UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| FORM APPROV | ED |
|------------------|------|
| OMB No 1004-0 | 137 |
| Expires March 31 | 2007 |

| Farmington Fi Bureau of Land f | eld Chilos | NOTICES | AND R | EPORTS | ON WELLS | |
|-----------------------------------|---------------|---------------|-----------|--------------|---------------|-----|
| Farm of Land | Do not use th | is form for | proposals | s to drill o | r to re-enter | ar |
| Bureau o. | abandoned we | ell. Use Fort | n 3160-3 | (APD) for | such propos | als |

5 Lease Senal No NMNM 104610

| au of Land Names this form for proposals to drill or to re-enter abandoned well. Use Form 3160-3 (APD) for such propos | an 6 If Indian, Allottee or Tribe Name | | | | |
|--|--|--|--|--|--|
| SUBMIT IN TRIPLICATE- Other instructions on reverse s | 7 If Unit or CA/Agreement, Name and/or No | | | | |
| 1 Type of Well Gas Well Other | 8 Well Name and No. Denver #1 | | | | |
| 2 Name of Operator Coleman Oil & Gas. Inc. | 9 API Weil No | | | | |
| 3a. Address 3b. Phone No. (include area 505-327-0356) | code) 30-045-30311 10 Field and Pool, or Exploratory Area | | | | |
| 4 Location of Well (Footage, Sec., T, R, M, or Survey Description) | WAW Fruitland Sand - PC | | | | |
| 1190' FNL, 990' FWL D. Section 22. T26N, R12W Latitude 36.477778°, Longitude 1 | 08.104444° 11 County or Parish, State San Juan, New Mexico | | | | |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE O | F NOTICE. REPORT. OR OTHER DATA | | | | |
| TYPE OF SUBMISSION TYPE OF | ACTION | | | | |
| Acidize | Production (Start/Resume) | | | | |
| ☐ Final Abandonment Notice ☐ Change Plans ☐ Plug and Abandon ☐ Convert to Injection ☐ Plug Back ☐ | Temporarily Abandon | | | | |
| determined that the site is ready for final inspection) COLEMAN OIL & GAS, INC. PROPOSES TO PLUG AND ABANDON THE CL. | INTON #1 AS PER THE ATTACHED PROCEDURE. | | | | |
| Notify NMOCD 24 hr prior to beginning operations | RCVD MAY 18'12 | | | | |
| SPUD WELL APRIL 4. 2001 RELEASED ROTARY TOOLS APRIL 6, 2001 | OIL CONS. DIV. DIST. 3 | | | | |
| 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) MICHAEL T. HANSON Title OPER | ATIONS ENGINEER | | | | |
| Signature Michael T. Jans Date | May 3, 2012 | | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | |
| Approved by Original Signed: Stephen Mason Title | Date MAY 1 5 2012 | | | | |
| Conditions of approval, if any, are attached Approval of this notice does not warrant or | | | | | |

Title 18 USC Section 1001 and Title 43 USC 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, flictitious or fraudulent statements or representations as to any matter within its jurisdiction

Office

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

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area. or regional procedures and practices. either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise: depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs: amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole: method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations. on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3. and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.'

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137). Bureau Information Collection Clearance Officer. (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

Coleman Oil & Gas. Inc.

Plug and Abandon WAW Fruitland Sand - Pictured Cliffs Formation

Tuesday, May 01, 2012

Well:

Denver #1

Field:

WAW Fruitland Sand-PC

Location:

1190' FNL & 990' FWL (NWNW)

Elevation:

6099 RKB

Sec 22, T26N, R12W, NMPM San Juan County, New Mexico

Lease:

6094' GL NMNM 104610

By:

Michael T. Hanson

API#:

30-045-30311

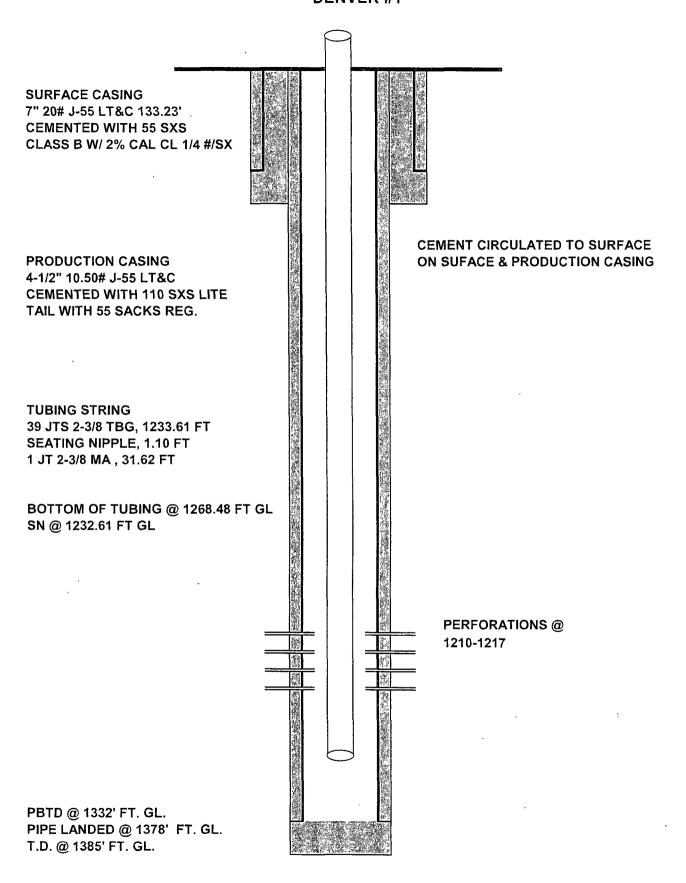
Procedure:

(Note: This procedure will be adjusted on site based upon actual conditions)

Plug and Abandon

- Load and Pressure Test VIA Braden Head Valve Production and Surface Casing 1. Annulus to 650 psig. Record volume and pressure drop if any over a 30 minute period. If Production and Surface Casing Annulus holds pressure proceed to next step.
- 2. MIRU and POOH with rods & tubing, tag up with tubing prior to pulling. Lay down rods and tubing. Make sure perforations are not covered with sand.
- 3. Rig up cementers and bullhead cement into WAW Fruitland Sand (PC) perforations. Fill casing with cement. Pressure up and displace cement into PC formation.
- 4. Tag cement to check to make sure cement is above 80 Feet GL. If required top off with cement.
- 5. Cut off wellhead below Braden Head and top off with cement per regulations.
- 6. Install four inch dry hole marker as per regulations.

COLEMAN OIL GAS, INC. DENVER #1



Cement circulated to surface on surface and production casing.

Schlumberger CBL-VDL GR & CL dated 11-May-2001 indicates good quality cement from TD to bottom of Surface Casing.

Dry Hole Marker Information:

Coleman Oil & Gas, Inc. Denver #1 NMNM 104610 API # 30-045-30311 1190' FNL 990' FWL D, Section 22, T26N, R12W San Juan, NM