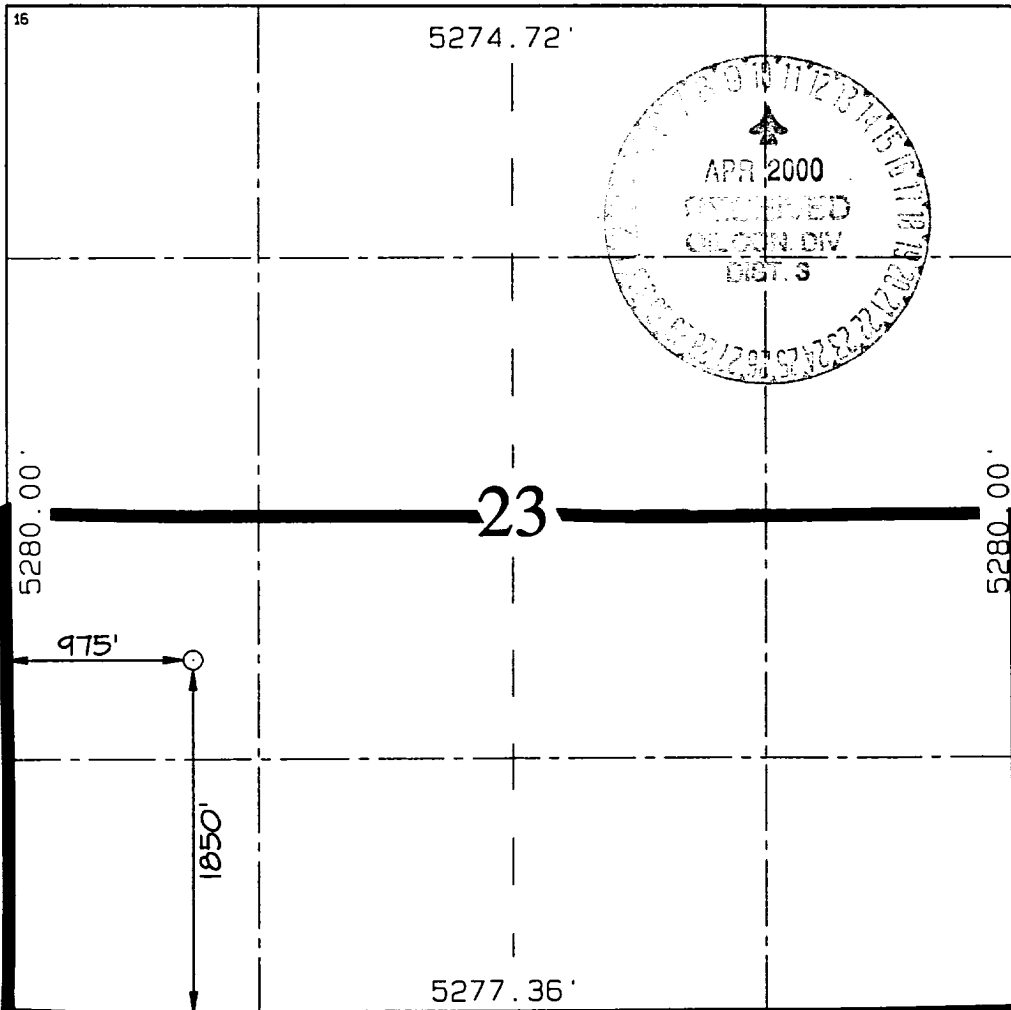
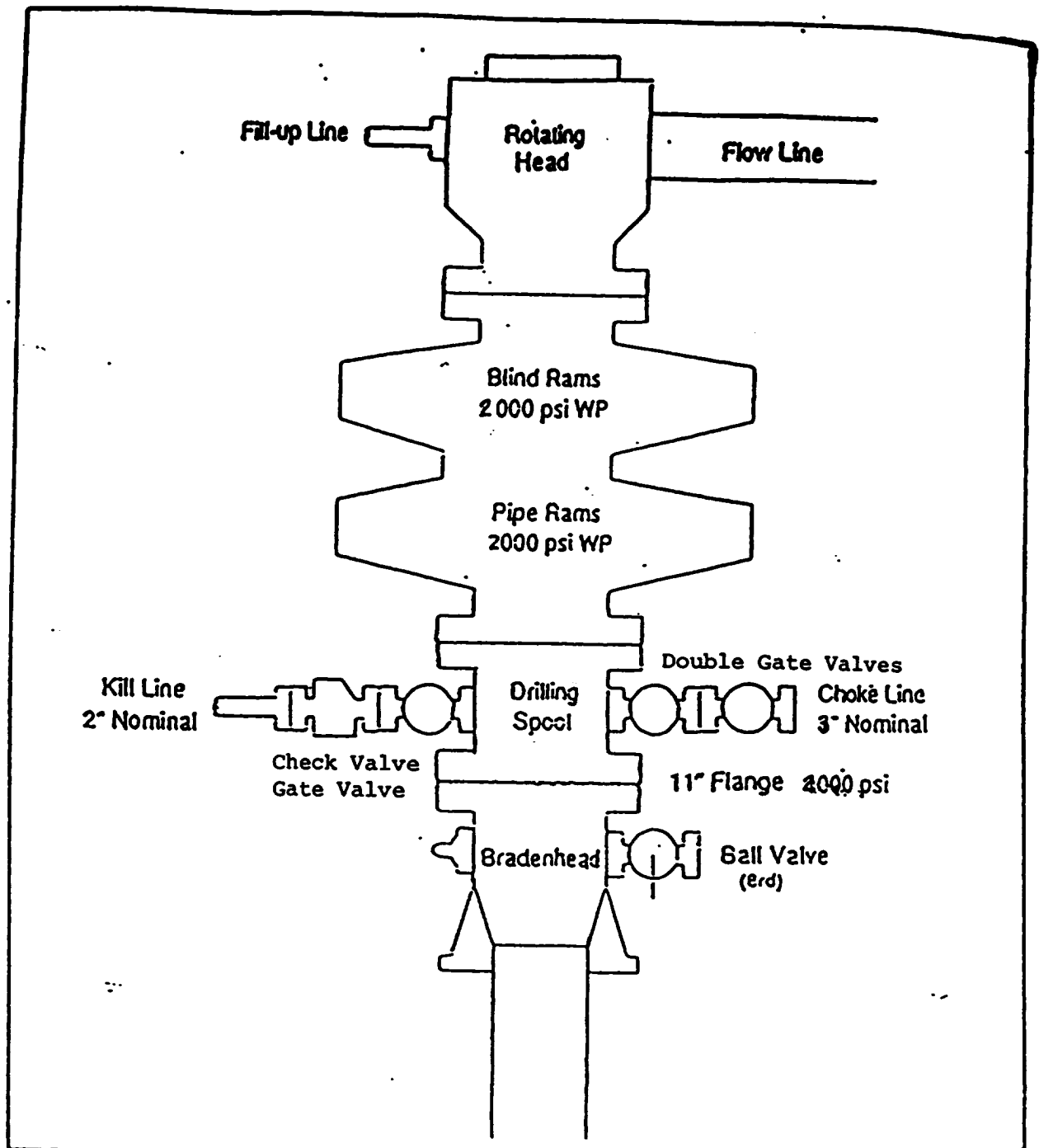
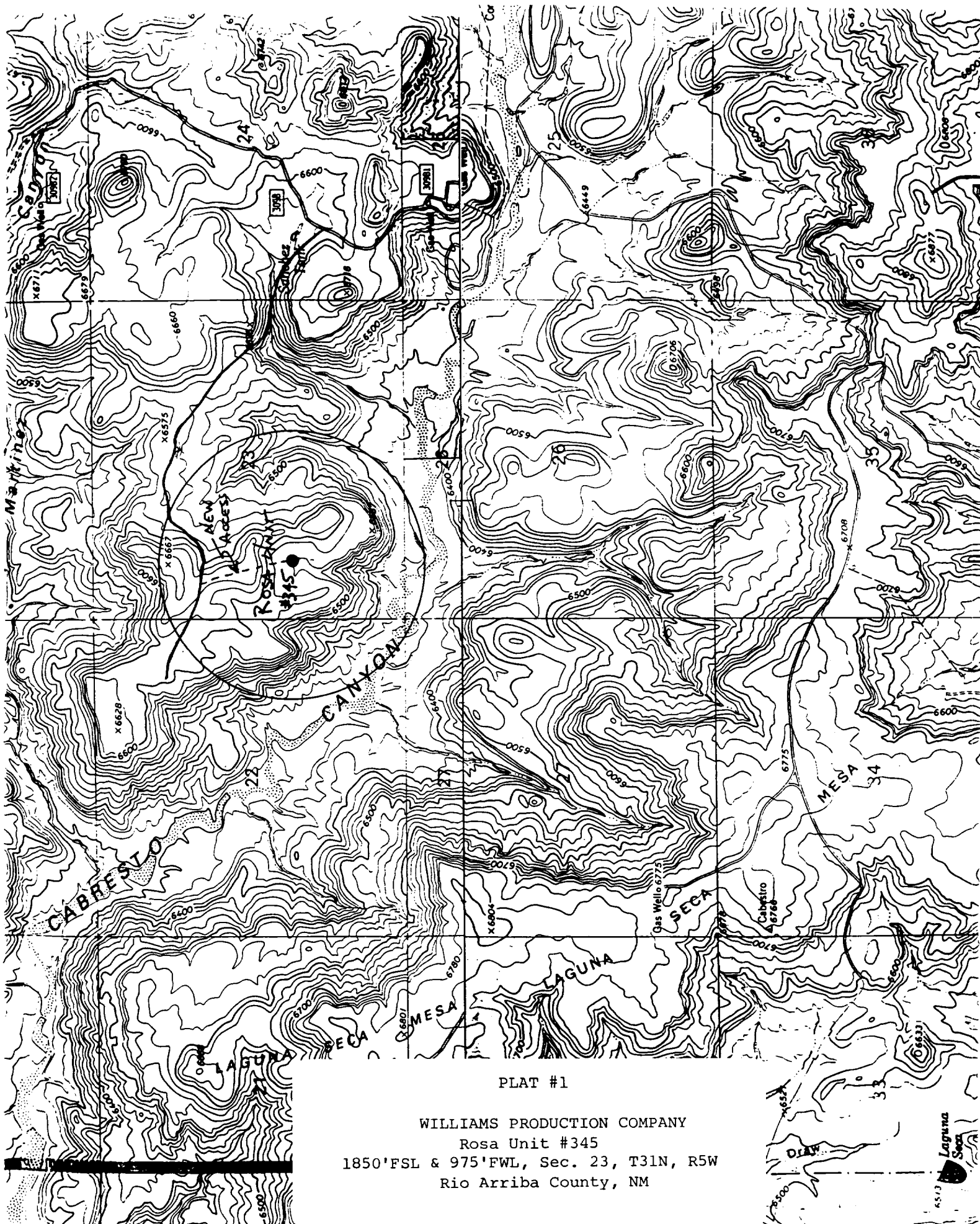
16		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
		<p>Signature: <u>Paul C. Thompson</u> Printed Name: Paul C. Thompson Agent Title Date: <u>12/1/99</u></p>
18 SURVEYOR CERTIFICATION I hereby certify that 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.	<p>DECEMBER 1, 1998 Date of Survey</p> <p>Signature: <u>NEALE C. EDWARDS</u> 6857 REGISTERED PROFESSIONAL SURVEYOR</p> <p>Certificate Number</p>	

EXHIBIT 1

BOP STACK ARRANGEMENT



All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1500 psi. The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kill cock with handle, floor safety valve with change overs for each tool joint in the string, and choke manifold all rated to 2000 psi.



PLAT #1

WILLIAMS PRODUCTION COMPANY
 Rosa Unit #345
 1850'FSL & 975'FWL, Sec. 23, T31N, R5W
 Rio Arriba County, NM

2140000
 FEET
 52' 30"

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