

SUBMIT IN TRIPLICATE\*

(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires December 31, 1991

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>NO-G-9602-1301</b>	
6. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. NAME OF OPERATOR <b>Coleman Oil and Gas, Inc.</b>		7. UNIT AGREEMENT NAME <b>24007</b>	
8. ADDRESS AND TELEPHONE NO. <b>PO Drawer 3337 Farmington, NM 87499</b>		8. FARM OR LEASE NAME, WELL NO. <b>LESLIE #2</b>	
9. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At Surface <b>790' FNL, 1000' FEL Sec. 7, T26N, R12W</b> At proposed prod. zone		9. API WELL NO. <b>30 145 30952</b>	
10. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>15 miles South of Farmington, New Mexico</b>		10. FIELD AND POOL, OR WILDCAT <b>BASIN FRUITLAND COAL</b>	
11. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>1150'</b>		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>NENE Sec 7, T-26-N, R-12-W</b>	
12. NO. OF ACRES IN LEASE <b>160</b>		12. COUNTY OR PARISH <b>San Juan</b>	
13. NO. OF ACRES ASSIGNED TO THIS WELL <b>320</b>		13. STATE <b>NM</b>	
14. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>1150'</b>		14. PROPOSED DEPTH <b>1270'</b>	
15. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>5883' GR</b>		15. ROTARY OR CABLE TOOLS <b>Rotary</b>	
16. APPROX. DATE WORK WILL START* <b>As soon as permits approved</b>		16. APPROX. DATE WORK WILL START* <b>As soon as permits approved</b>	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 3/4"	J-55 or K-55 7"	20#	120'	36 cu. ft. CL "B" Circ. to surface
6 1/4"	J-55 or K-55 4 1/2"	10.50#	1270'	L-206 cu. ft. "B" lite; T-59 cu. ft. CL "B"
				100 % excess on open hole

Coleman Oil and Gas, Inc. proposed to drill a vertical well and test the Fruitland Coal Formation at the above location in accordance with the attached Operations and Multi-Point Surface Use Plans.

This APD also is serving as an application to obtain BLM road and pipeline right of ways. The new access road and pipeline ROW will be 20' wide and 1242' long. Refer to the topal map for access road and pipeline routes. See attachments.

2006 FEB - 7 10:48 AM  
SUBJECT TO OIL AND GAS ACT AND 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 Michael T. Jones TITLE Engineer DATE 02/06/2001

PERMIT NO.

APPROVAL DATE

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:

/s/ Jim Lovato

APPROVED BY

TITLE

DATE

FEB - 8

\*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.

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

*API Number 30-045-30552		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 4838	*Property Name LESLIE		Well Number 2
*GRID No. 24007	*Operator Name COLEMAN OIL & GAS, INC.		Elevation 5883'

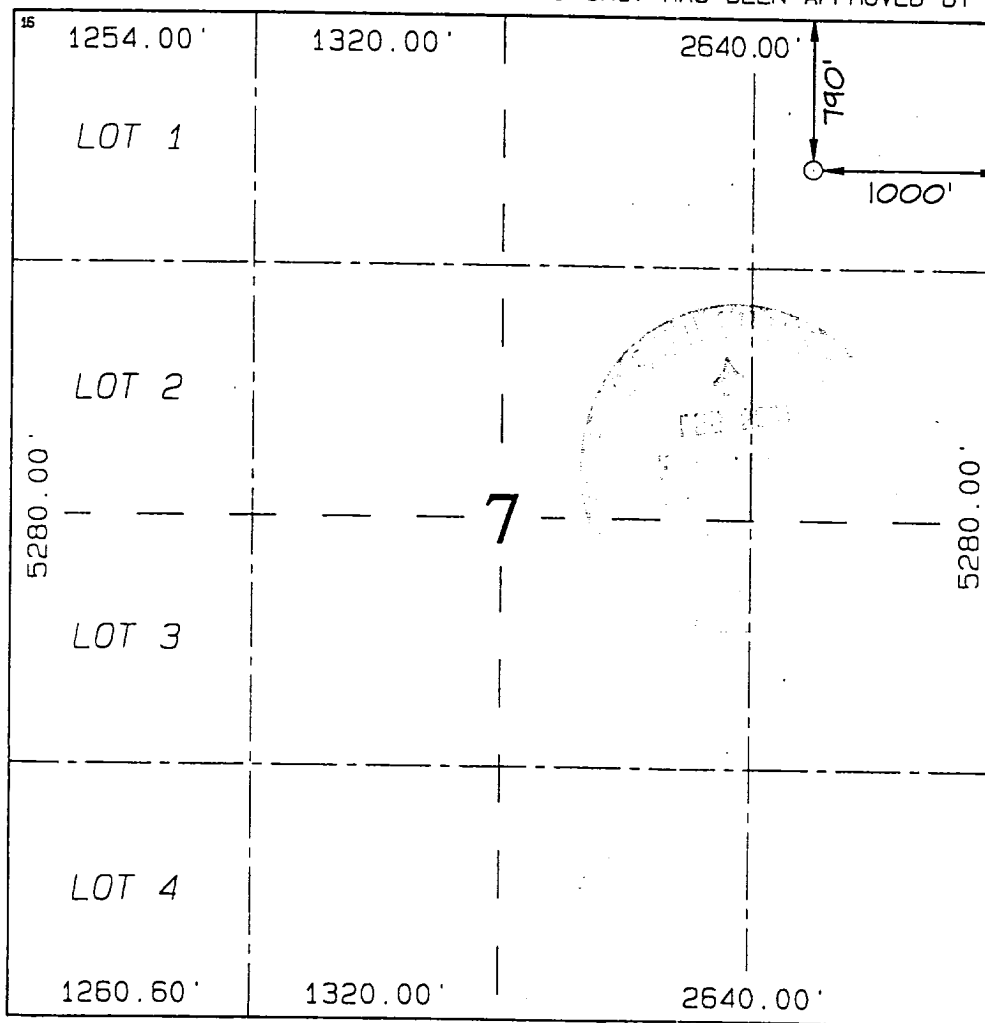
10 Surface Location

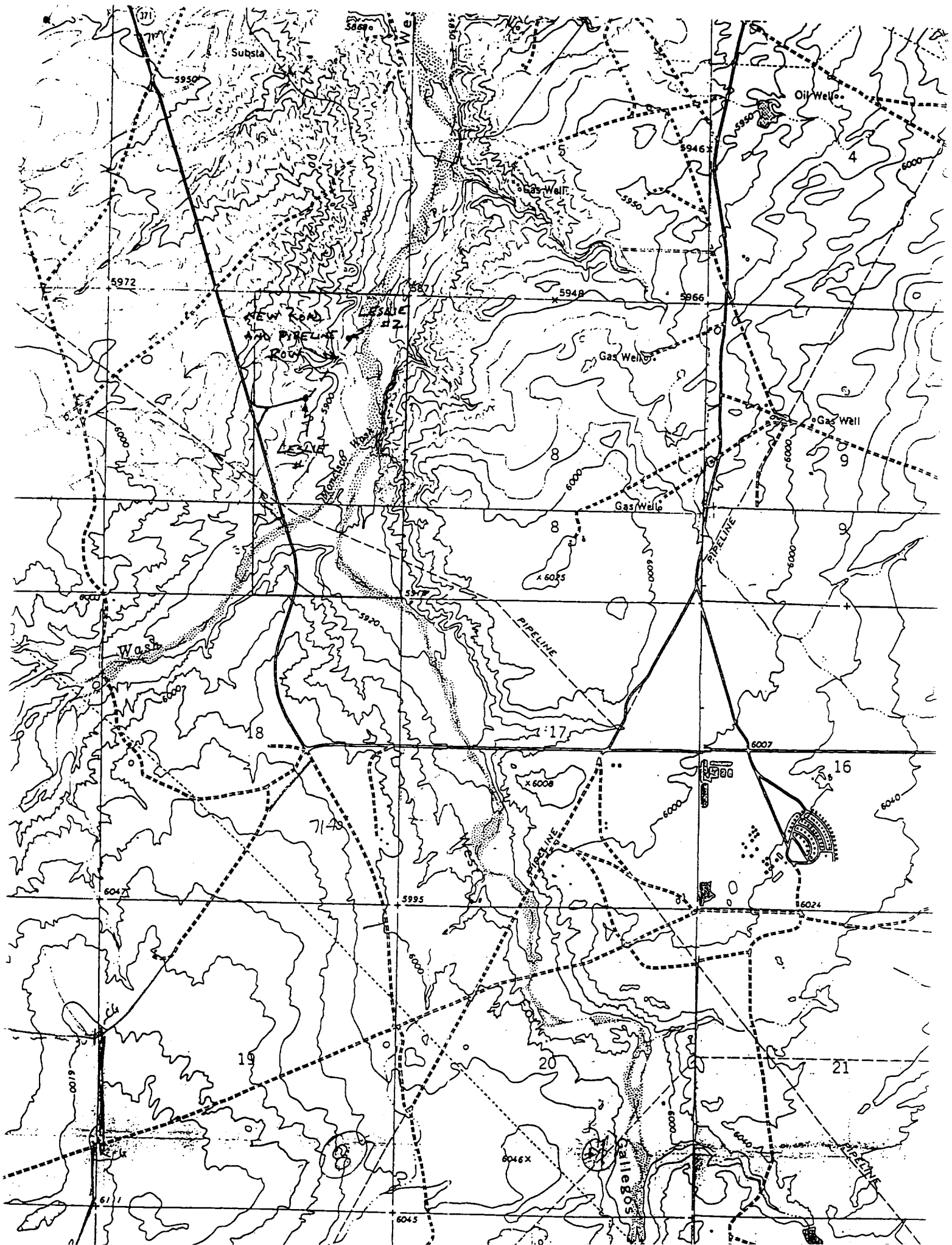
UL or lot no. A	Section 7	Township 26N	Range 12W	Lot Idn	Feet from the 790	North/South line NORTH	Feet from the 1000	East/West line EAST	County SAN JUAN
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11 Bottom Hole Location If Different From Surface

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 1/2		13 Joint or Infill		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

15 1254.00' LOT 1	1320.00'	2640.00'		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 2/5/01
5280.00' LOT 2				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.  OCTOBER 20, 1997 Date of Survey Signature and Seal of Professional Engineer NEALE C. EDWARDS NEW MEXICO 6857 Certificate Number 6857
5280.00' LOT 3				
1260.60' LOT 4	1320.00'	2640.00'		



THOMPSON ENGINEERING  
OPERATIONS PLAN  
LESLIE #2

I. Location: 790' FNL & 1000' FEL                      Date: January 20, 1998  
                    Sec 6 T26N R12W  
                    San Juan County, NM

Field: Basin Fruitland Coal                      Elev: GL 5883'  
Surface: Navajo Allotted  
Minerals: NO-G-9602-1301

II. Geology: Surface formation \_ Nacimiento

<u>Formation Tops</u>	<u>Depths</u>
Kirtland	56'
Fruitland	913'
Pictured Cliffs	1118'
Total Depth	1270'

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

Water and gas - 913'; gas - 1118'.

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

C. No over pressured zones are expected in this well. No H<sub>2</sub>S zones will be penetrated in this well.

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 8.7 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"	1270'	4-1/2"	10.5# K-55

##### B. Float Equipment:

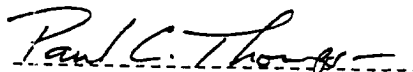
a) Surface Casing: None

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<sub>2</sub> (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.

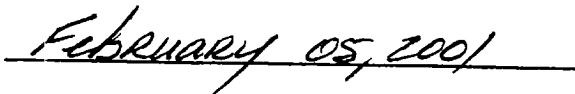
Production Casing: 4-1/2" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. Lead with 100 sx (206 cu.ft) of Cl "B" with 2% metasilicate. (Yield = 2.06 cu.ft./sk; slurry weight = 12.5 PPG). Tail with 50 sx (59 cu.ft.) of Cl "B" with 2% CaCl<sub>2</sub> (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG) Total cement volume is 265 cu.ft. (100% excess to circulate cement to surface).

  
Paul C. Thompson, P.E.

Coleman Oil & Gas, Inc.



Michael T. Hanson  
Engineer



Date