

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: COAL BED METHANE		5. Lease Serial No. NMNM104610
2. Name of Operator COLEMAN OIL & GAS INCORPORATED		6. If Indian, Allottee or Tribe Name
3a. Address FARMINGTON, NM 87499		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 505-327-0356 Ext: 106 Fx: 505-327-9425		8. Well Name and No. PEGASUS 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 26 T26N R12W NENE 790FNL 790FEL 36.464253 N Lat, 108.074735 W Lon		9. API Well No. 30-045-30295-00-S1
		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
		11. County or Parish, and State SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Coleman Oil & Gas proposes to P&A this well per the attached procedure, Reclamation Plan and Field Sketch.

OIL CONS. DIV DIST. 3

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

SEE ATTACHED FOR CONDITIONS OF APPROVAL

NOV 09 2016

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #352664 verified by the BLM Well Information System For COLEMAN OIL & GAS INCORPORATED, sent to the Farmington Committed to AFMSS for processing by JACK SAVAGE on 11/04/2016 (17JWS0022SE)	
Name (Printed/Typed) MICHAEL T HANSON	Title ENGINEER
Signature (Electronic Submission)	Date 09/27/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JACK SAVAGE	Title PETROLEUM ENGINEER	Date 11/04/2016
Conditions of approval, if any, are attached. Approval of this notice 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.		Office Farmington

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOC DRY

Coleman Oil & Gas, Inc.

Final P&A Procedure Basin Fruitland Coal Formation

Monday, September 26, 2016

Well: **Pegasus #1**
SL Location: 790' FNL & 790' FEL (NENE)
Sec 26, T26N, R12W, NMPM
San Juan County, New Mexico

Field: Basin Fruitland Coal
Elevation: 6215' RKB
6210' GL
Lease: NMNM104610
API#: 30-045-30295

Fruitland Coal: 1265-1282, Producing.
Original PBTD at 1325 FT GL

Procedure: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.
(Note: This procedure will be adjusted on site based upon actual conditions)

1. Review and Comply with Regulatory Requirements.
2. MIRU Well Service Rig and Equipment.
3. POOH with Rods & Pump.
4. Nipple up BOP equipment. Function test BOP.
5. Tag with Production Tubing. POOH and Tally Tubing.
6. RIH with Cement Retainer on tubing and set at \pm 1215 FT KB.
7. Place Minimum 10 sacks cement on top of retainer. **Might want to combine Plug #1 & Plug #2, due to close proximity of each other.**
8. Plug #2 Cement Fruitland Top from 860'-915' Inside 4 1/2" Casing with 12 sacks neat cement. Plug #2 inside plug based on Long String Cement to Surface. **Might want to combine Plug #1 & Plug #2, due to close proximity of each other.**
9. Attempt to pressure test Braden head annulus to 300 psig, note volume to load.
10. Plug #3 Cement Kirtland and Ojo Alamo Top and Surface Casing, 387' to surface. Fill the inside of the 4 1/2" casing from 387' to Surface.
11. Cut off well head and top off casing and annulus as necessary with cement.
12. Install dry hole marker, remove production equipment and reclaim location.

COLEMAN OIL GAS, INC.
Pegasus #1 PRODUCING

SURFACE CASING
7" 20# J-55 LT&C @ 132 FT GL
CEMENTED WITH 55 SXS
CLASS B W/ 2% CAL CL 1/4 #/SX

PRODUCTION CASING
4-1/2" 10.50# J-55 LT&C @ 1340 FT GL
CEMENTED WITH 105 SXS LITE
TAIL WITH 55 SACKS REG.

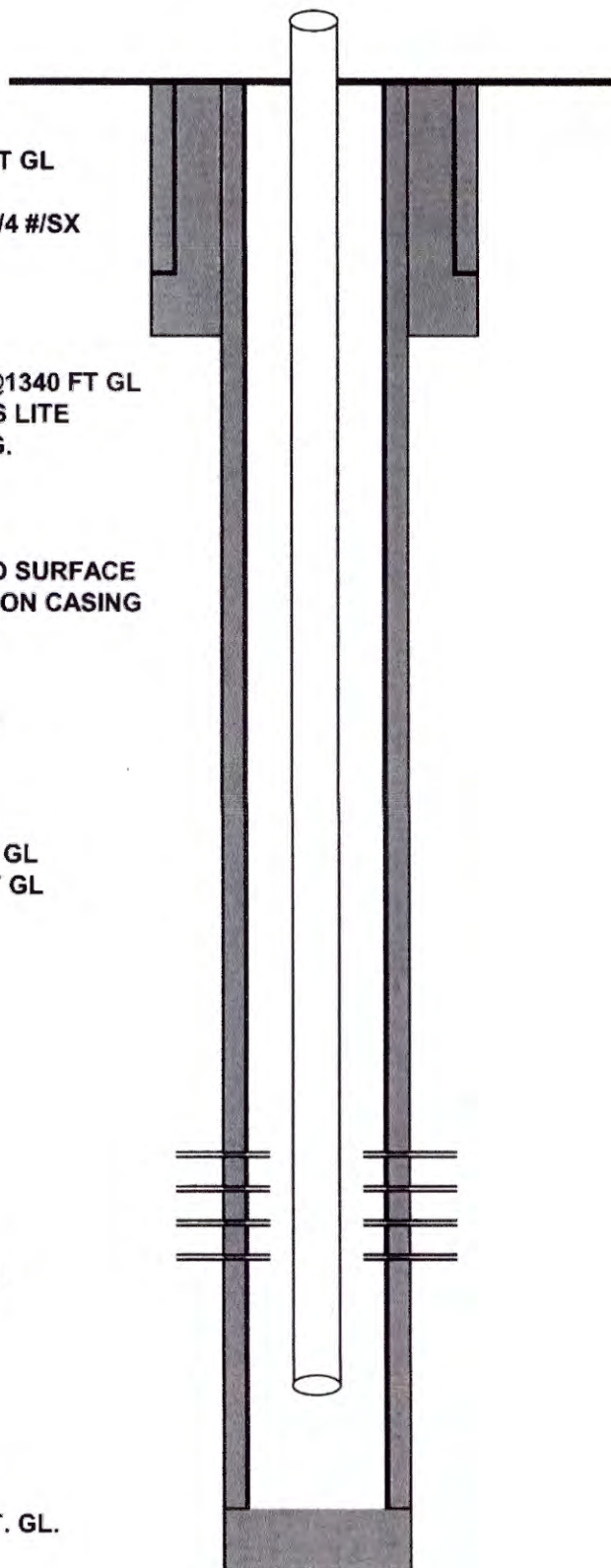
CEMENT CIRCULATED TO SURFACE
ON SURFACE & PRODUCTION CASING

TUBING STRING
40 JTS 2-3/8 TBG 1263 FT
SEATING NIPPLE
1 JT 2-3/8 MA 19 FT.

Seating Nipple @ 1263 FT GL
Bottom of TBG @ 1295 FT GL

Fruitland Coal
Perforations @ 1265-1282

PBTD @ 1325' FT. GL.
PIPE LANDED @ 1340' FT. GL.
T.D. @ 1346' FT. GL.



**COLEMAN OIL GAS, INC.
Pegasus #1 PROPOSED P&A**

SURFACE CASING
7" 20# J-55 LT&C @ 132 FT GL
CEMENTED WITH 55 SXS
CLASS B W/ 2% CAL CL 1/4 #/SX

PRODUCTION CASING
4-1/2" 10.50# J-55 LT&C @ 1340 FT GL
CEMENTED WITH 105 SXS LITE
TAIL WITH 55 SACKS REG.

**CEMENT CIRCULATED TO SURFACE
ON SURFACE & PRODUCTION CASING**

TUBING STRING
40 JTS 2-3/8 TBG 1263 FT
SEATING NIPPLE
1 JT 2-3/8 MA 19 FT.

**Seating Nipple @ 1263 FT GL
Bottom of TBG @ 1295 FT GL**

Retainer @ ± 1215

**Fruitland Coal
Perforations @ 1265-1282**

**PBTD @ 1325' FT. GL.
PIPE LANDED @ 1340' FT. GL.
T.D. @ 1346' FT. GL.**

**Plug #3 0-387
7" Set @ 132 FT GL
75 Sacks Cement**

**Plug #2 1047-1147
Fruitland Top @ 865'
12 Sacks Cement**

**Plug #1 1215-1165
Fruitland Coal Perforations
10 Sacks Cement**

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Pegasus #1

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Set Plug #1 (1294-1165) ft. to cover the Pictured Cliffs top and perforations. BLM picks top of Pictured Cliffs at 1284 ft.
 - b) Set plug #2 (1059-959) ft. to cover the Fruitland top. BLM picks top of Fruitland at 1009 ft.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.