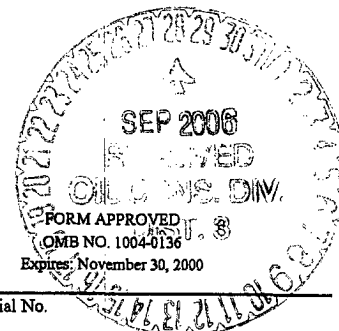


2005 MAR 8 PM 2 10



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

070 FARMINGTON NM

5. Lease Serial No.	NO-G-9911-1370
6. If Indian, Allottee or Tribe Name	Navajo Allotted
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No.	Juniper Com 5 #43
9. API Well No.	80-045-32953
10. Field and Pool, or Exploratory	Basin Fruitland Coal
11. Sec., T., R., M., or Bk. And Survey or Area	I Section 5, T24N, R10W
12. County or Parish	San Juan
13. State	NM
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.
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	1160'
16. No. of Acres in lease	160
17. Spacing Unit dedicated to this well	320.76 ACRES E/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	NA
19. Proposed Depth	1705'
20. BLM/ BIA Bond No. on file	BIA Blanket Bond #08510607
21. ELEVATIONS (Show whether DF, RT, GR, etc.)	6768'
22. Approximate date work will start*	April-05
23. Estimated Duration	2 Weeks

1a. TYPE OF WORK	<input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER
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
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 1455' FSL, 1160' FEL Latitude 36° 20' 21", Longitude 107° 54' 48" 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.
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22. Approximate date work will start*	April-05
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	Name (Printed/ Typed)	DATE
<i>Michael T. Hanson</i>	Michael T. Hanson	5-Mar-05
Title		
Operations Engineer		
Approved By (Signature)	Name (Printed/ Typed)	DATE
<i>[Signature]</i>		9/27/06
Title	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

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

NMOCD

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

File application for pit permit prior to starting construction

District 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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-32953		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 33200	*Property Name JUNIPER COM 5		*Well Number 43
*GRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6768'

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
I	5	24N	10W		1455	SOUTH	1160	EAST	SAN JUAN

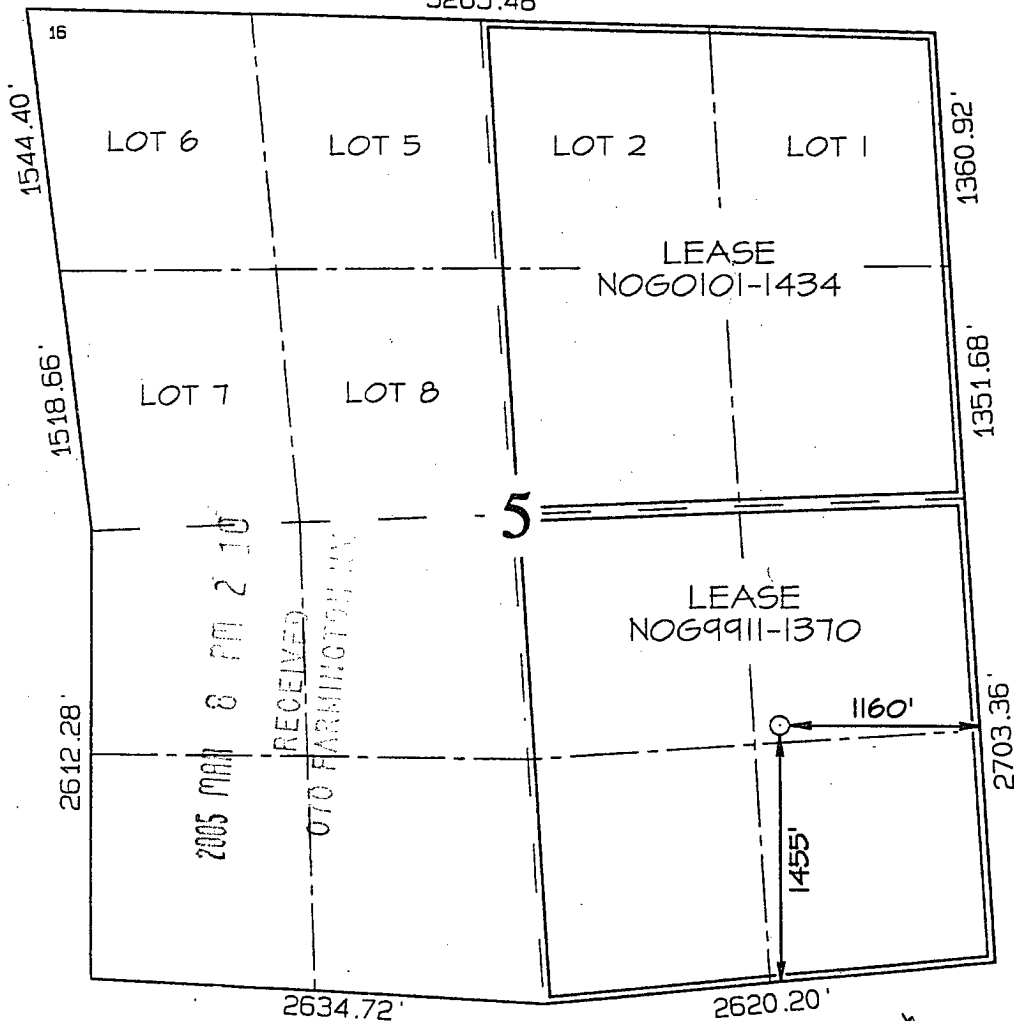
11 Bottom Hole Location If Different From Surface

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 320.76 Acres - (E/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

5265.48'



17 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

March 5, 2005
Date

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.

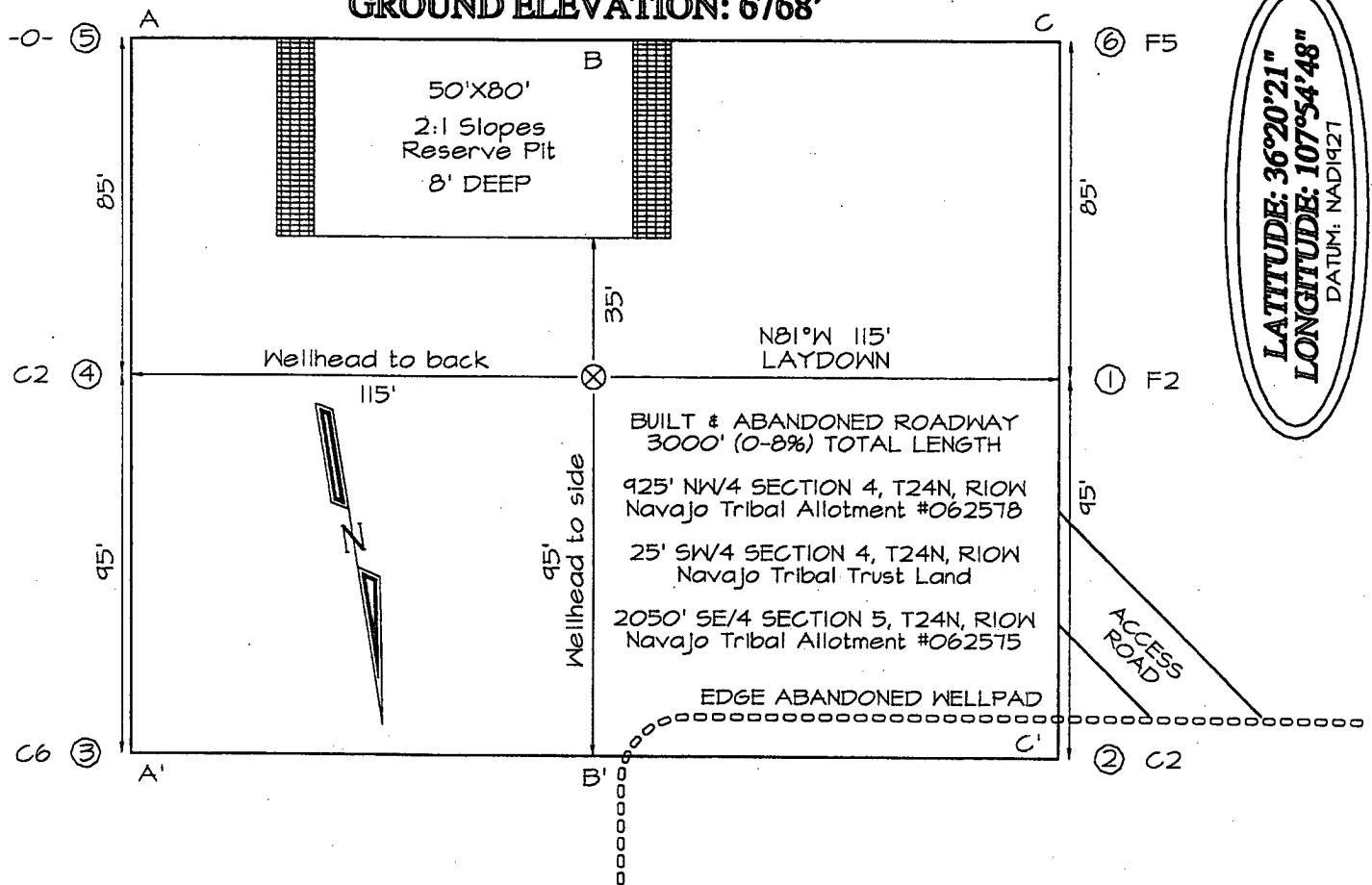
Survey Date: FEBRUARY 11, 2004

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

LATITUDE: 36°20'21"
LONGITUDE: 107°54'48"
DATUM: NAD1927



A-A'						
6778'						
6768'						
6758'						

B-B'						
6778'						
6768'						
6758'						

C-C'						
6778'						
6768'						
6758'						

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

Friday, February 04, 2005

OPERATIONS PLAN

Well Name: Juniper Com 5 #43
Location: 1455' FSL, 1160' FEL Section 5, T-24-N, R-10-W, NMPM
San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6768' GL

Formation:	Top	Bottom	Contents
Nacimiento	Surface	660'	aquifer
Ojo Alamo	660'	765'	aquifer
Kirtland	765'	1265'	
Fruitland	1265'	1505'	gas
Pictured Cliffs	1505'	1705'	gas
Total Depth	1705'		

Drilling Contractor: Availability

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0' - 120'	Spud	8.4 - 9.0	40 - 50	no control
120' - 1705'	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' - 1705'	5 1/2"	15.5#	J-55 or K-55

Tubing Program:

0' - 1505'	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.

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 179 sacks (467.19 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 580.59 cu. ft. (100% excess on open hole, calculated on cement volumes). *Circulate*

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 ram~~ *BOP* and casing to 750 psig for 30 minutes; ~~all pipe rams and choke assembly to 750 psig for 15 minutes~~

From Surface TD to Total Depth - choke manifold (Reference Figure #3).

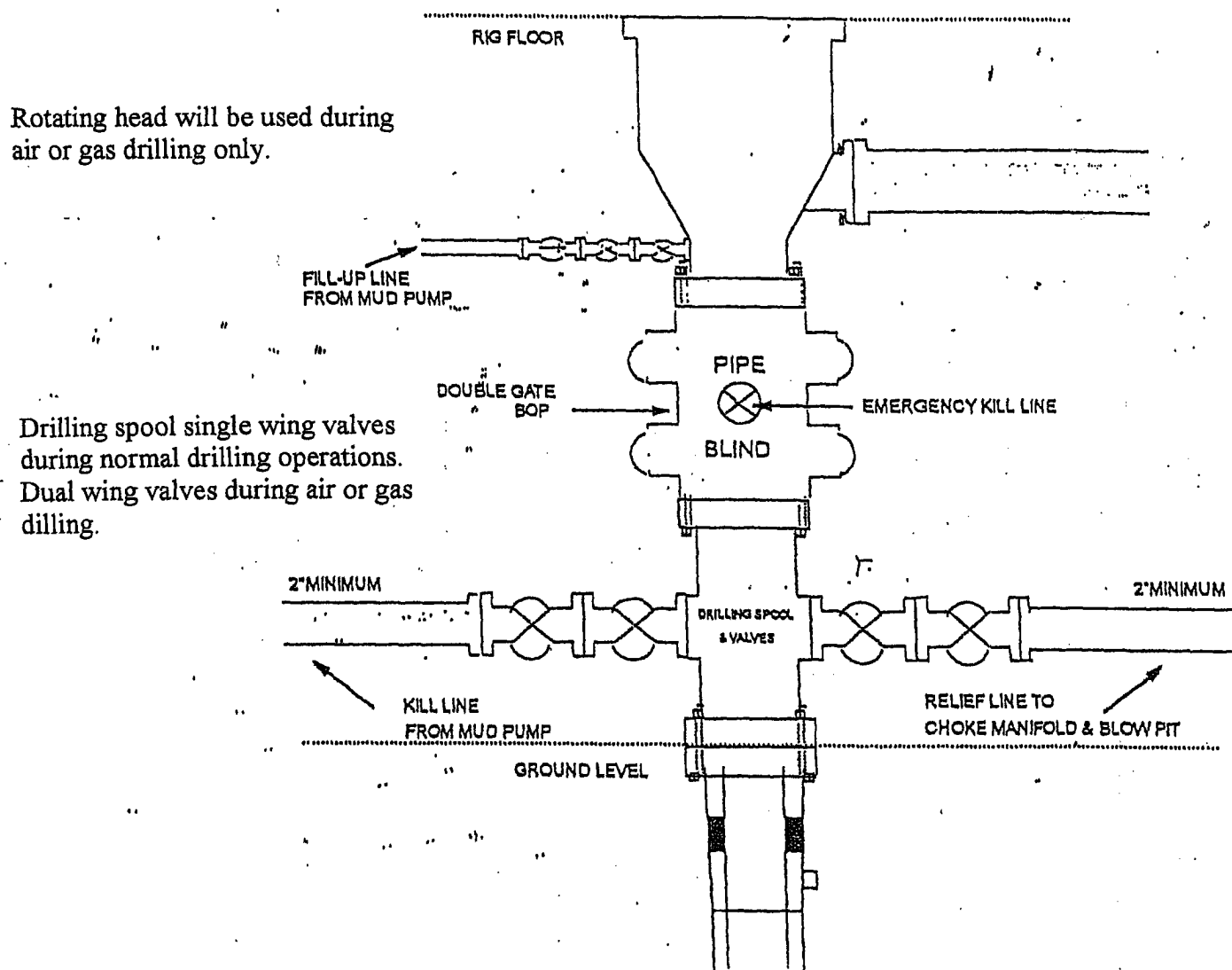
Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

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: March 5, 2005 Drilling Engineer: Michael J. Hanson

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.

FIGURE #1

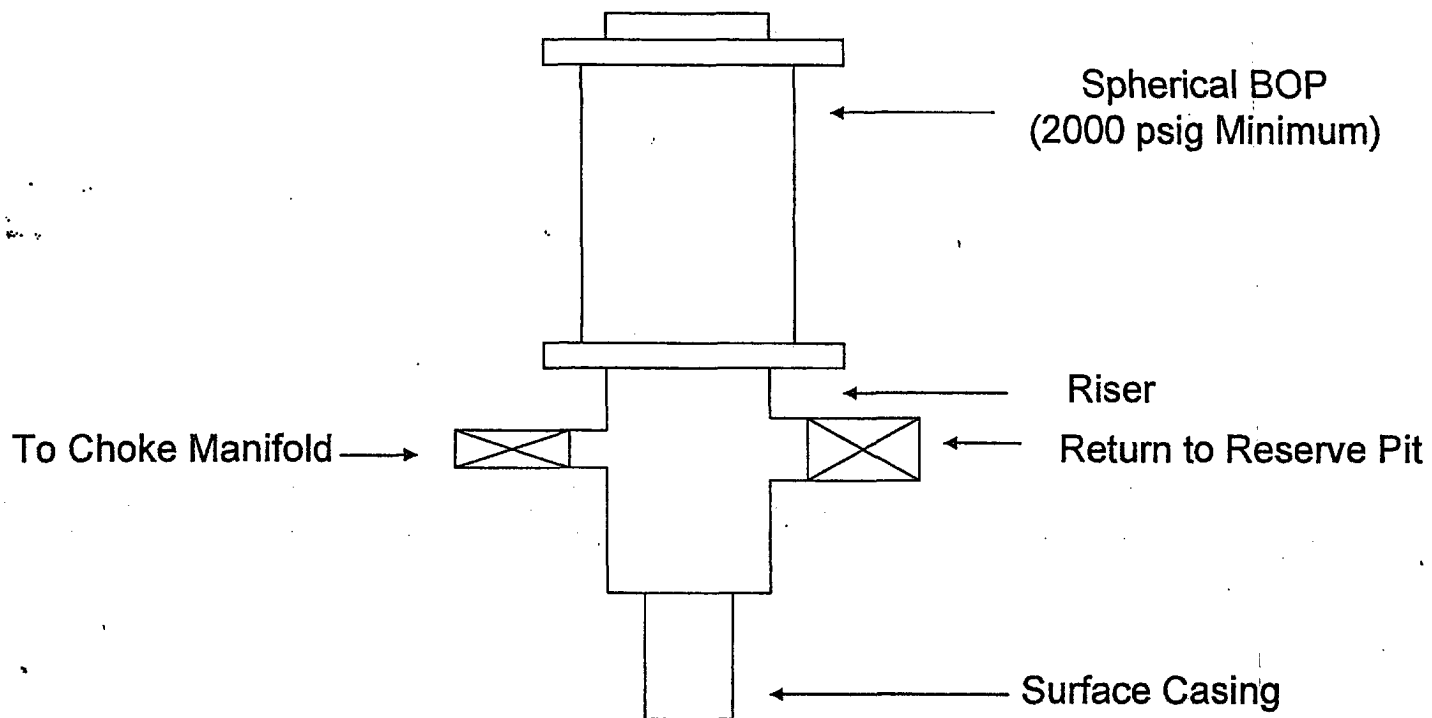
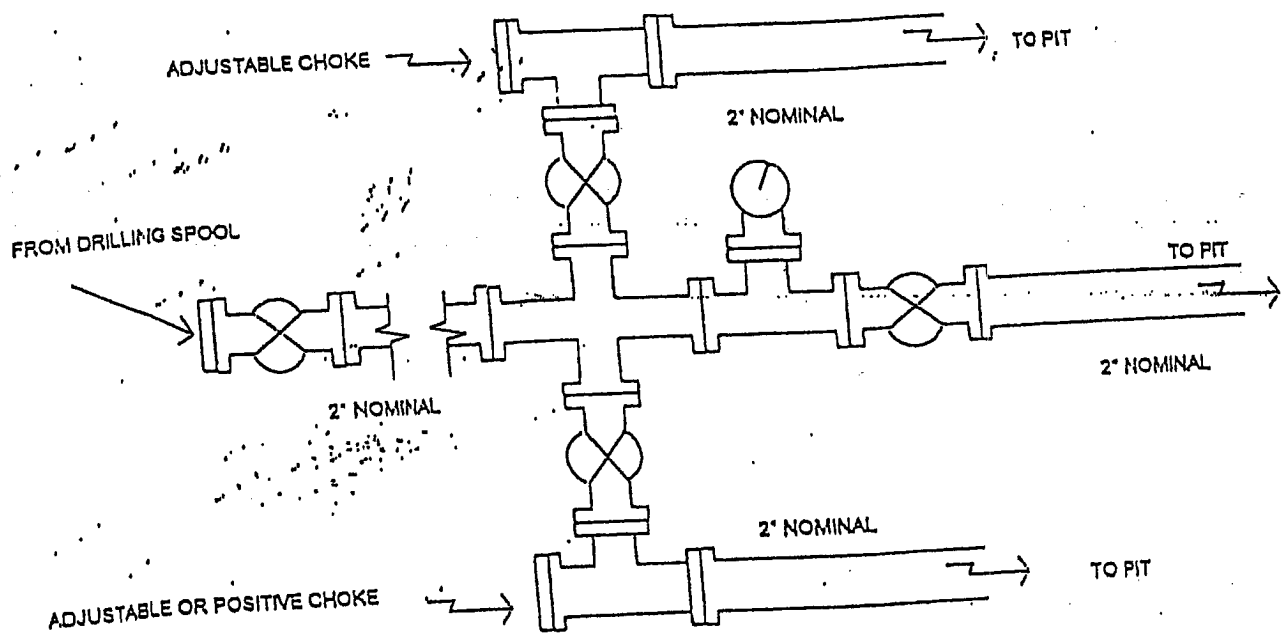


FIGURE #2

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