*	FORM 3160-3 (December 1990)	UNITED STAT	ES F EINTERIOR	SUBMIT IN TRIPLICATE*			
	APPLICATION FO	6. IF INDIAN, ALLOTTEE OR TRIBE NAME					
	1a. TYPE OF WORK DRILL	7. UNIT AGREEMENT NAME					
	1b. TYPE OF WELL	LX DEEPEN		0	Rosa Unit		
,		8. FARM OR LEASE NAME, WELL NO.					
(j	OIL GA WELL WEL	L^{S} other	SINGLE X	MULTIPLE ZONE] 242A		
7	2. NAME OF OPERATOR	9. API WELL NO.	, ,				
	Williams Pr	30 045 3188	<u> </u>				
	3. ADDRESS OF OPERATOR	10field and pool or wildcat					
	P.O. Box 31 4. LOCATION OF WELL (Report lo	Basin Fruitland Coal					
	At Surface G 1965' FNL d	AND SURVEY OR AREA					
1	At proposed Prod. Zone F-E From 1830'	G Sec. 33, T32N, R6W					
H	14. DISTANCE IN MILES AND DIRECTI	12. COUNTY OR PARISH 13. STA	TE				
JX _	27 miles NE	San Juan NM					
	 DISTANCE FROM PROPOSED* LOC OR LEASE LINE, FT. (Also to nearest) 		SE 1	7. NO. OF ACRES ASSIGNED TO THIS WELL			
	540						
	18. DISTANCE FROM PROPOSED LOCA		19. PROPOSED DEPTH	2	ROTARY OR CABLE TOOLS		
	DRILLING, COMPLETED, OR APPLI 200	IED FOR ON THIS LEASE, FT.	Rotary				
	21. ELEVATIONS (Show whether DF, RT,	(R etc.)	22. APPROX. DATE WORK WILL START*				
	6384'		October 1, 2003				
	23.						
	SIZE OF HOLE	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT			
		<u>12-1/4" 9-5/8" 36.0# +/- 300'</u> 8-3/4" 7" 20.0# +/- 3011'		~208 cu.ft. Type III with 2% CaCl 2			
	8-3/4"	7"	~627 cu.ft.65/35 poz & ~139 cu.ft.	Туре			
	6-1/4"	4-1/2" perf	Open hole completion - no cement				

Williams Production Company proposes to drill a horizontal 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 Independent Contract Archaeology. Copies of their report have been submitted directly to your office.

This APD also is serving as an application to obtain road and pipeline right-of-ways. This well will not require any new access road (see Pipeline & Well Plats #3 & #4). The well will be adjacent to the Rosa #355 well pad.

HOLD CIGA FOR Directional Survey

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.

SIGNED Larry Higgin	TITLE Larry Higgins, Drlg CO.	<u>M</u> date	9/10/2003
(This space for Federal or State office use)			
PERMIT NO	APPROVAL DATE		
Application approval does not warrant or certify that the applicant hole CONDITIONS OF APPROVE/IDAVID J. Markie	ds legal or equitable title to those rights in the subject lease which would entit	le the applicant to co	onduct operations thereon.
APPROVED BY	тіті Б	DATE	SEP 30 2003

*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.

NHOCO

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 "GENERAL REQUIREMENTS". 09/03/2003 15:13 5053265650

District 1 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

1000 H10 Brazos H0., Aztec, NM 874

District IV PO Box 2088, Santa Fe, NM 87504-2088



NCE SURVEYS

State of New Mexico

Energy, Minerals & Nature) 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

Drilling Plan Page#2

B. <u>Drilling Fluid</u>: Horizontal Coal section will be drilled with Fruitland Coal water + CaCl water.

C. <u>BOP TESTING</u>: 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 rams will be tested to 1500 psi. The drum brakes will be inspected and tested each tour. All tests, inspections and SPR's will be recorded in the tour book as to time and results.

III. MATERIALS

A. CASING PROGRAM:

CASING TYPE	<u>HOLE SIZE</u>	DEPTH	CASING SIZE	WT. & GRADE
Surface	12-1/4"	300'	9-5/8"	36# K-55
Intermediate	8-3/4"	3,011'	7"	20# K-55
Prod. Liner	6-1/4"	2,400-5,900'	4-1/2" perf'd	10.5# K-55

B. FLOAT EQUIPMENT:

1. <u>SURFACE CASING:</u> 9-5/8" notched regular pattern guide shoe.

2. <u>INTERMEDIATE CASING</u>: 7" cement nose guide shoe with a self- fill insert float. Place float one (1) joint above the shoe and one (1) centralizers, spaced every other joint, starting with the float joint. Place turbulent centralizers, at 120' intervals, starting at 1585' to the surface.

3. <u>PRODUCTION LINER</u>: 4-1/2" perforated liner with Guide Shoe on bottom.

C. <u>CEMENTING:</u>

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

1. <u>SURFACE:</u> Use <u>155 sx</u> (208 cu.ft.) of "Type III" with 2% CaCl2 and 1/4# of cello-flake/sk (Yield = 1.41 cu.ft./sk, Weight = 14.5 #/gal.). Use **100% excess** to circulate the surface. WOC 12 hours. Test to 1500#.

2. <u>INTERMEDIATE:</u> Lead - <u>300 sx</u> (627 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 - <u>100 sx</u> (139 cu.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 = 766 cu.ft. Bump Plug to 1,500 psi. Notify engineering if cement is not circulated to surface.

3. <u>PLUG-BACK SLURRY</u>: (3,206 ft. – 2,300 ft. est.) Cement Slurry – 300 sks (379 cft – gauge hole) of "Type III + 0.1% CD-32 + $\frac{1}{10}$ lb/sk cello flake (Yield = 1.29 cft/sk Weight = 15.0 ppg) Volume will be adjusted to caliper log + 20%.

4. PRODUCTION LINER: Open hole completion. No cement.

IV. <u>RUNNING TUBING</u>

1. Fruitland Coal: Run 2-3/8", 4.7#, J-55, EUE tubing with a SN (1.375" ID) on top of bottom joint. Land



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