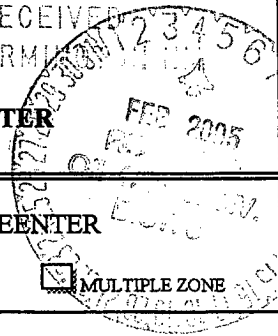


2004 DEC 7 AM 10 34

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

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



1a. TYPE OF WORK



DRILL



REENTER

b. TYPE OF WELL



OIL



GAS WELL



OTHER



SINGLE ZONE



MULTIPLE ZONE

2. Name of Operator

Coleman Oil & Gas, Inc.

3a. Address

P.O. Drawer 3337, Farmington N.M. 87499

3b. Phone No. (include area code)

(505) 327-0356

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

At surface

660' FSL, 1600' FEL NMPM Latitude 36° 18' 28", Longitude 107° 55' 57"

At proposed prod. zone

5. Lease Serial No.

NM NM-101058

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

Juniper 18 #34

9. API Well No.

3004532743

10. Field and Pool, or Exploratory

Basin Fruitland Coal

11. Sec., T., R., M., or Blk. And Survey or Area

O Section 18, 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

13. State

NM

15. Distance from proposed\*

location to nearest

property or lease line, ft.

(Also to nearest drlg unit line, if any)

660'

16. No. of Acres in lease

640

17. Spacing Unit dedicated to this well

315.11 ACRES S/2

18. Distance from proposed location\*

to nearest well, drilling, completed,

applied for, on this lease, ft.

NA

19. Proposed Depth

1325'

20. BLM/ BIA Bond No. on file

BLM Blanket Bond #08510612

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6582' GR

22. Approximate date work will start\*

January-05

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.
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 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 officer.

25. Signature

Michael T. Hanson

Name (Printed/ Typed)

Michael T. Hanson

DATE

3-Dec-04

Title

Operations Engineer

Approved By (Signature)

AFM

Name (Printed/ Typed)

Office

FFO

DATE

2-2-05

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".

NMOC

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 <b>30-045-32743</b>		*Pool Code <b>71629</b>	*Pool Name <b>BASIN FRUITLAND COAL</b>
*Property Code <b>34616</b>	*Property Name <b>JUNIPER 18</b>		*Well Number <b>34</b>
*GRID No. <b>4838</b>	*Operator Name <b>COLEMAN OIL &amp; GAS, INC.</b>		*Elevation <b>6582'</b>

#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>0</b>	<b>18</b>	<b>24N</b>	<b>10W</b>		<b>660</b>	<b>SOUTH</b>	<b>1600</b>	<b>EAST</b>	<b>SAN JUAN</b>

#### <sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>315.11 Acres - (S/2)</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

<sup>16</sup> 1283.04'	1358.28'	2624.82'
LOT 1		
2624.16'		2632.74'
LOT 2		
<b>18</b>		
LOT 3		
2651.88'	LEASE NM-101058	2626.14'
LOT 4		
1252.68'	1337.16'	2674.32'

**JASON C. EDWARDS**  
Certificate Number 15269

#### <sup>17</sup> OPERATOR CERTIFICATION

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

Michael T. Hanson  
Signature  
Michael T. Hanson  
Printed Name  
Engineer  
Title  
12/3/04  
Date

#### <sup>18</sup> 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.

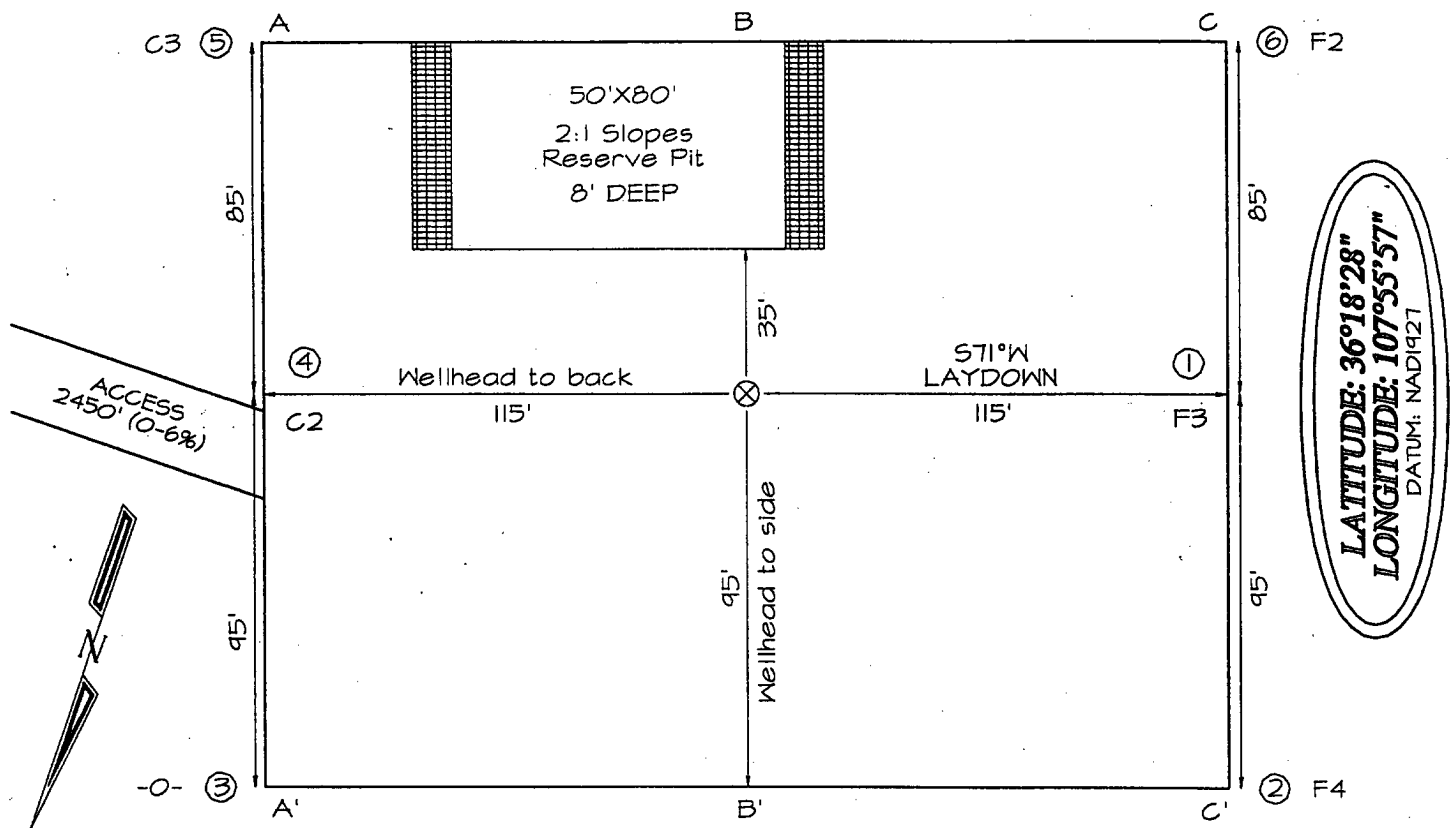
Survey Date: OCTOBER 25, 2003

Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269

**COLEMAN OIL & GAS, INC. JUNIPER 18 #34**  
**660' FSL & 1600' FEL, SECTION 18, T24N, R10W**  
**NMPM, SAN JUAN COUNTY, NEW MEXICO**  
**GROUND ELEVATION: 6582'**



A-A'						
6592'						
6582'						
6572'						

B-B'						
6592'						
6582'						
6572'						

C-C'						
6592'						
6582'						
6572'						

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

Friday, December 03, 2004

## OPERATIONS PLAN

**Well Name:** Juniper 18 #34  
**Location:** 660' FSL, 1600' FEL Section 18, T-24-N, R-10-W, NMPM  
San Juan County, NM  
**Formation:** Basin Fruitland Coal  
**Elevation:** 6582' GL

Formation:	Top	Bottom	Contents
Nacimiento	Surface	340'	aquifer
Ojo Alamo	340'	450'	aquifer
Kirtland	450'	860'	
Fruitland	860'	1150'	gas
Pictured Cliffs	1150'	1325'	gas
Total Depth	1325'		

**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' - 1325'	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' - 1325'	5 1/2"	15.5#	J-55 or K-55

### Tubing Program:

0' - 1150'	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 (108.56 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 750 psi/30 minutes.

**5 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 128 sacks (334.08 cu. ft) of Class "G" with 3% D79 and 1/4# Per sack D29. (Yield = 2.61 cu. ft. /sack; slurry weight = 11.7 PPG). Tail with 90 sacks (113.4 cu. ft.) of Class "G" 50/50 POZ with 2% GEL D-20, 5# Per sack Gilsonite, .1% D46, 1% S-1 and 1/4# Per sack D29. (Yield = 1.26 cu. ft./sack; slurry weight = 13.5 PPG). Total cement volume is 447.48 cu. ft. (100% excess on open hole, calculated on cement volumes).

**BOP and Tests:**

Surface to Surface Total Depth – None

Surface TD to Total Depth – Annular or Double Ram Type 2000 psi (minimum) double gate BOP stack (Reference Figure #1, #2, #3). Prior to drilling out surface casing, test blind rams and casing to 750 psig for 30 minutes; all pipe rams and choke assembly to 750 psig for 15 minutes each. 80

From Surface TD to Total Depth - 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: 12/3/04

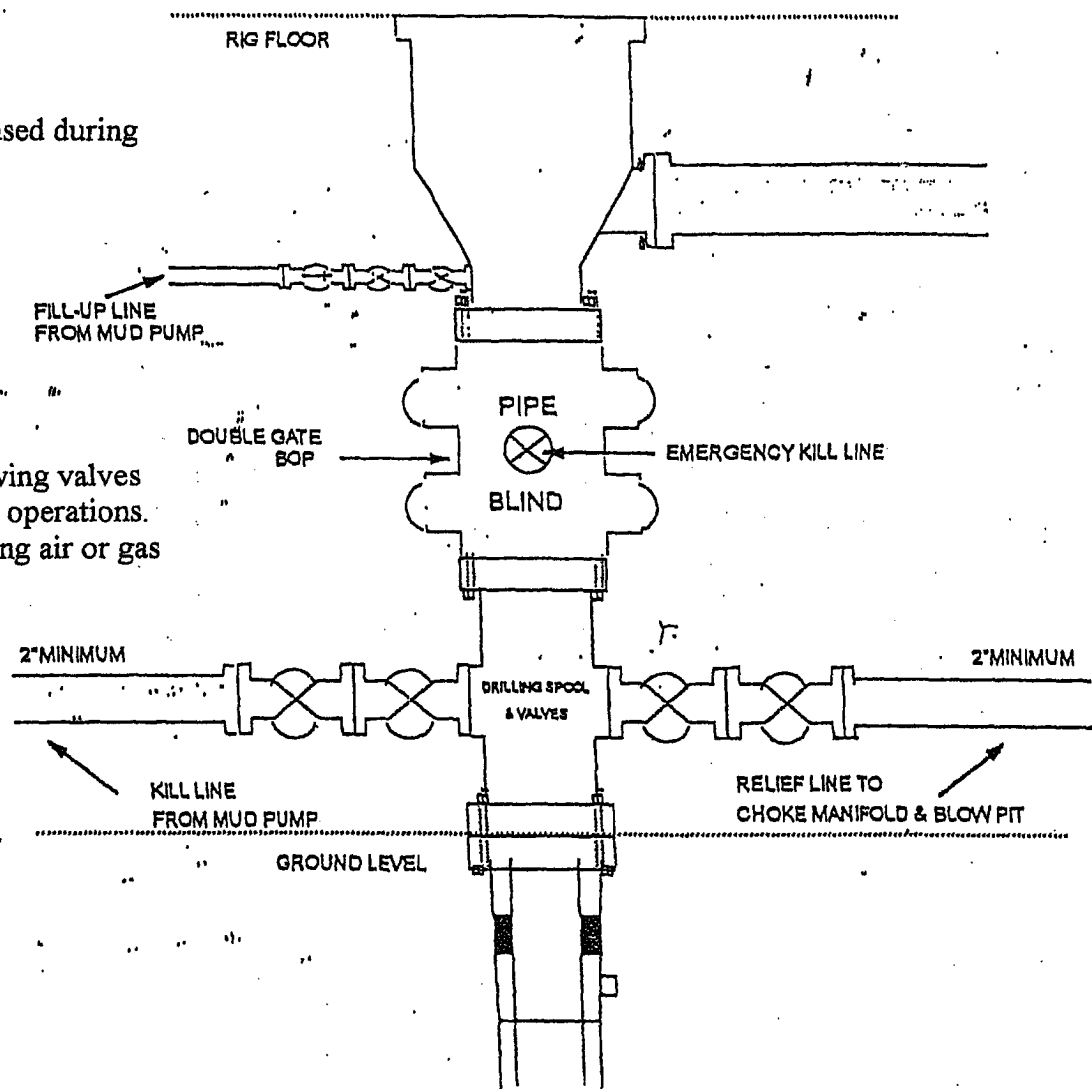
Drilling Engineer:

Michael S. Hanson

## BOP Configuration 2M psi System

Rotating head will be used during air or gas drilling only.

Drilling spool single wing valves during normal drilling operations. Dual wing valves during air or gas drilling.



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**

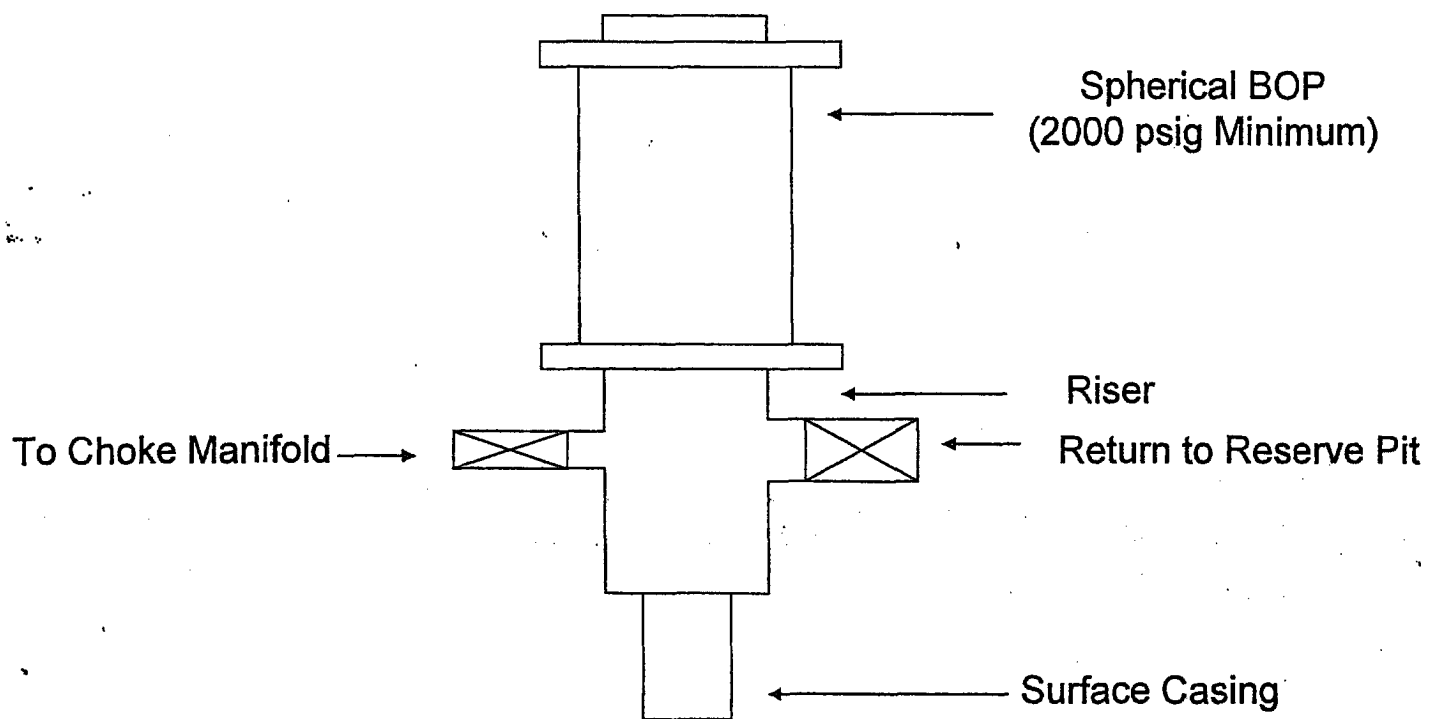
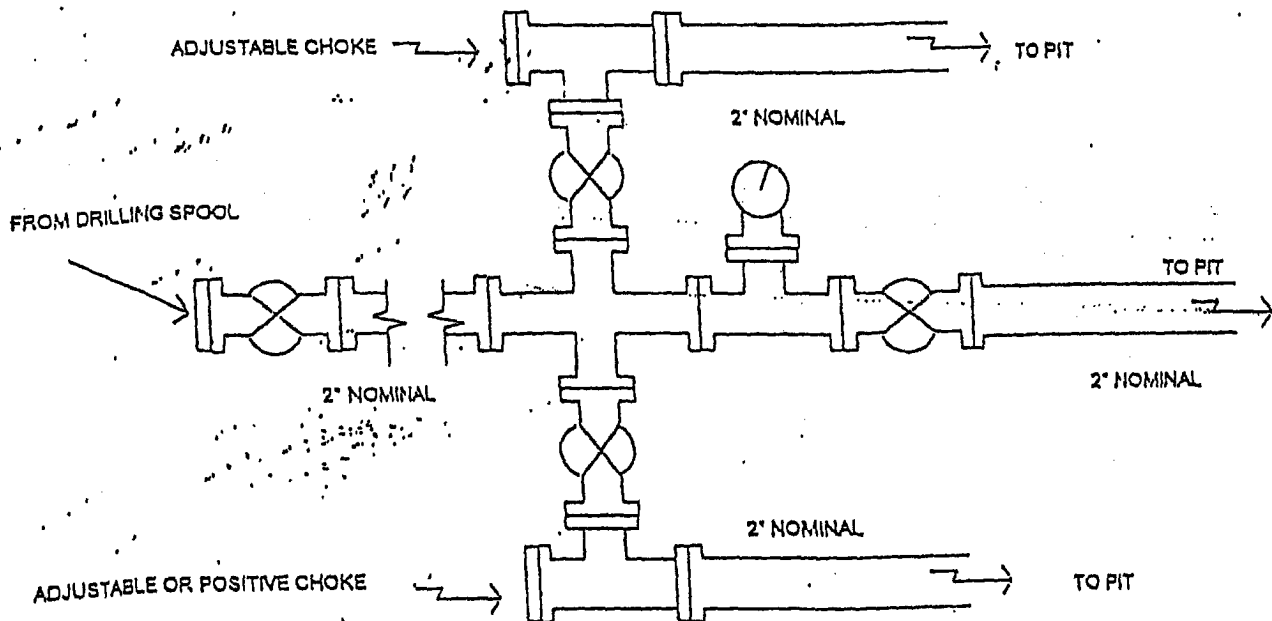


FIGURE #2

## 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