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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**

070 Farmington, 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 **1000' 1300'**
1200' FNL, 900' FEL Latitude **36° 19' 56"**, Longitude **107° 55' 53"**

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) **1000'**

16. No. of Acres in lease **160**

17. Spacing Unit dedicated to this well **320 ACRES E/2**

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

19. Proposed Depth **1475'**

20. BLM/ BIA Bond No. on file **BIA Blanket Bond #08510607**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **6649'**

22. Approximate date work will start* **June-03**

23. Estimated Duration **2 Weeks**

5. Lease Serial No.
NO-G-9910-1363

6. If Indian, Allottee or Tribe Name
Navajo Allotted

7. If Unit or CA Agreement, Name and No.
32979

8. Lease Name and Well No.
Juniper Com #41#7

9. API Well No.
30 045 29751

10. Field and Pool, or Exploratory
Basin Fruitland Coal

11. Sec., T., R., M., or Blk. And Survey or Area
Section 7, T24N, R10W

12. County or Parish **San Juan**

13. State **NM**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|---|--|
| <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 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. |
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25. Signature *Michael T. Hanson* Name (Printed/ Typed) **Michael T. Hanson** DATE **24-Mar-03**

Title **Operations Engineer**

Approved By **David J. Markewicz** Name (Printed/ Typed) DATE **OCT 20 2003**

Title 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

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

NMOC

District I
PO Box 1980, Hobbs, NM 88241-1980

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

District II
PO Drawer 00, Artesia, NM 88211-0719

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-29751		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 32979	*Property Name JUNIPER COM 41		*Well Number 41-7
*OGRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6649'

¹⁰ Surface Location

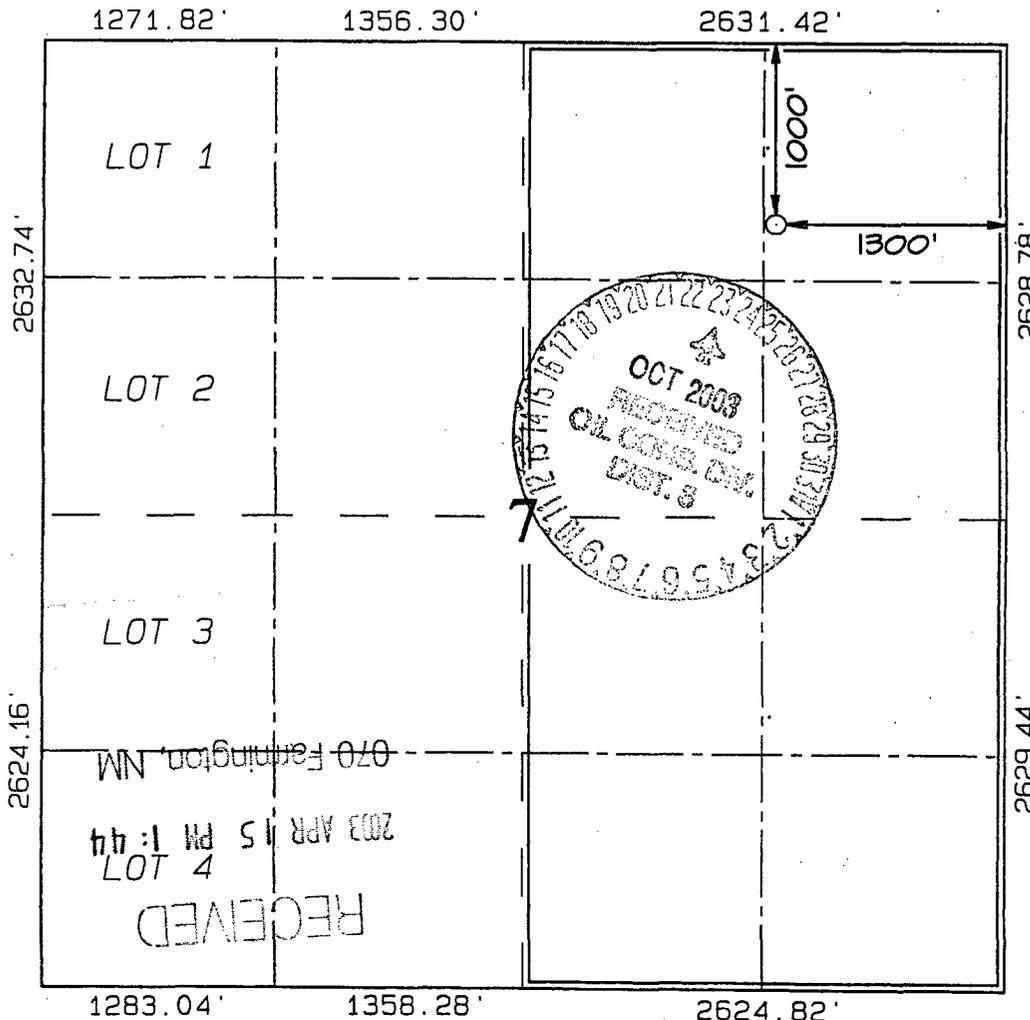
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	7	24N	10W		1000	NORTH	1300	EAST	SAN JUAN

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 320.0 Acres - (E/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

Michael T. Hanson
Signature
Michael T. Hanson
Printed Name
Engineer
Title
3/25/03
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: JULY 24, 2002

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

OPERATIONS PLAN

Well Name: Juniper Com #41-7
Location: 1000' FNL, 1300' FEL Section 7, T-24-N, R-10-W, NMPM
 San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6649' GL

Formation:	Top	Bottom	Contents
Nacimiento	Surface	500'	aquifer
Ojo Alamo	500'	585'	aquifer
Kirtland	585'	1075'	
Fruitland	1075'	1325'	gas
Pictured Cliffs	1325'	1475'	gas
Total Depth	1475'		

Drilling Contractor: Availability

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0 - 120'	Spud	8.4 - 9.0	40 - 50	no control
120 - 1475'	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' - 120'	8 5/8"	24#	J-55 or K-55
7 7/8"	120' - 1475'	5 1/2"	15.5#	J-55 or K-55

Tubing Program:

0' - 1350'	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 turbolizers 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 84 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (83.93 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600 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 30 bbls of fresh water. Lead with 180 sx (369.34 cu. ft.) of CI "B" with 2% metasilicate and 1/4#/sk celloflake. (Yield = 2.06 cu. ft. /sk; slurry weight = 12.5 PPG). Tail with 85 sx (100.30 cu. ft.) of CI "B" with 2% CaC1 and 1/4#/sk celloflake. (Yield = 1.18 cu. ft. / sk; slurry weight = 15.6 PPG). Total cement volume is 469.64 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 TD - 11" 2000 psi (minimum) double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 1000# / 30 min.

From surface to TD - 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 300 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 3/25/03 Drilling Engineer: Michael J. Haas