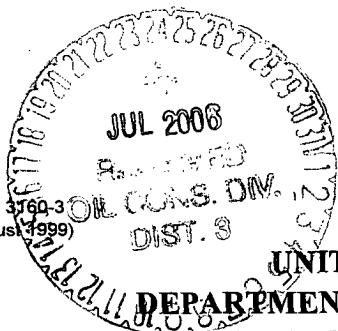


Form 3760-3
(August 1999)



UNITED STATES

2006 JUL 11 AM 11 40

DEPARTMENT OF THE INTERIOR RECEIVED
BUREAU OF LAND MANAGEMENT FARMINGTON, NM
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. TYPE OF WORK DRILL REENTER

b. TYPE OF WELL OIL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Coleman Oil & Gas, Inc.

3a. Address P.O. Drawer 3337, Farmington N.M. 87499
3b. Phone No. (include area code) (505) 327-0356

4. Location of well (Report location clearly and in accordance with any State requirements. *)
At surface 2000' FNL, 1600' FWL Latitude 36.315477°, Longitude 107.993556°
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. 7500 approximately 50 miles.

15. Distance from proposed* location to nearest property or lease line, ft. 1600
(Also to nearest drlg unit line, if any)

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. NA

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6512'
22. Approximate date work will start* August-06

5. Lease Serial No.

NM NM 104608

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
Juniper West Com 15 #22

9. API Well No.
30-045-33844

10. Field and Pool, or Exploratory
Basin Fruitland Coal

11. Sec., T., R., M., or Blk. And Survey or Area
F Section 15, T24N, R11W

12. County or Parish San Juan
13. State NM

17. Spacing Unit dedicated to this well
320.19 ~~320~~ ACRES W/2

20. BLM/BIA Bond No. on file
BLM Blakket Bond #08510612

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.
- 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 *Michael T. Hanson* Name (Printed/ Typed) Michael T. Hanson DATE 10-Jul-06

Title Operations Engineer

Approved By (Signature) *D. Mankiewicz* Name (Printed/ Typed) DATE 7/2/06

Title AFM Office PFO

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

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

NMOC D

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

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

DISTRICT II
811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33844	² Well Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 35877	⁵ Property Name JUNIPER WEST COM 15	⁶ Well Number 22
⁷ OGRID No. 4838	⁸ Operator Name COLEMAN OIL & GAS, INC.	⁹ Elevation 6512

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	15	24 N	11 W	8	2000	NORTH	1600	WEST	SAN JUAN

¹¹ 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

¹² Dedicated Acres W/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

¹⁶ S 89°23'26" E 2627.38' 2674.45' N 1°58'44" W 1600' 2675.58' N 2°03'29" W N 89°09'30" W 2547.04'	2000' LAT. 36.315477° LONG. 107.993556° NAD 83 SECTION 15	S 89°26'54" E 2626.88' 2686.78' S 0°20'14" E 2681.62' S 0°15'33" E 2547.00'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature: <i>Michael T. Hanson</i> Printed Name: Michael T. Hanson Title: Operations Engineer Date: 7/10/06
			¹⁸ 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: 3/08/06 Signature and Seal of Professional Surveyor: <i>Robert L. Pounds</i> Certificate Number: 6846

8

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33844
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal NMNM 104608
7. Lease Name or Unit Agreement Name Juniper West Com 15 #22
8. Well Number #22
9. OGRID Number 004838
10. Pool name or Wildcat Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Coleman Oil & Gas, Inc.

3. Address of Operator
P.O. Drawer 3337 Farmington, NM 87499

4. Well Location
Unit Letter : : 2000 feet from the North line and 1600 feet from the West line
Section 15 Township 24N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6512' GR.

Pit or Below-grade Tank Application or Closure *>100'* *>1000'*

Pit type: LINED EARTHEN Depth to Groundwater: 350 feet. Distance from nearest fresh water well 6 miles. Distance from nearest surface water 800 feet.

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls: Construction Material _____

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: Construct and Reclaim Reserve Pit <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: Construct and Reclaimed reserve pit <input type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dig earthen pit and line with 12 mil thick reinforced plastic for drilling reserve pit, as per approved Federal APD. See attached.

Coleman Oil & Gas, Inc. plans on reclaiming reserve pit as soon as possible.. Free liquids will be pulled and disposed of. Liner will be cut off at mud line. Excess plastic will be hauled off and disposed of. Reserve pit will be backfilled and reclaimed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed and closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

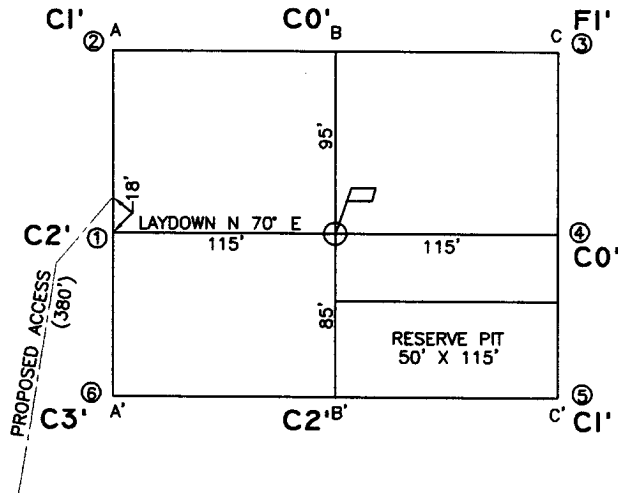
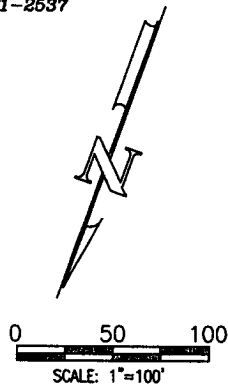
SIGNATURE Michael T. Hanson TITLE: Operations Engineer DATE: July 10, 2006

For State Use Only

APPROVED BY: [Signature] TITLE: DEPUTY OIL & GAS INSPECTOR, DIST. 49 DATE: JUL 24 2006

Conditions of Approval (if any): _____

NOTIFY
NEW MEXICO ONE-CALL
BEFORE COMMENCING
EXCAVATION!
(800) 321-2537



A-A' E

6530	.....	.....	.....	.....
6520	.....	.....	.....	.....
6510	.....	.....	.....	.....
6500	.....	.....	.....	.....
6490	.....	.....	.....	.....

B-B' E

6530	.....	.....	.....	.....
6520	.....	.....	.....	.....
6510	.....	.....	.....	.....
6500	.....	.....	.....	.....
6490	.....	.....	.....	.....

C-C' E

6530	.....	.....	.....	.....
6520	.....	.....	.....	.....
6510	.....	.....	.....	.....
6500	.....	.....	.....	.....
6490	.....	.....	.....	.....

CROSS SECTIONS
HORIZONTAL: 1"=100'
VERTICAL: 1"=100'

LEASE: **JUNIPER WEST COM 15 #22**
FOOTAGE: **2000' FNL, 1600'FWL**
SEC. **15** TWN. **24 N** RNG. **11 W** N.M.P.M.
LATITUDE: **36.315477°** LONGITUDE: **107.993556°**
ELEVATION: **6512**

COLEMAN OIL & GAS, INC.
FARMINGTON, NEW MEXICO

SURVEYED: 3/08/06	REV. DATE:	APP. BY R.P.
DRAWN BY: A.D.	DATE DRAWN: 3/13/06	FILE NAME: 6593C01



P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

OPERATIONS PLAN

Well Name: Juniper West Com 15 #22
Location: 2000' FNL, 1600' FWL Section 15, T-24-N, R-11-W, NMPM
 San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6512' GL

Formation:	Top	Bottom	Contents
Nacimiento	Surface	265'	aquifer
Ojo Alamo	265'	375'	aquifer
Kirtland	375'	785'	
Fruitland	785'	1075'	gas
Pictured Cliffs	1075'	1275'	gas
Total Depth	1275'		

Drilling Contractor: Availability

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0' - 120'	Spud	8.4 - 9.0	40 - 50	no control
120' - 1275'	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
12 1/4"	0' - 120'	8 5/8"	24#	J-55 or K-55
7 7/8"	120' - 1275'	5 1/2"	15.5#	J-55 or K-55

Tubing Program:

0' - 1135'	2 7/8"	6.50#	J-55
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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 750 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 121 sacks (315.81 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 429.21 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 750 psig for 30 minutes; all pipe rams and choke assembly to 750 psig for 30 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:

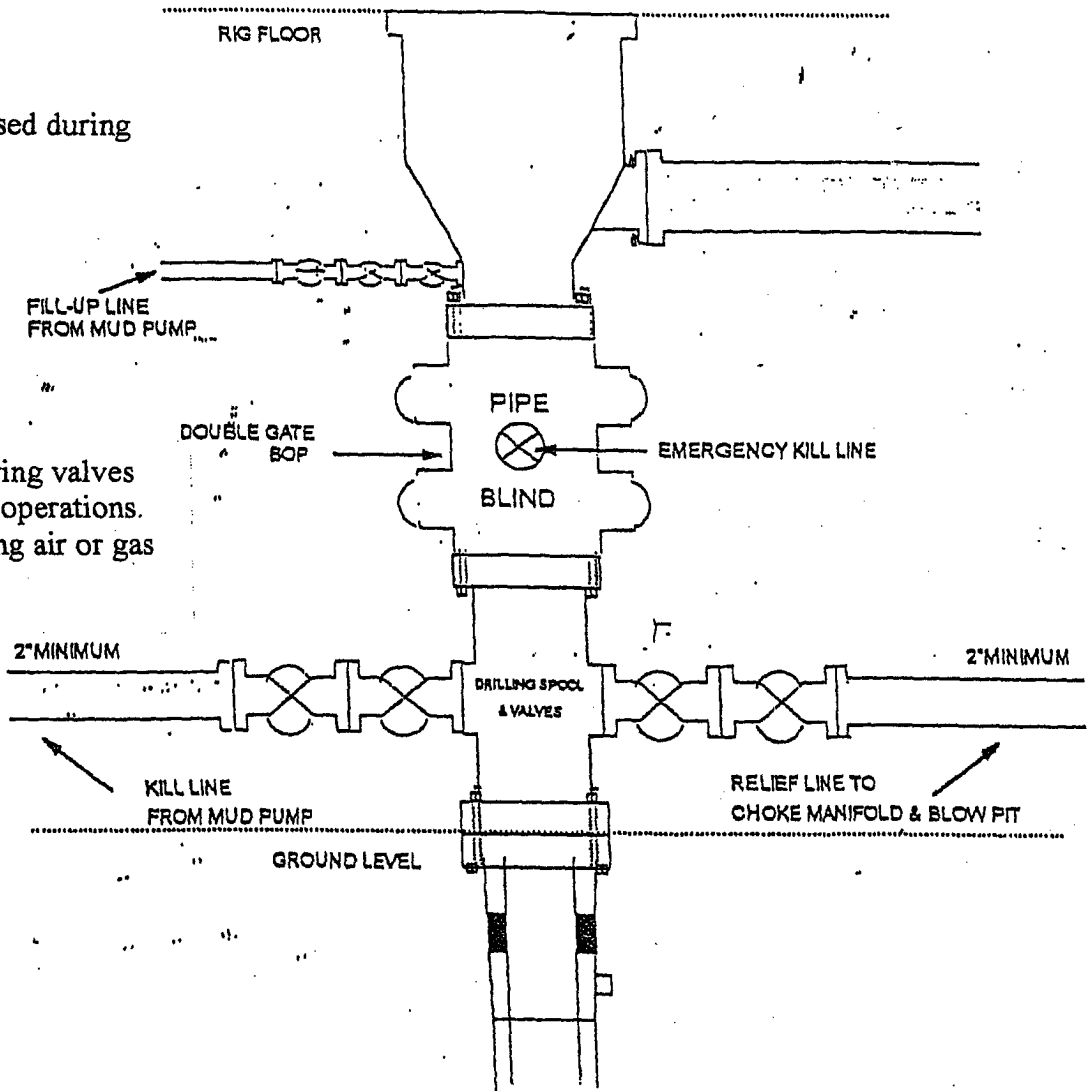
- The Fruitland Coal formation will be completed.
- Anticipated pore pressure for the Fruitland is 250 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 7/10/06 Drilling Engineer: Michael T. Janor

BOP Configuration 2M psi System

Rotating head will be used during air or gas drilling only.

Drilling spool single wing valves during normal drilling operations. Dual wing valves during air or gas drilling.



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.

FIGURE #1

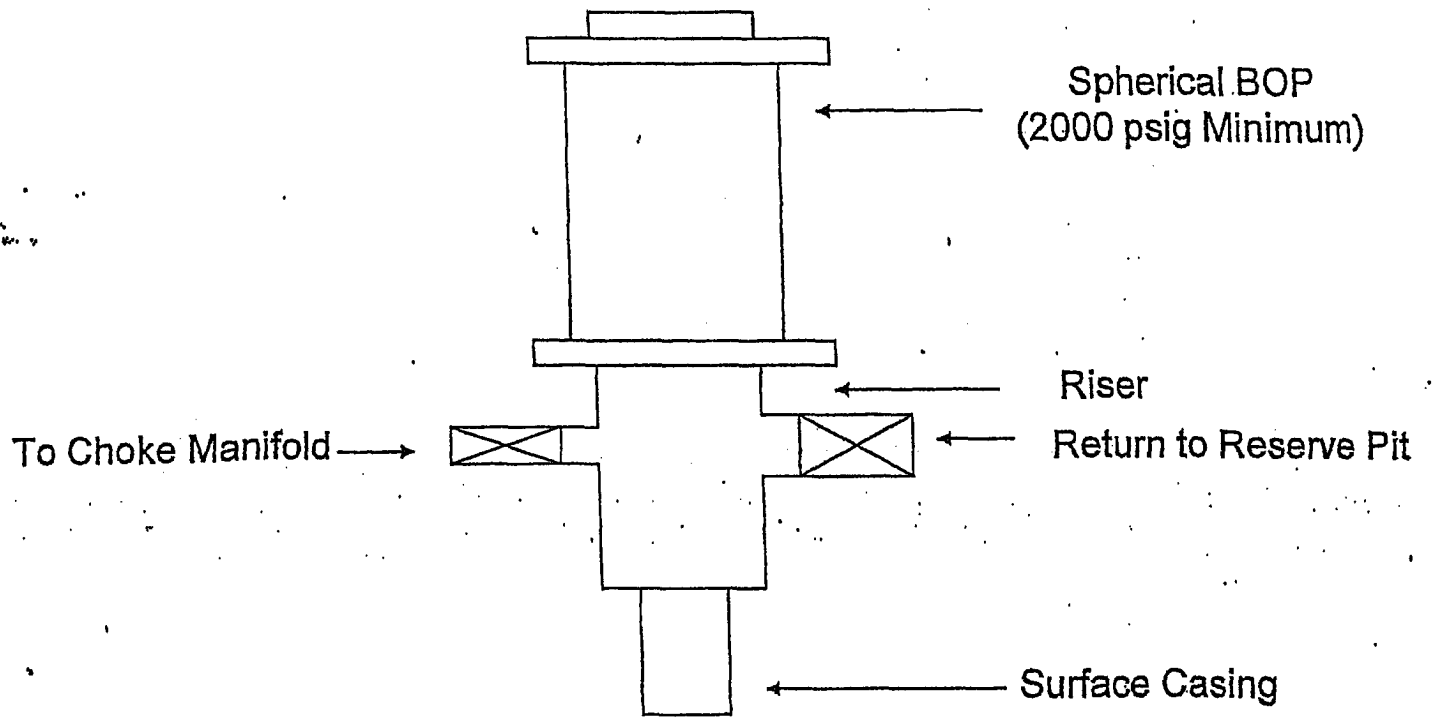
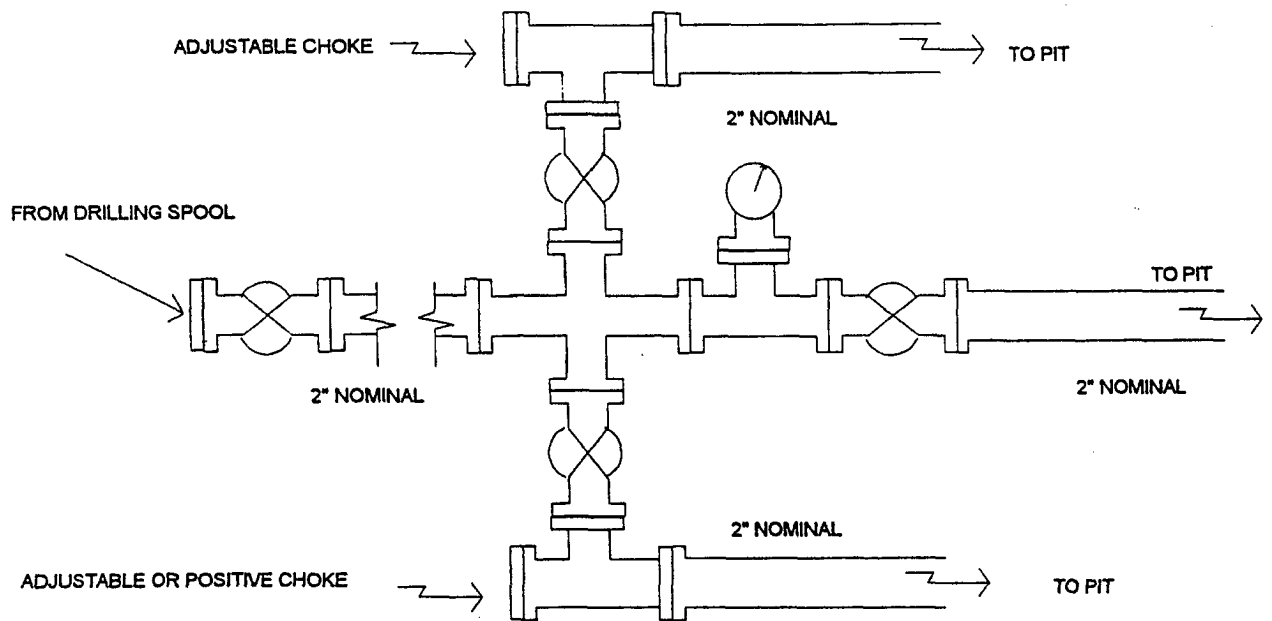


FIGURE #2

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