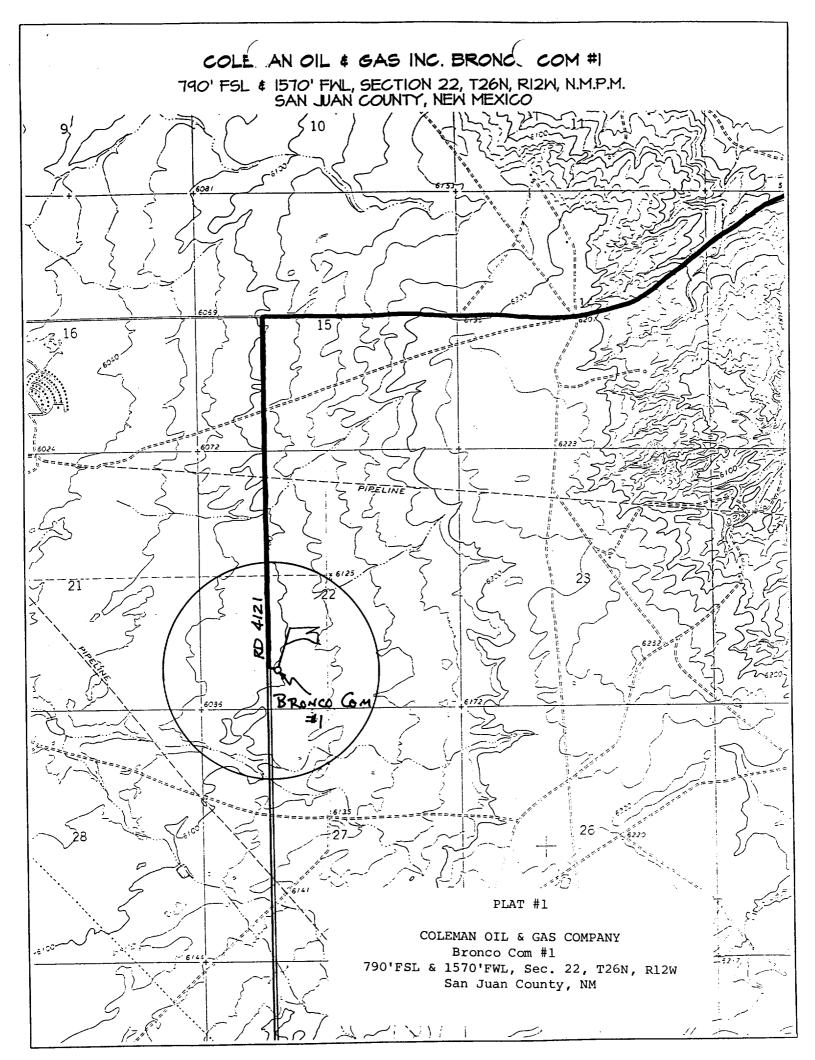
Form 3160-3 FORM APPROVED (August 1999) OMB No. 1004-0136 **UNITED STATES** Expires November 30, 2000 DEPARTMENT OF THE INTERIOR 5. Lease Serial No. **BUREAU OF LAND MANAGEMENT** NO-G-9908-1354 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7. If Unit or CA Agreement, Name and No. Type of Work: X DRILL -REENTER 8. Lease Name and Well No b. Type of Well: Oil Well ¥ Gas Well Other x Single Zone **Bronco Com #1** 2. Name of Operator 9. API Well No. 30-045-30 30 8 Coleman Oil and Gas Company 3A. Address 3b. Phone No. (include grea code) 10. Field and Pool, or Exploratory c/o Walsh Engineering, 7415 E. Main, Farmington, NM 87402 505.327.4892 **Basin Fruitland Coal** 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T., R., M., or Blk, and Survey or Area At surface 790' FSL and 1570' FWL At proposed prod. Zone Section 22, T26N, R12W 14. Distance in miles and direction from nearest town or post office* County or Parish 13. State 15 miles south of Farmington, NM San Juan~ NM Distance from proposed 16. No. of Acres in lease 17. Spacing Unit dedicated to this well property or lease line, ft. (Also to nearest drig. unit line, if any) 790' 160 320 acres W/2 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 3300' 1305' -08510607 BIA 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 6100' GL -September 2000 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. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. SUPO shall be filed with the appropriate Forest Service Office. 6. Such other site specific information and/or plans as may be required by the authorized office. 25. Signature Name (Printed/Typed) Date Paul C. Thompson, P.E. 7/18/00 Title Agent Approved by (Signature) Name (Printed/Typed) Date JAN 19 /s/ Jim Lovato 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. *(Instructions on reverse) DENLING OPERATIONS AUTHORIZED ARE This action is subject to technical and procedural review purpuant to 43 CFR 3165.3 SUBJECT TO COMPLIANCE WITH ATTACHED and appeal pursuant to 43 CFR 3195.4.

"GENERAL REQUIREMENTS",

District I PO Box 1980, Hobbs, NM 88241-1980 State of New Mexico Form C-102 Energy, Minerals & Natural Resources Depar(Revised February 21, 1994 Instructions on back District II Submit to Appropriate District Office PO Drawer DD, Artesia, NM 88211-0719 OIL CONSERVATION DIVISION State Lease - 4 Copies Fee Lease - 3 Copies District III 1000 Rio Brazos Ad., Aztec, NM 87410 PO Box 2088 Santa Fe, NM 87504-2088... AMENDED REPORT District IV PO Box 2088, Santa Fe, NM 87504-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT 'Pool Name 'API Number Pool Code 71629 BASIN FRUITLAND COAL Property Code Property Name Well Number BRONCO COM 1 OGRID No. *Operator Name Elevation COLEMAN OIL & GAS. INC. 004838 5100 ~ ¹⁰ Surface Location UL or lot no. Section Range Lat Idn Feet from the North/South line Feet from the East/West line County 25 Ν **56N** 12W 790 SOUTH 1570 WEST SAN JUAN ¹¹Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Feet from the North/South line Feet from the County East/West line Joint or Infill 12 Dedicated Acres 14 Consolidation Code ¹⁵ Order Na. 320 W COM 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 5280.001 I hereby centify that the information contained herein $i\bar{s}$ true and complete to the best of my knowledge and belief Paul C. Thompson Printed Name Agent Title 7/18/00 Date 5280. 18 SURVEYOR CERTIFICATION MAY 26. 2000 Date of Su 1570' Certificate North FESSIO 5278.68 6857



COLEMAN OIL AND GAS OPERATIONS PLAN Bronco Com #1

I. Location: 790' FSL & 1570' FWL Date: June 28, 2000

Sec 22 T26N R12W San Juan County, NM

Field: Basin Fruitland Coal Elev: GL 6100'

Surface: Navajo Tribal Trust Minerals: NO-G-9908-1354

II. Geology: Surface formation _ Nacimiento

Α.	Formation Tops	Depths
	Ojo Alamo	140'
	Kirtland	250'
	Fruitland	975 '
	Fruitland Coal	1140'
	Pictured Cliffs	1165'
	Total Depth	ے' 1305

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 975'; gas - 1165'.

- B. Logging Program: Induction/GR and density logs at TD.
- C. No over pressured zones are expected in this well. No $\rm H_2S$ 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.

Bronco Com #1 Operations Plan Pg #2

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"	1305′	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% CaCl₂ (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 105 sx (216 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% CaCl₂ (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG) Total cement volume is 275 cu.ft. (100% excess to circulate cement to surface).

Paul C. Thompson, P.E.