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

RCVD OCT 24'06
OIL CONS. DIV.
DIST. 3

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
May 27, 2004

WELL API NO. 30-045-30525	
5. Indicate Type of Lease STATE ☒ FEE ☐	
6. State Oil & Gas Lease No. LG-3735	
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.)	7. Lease Name or Unit Agreement Name State
1. Type of Well: Oil Well ☐ Gas Well ☒ Other	8. Well Number #1R
2. Name of Operator Coleman Oil & Gas, Inc.	9. OGRID Number 004838
3. Address of Operator P.O. Drawer 3337 Farmington, NM 87499	10. Pool name or Wildcat Pictured Cliffs
4. Well Location Unit Letter : A : 790 feet from the North line and 840 feet from the East line Section 2 Township 26N Range 13W NMPM County San Juan	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6004' GR.
Pit or Below-grade Tank Application ☐ or Closure ☐ **Pit type: Depth to Groundwater: feet. Distance from nearest fresh water well . Distance from nearest surface water .** **Pit Liner Thickness: Below-Grade Tank: Volume bbls; Construction Material**	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☒	CASING/CEMENT JOB ☐	
OTHER: ☐		OTHER: ☐	

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.

Coleman Oil & Gas, Inc. proposes to complete the State #1R in the WAW Fruitland Sand -Pictured Cliffs Formation. See attached procedure.

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: October 12, 2006

Michael T. Hanson cogmhanson@sprynet.com (505) 327-0356

For State Use Only

APPROVED BY: TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE OCT 24 2006

Conditions of Approval (if any):

Coleman Oil & Gas, Inc.

Completion Procedure
Pictured Cliffs Formation

Wednesday, October 11, 2006

Well:	**State#1R**	**Formation:**	Pictured Cliffs
Location:	790' FNL & 840' FEL (NENE)	**Elevation:**	6009' RKB
	Sec 2, T26N, R13W, NMPM		6004' GL
	San Juan County, New Mexico	**Lease:**	LG-3735
By:	Michael T. Hanson		

Procedure: (Note: This procedure will be adjusted on site based upon actual conditions)

Perforate Pictured Cliffs

1. MIRU. POOH With Production Equipment.
2. Perforate Pictured Cliffs Formation with 3 1/8" HEG casing gun, 90 degree phasing per Schlumberger CBL- VDL- GR- CL dated March 17, 2001 as follows:

   1222' – 1228' ft 6 ft 4spf 24 holes 0.42" diameter

Acid Breakdown

1. Order in two frac tank with 4" riser, working external gage & two good 4" valves each. Fill frac tank with ± 380 barrels of 2% KCL water. Heat frac water for 80 degrees frac temperature.
2. RIH with Arrow set I packer on 2 7/8" frac sting and set @ ± 1213 FT GL.
3. Pump KCL water to break down formation and establish rate. Monitor annulus for communication.
4. Rig up Acid Pump Truck and Pressure Test and Hold Safety Meeting. Pump 1000 gal 7.5% FE Acid with inhibitor and additives.

Hydraulic Fracture Stimulation

5. Rig up Hydraulic Fracture Equipment and Pressure Test and hold Safety Meeting Pump 10,000 gallons of 70% Quality N2 foam with 20# cross linked gel Pad.
6. Pump Proppant Laden 70% Quality Foam, 21,600 gallons of 70% Quality N2 foam with 20# cross linked gel with 50,000# 20/40 Brady Sand 1 to 5# per gallon stages. Flush with 70% Quality N2 foam with 20# cross linked gel, 100 feet above top perforation.

7. Record ISIP, 5 minute, 10 minute and 15 minute pressures.

8. Rig down Hydraulic Fracture Equipment.

9. Flow back well if possible, if not MIRU Well Service Rig.

NOTE: Maximum treating pressure 3500 psig.

Install Production Tubing

1. RH with 2 3/8" Production tubing and clean out to PBTD.

2. Land tubing with minimum of 30 feet of mud anchor.

3. Run rods and pump. Put well on production.