State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

To Appropriate District Office DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

WELL API NO. 30-039-07960

DISTRICT	<u>. II</u>		
811 South	First, Artesia	NM	88210

Well Location (Surface)

2040 South Pacheco Santa Fe, NM 87505

Indicate Type of Lease **STATE** П

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 State Oil & Gas Lease No.

SUNDRY	Y NOTICES AND REPO	ORTS ON WELLS	7.	Lease Name or Unit Agreement	
		OR TO DEEPEN OR PLUG BACK TO A		Name:	
DIFFERENT RESERVOI	R. USE "APPLICATION FOR I PROPOSALS	PERMIT" (FORM C-101) FOR SUCH		ROSA UNIT	
1. Type of Well:					
Oil Well	Gas Well	Other			
2. Name of Operator			8.	Well No.	
WILLIAMS PRODUCTION	COMPANY			#18	
3. Address of Operator		٠	9.	Pool name or Wildcat	
				PICTURED CLIFFS/	
P O BOX 3102, MS 25-4, TU	JLSA, OK 74101			BLANCO MESAVERDE	

Unit letter H: 1470 feet from the NORTH line & 800 feet from the EAST line Sec 22-31N-R6W RIO ARRIBA, NM 10. Elevation (Show whether DF, RKB, RT, GR, etc.

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

6275' GR

NOTICE OF IT	NTENTION TO:	SUBSEQUENT REPORT OF:		
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	ABANDONMENT	
X OTHER: COMMINGLE		OTHER:		

Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). Data below to satisfy NM OCD Rule 303.C.3 (b) (i)-(vii) **RCVD WAY 13'10**

i. Pre-approved Pool Division Order R-12991. OIL CONS. DIV. DIST. 3

ii. Pools to be commingled: Blanco MV 72319, Pictured Cliffs 96175.

iii. Perforated intervals: Blanco MV 5272' - 5678', Pictured Cliffs 3088'- 3171'.

iv.	Fixed percentage allocation based upon production data of 12% Blanco MV and 88% Pictured Cliffs. See attached information for a
	detailed summary page from the completion profile analysis.
v.	Commingling will not reduce the value of reserves.
vi.	Notification of working, royalty, and overriding royalty interest owners; no notice is required per R-12991.
vii.	The BLM has been notified and has approved the work on sundry notice form 3160-5.
I hereby certif SIGNATURE Type or print	fy that the information above is true and complete to the best of my knowledge and belief. TITLE: Engineering Technician II DATE: May 11, 2010 . Telephone No: (918) 573-3046 TITLE: Deputy Oil & Gas Inspection, DATE TITLE: District #3 TITLE: District #3
-	Conditions of approval if any:



COMMUNICATION REPAIR & COMINGLING PROCEDURE

ROSA #18 T31N, R6W, SECT. 22 ELEVATION: 6275' GR PBTD:5740' MD

WELLBORE STATUS:

MV 1-1/2", 2.9 #/FT EUE, To 5665' MD

PC 1-1/2", 2.9 #/FT EUE, To 3153' MD

5" BAKER MODEL D PACKER @ 4000' MD

OBJECTIVE: Remove failed packer and commingle MV and PC

- 1. Pull Pictured Cliffs tubing
- 2. Pull Mesa Verde tubing
- 3. Remove Production packer
- 4. Clean out to PBTD
- 5. Acid stimulate each formation if needed.
- 6. Run completion profiler for allocation purposes.
- 7. Complete with single string 2-3/8" tubing, landed @ 5600', below MV perfs
- 8. Install plunger lift system.
- 9. Remove one set of wellhead facilities
- 10. Return to production as PV/MV comingle

PRIOR TO PRIMARY JOB

- 1) Test rig anchors.
- 2) Verify location is OK for rig operations.
- 3) Ensure JSA, ECP's and lockout procedures are in place for the flowline and other energized piping or equipment.
- 4) Acquire 6000' of 2-3/8" N-80 or stronger work string.
- 5) Acquire ~5700' of 2-3/8", EUE, 8rd, 4.7 #/ft J-55 tubing.
- 6) Acquire wellhead and convert from dual tubing string to a single, 2-3/8" tubing string.
- 7) Acquire 2-3/8", I.D. Type X or XN type nipple.

8) KCL on location to treat kill water as needed.

SAFETY NOTICE

PERSONNEL SAFETY IS THE NUMBER ONE JOB.

NO EXCEPTIONS!!!

PLEASE FOLLOW APPROPRIATE WILLIAMS CONTRACTOR PROTOCOLS FOR THIS JOB PLAN

Please see your Williams Business Representative if you have any questions; Contrator protocols can be located in the Williams E&P Contractor Guide

PRIMARY JOB

Note: Safety meetings shall be held each morning before work and subsequent "tailgate" safety meetings are to be held during the day when operation objectives shift in nature and intent (i.e. beginning/ending fishing operations, squeeze jobs, rigging down, perforating, etc.) Please ensure these are documented per section 2.2.7 of the Williams E&P Contractor Guide

- 1. MI and spot equipment to include fluid pumps and tanks.
- 2. MIRU.
- 3. ND/NU killing well with KCL water as necessary
- 4. Test the BOP's to 2500 psig minimum. If they fail, then rebuild and retest. If they cannot pass tests <u>DO NOT PROCEED</u> and notify Production Engineer.
- 5. Pick up on long string (MV) to determine if the long string will pull.
- 6. If long string will release, then POOH with short string (PC) and proceed to step # 7. If the long string will not release, proceed with sub-steps 6.1 through 6.3 below:
 - 6.1. POOH with short string one or two joints to confirm ability to move.
 - 6.2. Pick up additional joints of 1-1/2" pipe and wash to top of packer at 4000' using heavy air mist. Wash as necessary until returns clean up to approximately ¼ cup of sand in 5 gallons of water returns.
 - 6.3. After returns clean up, POOH with pipe laying down string.
- 7. Spear or screw in and POOH with 1-1/2" 2.9 #/ft long string (MV) string using straight pull to pull out of Baker Model D packer seal assembly up to 40,000 #'s.
- 8. POOH with lay down tubing 1-1/2" 2.9# J-55 and seal assembly.
- 9. NU additional pipe ram for work string or replace pipe ram with annular preventer.
- 10. Pick up work string.

- 11. Pick up Baker Model D packer millover & pulling tool, using DC's and assembly as necessary and RIH on work string to mill over Baker Model D packer @ 4000' MD and RIH on work string. If work string not inspected prior to work do not exceed 70% of joint strength of the work string pipe when pulling.
- 12. Millover and attempt to pluck Baker Model D packer at 4000' MD. If using 4.7 #/ft work string, weight of dry string above packer is 18.8k #s. If using 6.5 #/ft work string, dry string weight will be 26k #'s. When attempting to pull packer and tail pipe determine work string weight and do not pull more than 70% of joint strength.
- 13. POOH with packer and lay down work string, tools and packer.
- 14. RIH w/ work string.
- 15. Clean out to 5740' PBTD using a bit, scraper, and air unit package. Acid stimulate if needed.
- 16. TOOH w/ work string.
- 17. TIH with 2-3/8" production string to 2940' (+/- 150 above top PC perf @ 3088').
- 18. MIRU slickline
- 19. TIH w/ gauge ring/dummy assembly w/ to PBTD.
 - 19.1. Ensure slickline unit can run @ 30 to 150 fpm
- 20. Allow flow to stabilize overnight.
- 21. RIH w/ completion profiler and log the production intervals per ProTechnics procedures.
- 22. TIH w/ completion profiler and record final wellhead pressure.
- 23. TIH w/ blanking plug and set a blanking plug in the F-nipple to isolate tubing from well.
- 24. TOH w/ slick line and bleed tubing pressure down to zero.
- 25. RD slick line

Note: Only use pipe dope on the pins. Do not dope the couplings.

26. RIH w/ tubing and set @ 5600' w/ seat nipple & standing valve, testing tubing to 1000 psi every 900'. Report leaks and replace.

Note: This well should be dead and the BOP's shall be closed and locked at the end of daily operations.

27. Ensure tubing is not plugged prior to releasing the rig

- 28. N/D BOP's and N/U wellhead.
- 29. Return well to production.
- 30. R/D, move off location.
- 31. Return well to production.



Production Allocation Recommendation Rosa #18 (PC/MV)

FIELD:

COUNTY:

Rosa Blanco

Rio Arriba, NM

March 4, 2010

WELLNAME: Rosa #18

LOCATION: SE/4 NE/4 Sec.22, T31N, R06W

API No.: 03-039-07960

Current Status: The Rosa 18 is currently a dual completion well producing from the Pictured Cliff and Mesa Verde formations. The packer assembly at 4000' has failed and repair is mandatory. Williams recommends comingling this well for two reasons; packer repair, and production optimization. A plunger lift system will be installed to help unload this well successfully.

Commingle Procedure:

- 1. Pull Pictured Cliffs tubing
- 2. Pull Mesa Verde tubing
- 3. Remove Production packer
- 4. Clean out to PBTD
- 5. Acid stimulate each formation if needed.
- 6. Complete with single string 2-3/8" tubing, landed @ 5600', below MV perfs
- 7. Install plunger lift system.
- 8. Remove one set of wellhead facilities
- 9. Return to production as PV/MV comingle

Allocation Method: Historical production data was gathered and analyzed. Average production was considered to calculate baseline allocations. Williams will run a completion profiler once well is comingled to re-evaluate allocation percentages.

Average production used for baseline allocation:

Total Production from well = 245 MCFD

Total Production from PC = 200 MCFD

Total Production from MV = 45 MCFD

PC allocation = PC prod / Total prod = 200 MCFD /245 MCFD = 82%

MV allocation = MV prod / Total prod = 45 MCFD /245 MCFD = 18%



Completion Profile Analysis



Results

The following table summarizes the production from each producing interval.

		N.		GAS / WATE				
Zone	Inte	rvals	Q-Water	Qp-Water	Percent of	Q-Gas	Qp-Gas	Percent of
	feet		BFPD	BFPD	Total	MCFD	MCFD	Total
Surface	to	3088	10 bpd		100 %	130 Mcf/d		100 %
			Pictured Cliff	s	67 %			88 %
3088	to	3101	10 bpd	3 bpd	30 %	130 Mcf/d	30 Mcf/d	23 %
3101	to	3112	7 bpd	0 bpd	2 %	101 Mcf/d	5 Mcf/d	4 %
3115	to	3124	7 bpd	0 bpd	3 %	96 Mcf/d	11 Mcf/d	8 %
3130	to	3142	7 bpd	0 bpd	1 %	85 Mcf/d	3 Mcf/d	2 %
3142	to	3152	7 bpd	3 bpd	24 %	83 Mcf/d	45 Mcf/d	34 %
3159	to	3171	4 bpd	1 bpd	7 %	38 Mcf/d	23 Mcf/d	17 %
<u> </u>			Mesaverde	<u> </u>	33 %			12 %
5272	to	5288	3 bpd	0 bpd	3 %	15 Mcf/d	0 Mcf/d	0 %
5316	to	5330	3 bpd	0 bpd	5 %	15 Mcf/d	2 Mcf/d	2 %
5342	to	5350	3 bpd	1 bpd	11 %	12 Mcf/d	4 Mcf/d	3 %
5352	to	5368	1 bpd	0 bpd	3 %	8 Mcf/d	1 Mcf/d	1 %
5402	to	5408	1 bpd	0 bpd	1 %	8 Mcf/d	0 Mcf/d	0 %
5454	to	5458	1 bpd	0 bpd	1 %	7 Mcf/d	2 Mcf/d	2 %
5500	to	5504	1 bpd	0 bpd	2 %	5 Mcf/d	1 Mcf/d	1 %
5550	to	5560	1 bpd	0 bpd	3 %	4 Mcf/d	1 Mcf/d	1 %
5564	to	5618	0 bpd	0 bpd	1 %	3 Mcf/d	0 Mcf/d	0 %
5636	to	5648	0 bpd	0 bpd	1 %	2 Mcf/d	0 Mcf/d	0 %
5656	to	5660	0 bpd	0 bpd	2 %	2 Mcf/d	1 Mcf/d	1 %
5668	to	5678	0 bpd	0 bpd	0 %	1 Mcf/d	1 Mcf/d	1 %

Analysis Summary

1. The average daily water rate was reported to be 36 bpd. Based on the density response above the fluid level (4,950 ft) in the casing and tubing the well appeared to be make less than 36 bpd downhole.

WELLBORE DIAGRAM ROSA UNIT #18 MV

Location: SE/4 NE/4 Sec. 22 T31N, R06W, Rio Arriba Co., NM

Elevation: 6275' GR

KB = 12'

Tops	Depth
Nacimiento	N/A
Ojo Alamo	2310'
Kirtland	2411'
Fruitland	2908'
Pictured Cliffs	3082'
Lewis	3475'
Cliff House	5210'
Menefee	5307
Point Lookout	5544'

STIMULATION

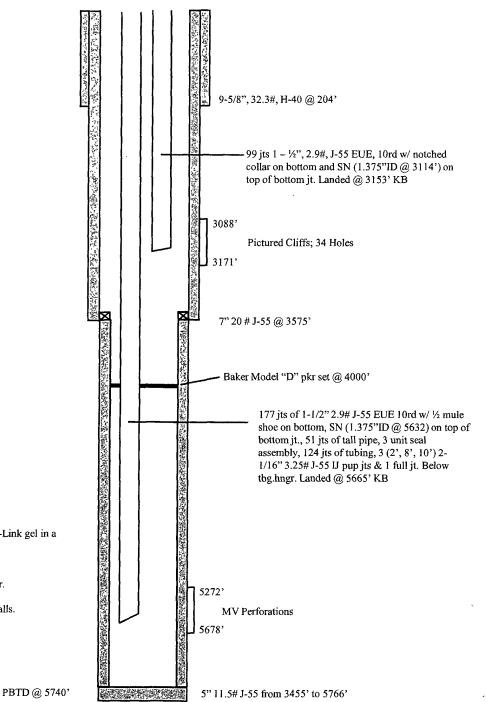
<u>PC: 3088' to 3171'</u> 110, 000# 20 / 40 in 12,180 gals of 30# X-Link gel in a 70 quality foam.

MV:

1. 50,000# of sand in 75,000 gals of water.

Dropped 193 balls

2. Re-frac: 151,200 gals of water & 625 balls.



L	Hole Size	Casing	Cement	Volume	Top Of CMT
	13 - 3/4"	9-5/8", 32.3#	175 sx	207 cu. ft.	surface
{	8 - 3/4"	7", 20#	200sx	347 cu. ft.	2255'(calc)
ĺ	6 - 1/4"	5", 11#	150 sx	177 cu. ft.	4615'(calc)