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

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

070 FARMINGTON, NM

5. Lease Serial No.
NOO-C-14-20-5390
If Indian, Allottee or Tribe Name

1a. TYPE OF WORK

☒ DRILL

6. TYPE OF WELL

☐ OIL

☒ GAS WELL

☐ OTHER

☐ SINGLE ZONE

☐ MULTIPLE ZONE

2. Name of Operator

Coleman Oil & Gas, Inc.

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

29628

8. Lease Name and Well No.

Ricky #1R

9. API Well No.

3004531165

3a. Address

P.O. Drawer 3337, Farmington N.M. 87499

3b. Phone No. (include area code)

(505) 327- 0356

10. Field and Pool, or Exploratory

S. Gallegos Fruitland Sand- PC

4. Location of well (Report location clearly and in accordance with any State requirements. *)

At surface

765' FNL, 830' FWL Latitude 36° 29' 36", Longitude 108° 03' 02"

At proposed prod. zone

11. Sec., T., R., M., or Blk. And Survey or Area

0 Section 18, T26N, R11W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

South West of Farmington New Mexico on County RD. 7100, approximately 30 miles.

12. County or Parish

San Juan

13. State

NM

15. Distance from proposed*

location to nearest

property or lease line, ft.

(Also to nearest drg unit line, if any)

765'

16. No. of Acres in lease

160

17. Spacing Unit dedicated to this well

158.91 ACRES NW/4

18. Distance from proposed location*

to nearest well, drilling, completed,

applied for, on this lease, ft.

NA

19. Proposed Depth

1430'

20. BLM/ BIA Bond No. on file

08510607 BIA

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6034'

22. Approximate date work will start*

October-02

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 authorized officer.

25. Signature

Title

Operations Engineer

Name (Printed/ Typed)

Michael T. Hanson

DATE

09 Aug 02

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approved By (Signature)

/s/ David J. Mankiewicz

Name (Printed/ Typed)

DATE

DEC 31 2002

Title

Office

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
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

NMOCD

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, 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 30-045-31165	Pool Code 77310	Pool Name GALLEGOS FRUITLAND SAND PICTURED CLIFFS, SOUTH
Property Code 29628	Property Name RICKY	Well Number 1R
GRID No. 4838	Operator Name COLEMAN OIL & GAS, INC.	Elevation 6034'

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
D	18	26N	11W		765	NORTH	830	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

Dedicated Acres 158.91 Acres - (NW/4)	Joint or Infill	Consolidation Code	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

<div>1302.84'</div> <div>765'</div> <div>830'</div> <div>LOT 1</div>	<div>1321.98'</div>	<div>2643.96'</div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div><i>Michael T. Hanson</i></div> <div>Signature</div> <div><i>Michael T. Hanson</i></div> <div>Printed Name</div> <div><i>Engineer</i></div> <div>Title</div> <div><i>8/9/02</i></div> <div>Date</div> <div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>Date of Survey: APRIL 25, 2002</div> <div>Signature and Seal of Professional Surveyor</div> <div></div> <div><i>JASON C. EDWARDS</i></div> <div>Certificate Number 15269</div>
<div>5280.00'</div> <div>LOT 2</div>			
<div>LOT 3</div>			
<div>LOT 4</div> <div>1306.80'</div> <div>1321.32'</div> <div>2642.64'</div>			

Friday, August 09, 2002

OPERATIONS PLAN

Well Name: Ricky #1R
Location: 765' FNL, 830' FWL Section 18, T-26-N, R-11-W
Latitude 36° 29' 36", Longitude 108° 03' 02"
San Juan County, NM
Formation: S. Gallegos Fruitland Sand-PC
Elevation: 6034' GL

Formation:	Top	Bottom	Contents
Surface	Nacimiento	190'	
Ojo Alamo	190'	324'	
Kirtland	324'	1046'	
Fruitland	1046'	1260'	gas
Fruitland Coal	1260'	1279'	gas
Pictured Cliffs	1279'	1430'	gas
Total Depth	1430'		

Logging Program: Induction and or Density Porosity log with GR.

Coring Program: none

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0 - 125'	Spud	8.4 - 8.5	32 - 36	no control
125 - 1430'	Polymer/Water	8.4 - 8.5	32 - 36	no control

Casing Program

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
8 3/4"	0' - 125'	7"	20#	J-55 or K-55
6 1/4"	125' - 1430'	4 1/2"	10.5#	J-55 or K-55

Tubing Program:

0' - 1400'	2 3/8"	4.70#	J-55
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Float Equipment:

7" surface casing - saw tooth guide shoe. Centralizers none.

4 1/2 " production casing - guide shoe and self-fill float collar. Four centralizers will be run on the bottom, one in the center of shoe joint and three every other joint above shoe joint.

Wellhead Equipment: 7" x 4 1/2" Braiden Head and 4 1/2" x 2 3/8" Tubing Head. Independent Well Head assembly with a minimum rated working pressure of 1000 psig.

Cementing:**7" Surface Casing -**

Cement with 30 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (36 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi/30 minutes.

4 1/2" Production Casing-

Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. Lead with 115 sx (237 cu. ft.) of CI "B" with 2% metasilicate and 1/4#/sk celloflake. (Yield = 2.06 cu. ft. /sk; slurry weight = 12.5 PPG). Tail with 50 sx (59 cu. ft.) of CI "B" with 2% CaCl and 1/4#/sk celloflake. (Yield = 1.18 cu. ft. / sk; slurry weight = 15.6 PPG). Total cement volume is 296 cu. ft. (100% excess on open hole, calculated on cement volumes).

BOP and Tests:

Surface to surface TD - None

Surface TD to Total Depth - Annular or Double Ram type 2000 psi (minimum) double gate BOP stack (Reference Exhibit #1, #2, and #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 pipe to TD - choke manifold (Reference Exhibit #2).

Pipe rams will be actuated at least once each date 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 S Gallegos Fruitland Sand- Pc formation will be completed.
- Anticipated pore pressure for the S Gallegos Fruitland Sand- Pc is less than 100 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 8/9/02 Drilling Engineer: Michael S. Lano