

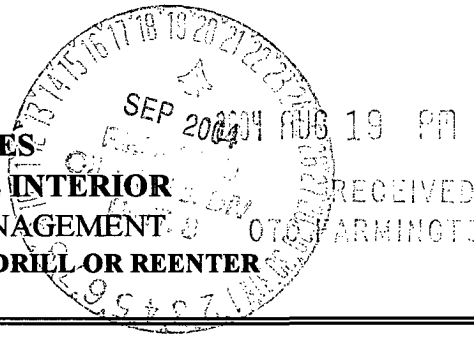
UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB NO. 1004-0136  
Expires: November 30, 2000



1a. TYPE OF WORK <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-0468126
b. TYPE OF WELL <input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE		6. If Indian, Allottee or Tribe Name
2. Name of Operator Coleman Oil & Gas, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Drawer 3337, Farmington N.M. 87499		8. Lease Name and Well No. Callow #1S
3b. Phone No. (include area code) (505) 327-0356		9. API Well No. 30-045-32549
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 1790' FNL, 1980' FEL Latitude 36° 42' 00", Longitude 108° 11' 27" At proposed prod. zone		10. Field and Pool, or Exploratory Basin Fruitland Coal
11. Sec., T., R., M., or Blk. And Survey or Area 6 Section 27, T29N, R13W		12. County or Parish San Juan
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* South of Farmington New Mexico approximately 10 miles.		13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 1790'	16. No. of Acres in lease 1560	17. Spacing Unit dedicated to this well 320 ACRES E/2
18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. BP Amoco #8E - 50'	19. Proposed Depth 1285'	20. BLM/ BIA Bond No. on file BLM Blanket Bond #08510612
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5361 - 5318 GR	22. Approximate date work will start* October-04	23. Estimated Duration 2 Weeks

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 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 a authorized officer. |

25. Signature <i>Michael T. Hanson</i>	Name (Printed/ Typed) Michael T. Hanson	DATE 18-Aug-04
Title Operations Engineer		
Approved By (Signature) <i>[Signature]</i>	Name (Printed/ Typed)	DATE 9-16-04
Title ATM	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.

\*See Instructions On Reverse Side

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".

NMOCOD

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

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

SEP 20 2008  
PO Box 2088  
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045-32549</b>		*Pool Code <b>71629</b>	*Pool Name <b>BASIN FRUITLAND COAL</b>
*Property Code <b>14238</b>	*Property Name <b>CALLOW</b>		*Well Number <b>1S</b>
*OGRID No. <b>4838</b>	*Operator Name <b>COLEMAN OIL &amp; GAS, INC.</b>		*Elevation <b>5361'</b>

<sup>10</sup> Surface Location

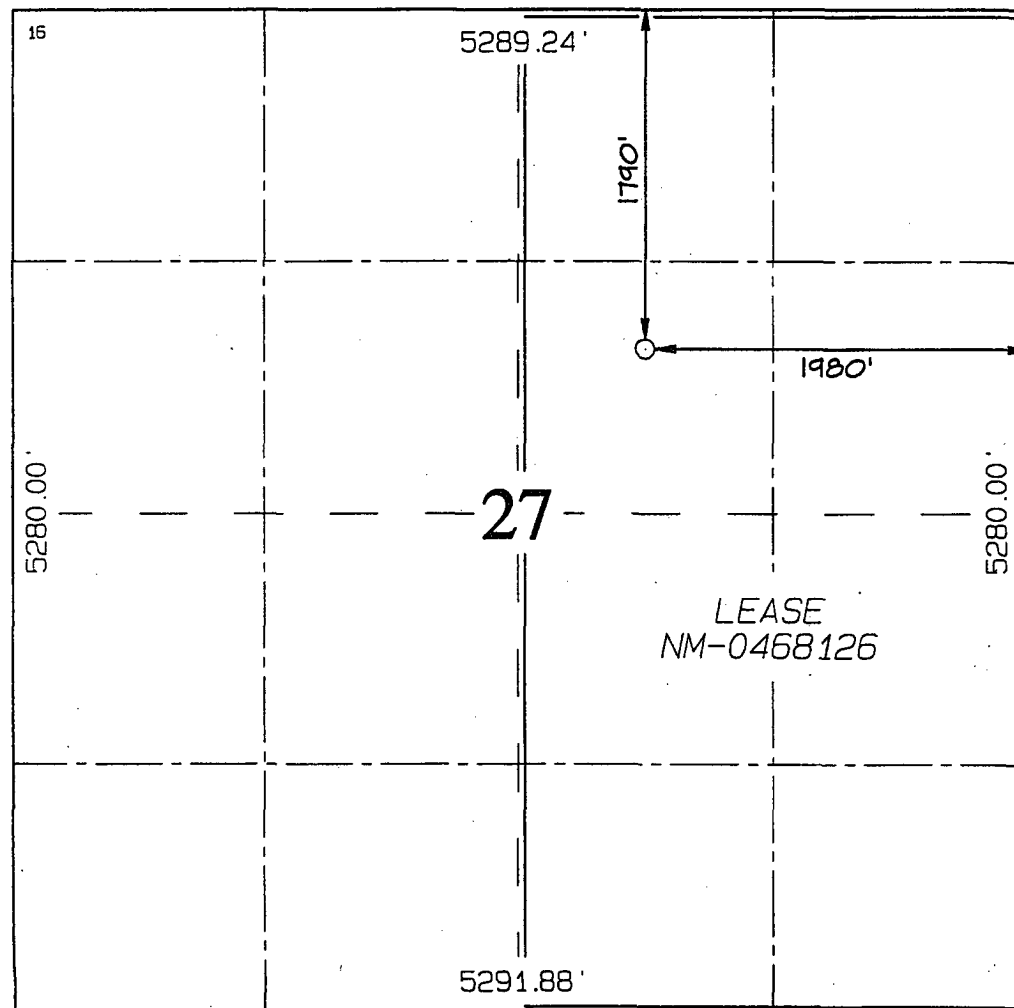
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	27	29N	13W		1790	NORTH	1980	EAST	SAN JUAN

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>320.0 Acres - (E/2)</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



<sup>17</sup> OPERATOR CERTIFICATION

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

*Michael T. Hanson*  
Signature  
**Michael T. HANSON**  
Printed Name  
**Engineer**  
Title  
**August 18, 2007**  
Date

<sup>18</sup> SURVEYOR CERTIFICATION

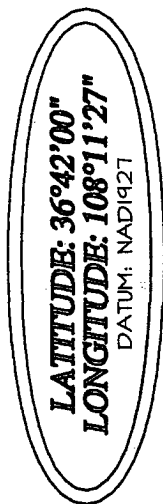
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.


Date of Survey: **MAY 20, 2004**

Signature and Seal of Professional Surveyor



**JASON C. EDWARDS**  
Certificate Number 15269



A-A'						
5371'						
5361'						
5351'						

B-B'						
5371'						
5361'						
5351'						

C-C'						
5371'						
5361'						
5351'						

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

Wednesday, August 18, 2004

## OPERATIONS PLAN

**Well Name:** Callow #1S  
**Location:** 1790' FNL, 1980' FEL Section 27, T-29-N, R-13-W, NMPM  
San Juan County, NM  
**Formation:** Basin Fruitland Coal  
**Elevation:** 5361' GL

Formation:	Top	Bottom	Contents
Kirtland	Surface	890'	aquifer
Fruitland	890'	1090'	
T/ Basal Coal	1090'	1110'	gas
Pictured Cliffs	1110'	1285'	gas
Total Depth	1285'		

**Drilling Contractor:** Availability

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### Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0' - 120'	Spud	8.4 - 9.0	40 - 50	no control
120' - 1285'	Non-dispersed	8.4 - 9.0	30 - 60	6cc or less

**Logging Program:** Porosity Log - Triple Litho Density W/ GR and CAL.  
Induction Log - Array Induction W/ GR and SP

**Coring Program:** None

### Casing Program:

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
8 3/4"	0' - 120'	7"	20#	J-55 or K-55
6 1/4"	120' - 1285'	4 1/2"	10.5#	J-55 or K-55

### Tubing Program:

0' - 1200'	2 3/8"	4.70#	J-55
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### Float Equipment:

7" surface casing - saw tooth guide shoe. One Centralizer.

4 1/2" production casing - Cement guide shoe and self fill insert float collar. Place float one joint above shoe. Five centralizers spaced every other joint above shoe and five centralizers every other joint from top of well.

**Wellhead Equipment:** 7" x 4 1/2" Braiden Head and 4 1/2" x 2 3/8" Tubing Head.  
Independent Well Head assembly with a minimum rated working pressure of 1000 psig.

**Cementing:****7" Surface Casing -**

Cement with 40 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (63 cu. ft. of slurry), 100% excess to circulate to surface (Yield = 1.18 cu. ft. /sk; slurry weight = 15.6 PPG). WOC 12 hrs. Test casing to 600 psi/30 minutes.

**4 1/2" Production Casing -**

Before cementing circulate hole with at least 1 1/2 hole volume of mud. Precede cement with 30 bbls of fresh water. Lead with 75 sacks (195.75 cu. ft) of Class "G" with 3% D79 and 1/4# Per sack D29. (Yield = 2.61 cu. ft. /sk; slurry weight = 11.7 PPG). Tail with 50 sacks (63.00 cu. ft.) of Class "B" with "G" 50/50 POZ 2% GEL D-20, 5# Per sack Gilsonite, .1% D46, 1% S-1 and 1/4# Per sack D29 (Yield = 1.26 cu. ft. / sk; slurry weight = 13.5 PPG). Total cement volume is 258.75 cu. ft. (100% excess on open hole, calculated on cement volumes). WOC 12 hrs. Test casing to 600 psi/30 minutes.

**BOP and Tests:**

Surface to surface TD – None

Surface TD to Total Depth – Annular or Double Ram type 2000 psi (minimum) double gate BOP stack (Reference Figure #1, #2 and #3). Prior to drilling out surface casing, test blind rams and casing to 600 psig for 30 minutes; all pipe rams and choke assembly to 600 psig for 15 minutes each.

From surface pipe to TD – choke manifold (Reference Figure #3).

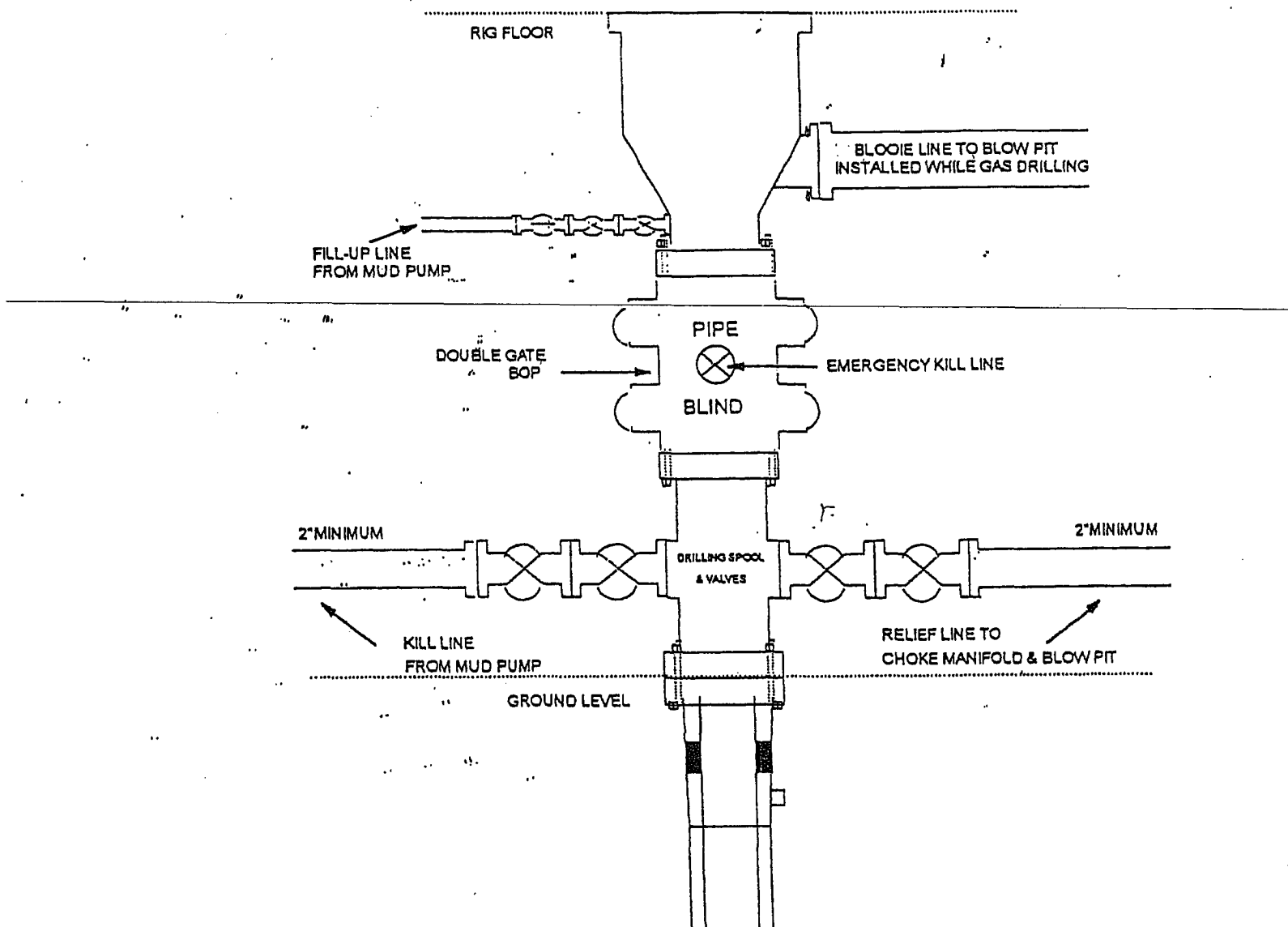
Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

**Additional information:**

- The Basin Fruitland Coal formation will be completed.
- Anticipated pore pressure for the Basin Fruitland Coal is 80 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: August 18, 2004 Drilling Engineer: Michael T. Hansen

## BOP Configuration 2M psi System



Minimum BOP installation for Drilling Operations. 7 1/16" Bore(6" Nominal), 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams

FIGURE #1

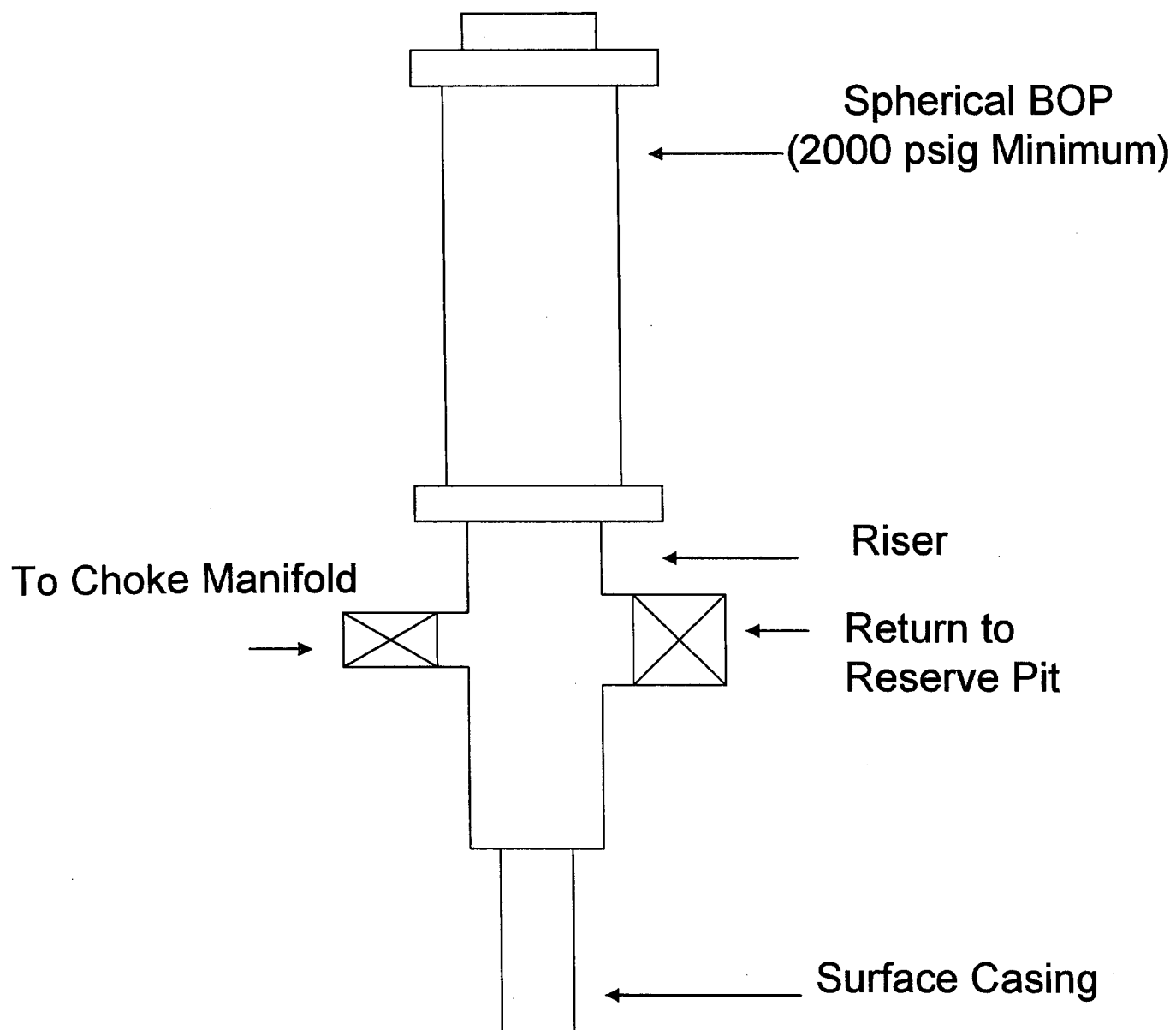
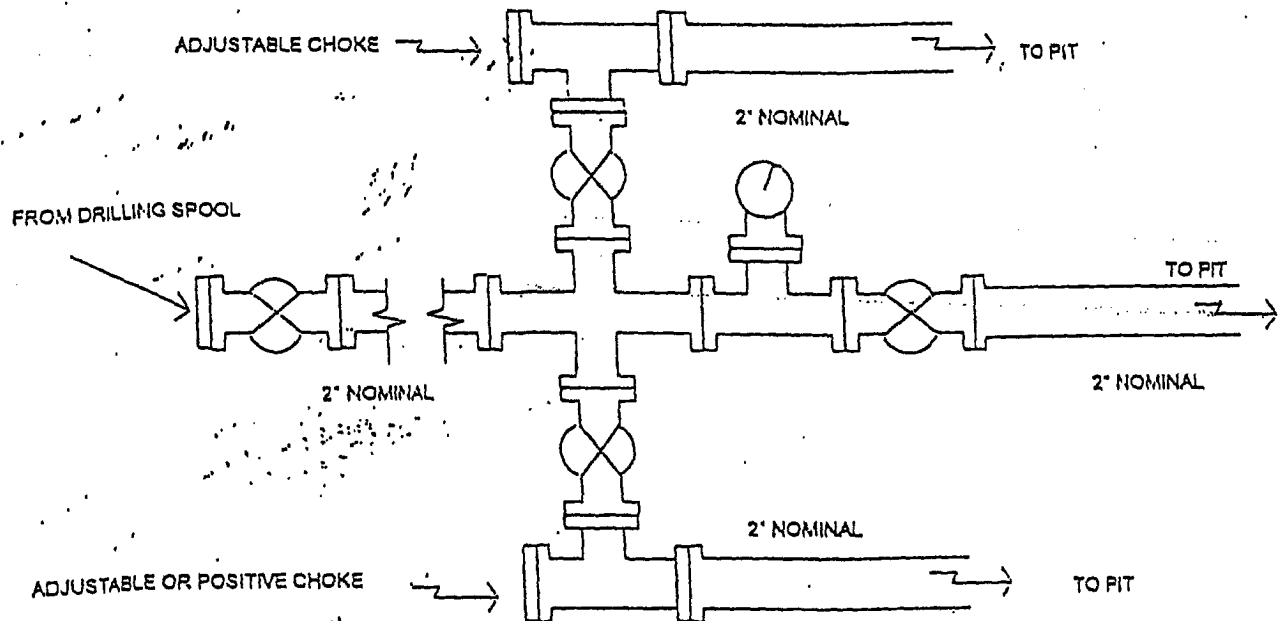


FIGURE #2

## Choke Manifold Configuration 2M System



Minimum choke manifold installation from surface to Total Depth.  
2" minimum, 2000psi working pressure equipment with two chokes.

Figure #3