A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

RECEIVED

DEC 03 2007

Bureau of Land Management
Farmington Field Office

RCVD JAN 23 '09
OIL CONS. DIV.
DIST. 3

Form 3160-3
(August 1999)

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: NMNM-033015

6 If Indian, Allottee or Tribe Name:

7 If Unit or CA Agreement, Name and No:

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

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

8 Lease Name and Well No: Maria #2

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

9 API Well No: 30-045-34453

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: Basin Dakota / Basin Mancos

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

At surface: 660' FNL, 1600' FEL Latitude 36.493650°N, Longitude 108.095438°W

At proposed prod. zone

11 Sec, T, R, M, or Blk. And Survey or Area: B Section 15, T26N, R12W

14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Southeast of Farmington New Mexico on County Road 7100 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 N/2 - DK, BM

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
120'	6120'	NM 2817 BLM Blacket Bond ~~#08510612~~

21 ELEVATIONS (Show whether DF RT, GR, etc)	22. Aproximate date work will start*	23 Estimated Duration
6132' GR	August-08	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	30-Nov-07

Title: Operations Engineer

Approved By (Signature)	Name (Printed/ Typed)	DATE
		1/21/09

Title	Office
Acting AFM Minerals	

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

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

JAN 29 2009

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

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
1625 N. French Dr., Hobbs, N.M. 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

OCT 4 2007
Bureau of Land Management
Farmington Field Office

Form C-102
Revised October 12, 2005

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-34453	97232	Basin Mancos

[4] Property Code	[5] Property Name	Well Number
24563	MARIA	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
4838	COLEMAN OIL & GAS, INC.	6132

[10] Surface Location

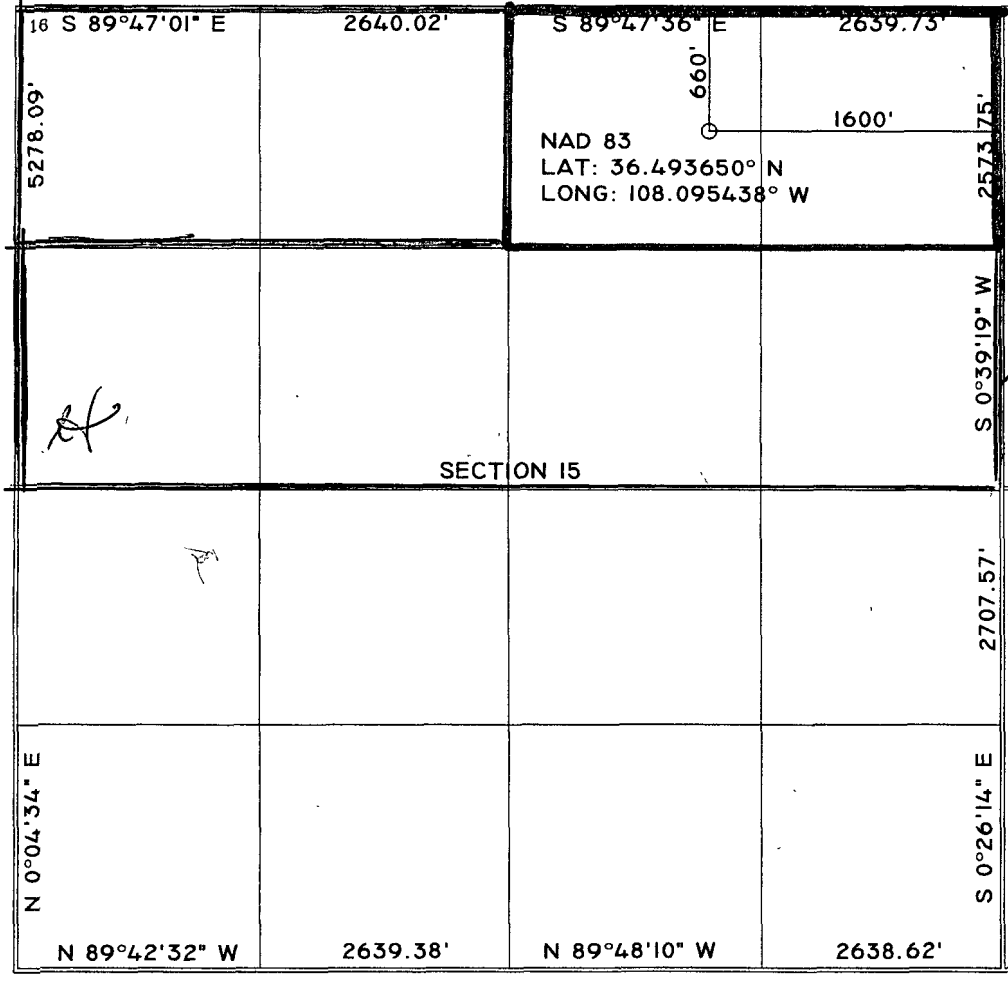
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	26 N	12 W		660	NORTH	1600	EAST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No
N/2 320			R-12984 - Basin Mancos

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Michael T. Hanson
Signature

10/03/2007
Date

Michael T. Hanson
Printed Name

[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.

3/30/07
Date of Survey

Signature and Seal of Professional Surveyor:

ROBERT L. POUNDS
NEW MEXICO
6846
LICENSED PROFESSIONAL SURVEYOR

Certificate Number 6846

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

RECEIVED
OCT 4 2007
Bureau of Land Management
Farmington Field Office

Form C-102
Revised October 12, 2005
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
30-045-34453	71599	BASIN DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
24563	MARIA	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
4838	COLEMAN OIL & GAS, INC.	6132

[10] Surface Location

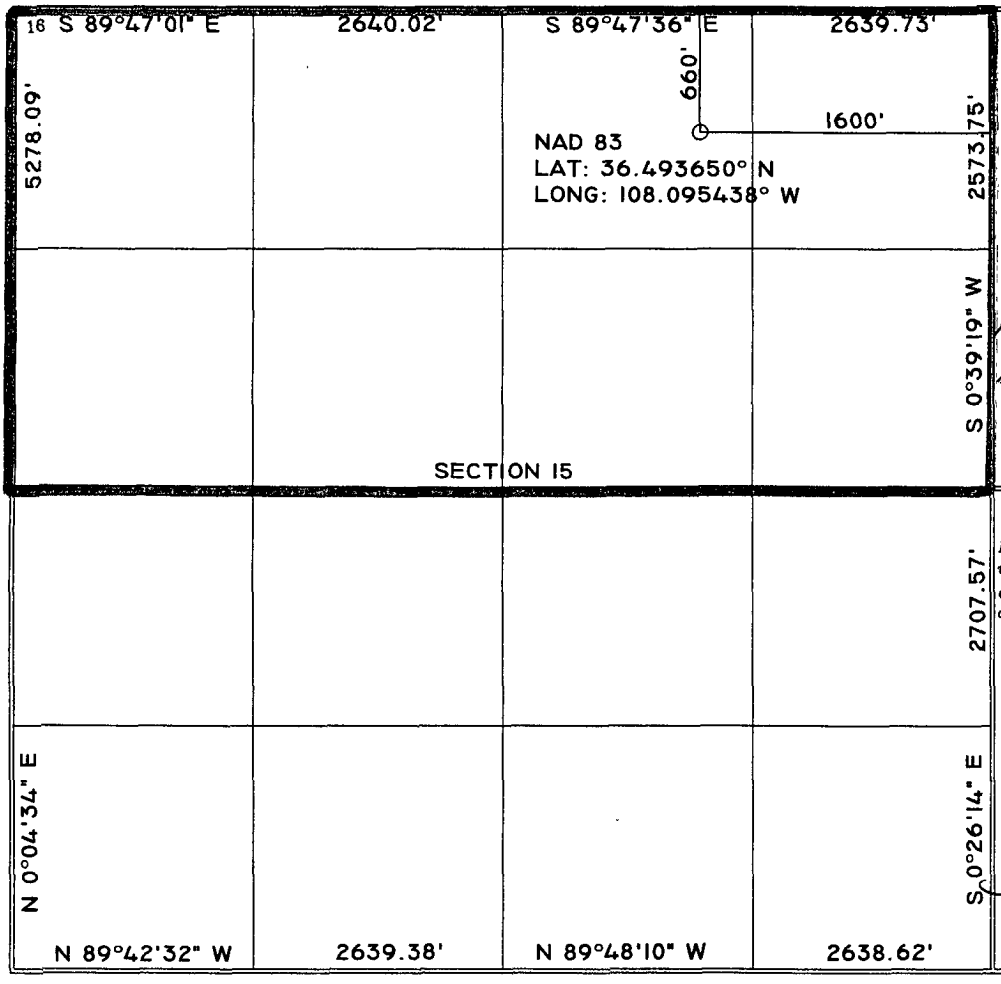
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	15	26 N	12 W		660	NORTH	1600	EAST	SAN JUAN

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
N/2 320			

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Michael T. Hanson
Signature Date

Michael T. Hanson
Printed Name

10/03/2007

[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.

3/30/07
Date of Survey

Signature and Seal of Professional Surveyor:

ROBERT L POSIUS
NEW MEXICO
6846
LICENSED PROFESSIONAL SURVEYOR

Certificate Number 6846

Wednesday, October 03, 2007

OPERATIONS PLAN

Well Name: Maria #2
Location: 660' FNL, 1600' FEL Section 15, T-26-N, R-12-W, NMPM
San Juan County, NM
Formation: Basin Dakota and Gallegos Gallup
Elevation: 6132' GL

Formation:	Top	Bottom	Contents
Nacimiento	Surface	510'	aquifer
Ojo Alamo	510'	650'	aquifer
Kirtland	650'	1060'	
Fruitland	1060'	1340'	gas/aquifer
Pictured Cliffs	1340'	1415'	gas
Lewis Shale	1415'	2180'	
La Ventana Tounge	2180'	2915'	
Cliff House	2915'	2930'	gas
Menefee	2930'	3845'	gas
Point Lookout	3845'	4115'	
Mancos	4115'	4935'	
Gallup	4935'	5850'	oil/gas
Greenhorn	5850'	5935'	oil/gas
Dakota	5935'	6120'	oil/gas
Total Depth	6120'		

Drilling Contractor: Availability

Mud Program:

Interval	Type	Weight	Vis.	Fluid Loss
0' - 350'	Spud	8.4 - 9.0	40 - 50	no control
350' - 6120'	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' - 350'	8 5/8"	24#	J-55 or K-55
7 7/8"	350' – 6120'	5 1/2"	15.5#	J-55 or K-55

Tubing Program:

0' - 5960'	2 3/8"	4.70#	J-55 New

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 (± 4150 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 3/8" Tubing Head. Well Head assembly with a minimum rated working pressure of 2000 psig.

Cementing:

8 5/8" Surface Casing -

Cement with 259 sacks Class Type 5 cement with 1/4# celloflake/sx and 2% calcium chloride (305.62 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 1000 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 180 sacks (325.80 cu. ft) of Class "G" 35/65 POZ with 2% GEL D-20, 5# Per sack Gilsonite, .1% D46, 1% S-1 and 1/4# Per sack D29. (Yield = 1.81 cu. ft. /sack; slurry weight = 12.4 PPG). Tail with 180 sacks (226.80 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 552.60 cu. ft. (60% excess on open hole, calculated on cement volumes on Lower Stage).

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 553 sacks (1000.93 cu. ft) of Class "G" 35/65 POZ with 2% GEL D-20, 5# Per sack Gilsonite, .1% D46, 1% S-1 and 1/4# Per sack D29. (Yield = 1.81 cu. ft. /sack; slurry weight = 12.4 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 1126.93 cu. ft. (60% excess on open hole, calculated on cement volumes on Upper Stage).

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 1000 psig for 30 minutes; all pipe rams and choke assembly to 1000 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 Basin Dakota and Gallegos Gallup will be completed independently with a Down Hole Commingle anticipated.
- Anticipated pore pressure for the Basin Dakota and Gallegos Gallup is .29 psi/ft with a maximum of 1685 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 11/30/2007 **Drilling Engineer:** Michael T. Hanson

Surface Casing Information

Surface Casing Description: New 8 5/8" 24#/Ft J-55 or K-55 ST&C 0- 350 feet with 9.0 #/gal mud

OD	ID	#/Ft	Grade	Coupling	Collaspe	IYP	Body YS	Joint YS
8.625	8.097	24	J-55	ST&C	1370	2950	381	244
8.625	8.097	24	K-55	ST&C	1370	2950	381	263

	Calculated K-55	Calculated J-55	Design Target
External Pressure Collaspe	8.36	8.36	1.125
Tension Yield Strength	32.87	32.87	1.250
Tension Ultimate Yield	31.35	29.05	1.800
Internal Yield	18.01	18.01	1.000
Leak Resistant	63.43	63.43	1.000

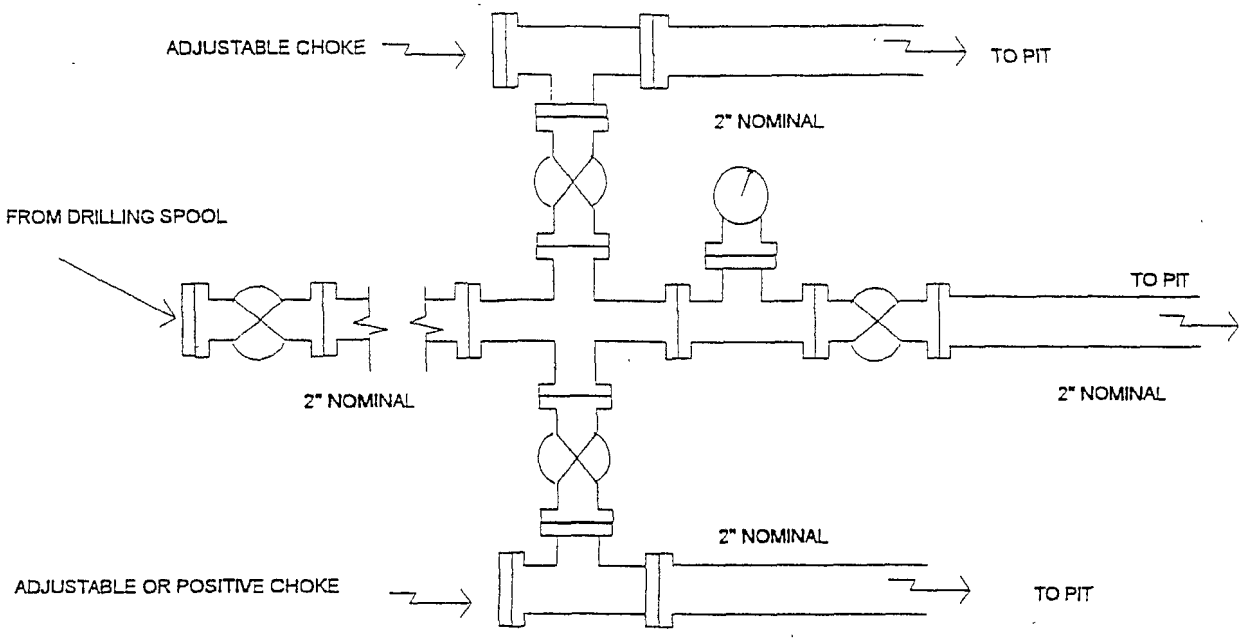
Production Casing Information

Production Casing Description: New 5 1/2" 15.50#/Ft J-55 or K-55 LT&C 0- 6200 feet with 9.5 #/gal mud

OD	ID	#/Ft	Grade	Coupling	Collaspe	IYP	Body YS	Joint YS
5.5	4.95	15.5	J-55	ST&C	4040	4810	248	217
5.5	4.95	15.5	K-55	ST&C	4040	4810	248	239

	Calculated K-55	Calculated J-55	Design Target
External Pressure Collaspe	1.32	1.32	1.125
Tension Yield Strength	1.89	1.89	1.250
Tension Ultimate Yield	2.49	2.26	1.800
Internal Yield	1.57	1.57	1.000
Leak Resistant	4.30	4.30	1.000

Choke Manifold Configuration
2M System



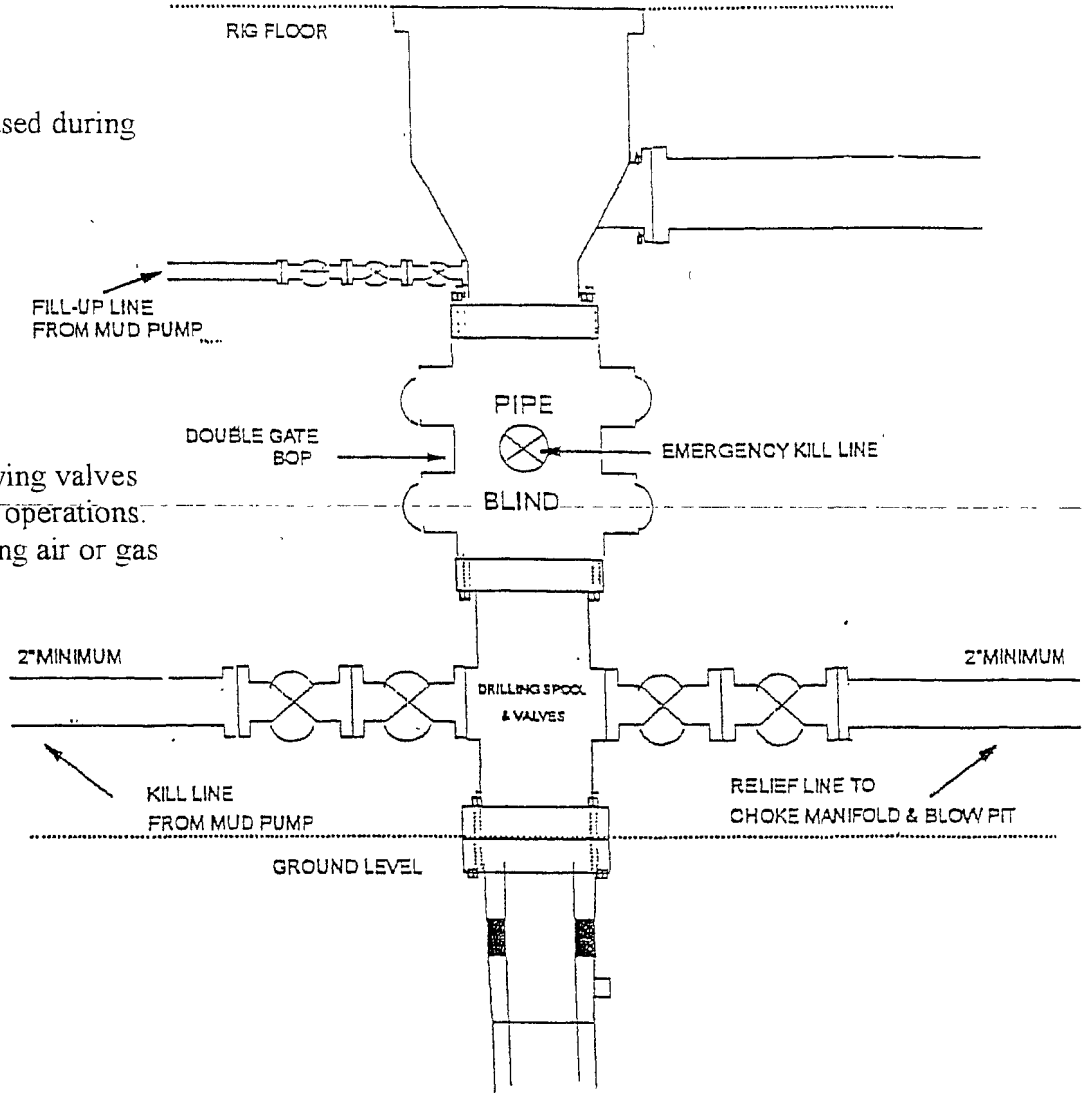
Minimum choke manifold installation from surface to Total Depth.
2" minimum, 2000psi working pressure equipment with two chokes.

FIGURE #2

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 dilling.



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