Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB 1004-0136
Expires: February 25, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2001 DEC 19 PM 12:12 RECEIVED
070 FARMINGTON NM
OIL CON. DIV.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.	SF - 078953
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. UNIT AGREEMENT NAME	24005
8. FARM OR LEASE NAME, WELL NO.	J.W. Goddard #3R
9. API WELL NO.	30-045-30157
10. FIELD AND POOL OR WILDCAT	Basin Fruitland Coal
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	K Sec. 11, T26N, R12W
12. COUNTY OR PARISH	San Juan
13. STATE	NM

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

1b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [X]

2. NAME OF OPERATOR: Coleman Oil and Gas

3. ADDRESS OF OPERATOR: c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 327-4892

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At Surface: 2030' FSL and 1845' FWL (SWSW)
At proposed Prod. Zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 15 miles south of Farmington, 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. NO. OF ACRES ASSIGNED TO THIS WELL
795'	320	320 W/2

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
110'	1490'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6057' GR

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

22. APPROX. DATE WORK WILL START*: August 1999

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	20#	120'	30sx (36 cu.ft.) to surface
6-1/4"	4-1/2"	10.5#	1490	59 cu.ft. Cl "B" and 247 CU.ft. Cl "B" with 2% metasilicate

Coleman Oil and Gas 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 Archaeological Consultants and a copy of their report has been sent directly to your office.

GENERAL REQUIREMENTS" ATTACHED

No new access road will be required for this location. The well will be connected to El Paso Field Services line which is on an adjacent pad. The pipeline route is described on Plat #4.
If the J. W. Goddard #3R completion is successful, then the J. W. Goddard #3 will be plugged and abandoned.

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.

24.

SIGNED Paul C. Thompson TITLE Paul Thompson, Agent DATE 2/23/00

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 12/11/01

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 /s/ Manfredo TITLE AFM DATE 12/14/01

*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.

HOLD C104 FOR Change in Status to J.W. Goddard #3

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, Mine als & Natural Resources Dep t

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
30-045-30159	71629	BASIN FRUITLAND COAL

4 Property Code	5 Property Name	6 Well Number
24005	J.W. GODDARD	3R

7 OGRID No.	8 Operator Name	9 Elevation
004838	COLEMAN OIL & GAS, INC.	6057'

10 Surface Location

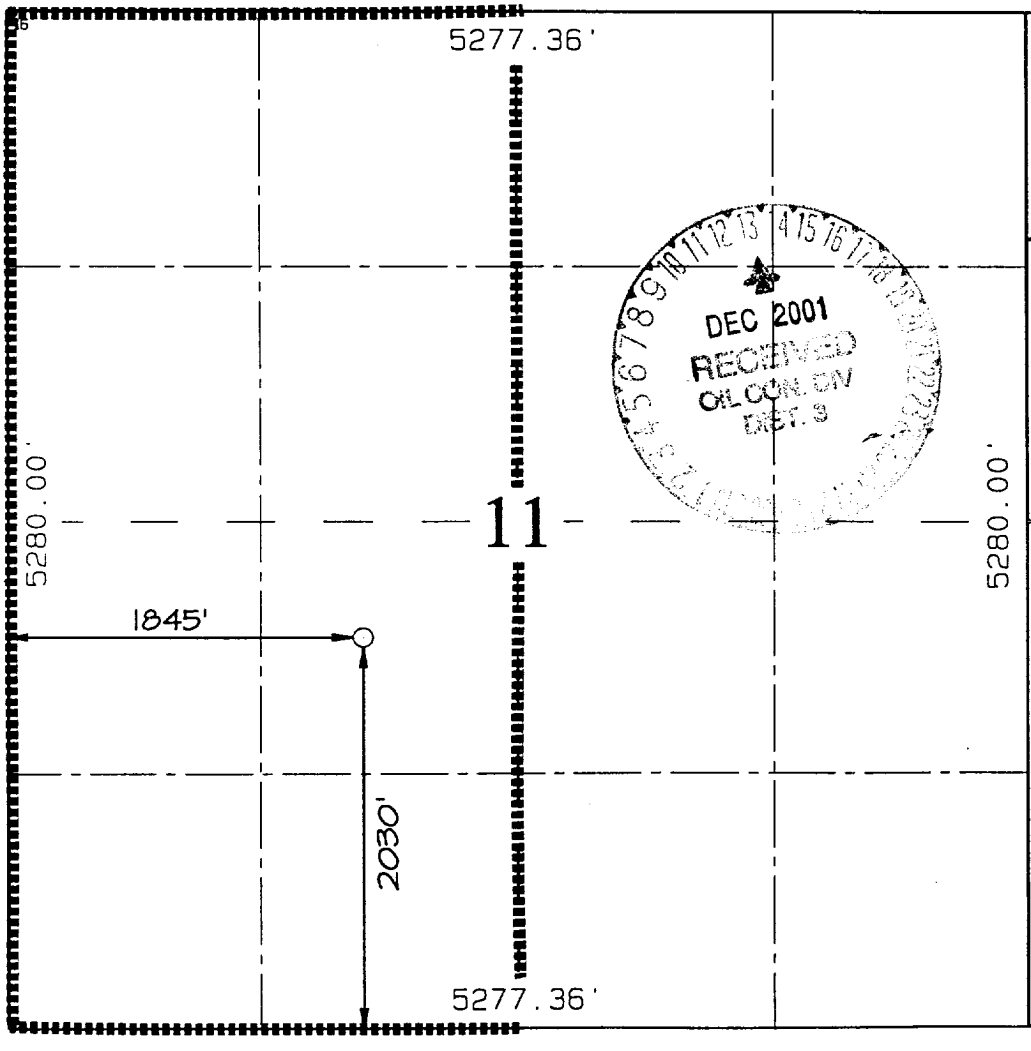
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	11	26N	12W		2030	SOUTH	1845	WEST	SAN JUAN

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320	Y		

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



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OIL CON. DIV.
DIST. 3

17 OPERATOR CERTIFICATION

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

Signature

Paul C. Thompson

Printed Name

Agent

Title

3/23/00

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.

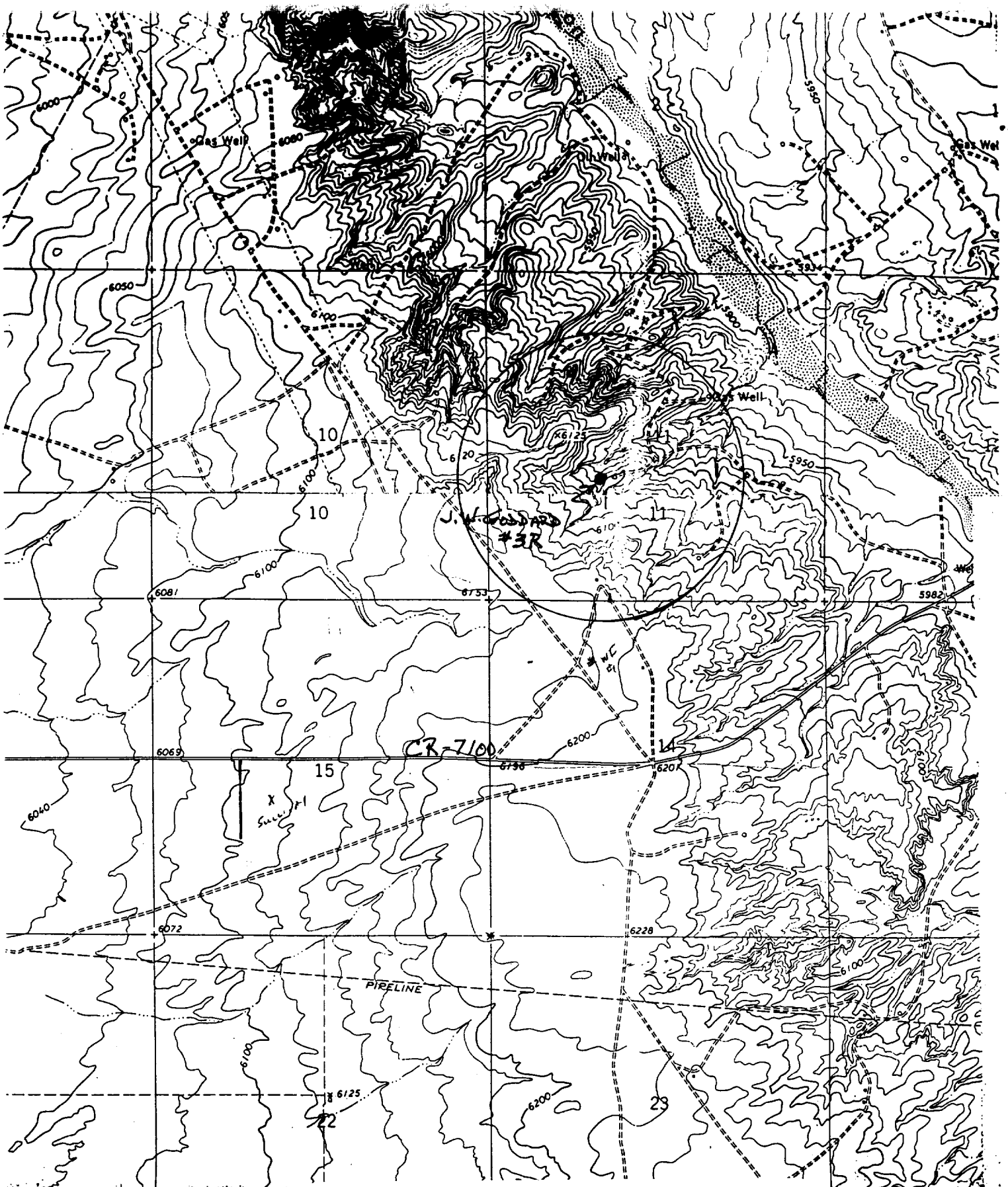
JANUARY 25, 2000

Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number 6857



PLAT #1

COLEMAN OIL & GAS COMPANY
J.W. Goddard #3R
2030'FSL & 1845'FWL, Sec. 11, T26N,R12W
San Juan County, NM

COLEMAN OIL AND GAS
OPERATIONS PLAN
J.W. Goddard #3R

I. Location: 2030' FSL & 1845' FWL Date: February 23, 2000
Sec 11 T26N R12W
San Juan County, NM

Field: Basin Fruitland Coal Elev: GL 6057'
Surface: Navajo Tribal Trust
Minerals: SF - 078953

II. Geology: Surface formation _ Nacimiento

A.

Formation Tops	Depths
Kirtland	400'
Fruitland	1065'
Fruitland Coal	1306'
Pictured Cliffs	1340'
Total Depth	1490'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:
Water and gas - 1065', 1340'.

B. Logging Program: Induction/GR and density logs at TD.

C. No over pressured zones are expected in this well. No H_2S zones will be penetrated in this well. Max. BHP = 500 psig.

III. Drilling
A. Contractor:

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The production hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

C. Minimum Blowout Control Specifications:

Double ram type or annular type 2000 psi working pressure BOP with a rotating head. See the attached exhibits (#1 through #3) for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 psi.

C. Cont.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
8-3/4"	120'	7"	20# K-55
6-1/4"	1490	4-1/2"	10.5# K-55

B. Float Equipment:

a) Surface Casing: None

b) Production Casing: 4-1/2" 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 turbolizers every other joint from the top of the well.

V. Cementing:

Surface casing: 7" - Use 30 sx (36 cu. ft.) of Cl "B" with 2% $CaCl_2$ (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 600 psi for 30 min.

Production Casing: 4-1/2" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. Lead with 120 sx (247 cu.ft) of Cl "B" with 2% metasilicate. (Yield = 2.06 cu.ft./sk; slurry weight = 12.5 PPG). Tail with 50 sx (59 cu.ft.) of Cl "B" with 2% $CaCl_2$ (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG) Total cement volume is 306 cu.ft. (100% excess to circulate cement to surface).

Paul C. Thompson

Paul C. Thompson, P.E.