

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.

NMNM 104610

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

Denver #1

9. API Well No.

30-045-30311

10. Field and Pool, or Exploratory

WAW Fruitland Sand - PC

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

Section 22, T26N, R12W

12. County or Parish

San Juan

13. State

NM

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Coleman Oil and Gas Company

3A. Address

c/o Walsh Engineering, 7415 E. Main, Farmington, NM 87402

3b. Phone No. (include area code)

505.327.4892

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

At surface 1190' FNL and 990' FWL

At proposed prod. Zone

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 drig. unit line, if any)

990'

16. No. of Acres in lease

640

17. Spacing Unit dedicated to this well

160 acres NW/4

18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft.

3300'

19. Proposed Depth

1350'

20. BLM/BIA Bond No. on file

013002853 BLM NM 2095

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

6094' GL

22. Approximate date work will start*

September 2000

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 an 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 office.

25. Signature

Paul C. Thompson

Name (Printed/Typed)

Paul C. Thompson, P.E.

Date

7/18/00

Title

Agent

Approved by (Signature)

/s/ Jim Lovato

Name (Printed/Typed)

Date

JAN 19 2001

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)

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

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

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 30-045-30311 | | *Pool Code 87190 - | *Pool Name WAW FRUITLAND SAND PICTURED CLIFFS - |
| *Property Code 27176 | *Property Name DENVER | | *Well Number 1 |
| *OGRID No. 004838 | *Operator Name COLEMAN OIL & GAS, INC. | | *Elevation 6094' |

¹⁰ Surface Location

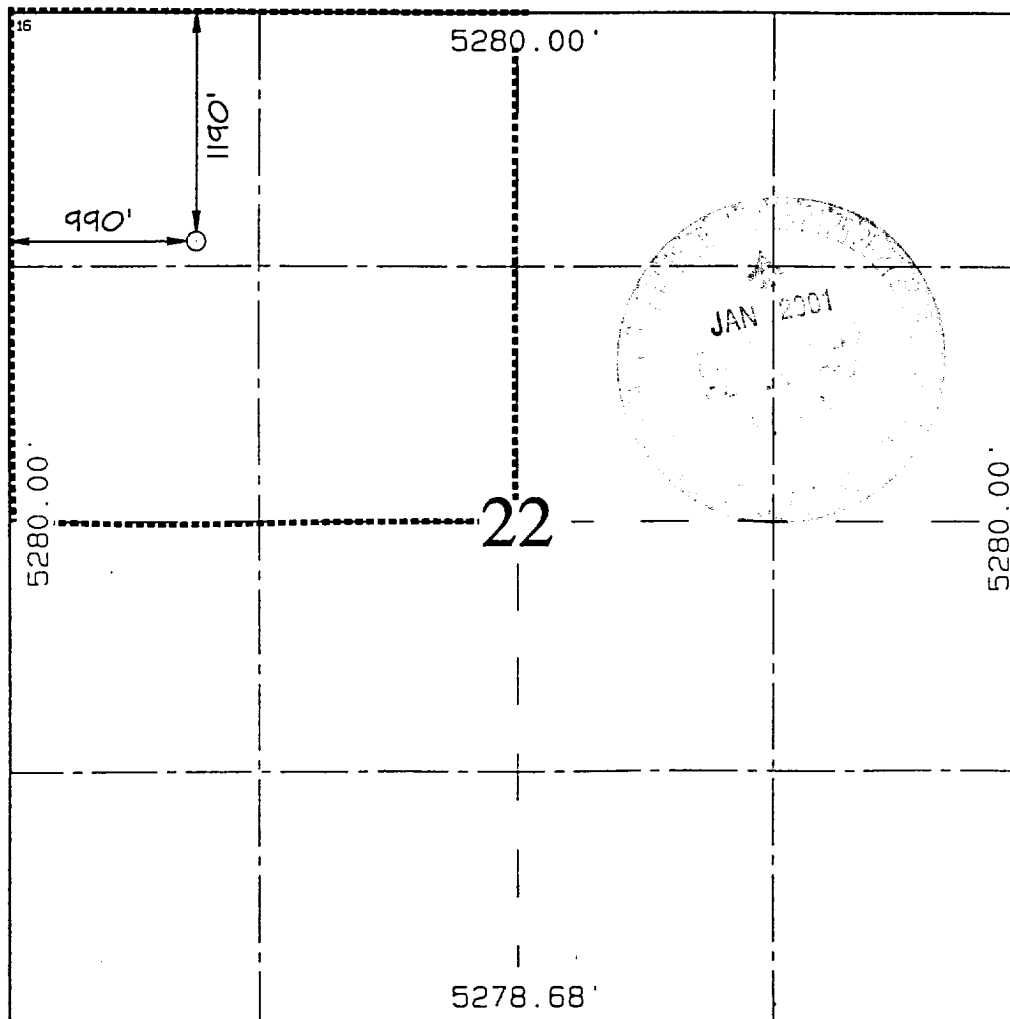
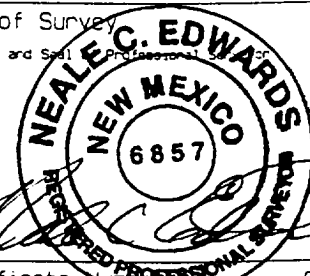
| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| U. or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 0 | 22 | 26N | 12W | | 1190 | NORTH | 990 | WEST | SAN JUAN |

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| U. or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| | | | | | | | | | |

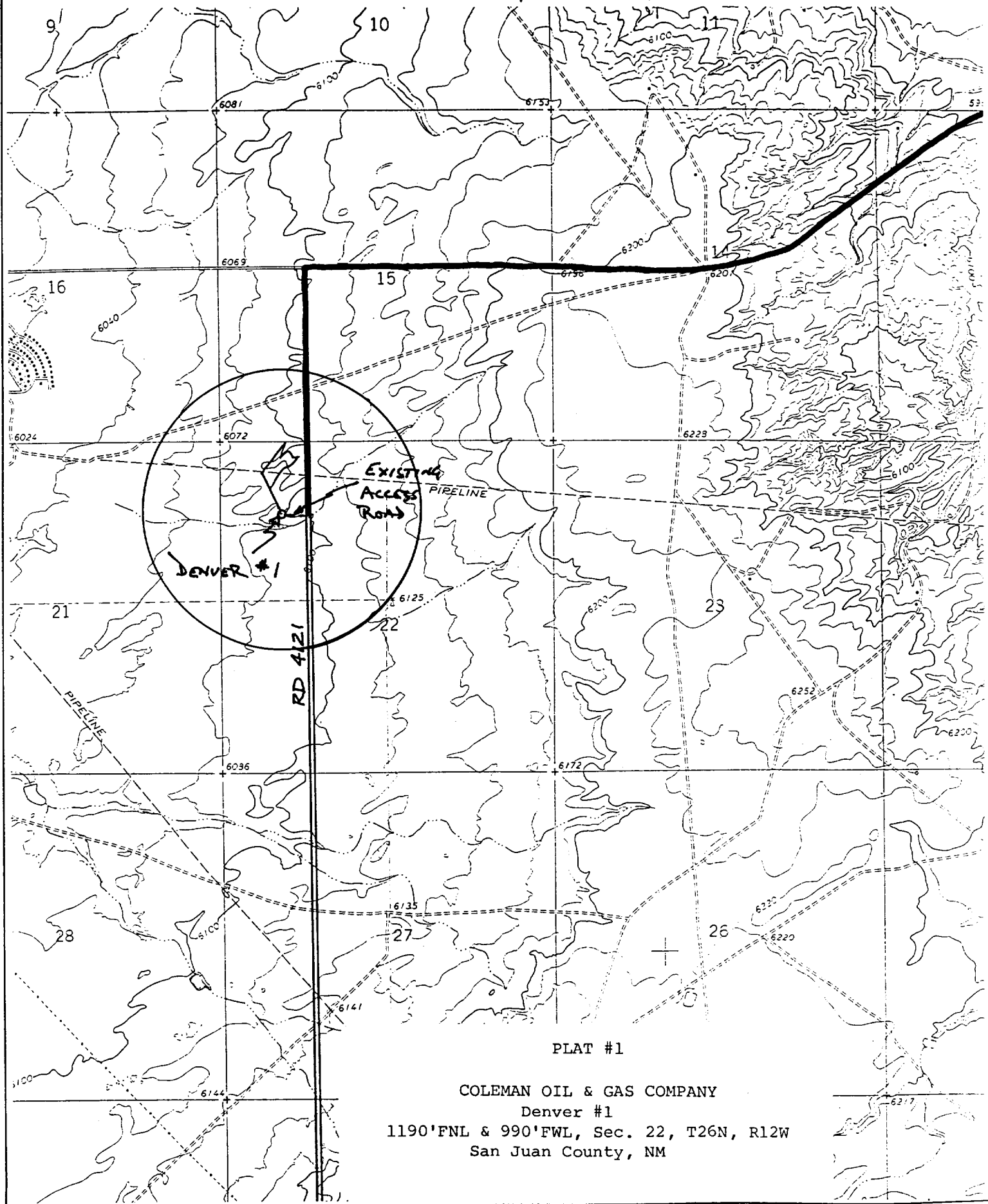
| | | | |
|--|------------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 160 NWA | ¹³ Joint or Infill Y | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|------------------------------------|----------------------------------|-------------------------|

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

| | |
|---|--|
|  | <p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 7/18/00 Date</p> |
| | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 26, 2000 Date of Survey <i>Neale C. Edwards</i> Signature and Seal  Certificate Number 6857</p> |

COLEMAN OIL & GAS INC. DENVER #1

1190' FNL & 990' FWL, SECTION 22, T26N, R12W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



PLAT #1

COLEMAN OIL & GAS COMPANY

Denver #1

1190' FNL & 990' FWL, Sec. 22, T26N, R12W
San Juan County, NM

COLEMAN OIL AND GAS
OPERATIONS PLAN
Denver #1

I. Location: 1190' FNL & 990' FWL Date: July 18, 2000
Sec 22 T26N R12W
San Juan County, NM

Field: WAW Fruitland Sand - Pictured Cliffs Elev: GL 6094'
Surface: Navajo Tribal Trust
Minerals: NMNM 104610

II. Geology: Surface formation _ Nacimiento

| <u>Formation Tops</u> | <u>Depths</u> |
|-----------------------|---------------|
| Ojo Alamo | 185' |
| Kirtland | 295' |
| Fruitland | 1020' |
| Fruitland Coal | 1185' |
| Pictured Cliffs | 1210' |
| Total Depth | 1350' — |

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

Water and gas - 1020'; gas - 1210'.

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

C. No over pressured zones are expected in this well. No H₂S 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" | 1350' | 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 110 sx (228 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 287 cu.ft. (100% excess to circulate cement to surface).


Paul C. Thompson, P.E.