Form 3160-3
(August 1999)

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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.: NO-G-0006-1391

6. If Indian, Allottee or Tribe Name:

7. If Unit or CA Agreement, Name and No.: 28996

1a. Type of Work: [X] DRILL [ ] REENTER

8. Lease Name and Well No.: Legend Com #1

b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

9. API Well No.: 30-045-30695

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

10. Field and Pool, or Exploratory: Basin Fruitland Coal

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

At surface: 1635' FNL and 2605' FEL

At proposed prod. Zone:

11. Sec., T., R., M., or Blk, and Survey or Area: G Section 25, T26N, R12W

14. Distance in miles and direction from nearest town or post office*: 15 miles south of Farmington, NM

12. County or Parish: San Juan

13. State: NM

| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) | 16. No. of Acres in lease | 17. Spacing Unit dedicated to this well |
|---|---|---|
| 35' / 1635' | 160 | 320 acres N/2 |
| **18. 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** |
| 1975' | 1385' | 013002853 |
| **21. Elevations (Show whether DF, KDB, RT, GL, etc.)** | **22. Approximate date work will start*** | **23. Estimated duration** |
| 6168' GL | August 2001 | 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 | Name *(Printed/Typed)* | Date |
|---|---|---|
| Paul C. Thompson | Paul C. Thompson, P.E. | 6/6/01 |
| Title: Agent | | |
| Approved by *(Signature)* | Name *(Printed/Typed)* | Date 9/25/01 |
| 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 1001and 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)*

procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

NMOCD

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

| [1] API Number | [2] Pool Code | [3] Pool Name |
|---|---|---|
| 30-045-30695 | 71629 | BASIN FRUITLAND COAL |

| [4] Property Code | [5] Property Name | [6] Well Number |
|---|---|---|
| 28996 | LEGEND COM | 1 |

| [7] OGRID No. | [8] Operator Name | [9] Elevation |
|---|---|---|
| 004838 | COLEMAN OIL & GAS, INC. | 6168' |

## [10] Surface Location

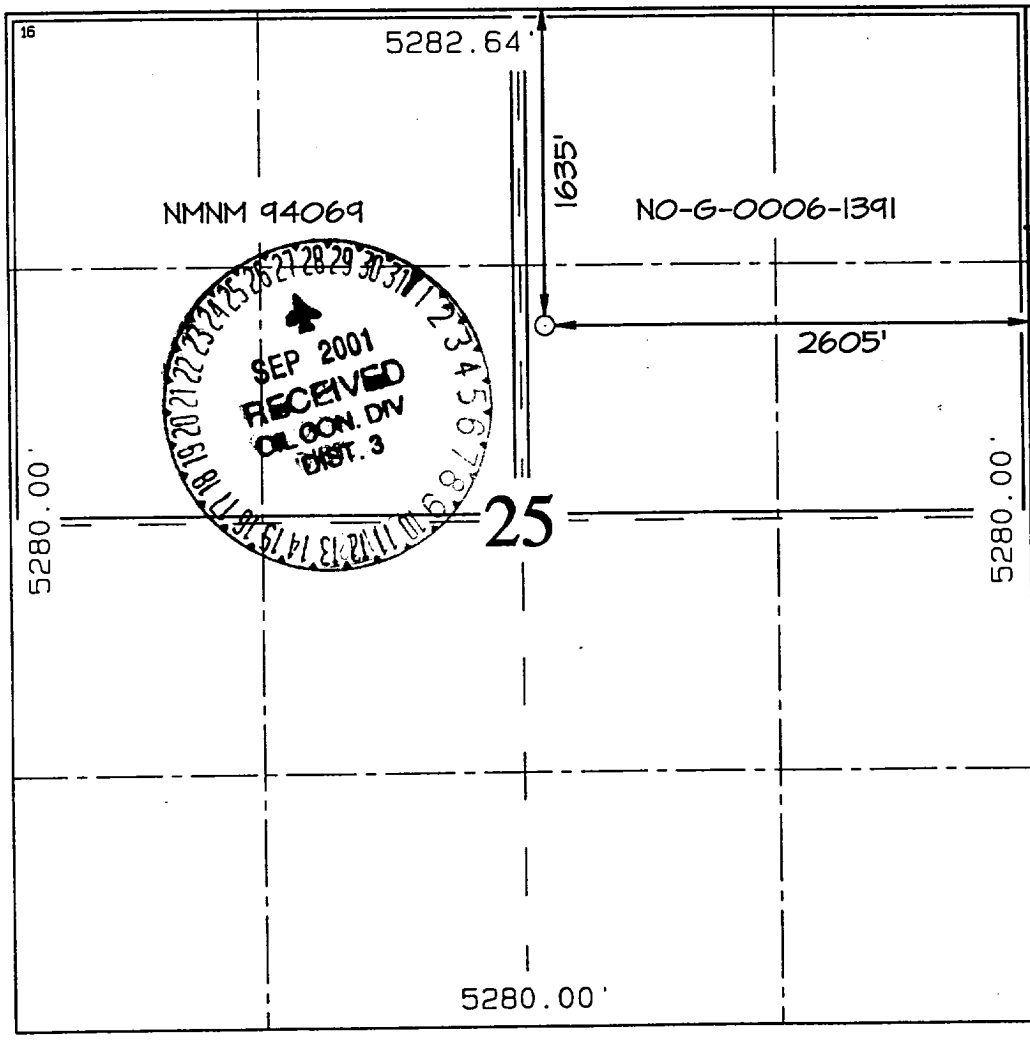
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| G | 25 | 26N | 12W | | 1635 | NORTH | 2605 | EAST | SAN JUAN |

## [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 | [13] Joint or Infill | [14] Consolidation Code | [15] Order No. |
|---|---|---|---|
| 320 Acres - (N/2) | Y | C | |

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

Signature

Paul C. Thompson

Printed Name

Agent

Title

6/5/01

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 17, 2001

Date of Survey

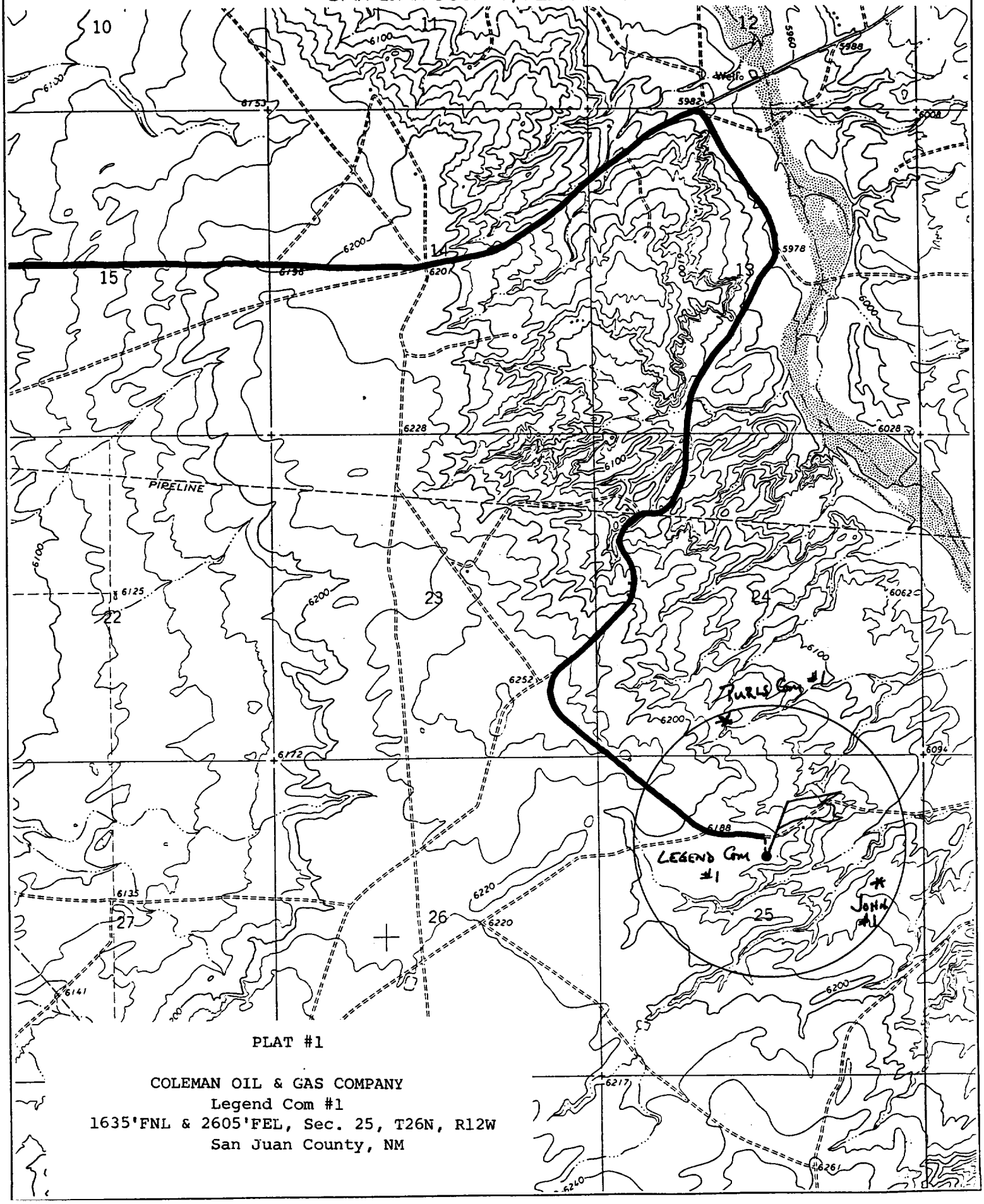
Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number 6857

# COLEMAN OIL & GAS INC. LEGEND COM #1

## 1635' FNL & 2605' FEL, SECTION 25, T26N, R12W, N.M.P.M.
## SAN JUAN COUNTY, NEW MEXICO




PLAT #1

COLEMAN OIL & GAS COMPANY
Legend Com #1
1635'FNL & 2605'FEL, Sec. 25, T26N, R12W
San Juan County, NM

**COLEMAN OIL AND GAS**
**OPERATIONS PLAN**
**Legend Com #1**

I. Location: 1635' FNL & 2605' FEL Date: June 4, 2001
Sec 25 T26N R12W
San Juan County, NM

Field: Basin Fruitland Coal Elev: GL 6168'
Surface: Navajo Allotted
Minerals: NO-G-0006-1391

II. Geology: Surface formation _ Nacimiento

A.

| Formation Tops | Depths |
|---|---|
| Ojo Alamo | 195' |
| Kirtland | 310' |
| Fruitland | 1070' |
| Fruitland Coal | 1240' |
| Pictured Cliffs | 1260' |
| Total Depth | 1385' |

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:
Water and gas - 1070'; gas - 1260'.

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# J-55 |
| 6-1/4" | 1385' | 4-1/2" | 10.5# J-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% $CaCl_2$ and ¼ #/sk. celloflake. 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 (227 cu.ft) of Cl "B" with 2% metasilicate and ¼ #/sk. celloflake. (Yield = 2.06 cu.ft./sk; slurry weight = 12.5 PPG). Tail with 50 sx (59 cu.ft.) of Cl "B" with 2% $CaCl_2$ and ¼ #/sk. celloflake (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). Total cement volume is 286 cu.ft. (100% excess to circulate cement to surface).

Paul C. Thompson

Paul C. Thompson, P.E.