

Form 3160
(August 1999)

2005 JUL 32 PM 1 23

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-0468126

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
Callow #101S

9. API Well No.
30-045-33257

10. Field and Pool, or Exploratory
Basin Fruitland Coal

11. Sec., T., R., M., or Blk. And Survey or Area
D Section 27, T29N, R13W

12. County or Parish
San Juan

13. State
NM

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
1135' FNL, 915' FWL Latitude 36° 42' 07", Longitude 108° 11' 57"
At proposed prod. zone

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.

15. Distance from proposed* location to nearest property or lease line, ft.
(Also to nearest drlg unit line, if any)
915'

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
NA

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5316' GR

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 29-Jul-05

Title Operations Engineer

Approved By (Signature) *[Signature]* Name (Printed/ Typed) DATE 9/29/05

Title AFM Office FFO

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".

NMOCOD

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

Form C-102
Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

2005 JUL 32 PM 1 23 AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-33257		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 14238	*Property Name CALLOW		*Well Number 101S
*GRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 5316'

¹⁰ Surface Location

UL or lot no. D	Section 27	Township 29N	Range 13W	Lot Idn	Feet from the 1135	North/South line NORTH	Feet from the 915	East/West line WEST	County SAN JUAN
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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
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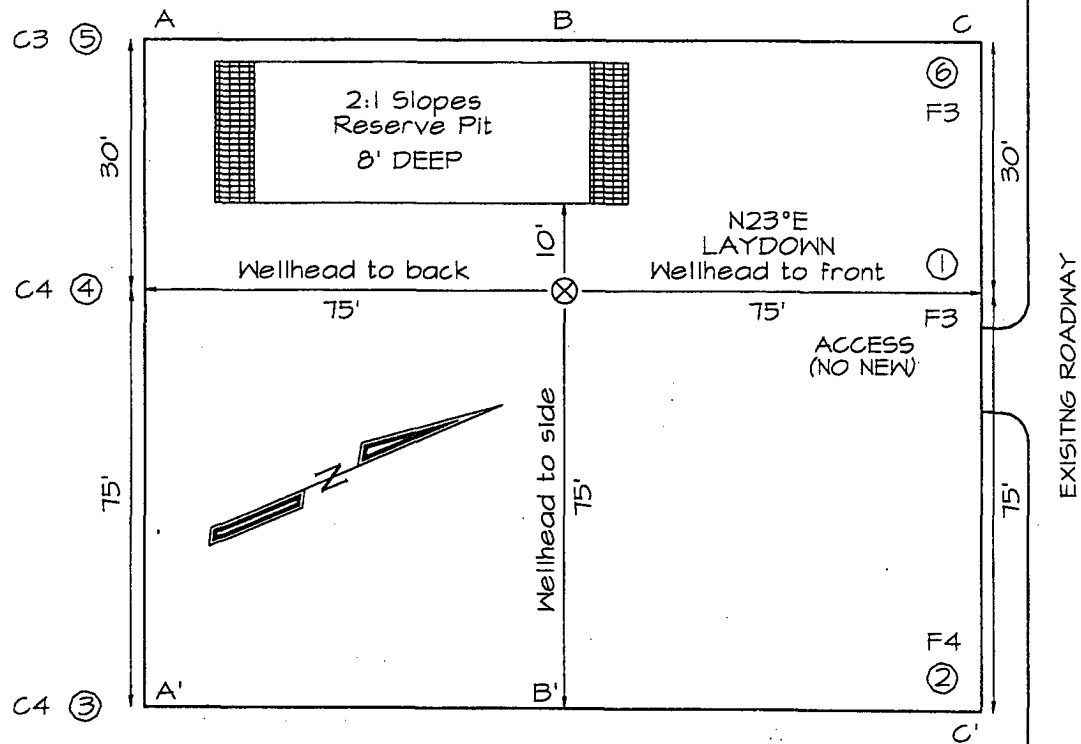
¹² Dedicated Acres 320.0 Acres - (W/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Michael T. Hanson</u> Signature <u>Michael T. Hanson</u> Printed Name <u>Engineer</u> Title <u>7/27/05</u> 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 14, 2004 Signature and Seal of Professional Surveyor <u>JASON C. EDWARDS</u> Certificate Number 15269

COLEMAN OIL & GAS, INC. CALLOW #101S
1135' FNL & 915' FWL, SECTION 27, T29N, R13W, NMPM
SAN JUAN COUNTY, NEW MEXICO ELEVATION: 5316'

LATITUDE: 36°42'07"
 LONGITUDE: 108°11'57"
 DATUM: NAD1927



A-A'						
5326'						
5316'						
5306'						

B-B'						
5326'						
5316'						
5306'						

C-C'						
5326'						
5316'						
5306'						

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, July 29, 2005

OPERATIONS PLAN

Well Name: Callow #101S
Location: 1135' FNL, 915' FWL Section 27, T-29-N, R-13-W, NMPM
San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 5316' GL

Formation:	Top	Bottom	Contents
Kirtland	Surface	850'	aquifer
Fruitland	850'	1050'	
T/ Basal Coal	1050'	1070'	gas
Pictured Cliffs	1070'	1245'	gas
Total Depth	1245'		

Drilling Contractor: Availability

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0' - 120'	Spud	8.4 - 9.0	40 - 50	no control
120' - 1245'	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
8 3/4"	0' - 120'	7"	20#	J-55 or K-55
6 1/4"	120' - 1285'	4 1/2"	10.5#	J-55 or K-55

Tubing Program:

0' - 1200'	2 3/8"	4.70#	J-55
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Float Equipment:

7" surface casing - saw tooth guide shoe. One Centralizer.

4 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: 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 40 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (63 cu. ft. of slurry), 100% excess to circulate to surface (Yield = 1.18 cu. ft. /sk; slurry weight = 15.6 PPG). 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 volume of mud. Precede cement with 20 bbls of fresh water. Lead with 75 sacks (195.75 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 50 sacks (63.00 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 258.75 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 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 500 psig for 30 minutes; all pipe rams and choke assembly to 500 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:

7/29/05

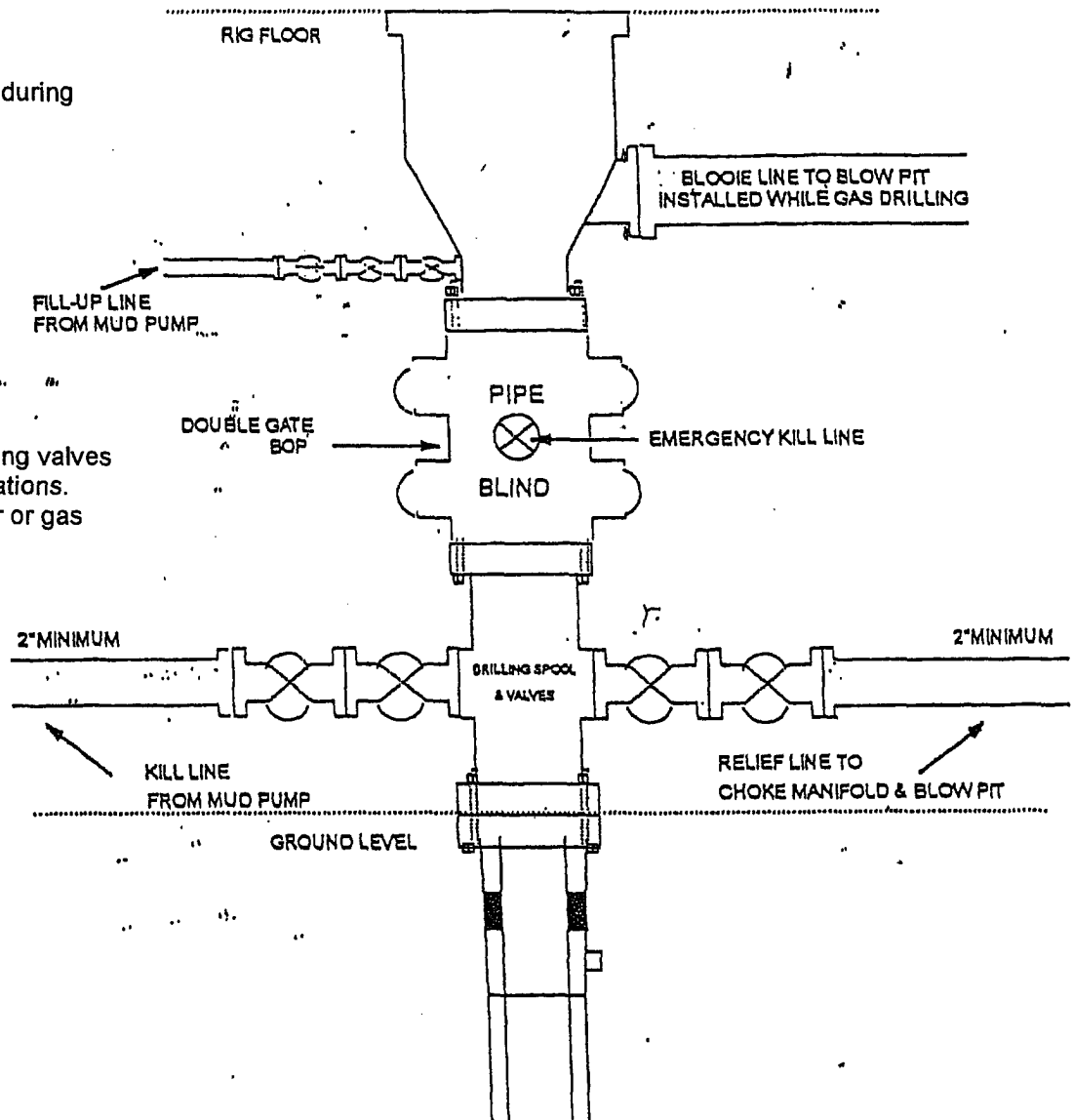
Drilling Engineer:

Michael T. Jans

BOP Configuration 2M psi System

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

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



Minimum BOP installation for Drilling Operations. 7 1/16" Bore(6" Nominal), 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams

FIGURE #1

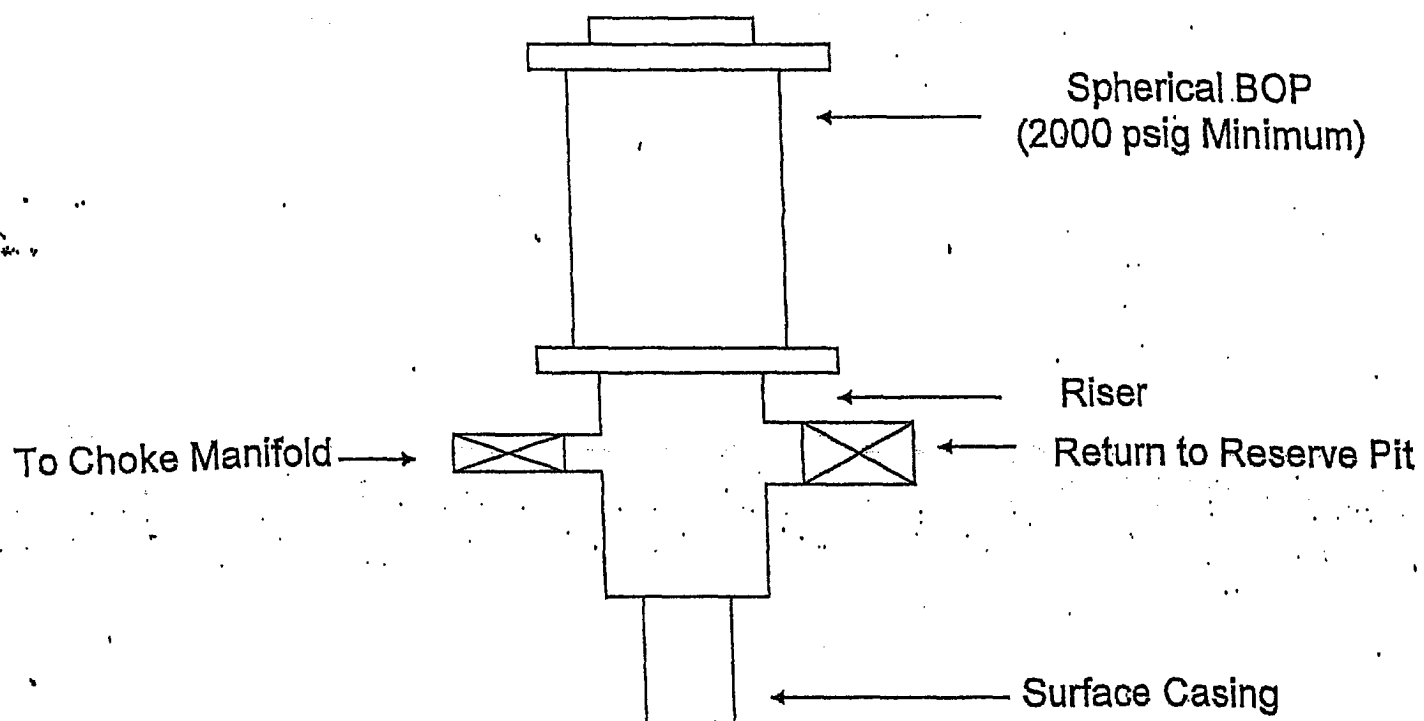
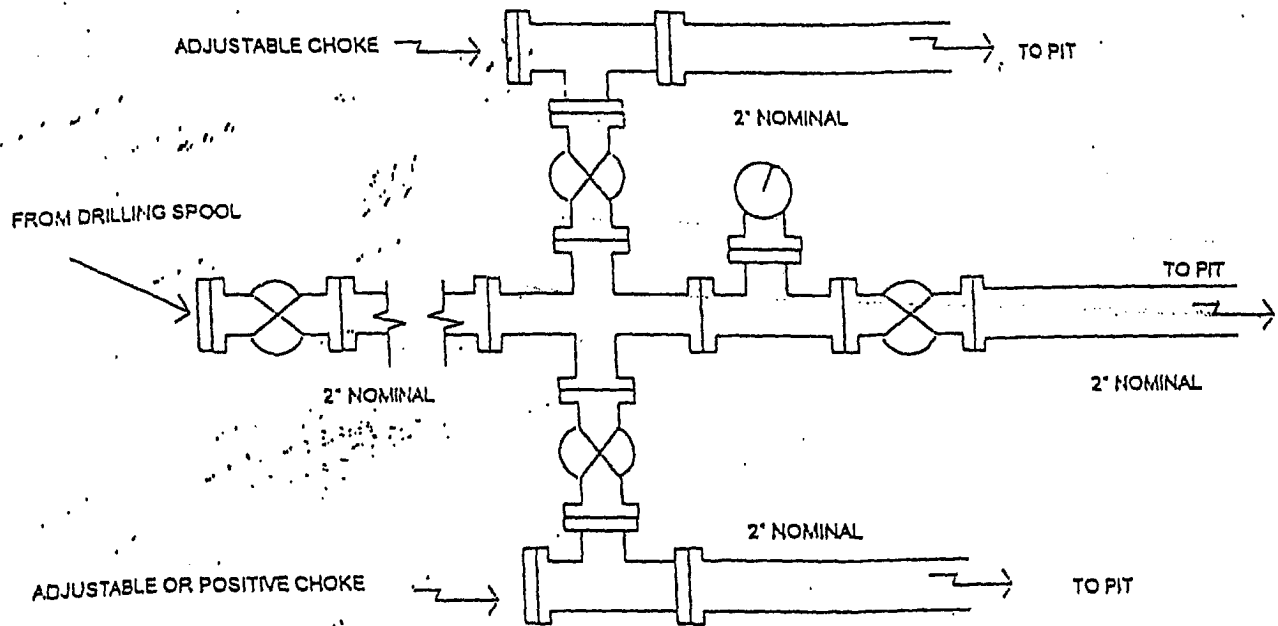


FIGURE #2

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