

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

2004 AUG 25 PM 10 34

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. NM NM-100807
b. TYPE OF WELL <input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE		6. If Indian, Allottee or Tribe Name
2. Name of Operator Coleman Oil & Gas, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Drawer 3337, Farmington N.M. 87499		8. Lease Name and Well No. Juniper 15 #24
3b. Phone No. (include area code) (505) 327-0356		9. API Well No. 30-045-32552
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 660' FSL, 1600' FWL Latitude 36° 18' 29", Longitude 107° 53' 10" At proposed prod. zone		10. Field and Pool, or Exploratory Basin Fruitland Coal
11. Sec., T., R., M., or Blk. And Survey or Area N, Section 15, T24N, R10W		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* South East of Farmington New Mexico on County RD. 7515 approximately 40 miles.		12. County or Parish San Juan
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 660'		13. State NM
16. No. of Acres in lease 640		17. Spacing Unit dedicated to this well 320 ACRES W/2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. NA		20. BLM/ BIA Bond No. on file BLM Blanket Bond #08510612
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6816'		22. Approximate date work will start* October-04
		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 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 a authorized officer. |

25. Signature <i>Michael T. Hanson</i>	Name (Printed/ Typed) Michael T. Hanson	DATE 23-Aug-04
Title Operations Engineer		
Approved By (Signature) <i>[Signature]</i>	Name (Printed/ Typed) AEM	DATE 11/1/04
Title FEO		

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.

*See Instructions On Reverse Side

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".

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

RECEIVED

AUG 25 2004 ☐ AMENDED REPORT

Bureau of Land Management
Farmington Field Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-015-32552		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 33173	*Property Name JUNIPER		*Well Number 24-15
*OGRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6816'

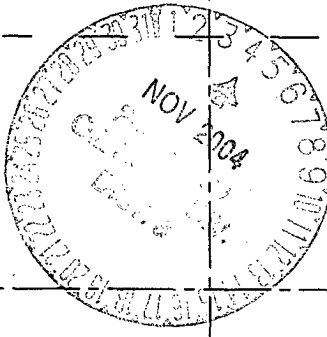

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	24N	10W		660	SOUTH	1600	WEST	SAN JUAN

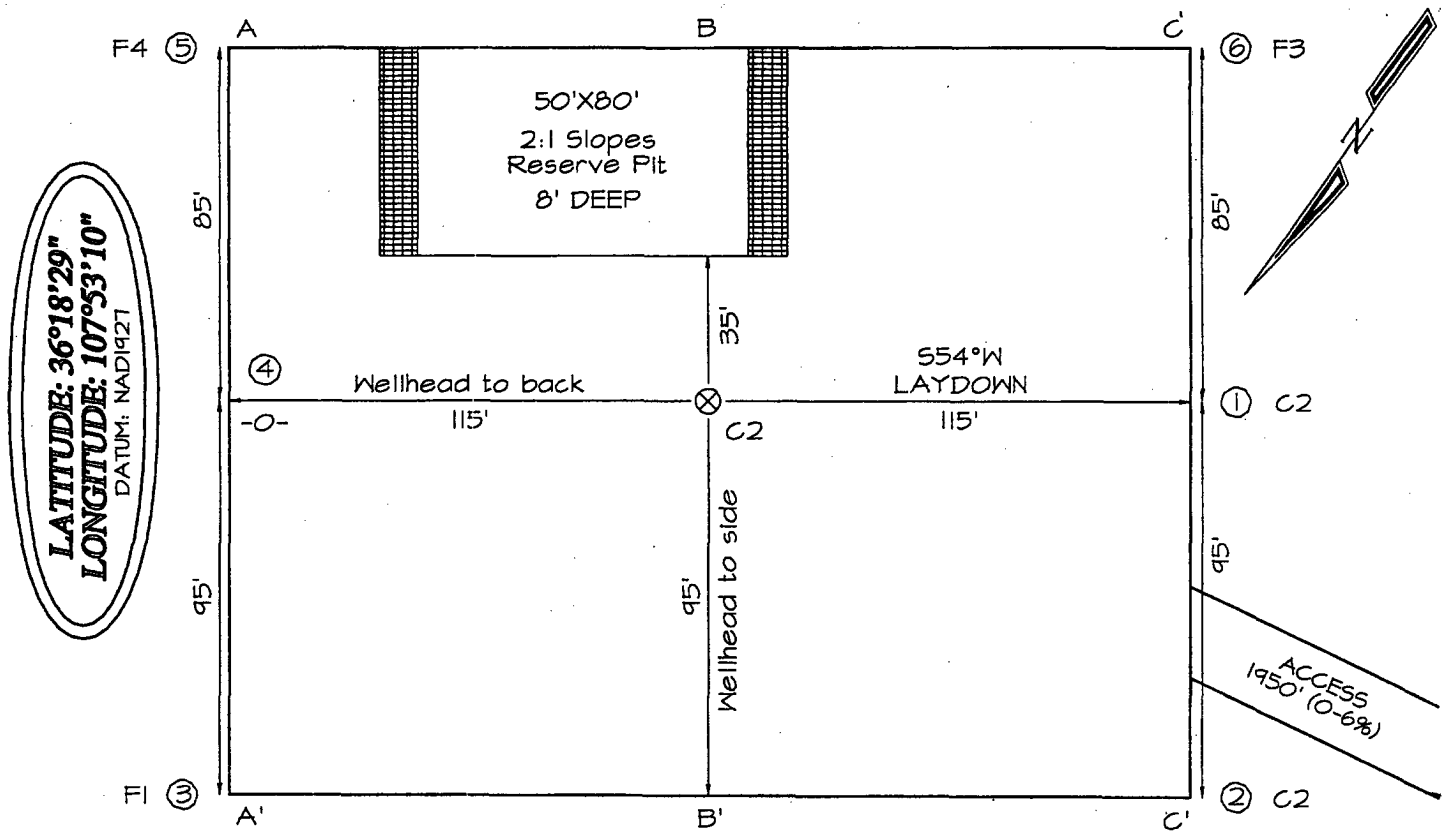
¹¹ Bottom Hole Location If Different From Surface

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 320.0 Acres - (W/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

<div><p>¹⁶</p><p>5202.78'</p><p>5368.44'</p><p>1600'</p><p>660'</p><p>5196.84'</p><p>15</p><p>LEASE NM-100807</p></div>	<div><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>Michael T. Hanson</i> Signature Michael T. Hanson Printed Name Engineer Title AUGUST 23, 2004 Date</p></div> <div><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>Date of Survey: MAY 7, 2003</p><p>Signature and Seal of Professional Surveyor</p><div><p>JASON C. EDWARDS Certificate Number 15269</p></div></div>
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COLEMAN OIL & GAS, INC. JUNIPER #24-15
660' FSL & 1600' FWL, SECTION 15, T24N, R10W
NMPM, SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6816'



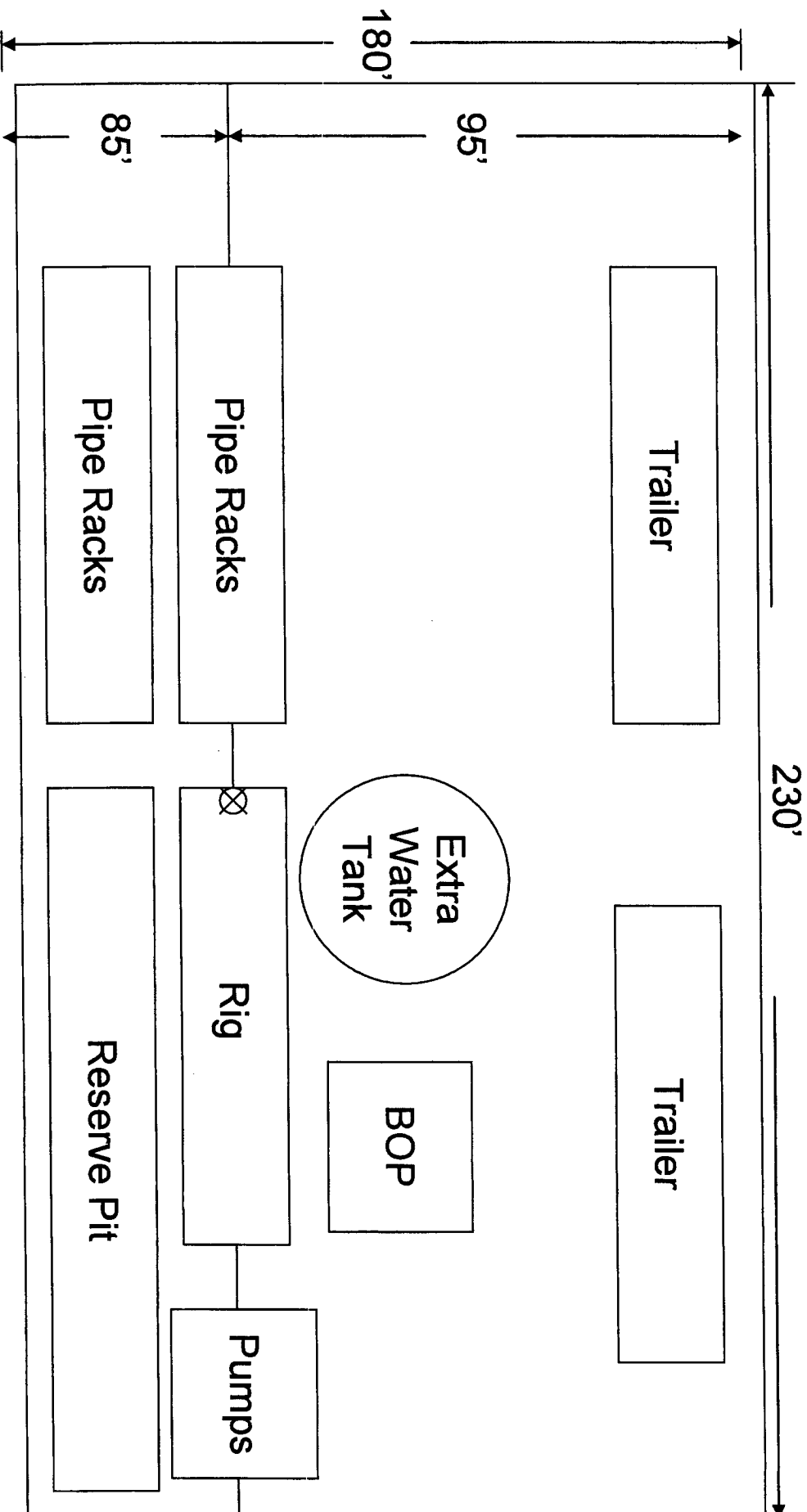
A-A'						
6824'						
6814'						
6804'						

B-B'						
6824'						
6814'						
6804'						

C-C'						
6824'						
6814'						
6804'						

Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

Coleman Oil & Gas, Inc.
Juniper 15 #24
660' FSL & 1600' FWL Section 15, T24N, R10W, NMPM
San Juan County, NM



Tuesday, August 24, 2004

OPERATIONS PLAN

Well Name: Juniper Com 15 #24
Location: 660' FSL, 1600' FWL Section 15, T-24-N, R-10-W, NMPM
San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6816' GL

Formation:	Top	Bottom	Contents
Nacimiento	Surface	595'	aquifer
Ojo Alamo	595'	680'	aquifer
Kirtland	680'	1170'	
Fruitland	1170'	1420'	gas
Pictured Cliffs	1420'	1595'	gas
Total Depth	1595'		

Drilling Contractor: Availability

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0' - 120'	Spud	8.4 - 9.0	40 - 50	no control
120' - 1595'	Non-dispersed	8.4 - 9.0	30 - 60	6cc or less

Logging Program: Porosity Log - Triple Litho Density W/ GR and CAL.
Induction Log – Array Induction W/ GR and SP

Coring Program: None

Casing Program:

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 120'	8 5/8"	24#	J-55 or K-55
7 7/8"	120' - 1595'	5 1/2"	15.5#	J-55 or K-55

Tubing Program:

0' - 1450'	2 7/8"	6.50#	J-55
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Float Equipment:

8 5/8" surface casing - saw tooth guide shoe. One Centralizer.

5 1/2" production casing – 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 centralizers every other joint from top of well.

Wellhead Equipment:

8 5/8" x 5 1/2" Braiden Head and 5 1/2" x 2 7/8" Tubing Head. Independent Well Head assembly with a minimum rated working pressure of 1000 psig.

Cementing:

8 5/8" Surface Casing -

Cement with 92 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (113.40 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi/30 minutes.

5 1/2" Production Casing -

Before cementing circulate hole with at least 1 1/2 hole volume of mud. Precede cement with 20 bbls of fresh water. Lead with 164 sacks (428.04 cu. ft) of Class "G" with 3% D79 and 1/4# Per sack D29. (Yield = 2.61 cu. ft. /sk; slurry weight = 11.7 PPG). Tail with 90 sacks (113.40 cu. ft.) of Class "B" with "G" 50/50 POZ 2% GEL D-20, 5# Per sack Gilsonite, .1% D46, 1% S-1 and 1/4# Per sack D29 (Yield = 1.26 cu. ft. / sk; slurry weight = 13.5 PPG). Total cement volume is 541.44 cu. ft. (100% excess on open hole, calculated on cement volumes). WOC 12 hrs. Test casing to 600 psi/30 minutes.

BOP and Tests:

Surface to TD -

11" 2000 psi (minimum) double gate or annular BOP stack (Reference Figure #1, Figure #2). Prior to drilling out surface casing, test ~~rams~~ ^{BOP} to 750# / 30 min.

From surface to TD - choke manifold (Reference Figure #3).

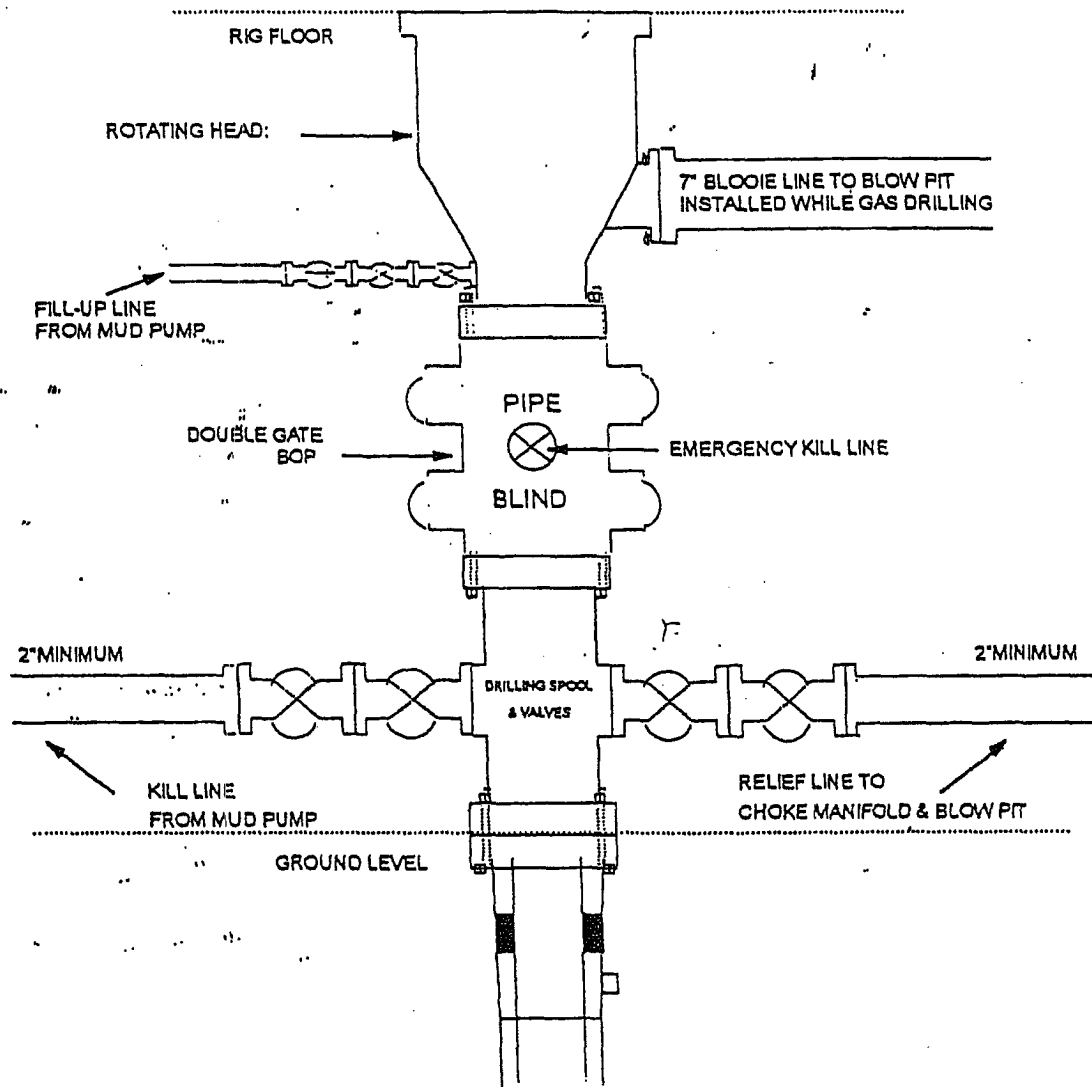
Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- The Fruitland Coal formation will be completed.
- Anticipated pore pressure for the Fruitland is 250 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: August 23, 2004 Drilling Engineer: Michael T. Lane

BOP Configuration 2M psi System



13 5/8" and 11" Bore, 2000psi minimum working pressure double gate BOP to be equipped with blind and pipe rams: A Schaffer Type 50 or equivalent rotating head to be installed on the top of the BOP. All equipment is 2000psi working pressure/ or greater.

FIGURE #1

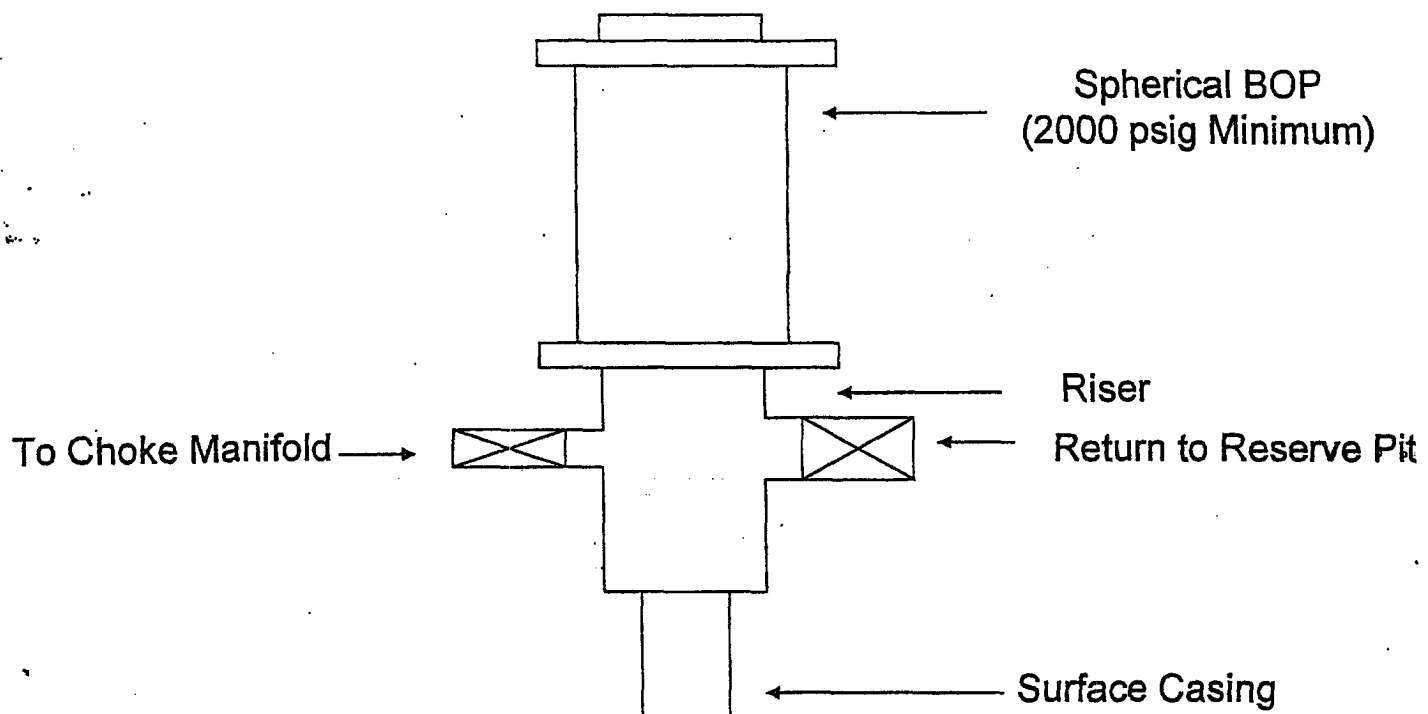
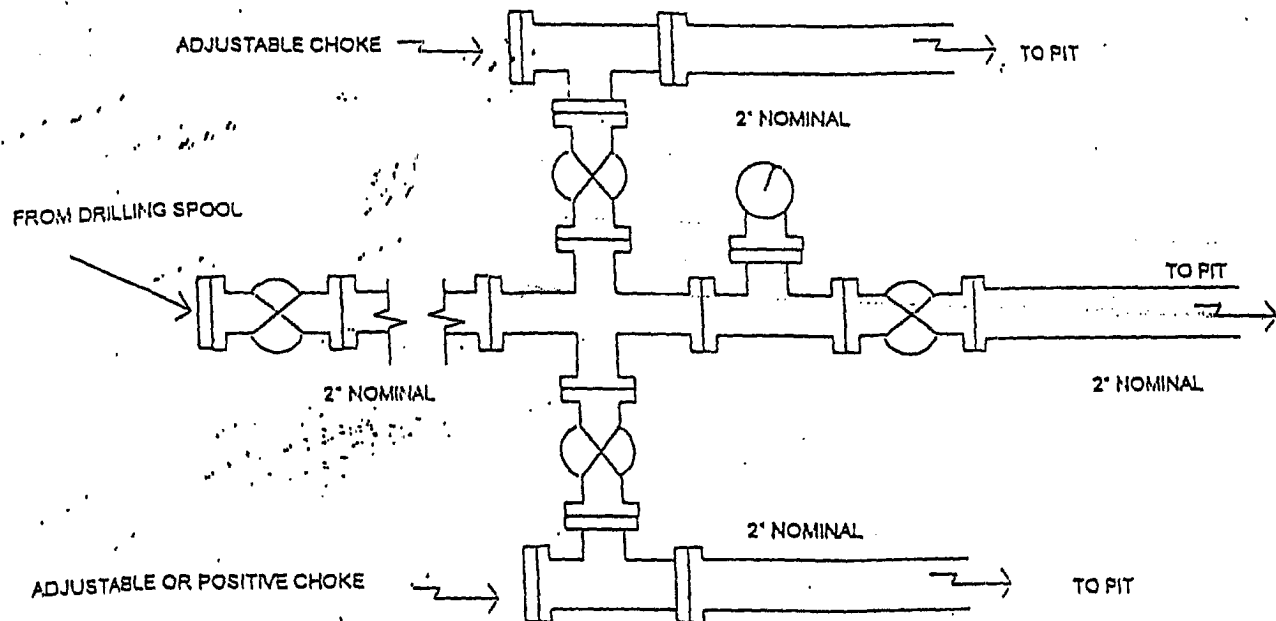


FIGURE #2

Choke Manifold Configuration 2M System



Minimum choke manifold installation from surface to Total Depth.
2" minimum, 2000psi working pressure equipment with two chokes.

Figure #3