

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <b>NOO-C-14-20-3629</b>	
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>Navajo Allotted</b>	
2. NAME OF OPERATOR <b>Coleman Oil and Gas Company</b>		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR <b>c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 322-4892</b>		8. FARM OR LEASE NAME, WELL NO. <b>Cardinal Com #1 25082</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At Surface <b>1760' FNL and 1665' FEL</b> At proposed Prod. Zone		9. API WELL NO. <b>30-045-29932</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>15 miles south of Farmington, NM</b>		10. FIELD AND POOL OR WILDCAT <b>Basin Fruitland Coal</b>	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) <b>880'</b>	16. NO. OF ACRES IN LEASE <b>160</b>	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Sec. 24, T26N, R12W</b>	
17. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. <b>85'</b>	18. PROPOSED DEPTH	12. COUNTY OR PARISH <b>San Juan</b>	
19. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>6040' GR</b>	20. ROTARY OR CABLE TOOLS <b>Rotary</b>	13. STATE <b>NM</b>	
21. APPROX. DATE WORK WILL START* <b>August 1999</b>		22. APPROX. DATE WORK WILL START* <b>August 1999</b>	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
8-3/4"	7"	20#	120'
6-1/4"	4-1/2"	10.5#	1335'
		QUANTITY OF CEMENT	
		36 cu.ft. Cl "B" with 2% CaCl <sub>2</sub>	
		216 cu.ft. "B" w/2% metasilicate and	
		59 cu.ft. Cl "B" with 2% CaCl <sub>2</sub>	

Coleman Oil and Gas Company proposes to drill a vertical well to develop the Basin Fruitland Coal formation at the above described location in accordance with the attached drilling and surface use plans.

This location has been archaeologically surveyed by La Plata Anthropological Consultants. Copies of their report have been submitted directly to your office.

This APD also is serving as an application to obtain BLM road and pipeline right-of-ways. This well will be accessed by an existing road which crosses the SW/NE, NW/SE, and E2 SW of Sec. 24, T26N, R12W where it connects with CR 7120. The pipeline route is described on Plat #4.

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLY WITH ATTACHED  
"GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED <u>Paul C. Thompson</u>	TITLE <u>Paul Thompson, Agent</u>	DATE <u>5/26/99</u>
(This space for Federal or State office use)		
PERMIT NO. _____	APPROVAL DATE <u>OCT 8 1999</u>	
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:		
APPROVED BY <u>[Signature]</u>	TITLE <u>Act. Tanlad</u>	DATE <u>10-8-99</u>

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

Box 2088, Santa Fe, NM 87504-2088  
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 Depart

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

Form C-10  
Revised February 21, 1999  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

RECEIVED  
BLM  
AMENDED REPORT  
99 MAY 27 AM 7:52

WELL LOCATION AND ACREAGE DEDICATION PLAT, NM

*API Number 30-045-29932		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 25082	*Property Name CARDINAL COM		*Well Number 1
*GRID No. 004838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6040'

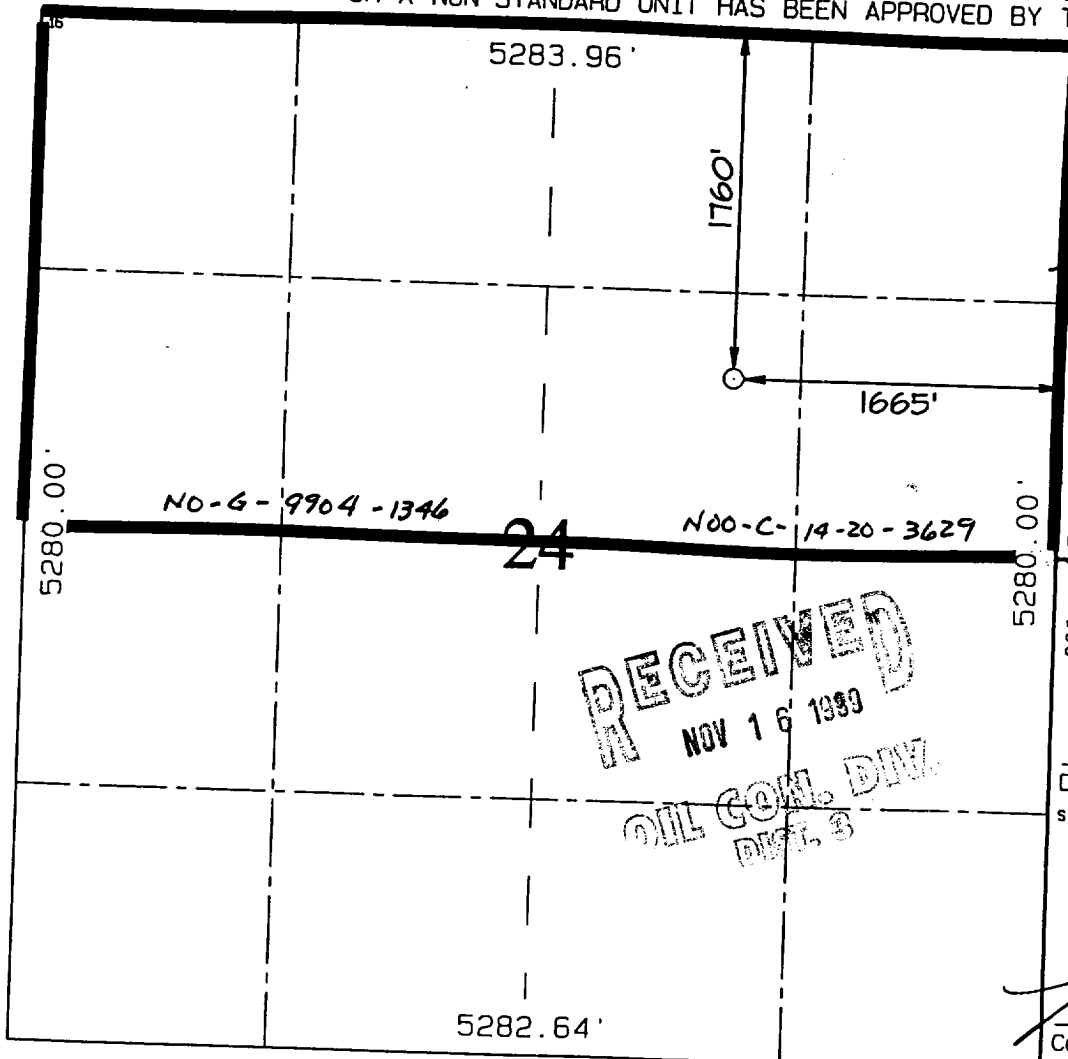
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	24	26N	12W		1760	NORTH	1665	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		13 Joint or Infill Y		14 Consolidation Code C		15 Order No.			

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

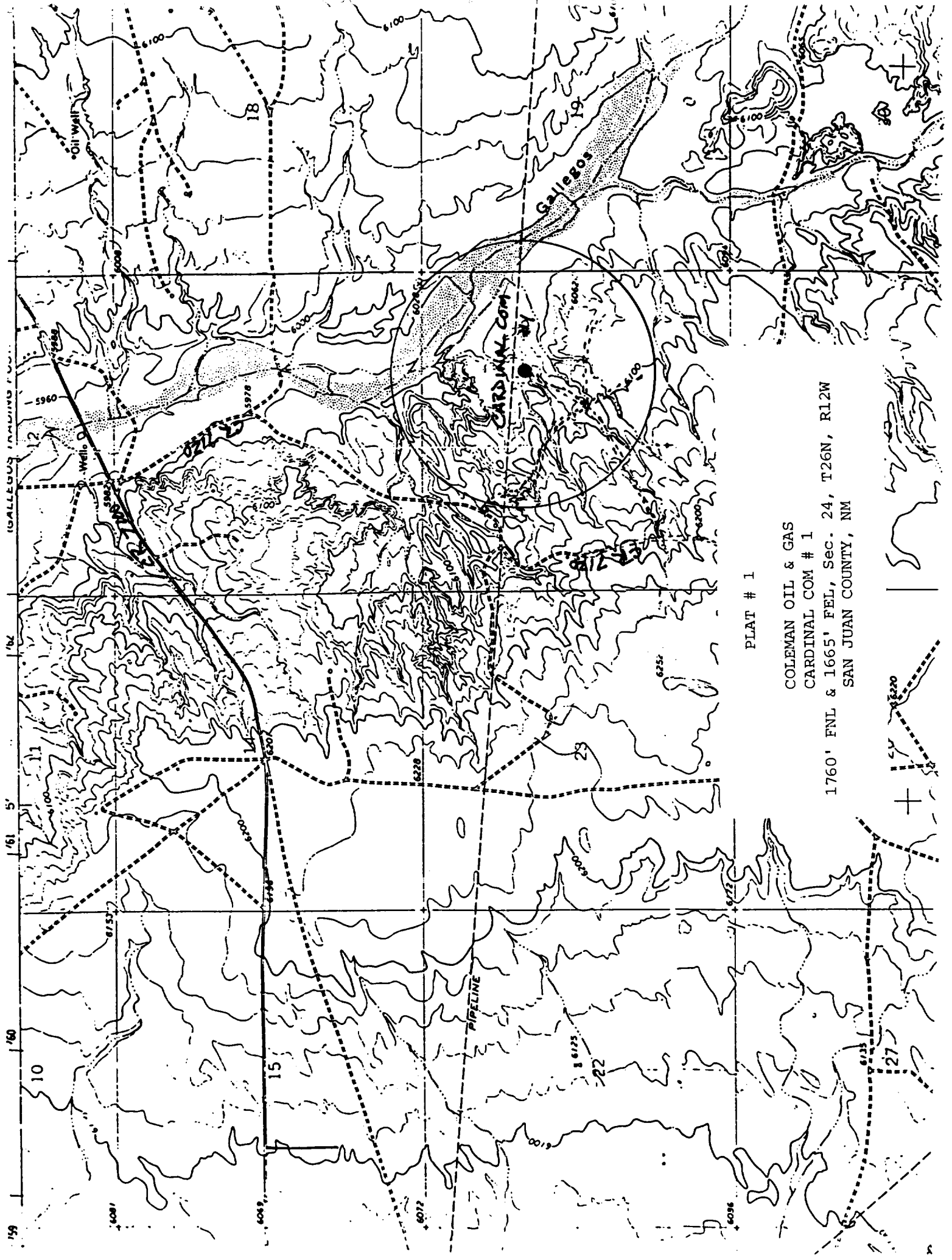


17 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Paul C. Thompson*  
Signature  
Paul C. Thompson  
Printed Name  
Agent  
Title  
May 25, 1999  
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.

MAY 12, 1999  
Date of Survey  
Signature and Seal of Professional Surveyor  
*Neale C. Edwards*  
NEALE C. EDWARDS  
NEW MEXICO  
6857  
Certificate Number 6857



PLAT # 1

COLEMAN OIL & GAS

CARDINAL COM # 1

1760' FNL & 1665' FEL, Sec. 24, T26N, R12W

SAN JUAN COUNTY, NM