Form 3160-3 (August 1999)

2005 AUG

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

UNITED STATES

DEPARTMENT OF THE IN BUREAU OF LAND MAN

Lease Serial No. NO-G-9911-1368

If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL OR REENTER

Navara If Unit or CA Agreement, Nan Lease Name and Well No. Juniper Com 9 #21 API Well No Basin Fruitland Coal 11. Sec., T., R., M., or Blk. And Survey or Area C Section 9, T24N, R10W 12. County or Parish 13. State

 \Box DRILL REENTER la. TYPE OF WORK X GAS WELL OTHER MULTIPLE ZONE b. TYPE OF WELL L...OIL SINGLE ZONE Name of Operator Coleman Oil & Gas, Inc. 3b. Phone No. (include area code) 3a Address (505) 327-0356 P.O. Drawer 3337, Farmington N.M. 87499 Location of well (Report location clearly and In accordance with any State requirements.*) At surface Latitude 36° 19' 58", Longitude 107° 54' 05" 965' FNL, 2290' FWL At proposed prod. zone 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* South East of Farmington New Mexico on County RD. 7515 approximately 40 miles. San Juan **NM** 15. Distance from proposed* 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest 965' 160 property or lease line, ft. 320 ACRES N/2 (Also to nearest drlg unit line, if any) 18. Distance from proposed location 19. Proposed Depth 20. BLM/ BIA Bond No. on file to nearest well, drilling, completed, applied for, on this lease, ft. NA BIA Blanket Bond #08510607 21. ELEVATIONS (Show whether DF. RT, GR, etc.) 22. Aproximate date work will start* 23. Estimated Duration 6849 October-05 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.
- 2. A Drilling Plan.
- 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).
- 4. Bond to cover the operations unless covered by existing bond on file(see item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/ or plans as may be required by the a authorized officer.

25. Signature	Name (Printed/Typed)	DATE
Muhael T. Hans	Michael T. Hanson	29-Jul-05
Title		
Operations Engineer		
Approved By (Signature) Original Signed: Stephen Mason	Name (Printed/Typed)	DATE JUN 1 2006
Title	Office	
Application approval does not warrant or certify that the applicant holds le	gal or equitable title to those rights in the subject lease which would en	title the applicant to conduct

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

Gistrict 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

Ostrict 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

OIL CONSERVATION DIVISION PO Box 2088

Santa Fe, NM 287504-2088pm 12 37

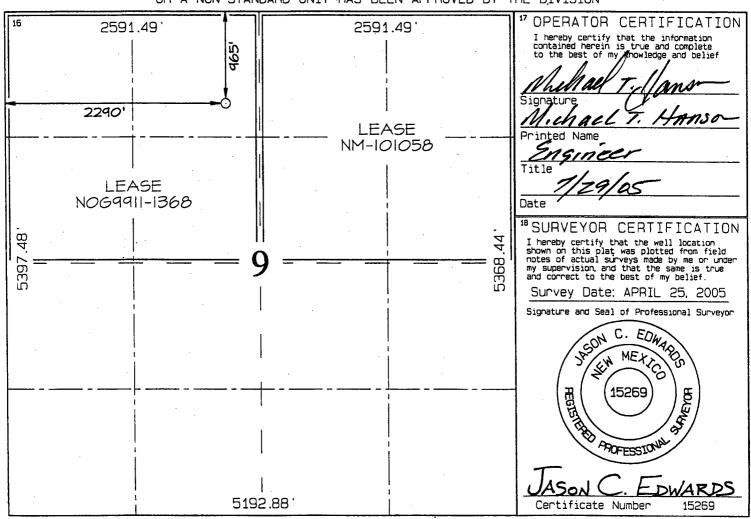
AMENDED REPORT

State Lease - 4 Copies Fee Lease - 3 Copies

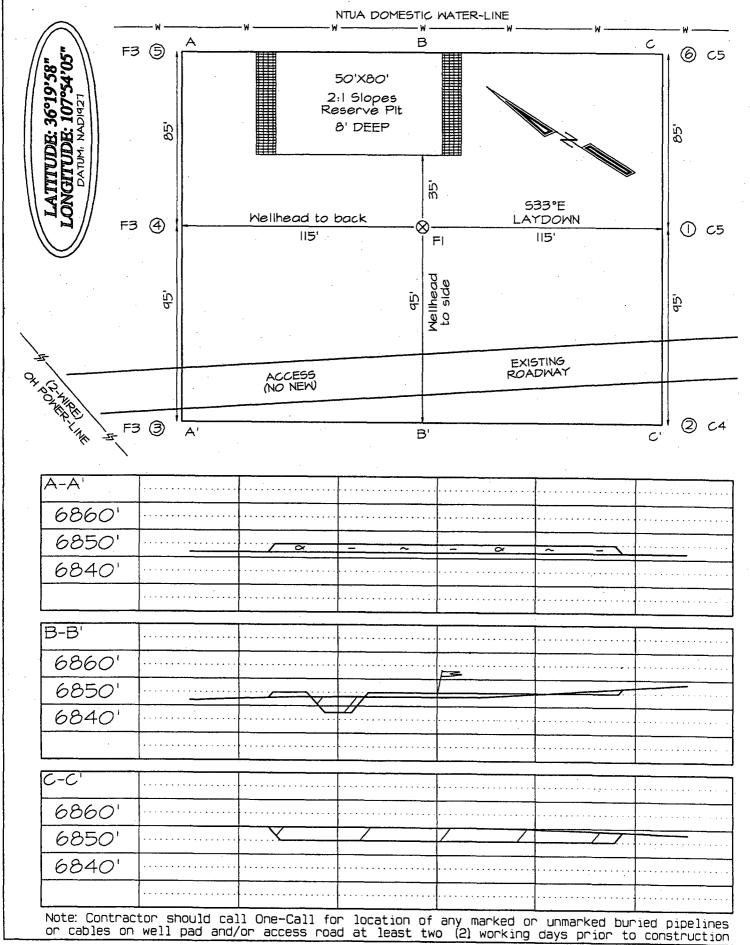
RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

NEEL COOK TOO THE POST BESTOWN TOWN										
'API Number 'Pool Code					Pool Name					
30-04	5-33	3261	7	1629		BASIN	FRUITLAND	COAL		
*Property	Code				*Property	/ Name			*We	ll Number
32171	ρ	JUNIPER (COM 9				21
'OGRID N	۷ ٥ .				*Operator	Name ·			" E	levation
4838				COL	LEMAN OIL	& GAS, INC.				6849 '
¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County
. C	9	24N	10W		965	NORTH	2290	WE	ST	SAN JUAN
			ottom		ocation I	f Different				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
12 Deducated Acres 13 Juint or Infill 14 Consolidation Code 15 Order No.										
320.0 Acres - (N/2)										
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										



COLEMAN OIL & GAS, INC. JUNIPER COM 9 #21 965' FNL & 2290' FWL, SECTION 9, T24N, R10W, NMPM SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 6849'



OPERATIONS PLAN

Well Name:

Juniper Com 9 #21

Location:

965' FNL, 2290' FWL Section 9, T-24-N, R-10-W, NMPM

San Juan County, NM

Formation:

Basin Fruitland Coal

Elevation:

6849' GL

Formation:	Тор	Bottom	Contents
Nacimiento	Surface	770'	aquifer
Ojo Alamo	770'	870'	aquifer
Kirtland	870'	1295'	
Fruitland	1295'	1590'	gas
Pictured Cliffs	1590'	1790'	gas
Total Depth	1790'		-

Drilling Contractor: Availability

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	Fluid Loss
0' - 120'	Spud	8.4 - 9.0	40 - 50	no control
120' - 1790'	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:

<u>Hole Size</u> 12 1/4"	Depth Interval 0' - 120'	<u>Csg. Size</u> 8 5/8"	<u>Wt.</u> 24#	<u>Grade</u> J-55 or K-55
7 7/8"	120' - 1790'	5 1/2"	15.5#	J-55 or K-55
Tubing Program:				
	0' - 1600'	2 7/8"	6.50#	J-55

Float Equipment:

8 5/8" surface casing - saw tooth guide shoe. One Centralizer.

5 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, straddling Ojo Alamo.

Wellhead Equipment: 8 5/8" x 5 1/2" Braiden Head and 5 1/2" x 2 7/8" Tubing Head. Independent Well Head assembly with a minimum rated working pressure of 1000 psig.

Cementing:

8 5/8" Surface Casing -

Cement with 92 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (108.56 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi/30 minutes.

5 1/2" Production Casing -

Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 20 bbls of fresh water. Lead with 190 sacks (495.90 cu. ft) of Class "G" with 3% D79 and 1/4# Per sack D29. (Yield = 2.61 cu. ft. /sack; slurry weight = 11.7 PPG). Tail with 90 sacks (113.4 cu. ft.) of Class "G" 50/50 POZ with 2% GEL D-20, 5# Per sack Gilsonite, .1% D46, 1% S-1 and 1/4# Per sack D29. (Yield = 1.26 cu. ft./sack; slurry weight = 13.5 PPG). Total cement volume is 609.30 cu. ft. (100% excess on open hole, calculated on cement volumes).

BOP and Tests:

Surface to Surface Total Depth - None

Surface TD to Total Depth – Annular or Double Ram Type 2000 psi (minimum) double gate BOP stack (Reference Figure #1, #2, #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 TD to Total Depth - choke manifold (Reference Figure #3).

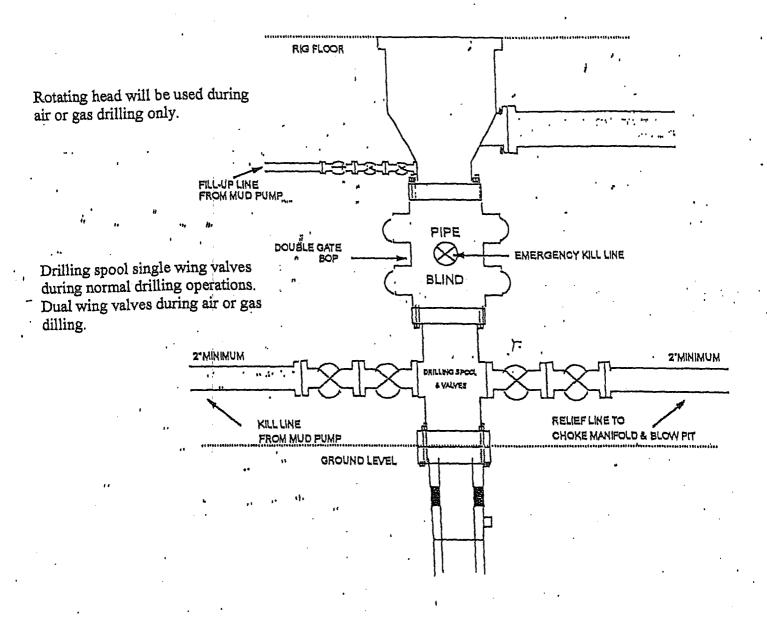
Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

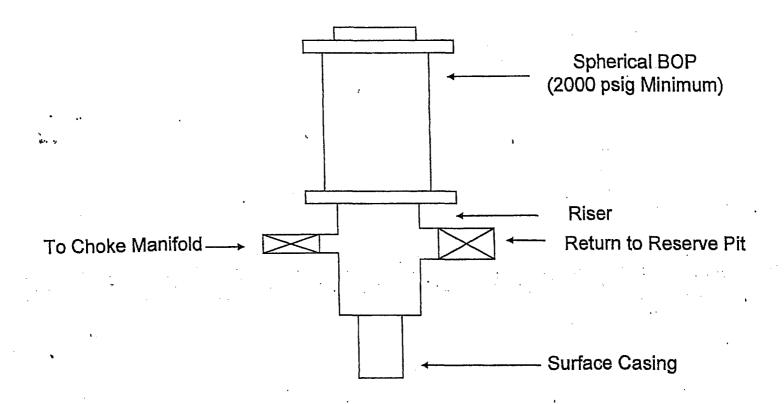
- The Fruitland Coal formation will be completed.
- Anticipated pore pressure for the Fruitland is 250 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date:_	1/29/05	Drilling Engineer:	Muhael T.	/ano-
				X/

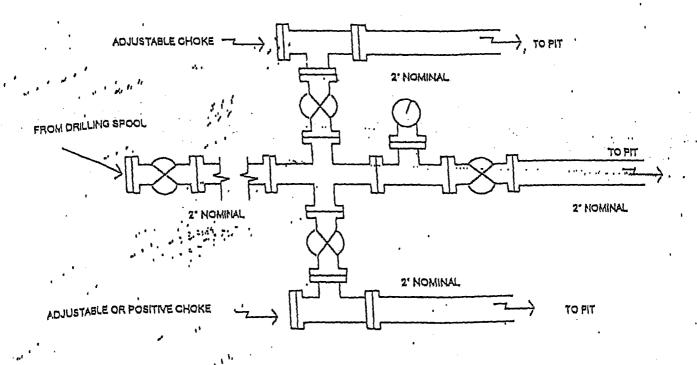
BOP Configuration 2M psi System



13 5/8" and 11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams: A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/ or greater.



Choke Manifold Configuration 2M System



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