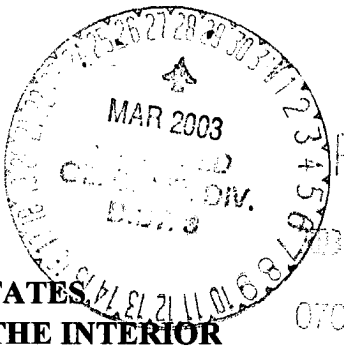


RECEIVED
03 JAN 30 AM 11:20
070 Farmington, NM

Form 3160-3
(August 1999)

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

5. Lease Serial No.
NMNM 33052

If Indian, Allottee or Tribe Name

1a. TYPE OF WORK [x] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.
24009

b. TYPE OF WELL [ ] OIL [x] GAS WELL [ ] OTHER [ ] SINGLE ZONE [ ] MULTIPLE ZONE

8. Lease Name and Well No.
Middle Mesa Com #3S

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

9. API Well No.
30 045 31369

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
Basin Fruitland Coal

4. Location of well *(Report location clearly and In accordance with any State requirements.*)*
At surface
1175' FSL, 1610' FEL Latitude 36° 56' 03", Longitude 107° 34' 07"
At proposed prod. zone

11. Sec., T., R., M., or Blk. And Survey or Area
Section 33, T32N, R7W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Fourteen miles South Of Ignacio Colorado

12. County or Parish
San Juan

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
1175'	80	310.80 ACRES S/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/ BIA Bond No. on file**
NA	3502'	08510612 BLM
21. ELEVATIONS (Show whether DF. RT, GR, etc.)	**22. Aproximate date work will start***	**23. Estimated Duration**
6680'	April-03	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
Michael T. Hanson	Michael T. Hanson	23-Jan-03

Title
Operations Engineer

Approved By *(Signature)*	Name *(Printed/ Typed)*	DATE
/s/ David J. Mankiewicz		MAR 26 2003
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

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

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

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-31369	71629	Basin Fruitland Coal

[4] Property Code	[5] Property Name	[6] Well Number
24009	MIDDLE MESA COM	3S

[7] OGRID No.	[8] Operator Name	[9] Elevation
4838	COLEMAN OIL & GAS, INC.	6680'

[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
O	33	32N	7W		1175	SOUTH	1610	EAST	SAN JUAN

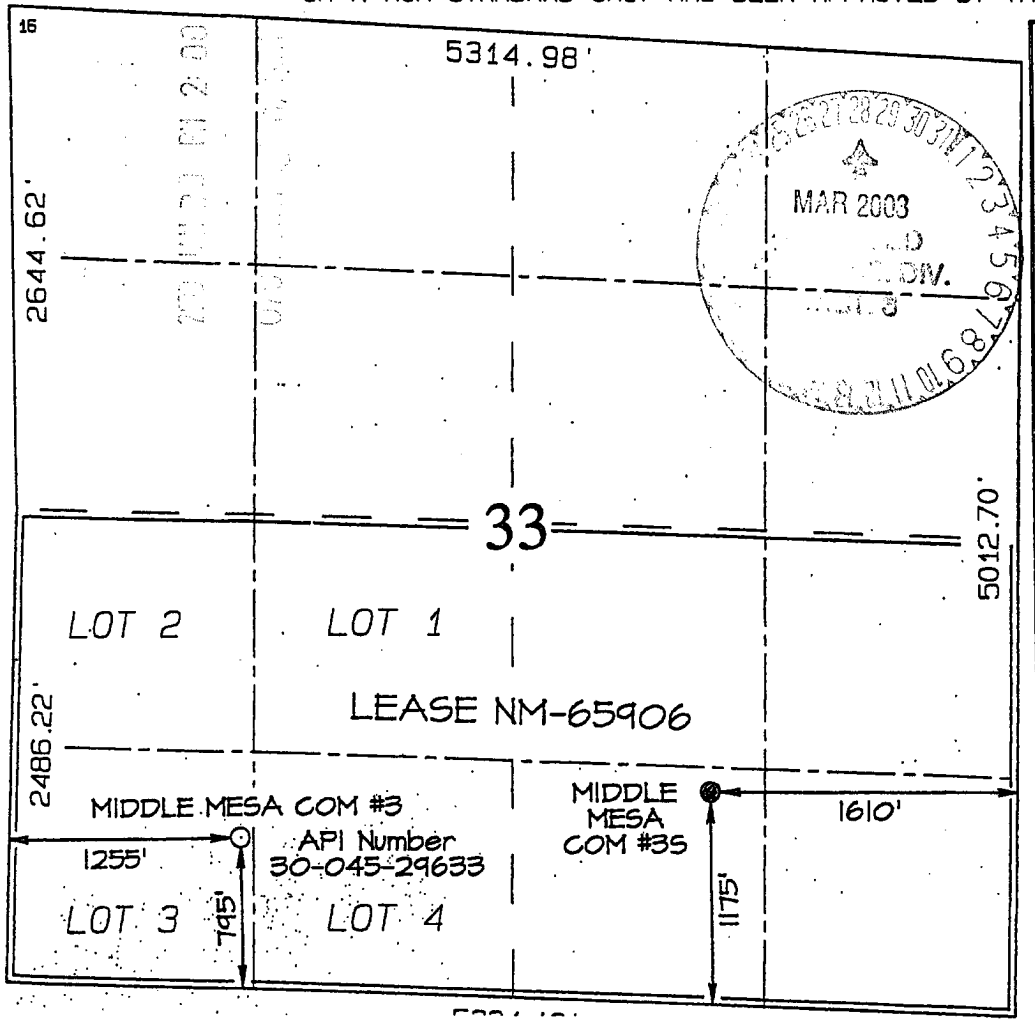
[11] Bottom Hole Location If Different From Surface

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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
310.80 Acres - (S/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

[16]



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature: Michael T. Hanson

Printed Name: Michael T. Hanson

Title: Engineer

Date: 01/23/03

[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: DECEMBER 6, 2002

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS

Certificate Number 15269

Tuesday, January 14, 2003

OPERATIONS PLAN

Well Name: Middle Mesa Com #3S
Location: 1175' FSL, 1610' FEL Section 33, T-32-N, R-7-W
Latitude 36° 56'03", Longitude 107° 34'07"
San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6680' GL

Formation:	Top	Bottom	Contents
Surface	San Jose	1285'	
Nacimeinto	1285'	2425'	aquifer
Ojo Alamo	2425'	2525"	aquifer
Kirtland	2525'	3085'	
Fruitland	3085'	3260'	gas
Fruitland Coal	3260'	3450'	gas
Total Depth	3450'		

Logging Program: Mud logs from 3240' to Total Depth.

Coring Program: none

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0 - 250'	Spud	8.4 - 9.0	40 - 50	no control
250 - 3240'	Non-dispersed	8.4 - 9.0	30 - 60	no control
3240' – 3450'	Air			

Casing Program

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 1/4"	0' - 250'	9 5/8"	36#	J / K 55
8 3/4"	0' - 3240'	7"	20#	J / K 55
6 1/4"	~~3240'~~ 3140' - 3450'	5 1/2"	15.5#	J / K 55

Tubing Program:

0' - 3400'	2 7/8"	6.5#	J - 55

Float Equipment: 9 5/8" surface casing - saw tooth guide shoe. Three centralizers run every other joint above shoe.

7" intermediate casing - guide shoe and self-fill float collar. Seven centralizers run every other joint above shoe. Two turbolizing type centralizers - one below and one at base of Ojo Alamo. Standard centralizers thereafter every fifth joint up to the base of the surface pipe.

5 1/2" production casing - float shoe on bottom and pre-drilled liner run to the 7" casing with a minimum 100' overlap. Liner hanger is a double slip grip type.

Wellhead Equipment: 9 5/8" x 7" x 2 7/8" x 11" 3000 psi xmas tree assembly.

Cementing: 9 5/8" surface casing - cement with 135 sacks (160 cu. ft. of slurry with a yield of 1.18 cu. ft. per sack and a slurry weight of 15.6 PPG) Class "B" cement with 1/4# per sack celloflake and 3% calcium chloride, 100% excess to circulate to surface. WOC 12 hrs. Test casing to 600 psi/30 minutes.

7" intermediate casing.

Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 30 barrels of fresh water. Lead with 365 sacks (780 cu. ft.) of Premium Lite High Strength FM + 3 lbs/sack CSE + 5% bwoc A-10 + 0.3% bwoc CD-32 + 0.7% bwoc FL-52 + 3 lbs/sack Pheno Seal + 0.25 lbs/sack Cello Flake + 1% Calcium Chloride + 109.7% fresh water. (Yield = 2.14 cu. ft. /sk; slurry weight = 12.5 PPG). Tail with 60 sx (70 cu. ft.) of Cl "H" with 1/4 #/sk celloflake, 5#/sk gilsonite, 0/3% FL-62 and 2% CaC12 (Yield = 1.2 cu. ft. / sk; slurry weight = 15.6 PPG). Total cement volume is 850 cu. ft. (75% excess calculated on cement volumes).

5 1/2" liner - uncemented.

BOP and Tests: Surface to intermediate TD - 11" 2000 psi (minimum) double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 600# / 30 min.

Intermediate TD to Total Depth – 7 1/16" 3000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to drilling out intermediate casing, test blind rams and casing to 1500 psi for 30 minutes; all pipe rams and casing to 1500 psi for 30 minutes each.

From surface to TD - 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 500 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 01/23/03 Drilling Engineer: Michael T. Hanson