

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

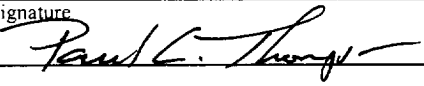
FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NO-G-0103-1465	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Coleman Oil and Gas Company		7. If Unit or CA Agreement, Name and No. 30507	
3A. Address c/o Walsh Engineering, 7415 E. Main, Farmington, NM 87402		8. Lease Name and Well No. Meg Com #1	
3b. Phone No. (include area code) 505.327.4892		9. API Well No. 30-045-30999	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1715' FNL and 1850' FEL		10. Field and Pool, or Exploratory Basin Fruitland Coal	
At proposed prod. Zone		11. Sec., T., R., M., or Blk, and Survey or Area 9 Section 19, T26N, R11W	
14. Distance in miles and direction from nearest town or post office* 15 miles south of Farmington, NM		12. County or Parish San Juan	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 792'		13. State NM	
16. No. of Acres in lease 160		17. Spacing Unit dedicated to this well 320 E24 FC 319.13 acres N/2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. NA		19. Proposed Depth 1425'	
20. BLM/BIA Bond No. on file 08510607 BIA		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6102' GL	
22. Approximate date work will start* April 2002		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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 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. | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature 	Name (Printed/Typed) Paul C. Thompson, P.E.	Date 2/11/02
Title	Agent	
Approved by (Signature) /s/ Charlie Beecham	Name (Printed/Typed)	Date
Title ACTING	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)

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 30-045-30999		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 30507	*Property Name MEG COM		*Well Number 1
*OGRID No. 004838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6102'

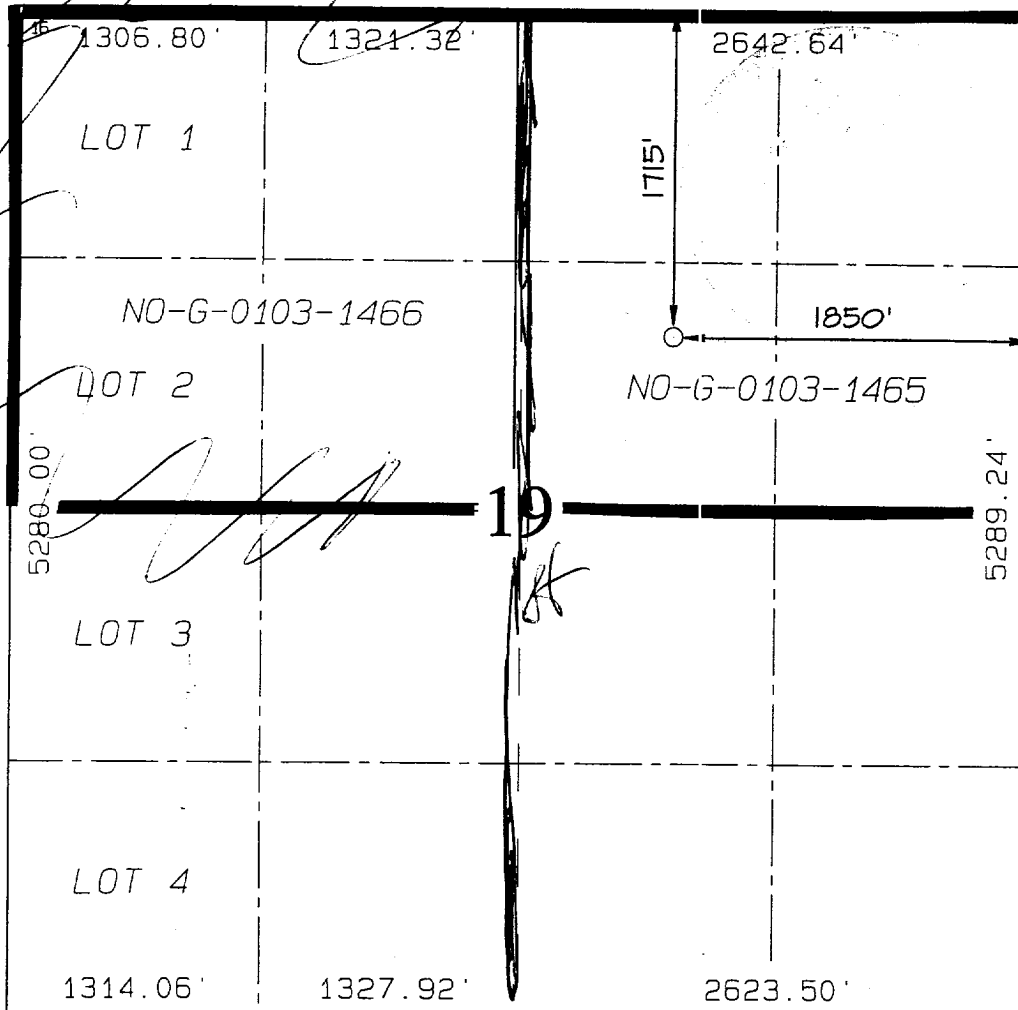
¹⁰ Surface Location

UL or lot no. G	Section 19	Township 26N	Range 11W	Lot Idn	Feet from the 1715	North/South line NORTH	Feet from the 1850	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 320 349.43 Acres - (N/2)					¹³ Joint or Infill N	¹⁴ Consolidation Code Y	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



¹⁷ OPERATOR CERTIFICATION

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

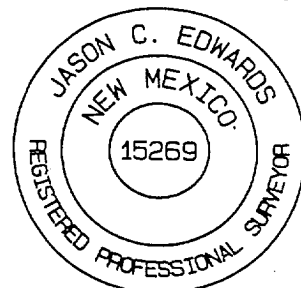
Paul C. Thompson
Signature
Paul C. Thompson
Printed Name
Agent
Title
2/11/02
Date

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.

Date of Survey: JULY 18, 2001

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

PLAT #1

COLEMAN OIL & GAS COMPANY
Meg Com #1
1715'FNL & 1850'FEL, Sec. 19, T26N, R11W
San Juan County, NM

COLEMAN OIL & GAS COMPANY
Meg Com #1

1715'FNL & 1850'FEL, Sec. 19, T26N, R11W
San Juan County, NM

COLEMAN OIL AND GAS
OPERATIONS PLAN
Meg Com #1

I. Location: 1715' FNL & 1850' FEL
Sec 19 T26N R11W
San Juan County, NM

Date: February 11, 2002

Field: Basin Fruitland Coal
Surface: Navajo Tribal Trust
Minerals: NO-G-0103-1465

Elev: GL 6102'

II. Geology: Surface formation _ Nacimiento

<u>Formation Tops</u>	<u>Depths</u>
Ojo Alamo	130'
Kirtland	250'
Fruitland	1000'
Fruitland Coal	1265'
Pictured Cliffs	1275'
Total Depth	1425'

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

Water and gas - 1265 and 1275'.

B. Logging Program: IES and GR/Neutron 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# J-55
6-1/4"	1425'	4-1/2"	10.5# J-55

B. Float Equipment:

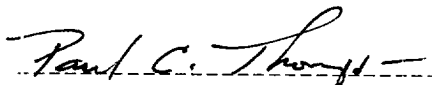
a) Surface Casing: None

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% CaCl₂ 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 115 sx (237 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% CaCl₂ and ¼ #/sk. celloflake (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). Total cement volume is 296 cu.ft. (100% excess to circulate cement to surface).



Paul C. Thompson, P.E.