

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE. Other instructions on the reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coleman Oil & Gas, Inc.

3a. Address

P.O. Drawer 3337, Farmington, NM 87499

3b. Phone No. (include area code)

505-327-0356

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1795' FNL and 975' FEL SEC 14, T26N, R12W, NMPM

5. Lease Serial No.

NOO-C-14-20-4324

6. If Indian, Allottee, or Tribe Name

NAVAJO ALLOTTED

7. If Unit or CA. Agreement Designation

8. Well Name and No.

Chaco Plant #17Y

9. API Well No.

30-045-30971

10. Field and Pool, or Exploratory Area

WAW Fruitland Sand/Pictured Cliffs

11. County or Parish, State

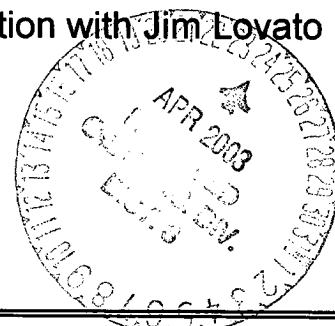
San Juan NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Coleman Oil & Gas, Inc. proposes to change cement design. See attached drilling prognosis. Volumes are calculated using 100% excess on open hole portion for cement to surface. Cement volumes based on current projected TD of 1475 Ft. Change in cement and turbolizers as per phone conversation with Jim Lovato 04/09/03



14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

MICHAEL T. HANSON

Title

ENGINEER

Signature

Michael T. Hanson

Date

April 9, 2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jim Lovato

Title

Date

APR 23 2003

Conditions of approval, if any are attached. Approval of this notice 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.

Office

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 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)

NMOCD

Wednesday, April 09, 2003

OPERATIONS PLAN

Well Name: Chaco Plant #17Y
Location: 1795' FNL, 975' FEL Section 14, T-26-N, R-12-W
Latitude 36° 29' 26", Longitude 108° 04' 31"
San Juan County, NM
Formation: WAW Fruitland Sand / Pictured Cliffs
Elevation: 6127' GL

Formation:	Top	Bottom	Contents
Surface	Nacimiento	50'	
Ojo Alamo	50'	345'	
Kirtland	345'	1130'	
Fruitland	1130'	1320'	gas
Fruitland Coal	1320'	1339'	gas
Pictured Cliffs	1339'	1475'	gas
Total Depth	1475'		

Logging Program: None.

Coring Program: None.

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0 - 120'	Spud	8.4 - 8.5	32 - 36	no control
120 - 1475'	Polymer/Water	8.4 - 8.5	32 - 36	no control

Casing Program

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
8 3/4"	0' - 120'	7"	20#	J-55 or K-55
6 1/4"	120' - 1475'	4 1/2"	10.5#	J-55 or K-55

Tubing Program:

0' - 1400'	2 3/8"	4.70#	J-55
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Float Equipment:

7" surface casing - saw tooth guide shoe. Centralizers none.

4 1/2" production casing - guide shoe and insert self-fill float collar. Five centralizers will be run on the bottom, one on shoe joint and four every other joint above shoe joint. One Centralizer will be installed at base of Ojo Alamo.

Wellhead Equipment: 7" x 4 1/2" Braiden Head and 4 1/2" x 2 3/8" Tubing Head. Independent Well Head assembly with a minimum rated working pressure of 1000 psig.

Cementing:

7" Surface Casing -

Cement with 30 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (36 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi/30 minutes.

4 1/2" Production Casing-

Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 20 bbls of fresh water. Lead with 110 sx (230 cu. ft.) of Schlumberger CemCrete. (Yield = 2.09 cu. ft. /sk; slurry weight = 10.0 PPG). Tail with 30 sx (48.3 cu. ft.) Schlumberger CemCrete. (Yield = 1.61 cu. ft. / sk; slurry weight = 12.5 PPG). Total cement volume is 278 cu. ft. (93% excess on open hole, calculated on cement volumes).

BOP and Tests:

Surface to surface TD - None

Surface TD to Total Depth – Annular or Double Ram type 2000 psi (minimum) double gate BOP stack (Reference Exhibit #1, #2 and #3). Prior to drilling out surface casing, test blind rams and casing to 600 psig for 30 minutes; all pipe rams and choke assembly to 600 psig for 15 minutes each.

From surface pipe to TD - choke manifold (Reference Exhibit #2).

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 Basin Fruitland Coal formation will be completed.
- Anticipated pore pressure for the Basin Fruitland Coal is 100 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 4/10/03 Drilling Engineer: Michael J. Hansen