

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. NM03189	
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	
2. Name of Operator Williams Production Company, LLC		7. If Unit or CA Agreement, Name and No. Cox Canyon Unit MV-NM-NM-078388A	
3a. Address P.O. Box 640, Aztec, NM 87410		8. Lease Name and Well No. Cox Canyon #9B	
3b. Phone No. (include area code) (505) 634-4208		9. API Well No. 30-045-33493 33926	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 860 FNL & 2130 FEL At proposed prod. zone same		10. Field and Pool, or Exploratory Blanco MV/Basin DK	
14. Distance in miles and direction from nearest town or post office* Approximately 8 miles northwest of Aztec, NM		11. Sec., T., R., M., or Blk. and Survey or Area B Sec 20, T32N, R11W	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 431'		12. County or Parish San Juan	
16. No. of Acres in lease 320		13. State NM	
17. Spacing Unit dedicated to this well 320 (N/2)		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1250'	
19. Proposed Depth 8195' GR		20. BLM/BIA Bond No. on file B001576	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6726" GR		22. Approximate date work will start* March 1, 2006	
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 <i>Larry Higgins</i>	Name (Printed/Typed) Larry Higgins	Date 12-20-05
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Drilling COM Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) AFM	Date 8/31/06
Title AFM	Office FFO	

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 and Basin Dakota formations at the above described location in accordance with the attached drilling and surface use plans. This LOCATION HAS BEEN BUILT UNDER PREVIOUS APPROVED PERMIT, API #30-045-31239.

The surface is located on Fee lands. Copy of SOA available.

This location has been archaeologically surveyed by ICA. Copies of their report has been sent and reviewed at the FFO. Copies are available.

253 foot pipeline tie would be required for this location and it is also located on BLM lands.

1150' new access road will be needed to access this well.

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

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"ANNUAL RECOMMITMENTS".

NMOC

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

District II
PO Drawer DD, 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

DEC 21 AM 9 58

AMENDED REPORT

RECEIVED

070 FARMINGTON NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <u>33924</u> <u>30-045-33493</u>		*Pool Code 72319 / 71599	*Pool Name BLANCO MESAVERDE / BASIN DAKOTA
*Property Code <u>17126</u>	*Property Name COX CANYON UNIT COM		*Well Number 9B
*OGRID No. 120782	*Operator Name WILLIAMS PRODUCTION COMPANY		*Elevation 6726'

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
B	20	32N	11W		860	NORTH	2130	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

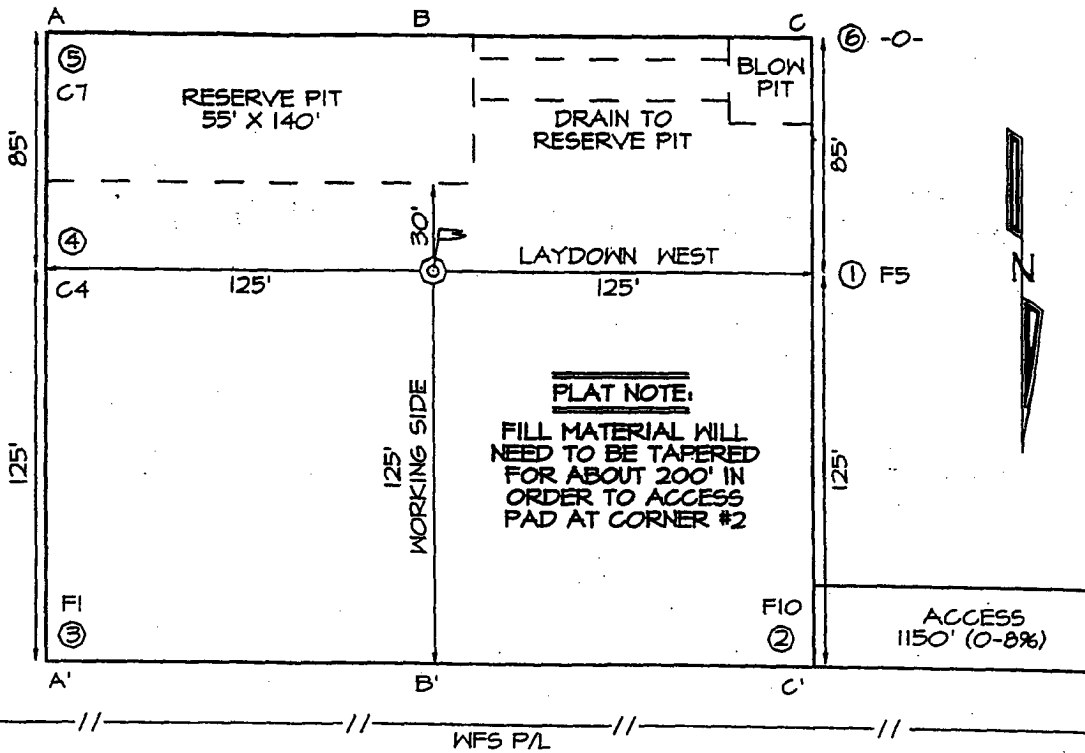
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.0 Acres - (N/2)					¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		

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

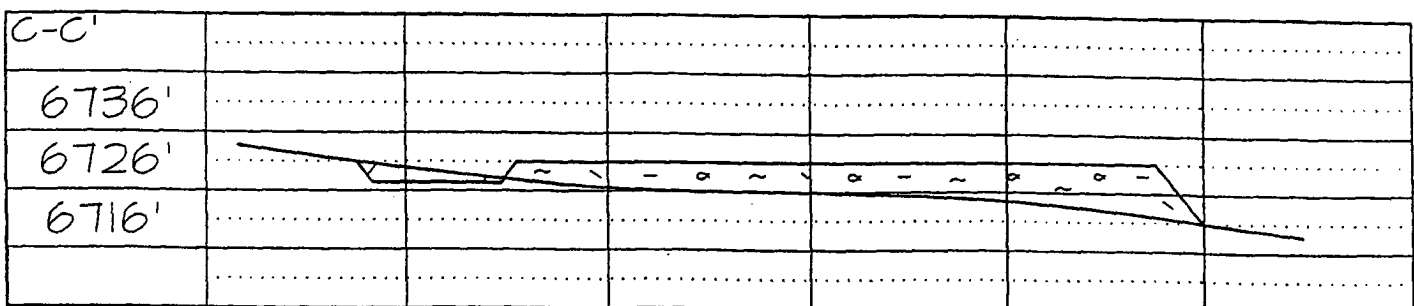
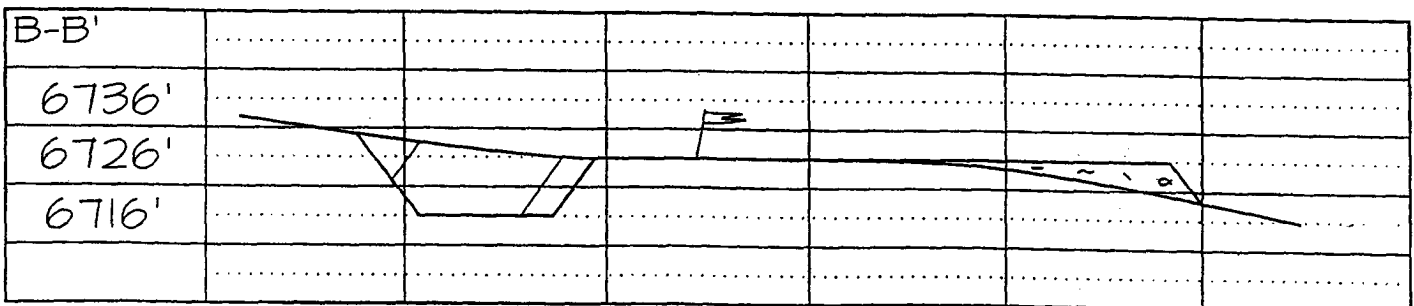
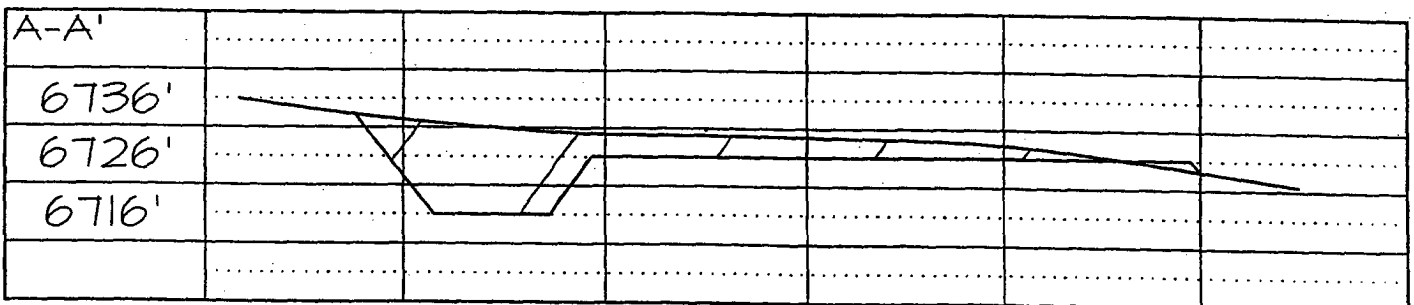
¹⁶		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Larry Higgins</u> Printed Name <u>LARRY HIGGINS</u> Title <u>DRILLING COM</u> Date <u>12-20-05</u>

WILLI IS PRODUCTION COMPANY CANYON UNIT COM #9B
800' NL & 2130' FEL, SECTION 20, 1N, R11W, NMPM
SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 6726'

LATITUDE: 36°58'31"
 LONGITUDE: 108°00'33"
 DATUM: NAD1927



Plat #2

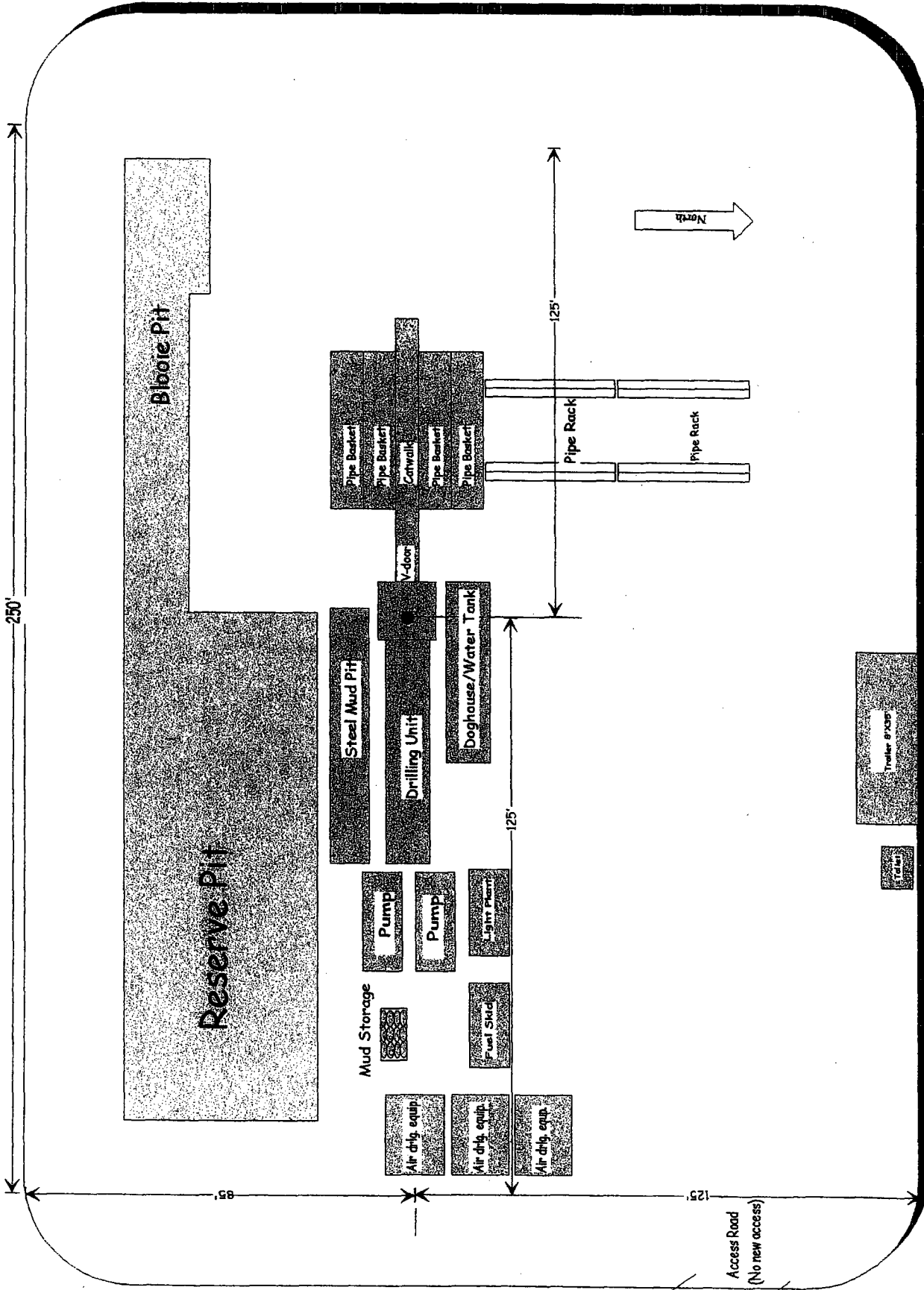


August, 2002
John Thompson

Plat #3

Location Diagram

Location Dimensions 210' X 250'



Williams Production Company
Cox Canyon #9B
860' fml & 2130' fel, Sec 20, T32N, R11W
San Juan, New Mexico



WILLIAMS PRODUCTION COMPANY

Operations Plan

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

<u>DATE:</u>	12/20/2005	<u>FIELD:</u>	BasinDK/BlancoMV
<u>WELL NAME:</u>	Cox Canyon #9B	<u>SURFACE:</u>	FEE – K. Decker
<u>BH LOCATION:</u>	NWNE Sec 20-32N-11W San Juan, NM	<u>MINERALS:</u>	FED
<u>ELEVATION:</u>	6,726' GR	<u>LEASE #</u>	NM-03189
<u>MEASURED DEPTH:</u>	8,195'		

I. GEOLOGY: Surface formation - San Jose

A. FORMATION TOPS: (KB)

Name	MD	Name	MD
Ojo Alamo	1,565	Cliff House	5,155
Kirtland	1,620	Menefee	5,315
Fruitland	2,935	Point Lookout	5,695
Pictured Cliffs	3,375	Mancos	6,020
Lewis	3,580	Gallup	7,065
Huerfanito Bentonite	4,075	Greenhorn	7,765
		Graneros	7,830
		Dakota	7,900
		Morrison	8,165
		TD	8,195

B. MUD LOGGING PROGRAM: Mud logger on location from approximately 7,850' to TD.

C. LOGGING PROGRAM: High Resolution Induction/ GR and Density/ Neutron log over zones of interest from surface casing to intermediate casing then to protection casing TD. Cased hole logs over Dakota/ Morrison Onsite geologist will pick Density/ Neutron log intervals 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:

<u>CASING TYPE</u>	<u>HOLE SIZE</u>	<u>DEPTH (MD)</u>	<u>CASING SIZE</u>	<u>WT. & GRADE</u>
Surface	14-3/4"	+/- 300'	10-3/4"	32.75# H-40
Intermediate	9-7/8"	+/-2,860'	7-5/8"	26.4# K-55
Prod. Casing	6-3/4"	+/- 7,850'	5-1/2"	17.0# N-80
Production Liner	4-3/4"	+/-7,750 - 8,195'	3-1/2"	9.3#

B. FLOAT EQUIPMENT:

1. **SURFACE CASING:** ^{10 3/4"} 9-5/8" notched regular pattern guide shoe. Run (1) standard centralizer on each of the bottom (4) joints of Surface Casing.
2. **INTERMEDIATE CASING:** ^{7 1/8"} 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).
3. **PRODUCTION LINER / CASING:** 3-1/2" & 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.

C. CEMENTING:

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

1. SURFACE: Slurry: 255sx (356 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.
2. INTERMEDIATE: Lead - 450sx (950) 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 - 100sx (139cu.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 Slurry** to circulate to surface. **No excess in Tail Slurry**. Total volume = 1089 cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface.
3. PRODUCTION CASING: 10 bbl Gelled Water space. Lead: 100sx (259ft³) 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 = 2.59 cu.ft./sk, Weight = 11.6 #/gal.). Cement: 120sx (251 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 510ft³. WOC 12 hours
4. PRODUCTION LINER: 10 bbl Gelled Water space. Cement: 50sx (100 ft³) of Premium Light HS + 1% FL-52 + .2% CD-32, 0.1% R-3, 3 #/sk CSE, 1/4 #/sk cello flake. (Yield = 2.15 ft³/sk, Weight = 12.3 #/gal.). Displace cement at a minimum of 8 BPM. The 20% excess should cover 100 ft above liner top. Total volume 100ft³. WOC 12 hours

IV COMPLETION

A. CBL

1. Run Cement Bond Log across all intervals to be perforated and find Top of Cement behind all casing strings if cement not circulated to surface..

B. PRESSURE TEST

1. Pressure test 7 5/8" & 5-1/2" casing to 3300# for 15 minutes.

C. STIMULATION

1. Stimulate Dakota with approximately 70,000# of 20/40 sand in x-link foam.
2. Isolate Dakota with a RBP.
3. Stimulate Point Lookout with approximately 80,000# of 20/40 sand in slick water.
4. Isolate Point Lookout with a RBP.
5. Perforate the Menefee/Cliff House as determined from the open hole logs.
6. Stimulate with approximately 80,000# of 20/40 sand in slick water.
7. Test each zone before removing bridge plugs.

D. RUNNING TUBING

1. Dakota: Run 2-1/16", 3.25#, J-55, IJ tubing with 1/2 mule shoe on bottom, SN with pump-out plug on top of adeem joint and 5 Seal Units. Land tubing approximately 100' below top Dakota perf.
2. Mesa Verde: Run 2-1/16", 2.9#, J-55, EUE tubing with a SN (1.91" ID) on top of bottom joint. Land

Williams Production Company, LLC
Well Control Equipment Schematic for 2M Service

Attachment to Drilling Technical Program

Typical BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson (Walsh E&P)

