Form 3160-3 (August 1999)

FORM APPROVED OMB NO. 1004-0136 Expires: November 30, 2000

UNITED STATES 70 Farmington, NM

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILE

NM NM-101058 If Indian, Allottee or Tribe Name

1a TYPE OF WORK 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 21 # //
2. Name of Operator		9. API Well No.
Coleman Oil & Gas, Inc.		3004531863
3a. Address	3b. Phone No. (include area code)	10. Field and Pool, or Exploratory
P.O. Drawer 3337, Farmington N.M. 87499	(505) 327-0356	Basin Fruitland Coal
4. Location of well (Report location clearly and In accordance with any S	State requirements.*)	11. Sec., T., R., M., or Blk. And Survey or Area
At surface 1125' FNL, 660' FWL Latitude 36°	18' 10", Longitude 107° 54' 25"	Section 21, T24N, R10W
At proposed prod. zone		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN	OR POST OFFICE*	12. County or Parish 13. State
South East of Farmington New Mexico on Cour		
15. Distance from proposed*	16. No. of Acres in lease 17	Spacing Unit dedicated to this well
location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	1750.52	320 ACRES N/2
18. Distance from proposed location* to nearest well, drilling, completed,	19. Proposed Depth 20	BLM/ BIA Bond No. on file
applied for, on this lease, ft. NA	1475'	BLM Blanket Bond #08510612
21. ELEVATIONS (Show whether DF. RT, GR, etc.)	22. Aproximate date work will start*	23. Estimated Duration
6722'	October-03	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).
- Operator certification.
- Such other site specific information and/ or plans as may be required by the a authorized officer.

Muhael T. //ano-	Name (Printed/Typed) Michael T. Hanson	13-Aug-03		
Operations Engineer				
Approved By (Signature)	Name (Printed/Typed) /S/ URYN J. IVINIAUSWICZ	DEC 1 9 2003		
Title	Office			
Application approval does not warrant or certify that the applicant holds le	gal or equitable title to those rights in the subject lease which would enti-	tle the applicant to conduct		

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 nursuant to 43 CFR 3164.3 DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

District I PO 80x 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	LOCAT	ION AND A	CREAGE DED	ICAT	ION PL	.AT		
30-0	API Number	Pool Code Pool Name 71863 PASIN FRUITLAND COAL									
Property	12				JUNIF	Property Name Swell Number 11					1
'06RID (4838				CO	Operator LEMAN OIL	Name & GAS, INC.					levation 5722
			_			Location					
UL or lot no.	Section 21	Township 24N	Range 10W	Lot Idn	Feet from the 1125	North/South line	1	t from the	East/We	ST	SAN JUAN
UL or lot no.	Section	11 B	ottom Range	Hole L	Ocation I	f Different North/South line	Fro	OM Surf et from the		est line	County
¹² Dedicated Acres		0.0 Acres	5 - (N	l/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order	, No.			1
NO ALLOW	VABLE W	ILL BE A	SSIGNEI NON-ST	D TO TH ANDARD	IS COMPLETION UNIT HAS BE	ON UNTIL ALL EN APPROVED	INTE BY T	RESTS H	IAVE BE SION	EN CON	ISOLIDATED
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		 !	5	. 1 227.86		, ! !			ificate	<u> E-1</u> Number	>WARDS 15269

OPERATIONS PLAN

Well Name:

Juniper #11-21

Location:

1125' FNL, 660' FWL Section 21, T-24-N, R-10-W, NMPM

San Juan County, NM

Formation:

Basin Fruitland Coal

Elevation:

6722' GL

Formation:	Тор	Bottom	Contents
Nacimiento	Surface	475'	aquifer
Ojo Alamo	475'	560'	aquifer
Kirtland	560'	1050'	
Fruitland	1050'	1300'	gas
Pictured Cliffs	1300'	1475'	gas
Total Depth	1475'		

Drilling Contractor: Availability

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	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.	<u>Grade</u>
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' - 1360'	2 7/8"	6.50#	J-55

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 195 sx (401.70 cu. ft.) of Class "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 Class "B" with 2% CaCl and 1/4#/sk celloflake. (Yield = 1.18 cu. ft. / sk; slurry weight = 15.6 PPG). Total cement volume is 502 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: Mugust 17, 2003 Drilling Engineer: Michael T. //anor