Form 3160-3
(August 1999)

2004 DEC 27 PM 12 12

RECEIVED
070 FARMINGTON NM

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

5. Lease Serial No.: NM NM-101058

6. If Indian, Allottee or Tribe Name:

1a. TYPE OF WORK: [X] DRILL [ ] REENTER

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

b. TYPE OF WELL: [ ] OIL [X] GAS WELL [ ] OTHER [ ] SINGLE ZONE [ ] MULTIPLE ZONE

8. Lease Name and Well No.: Juniper SWD #4

2. Name of Operator: Coleman Oil & Gas, Inc.

9. API Well No.: 30045 32783

3a. Address: P.O. Drawer 3337, Farmington N.M. 87499

3b. Phone No. (include area code): (505) 327-0356

10. Field and Pool, or Exploratory: SWD; Blanco Mesa Verde

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

At surface: 660' FSL, 2015' FWL Latitude 36° 18' 28", Longitude 107° 55' 13"

At proposed prod. zone

11. Sec., T., R., M., or Blk. And Survey or Area: N Section 17, 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)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
660'	640	320 ACRES W/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
240'	3940'	BLM Blanket Bond #08510612

21. ELEVATIONS (Show whether DF. RT, GR, etc.)	22. Aproximate date work will start*	23. Estimated Duration
6650	February-05	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 a authorized officer.

25. Signature	Name (Printed/ Typed)	DATE
Michael T. Hanson	Michael T. Hanson	23-Dec-04

Title: Operations Engineer

Approved By (Signature)	Name (Printed/ Typed)	DATE
Jim Lovato		3/11/05

Title: Acting Field Manager - Minerals

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.

*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

NMOCD

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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
30045-32783	96160 ~~72319~~	SWD ~~BLANCO~~ MESAVERDE

[4] Property Code	[5] Property Name	[6] Well Number
21975	JUNIPER SWD	4

[7] OGRID No.	[8] Operator Name	[9] Elevation
4838	COLEMAN OIL & GAS, INC.	6650'

[10] Surface Location

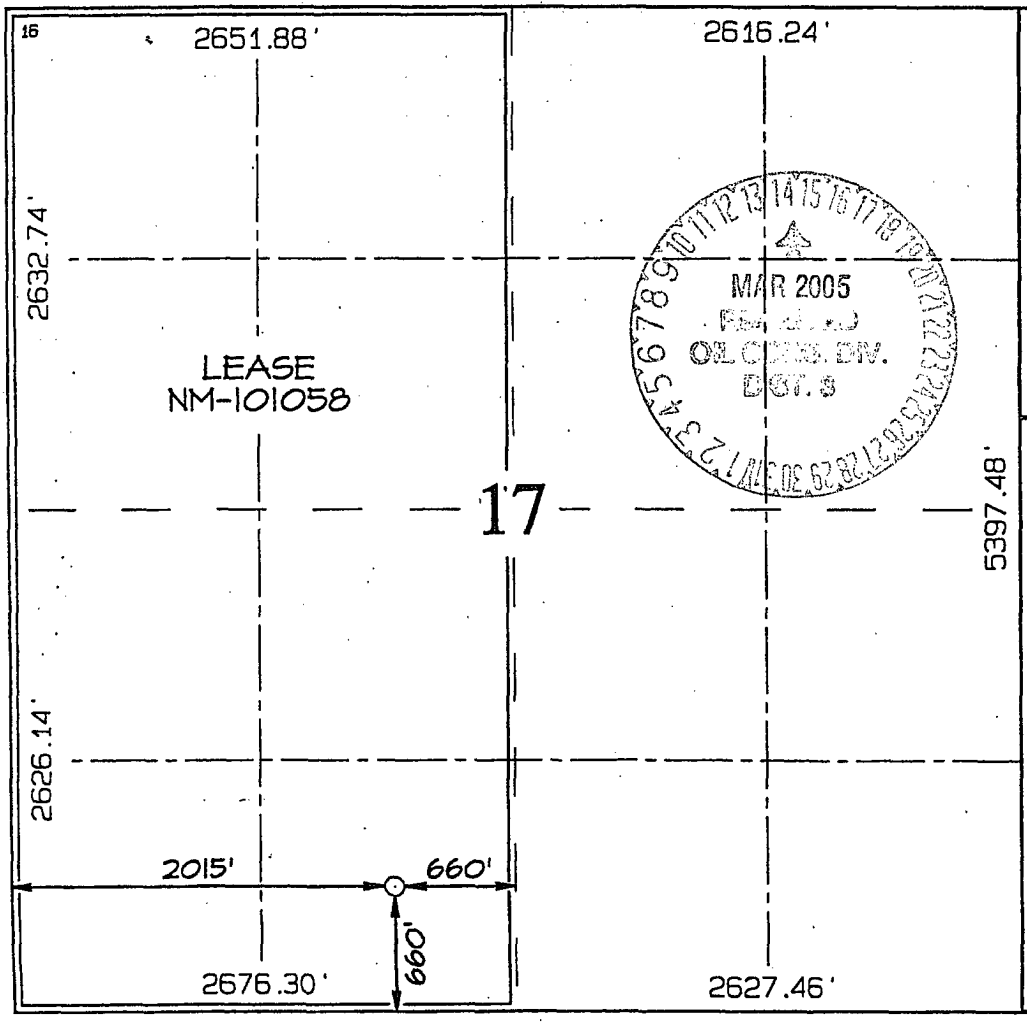
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	17	24N	10W		660	SOUTH	2015	WEST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320.0 Acres - (W/2)			

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

Michael T. Hanson
Signature

Michael T. Hanson
Printed Name

Engineer
Title

12/7/04
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: MAY 20, 2004

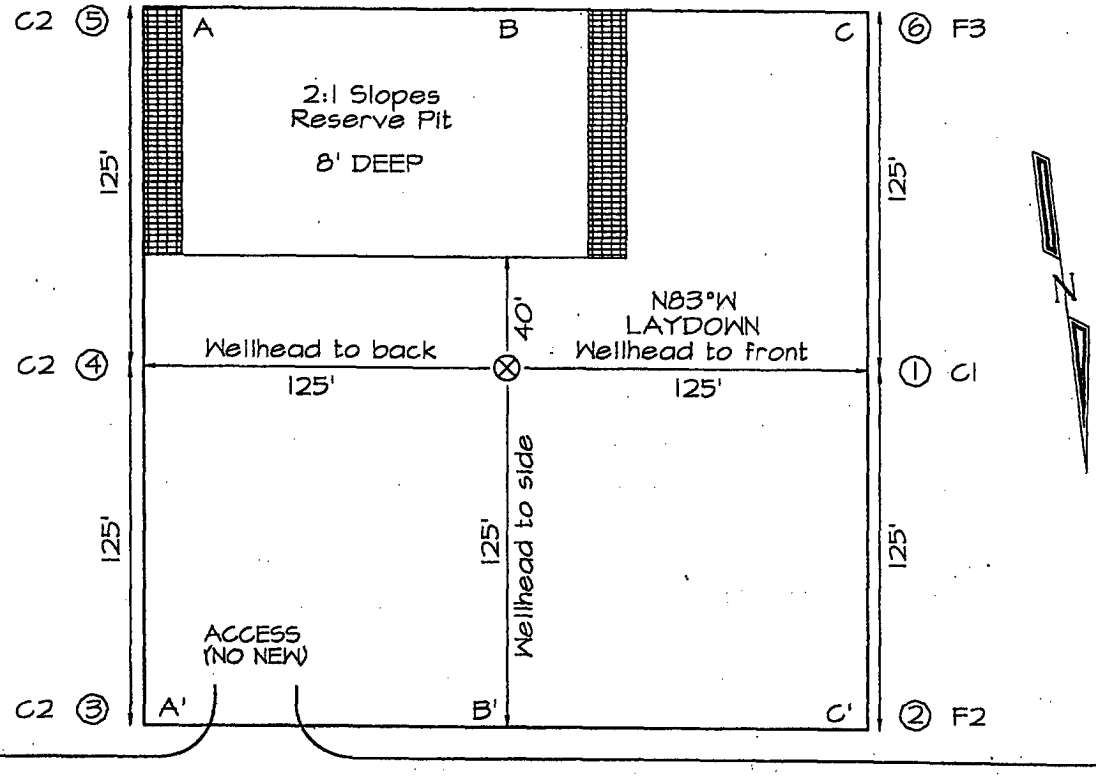
Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Certificate Number 15269

COLEMAN OIL & GAS, INC. JUNIPER SWD #4
660' FSL & 2015' FWL, SECTION 17, T24N, R10W
NMPM, SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 6650' DATE: MAY 20, 2004

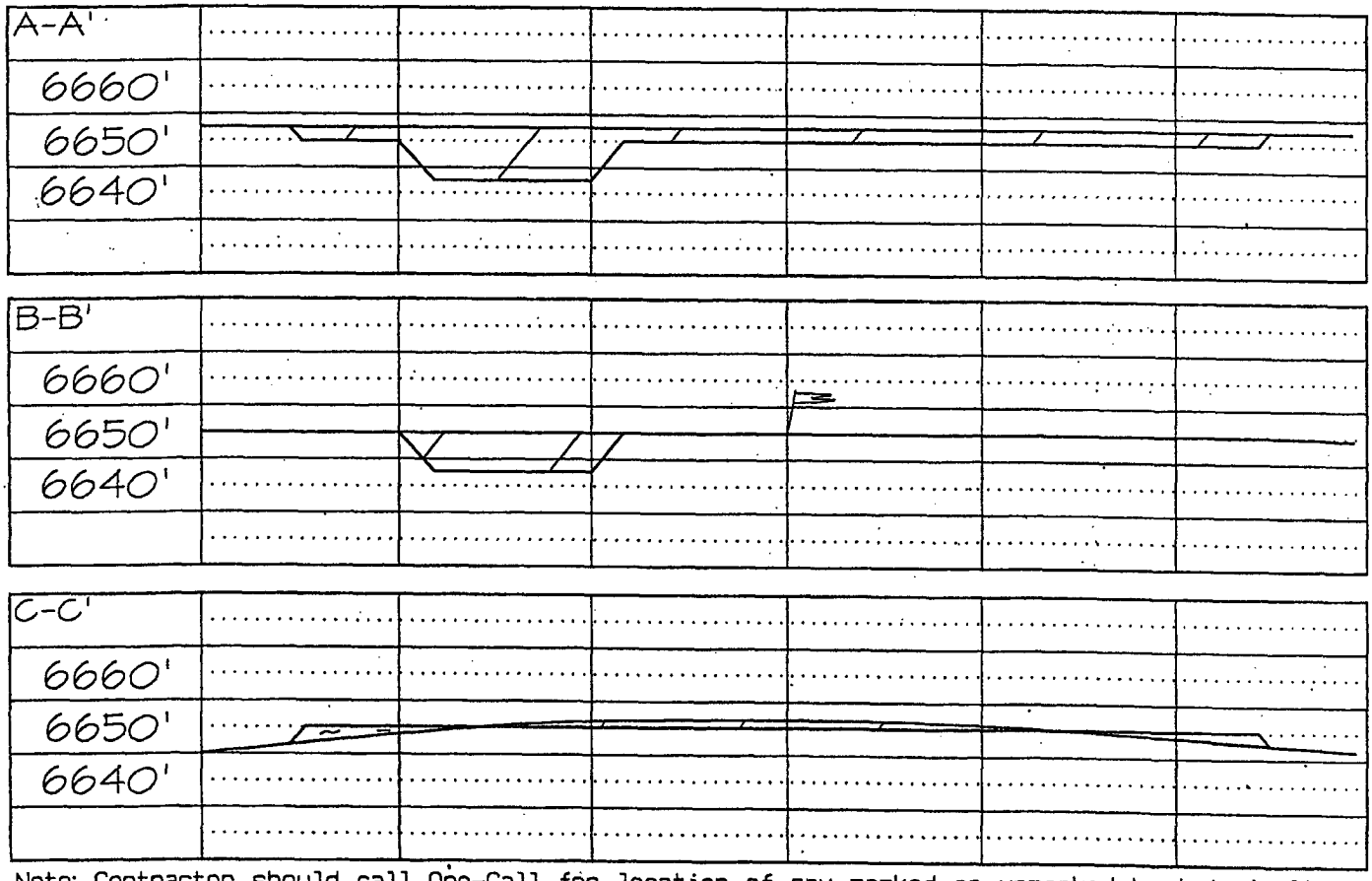
LATITUDE: 36°18'28"
LONGITUDE: 107°55'13"
DATUM: NAD1927



COLEMAN JUNIPER 17 #14 PROPOSED ROADWAY

℄ ℄ ℄ ℄ ℄ ℄ ℄ ℄

COLEMAN JUNIPER 17 #14 PRELIMINARY PIPELINE SURVEY



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

Wednesday, December 22, 2004

OPERATIONS PLAN

Well Name: Juniper SWD #4
Location: 660' FSL, 2015' FWL Section 17, T-24-N, R-10-W, NMPM
San Juan County, NM
Formation: SWD; Blanco Mesa Verde
Elevation: 6650' GL

Formation:	Top	Bottom	Contents
Nacimiento	Surface	445'	aquifer
Ojo Alamo	445'	555'	aquifer
Kirtland	555'	965'	
Fruitland	965'	1255'	gas
Pictured Cliffs	1255'	1455'	gas
Lewis Shale	1455'	1660'	
Cliff House	1660'	2060'	
La Ventana Tounge	2060	2610	
Menefee	2610	3660	
Point Lookout	3660	3865	
Mancos	3865	3940	
Total Depth	3940		

Drilling Contractor: Availability

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0' - 200'	Spud	8.4 - 9.0	40 - 50	no control
200' - 3940'	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:

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 1/4"	0' - 200'	8 5/8"	24#	J-55 or K-55
7 7/8"	120' - 3940'	5 1/2"	15.5#	J-55 or K-55

Tubing Program:

0' - 2000'	2 7/8"	6.50#	J-55 Coated

Float Equipment:
8 5/8" surface casing - saw tooth guide shoe. three centralizers.

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, three centralizers across stage collar (1550 Ft.) and five centralizers spaced evenly across Ojo Alamo.

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 2000 psig.

Cementing:

8 5/8" Surface Casing -
Cement with 165 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (194.70 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 -
Stage #1 - Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 20 bbls of fresh water. Lead with 272 sacks (709.92 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 100 sacks (126 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 835.92 cu. ft. (100% excess on open hole, calculated on cement volumes).
Stage #2 – Open Stage tool and circulate minimum 4 hours. Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 20 bbls of fresh water. Lead with 175 sacks (456.75 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 50 sacks (63 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 519.75 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). 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.

From Surface TD to Total Depth - choke manifold (Reference Figure #2).

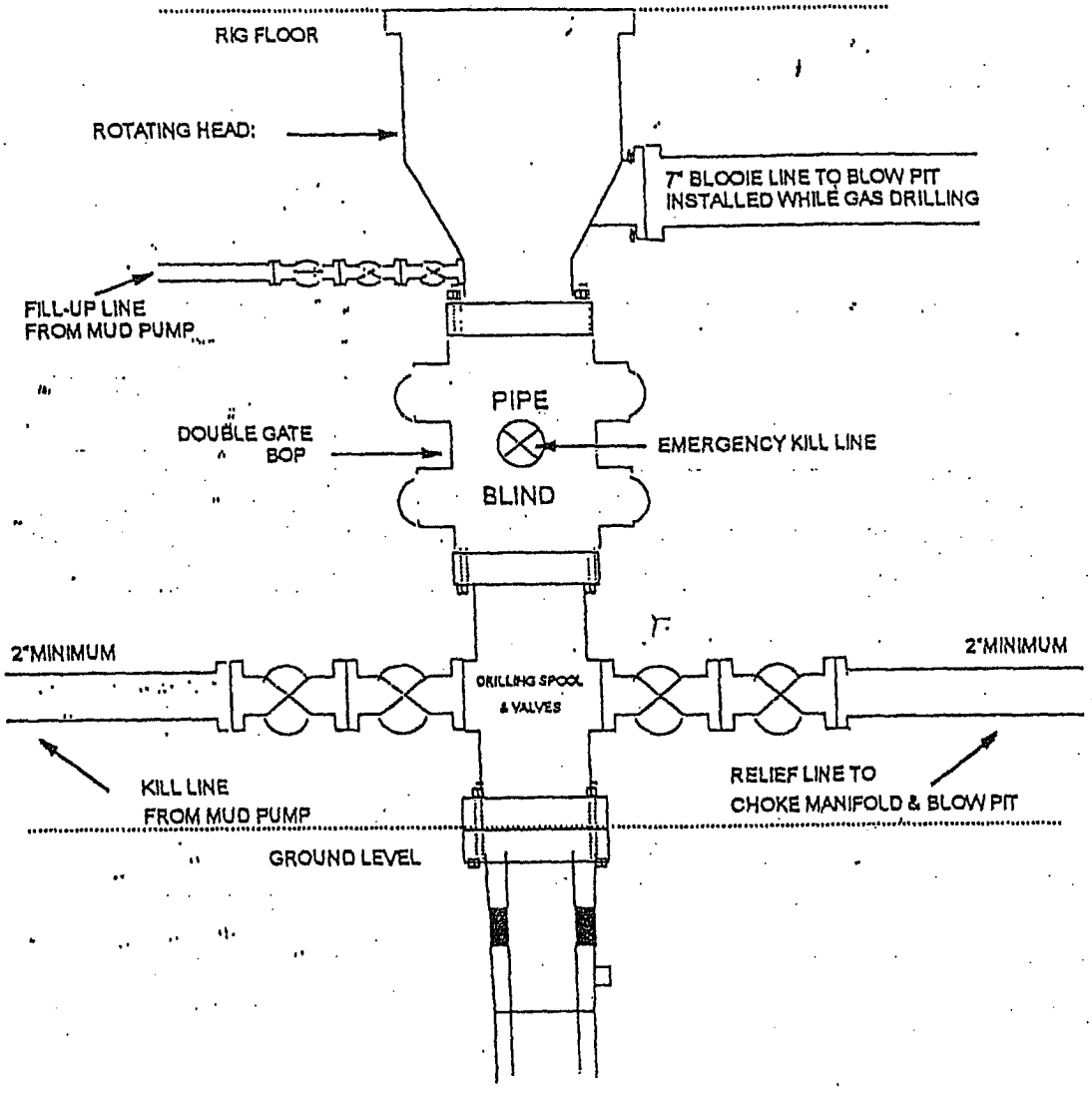
Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- The Blanco Mesa Verde will be completed for Fruitland Coal produced water disposal.
- Anticipated pore pressure for the Mesa Verde is 500 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 12/7/04 Drilling Engineer: Michael T. Hanson

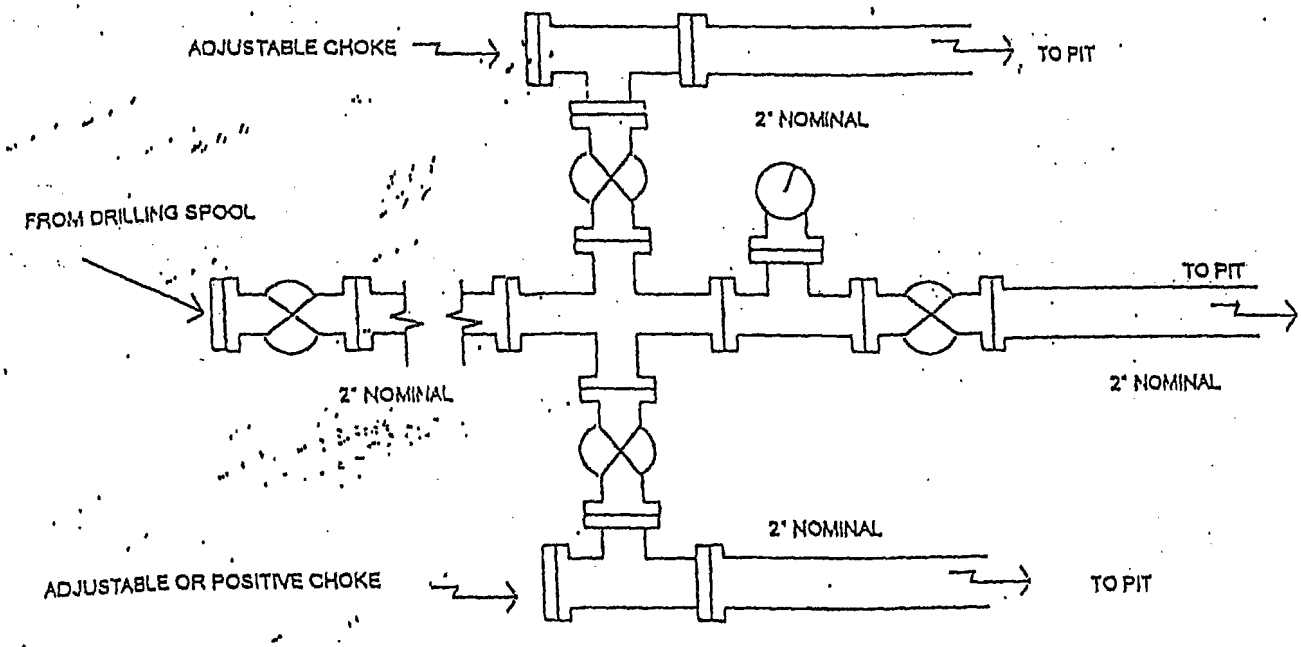
BOP Configuration
2M psi System



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

Choke Manifold Configuration
2M System



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

FIGURE #2