Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RE-ENTER

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR ~~PLUG BACK~~

5. LEASE DESIGNATION AND SERIAL NO.: NOO-C-14-20-5248

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Navajo

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Canyon

9. WELL NO.: 10

10. FIELD AND POOL, OR WILDCAT: Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 22, T25N, R11W

12. COUNTY OR PARISH: San Juan

13. STATE: N. M.

1a. TYPE OF WORK: DRILL ☐ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ ~~OTHER~~ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR: COLEMAN OIL & GAS, INC., GEORGE E. COLEMAN, President

3. ADDRESS OF OPERATOR: ~~c/o W. M. Gallaway~~ 101-2 Petroleum Plaza Bldg., Farmington, N.M. 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 790' FNL and 790' FEL, Unit A
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

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: ~~320~~ 160

17. NO. OF ACRES ASSIGNED TO THIS WELL: E/320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH: 5970'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6429' GL

22. APPROX. DATE WORK WILL START*: Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
~~Drilled~~	~~8 5/8"~~	~~24 #~~	~~505'~~ 495	Cemented to surface
~~Clean out 7 7/8"~~	~~4 1/2"~~	~~11.60#~~	5970'	200 Sacks to cover Gallup and Point Lookout

Tenneco Oil Co. drilled and plugged this hole 10-10-1976.

Plan to mud drill cement plugs to 5970' and set production casing through zone, perforate casing, stimulate well by fracing, run tubing and test well. Blowout preventor diagram attached. Fresh water zones are cemented behind surface casing. Tenneco Oil Co. plat attached.
Mud program: See 7 of 7 point well control plan. See Exhibit D.
Seeding Requirements - See Exhibit E.
Open hole logs are on file.
Surface formation and formation tops - See Exhibit B.

RECEIVED
APR 9 1980
U.S. GEOLOGICAL SURVEY
FARMINGTON, N.M.

RECEIVED
MAY 2 1980
OIL CON. COM.
DIST. 3

RECEIVED
MAY 13 1980
OIL CON. COM.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.
COLEMAN OIL & GAS, INC.
SIGNED By: George E. Coleman, President TITLE Operator DATE Apr. 8, 1980.

(This space for Federal or State office use)

PERMIT NO. ______ APPROVAL DATE ______

APPROVED BY ______ TITLE ______
CONDITIONS OF APPROVAL, IF ANY:

APPROVED AS AMENDED
MAY 6 1980
James F. Sims
JAMES F. SIMS
DISTRICT ENGINEER

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

NMOCC

See C 104 for

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws 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 and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1963—O-711-396

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
TENNECO OIL COMPANY	CANYON	10

Unit Letter	Section	Township	Range	County
A	22	25 NORTH	11 WEST	SAN JUAN

Actual Footage Location of Well: 790 feet from the NORTH line and 790 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Avereage:
6429	Dakota	Basin Dakota	E/320 Acres

1. Outline the acerage dedicated to the subject well by colored pencil or hachure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty),

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

(X) Yes ( ) No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.) .....

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

RECEIVED
AUG 24 1976
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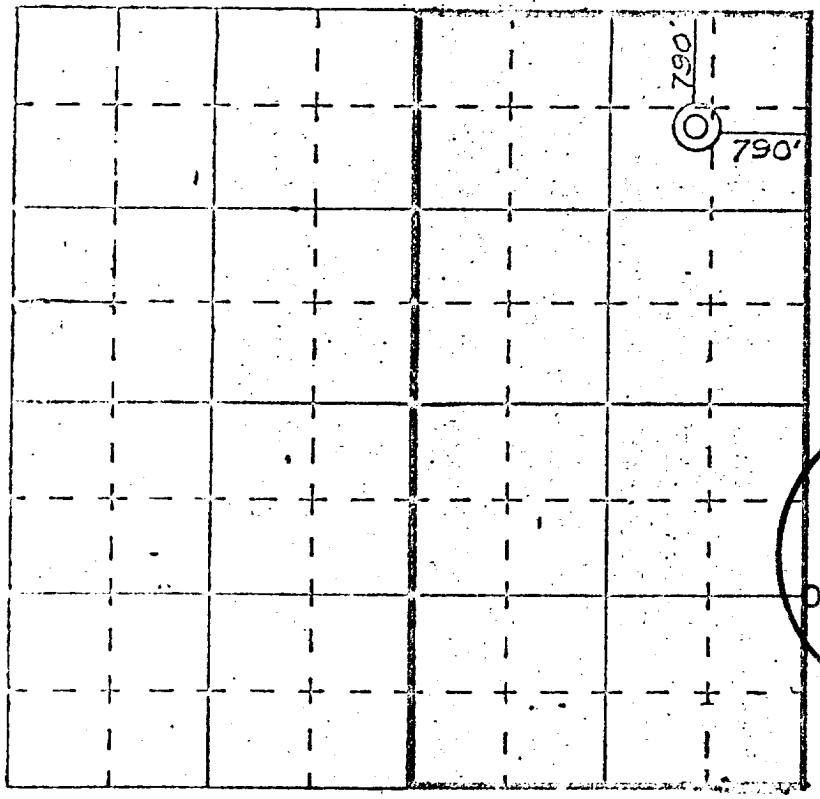
BIA- 16 2/3% Royalty
TOC- 100% WI
NOO-C-14-20-5248



NOO-C-14-20-5247

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Position
Production Clerk

Company
Tenneco Oil Company

Date
August 19, 1976

I hereby certify that this 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 knowledge and belief.

Date Surveyed
August 17, 1976

Registered Professional Engineer
and/or Land Surveyor
James P. Leese

Certificate No.
1463

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DIST. 3

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DIST. 3

SURFACE USE PLAN

COLEMAN OIL & GAS, INC.
GEORGE E. COLEMAN, Pres.
Canyon #10, 790' FNL and 790' FEL, Sec. 22, T25N, R11W, Lease # NOO-C-14-20-5248, San Juan County, New Mexico.

This plan is to accompany "Application for Permit to Drill" for the above mentioned well.

The following is a discussion of pertinent information concerning possible effect which the proposed drilling of the well may have on the environment of the well and road sites and surrounding acreage. A copy will be posted on the derrick floor so that all contractors and subcontractors will be aware of all items of this plan.

1. AREAL ROAD MAP - Exhibit "A" is a portion of a USGS topographic map, San Juan County, New Mexico, showing existing black top roads. Go East of Farmington, New Mexico on Highway 17, turn South on Highway 44, turn left off 44 at the Hill Top Liquor Store and go to Carson Trading Post. Go 9 miles Southeast of there to well site.

2. LOCATION OF EXISTING WELLS - Several Dakota wells have been drilled in a two mile radius and are shown on Exhibit "B".

3. PROPOSED WELL MAT AND IMMEDIATE AREA - Refer to Exhibit "C" for direction orientation and road access.

   a. Mat size - 130' x 300'

   b. Surface - Will be native soil, bladed, watered and capped with clay only when necessary.

   c. Reserve pit - 150' x 150' unlined pit, joining mat to the

   d. Cut & Fill - No Cut Necessary

   e. Drill Site Layout - Exhibit "C" shows position of mat, reserve pits, burn pits, trash pits, and mud pits in relation to the well bore. Rig will be erected with the V-Door to the

   f. Setting & Environment -

      (1) Terrain - Low rolling hills. See Exhibit "A", topographic map of area.

      (2) Soil - Extremely sandy soil

      (3) Vegetation - Sparse grass, predominately sagebrush.

      (4) Surface Use - Unknown, possibly used for grazing.

(5) Other - Drill site, which is in rolling semi-arid desert country is in a low environmental risk area. The total effect of drilling and producing this and other wells in this area would be minimal.

g. Distances to:

(1) Ponds and Streams - There are no surface waters within 1/2 mile.

(2) Water Wells - There is a water well 500' South of site.

(3) Residences and Buildings - There are no houses or buildings within 1/2 mile.

(4) Arroyos, Canyons, etc. - See Exhibit "A".

h. Well Sign - Sign identifying and locating well will be maintained at drill site with the spudding of the well.

i. Open Pits - All pits containing mud or other liquids will be fenced.

4. ROADS

a. Existing roads - All existing roads within one mile of the location are shown on Exhibit "A"

b. Planned roads - No new roads.

c. Fences, Gates and Cattleguards - None

5. TANK BATTERY - This is expected to be a dry gas well, therefore, a tank battery will not be required. If condensate is produced, the battery will be located on a Northwest extension of the well mat.

6. LEASE PIPELINES

a. Existing - Not furnished by the Operator, to be connected by the Gas Company of New Mexico, or gas purchaser.

b. Planned - If production is encountered, all lease lines are to be constructed on a well mat.

7. WASTE DISPOSAL - Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" dirt. See Exhibit "C" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. No produced water is anticipated.

8. WATER SUPPLY - Supply water will be hauled from the San Juan River or nearest wash.

9. ARCHAEOLOGICAL RESOURCES - None found on inspection.

10. RESTORATION OF SURFACE - If well is productive, pits will be back-filled and leveled as soon as practical to original condition.

11. OPERATOR'S REPRESENTATIVE - Field personnel who can be contacted concerning compliance of this Surface Use Plan are as follows:

Production & Drilling

W. M. Gallaway
101-2 Petroleum Plaza Building
Farmington, New Mexico 87401

Office Phone: (505) 325-6771
Home Phone: (505) 325-3353

12. CERTIFICATION

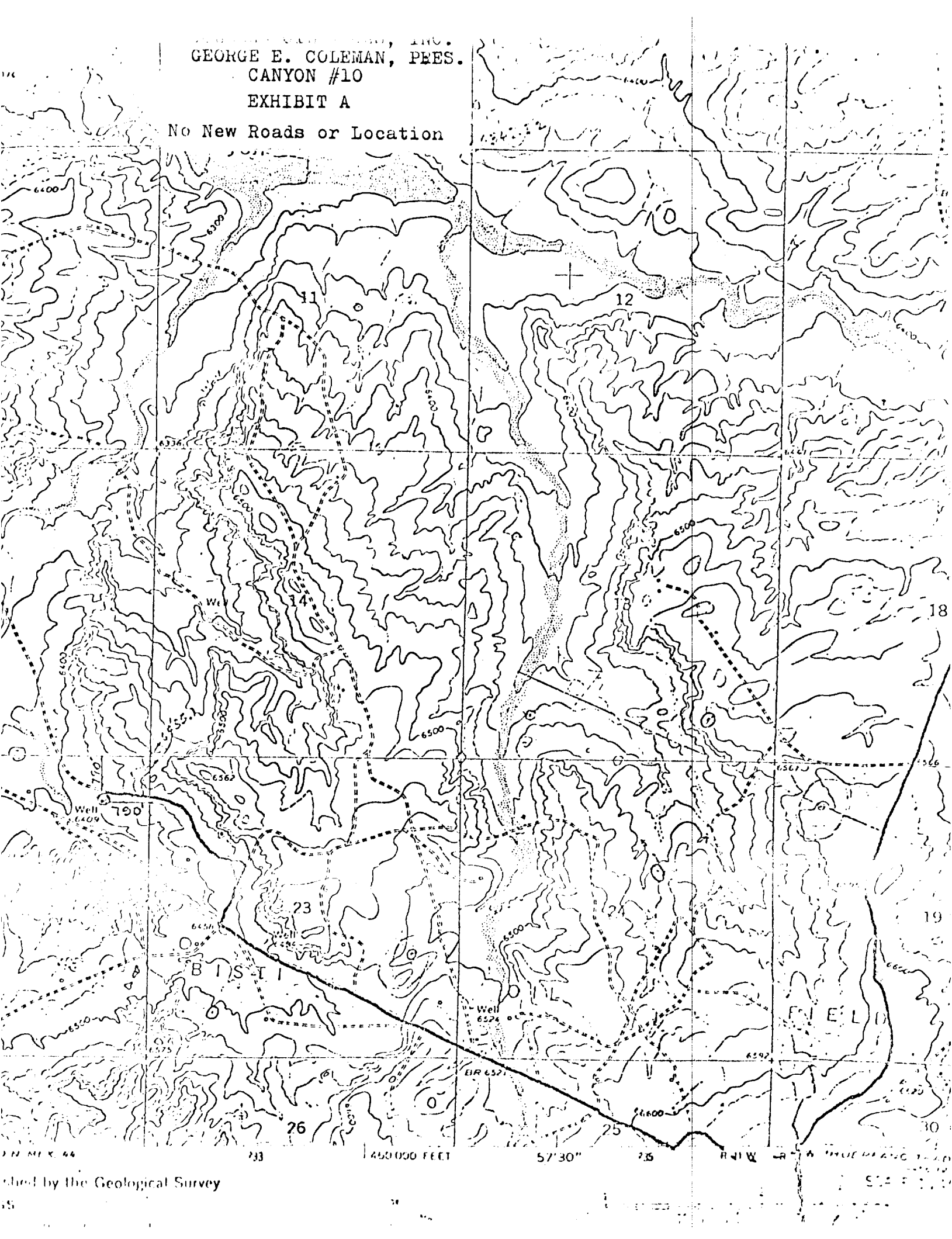
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions as they actually exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the proposed work performed by George E. Coleman and his contractors and sub-contractors will conform to this plan.

COLEMAN OIL & GAS, INC.

By: George E. Coleman
George E. Coleman, Pres.

4-9-80
Date

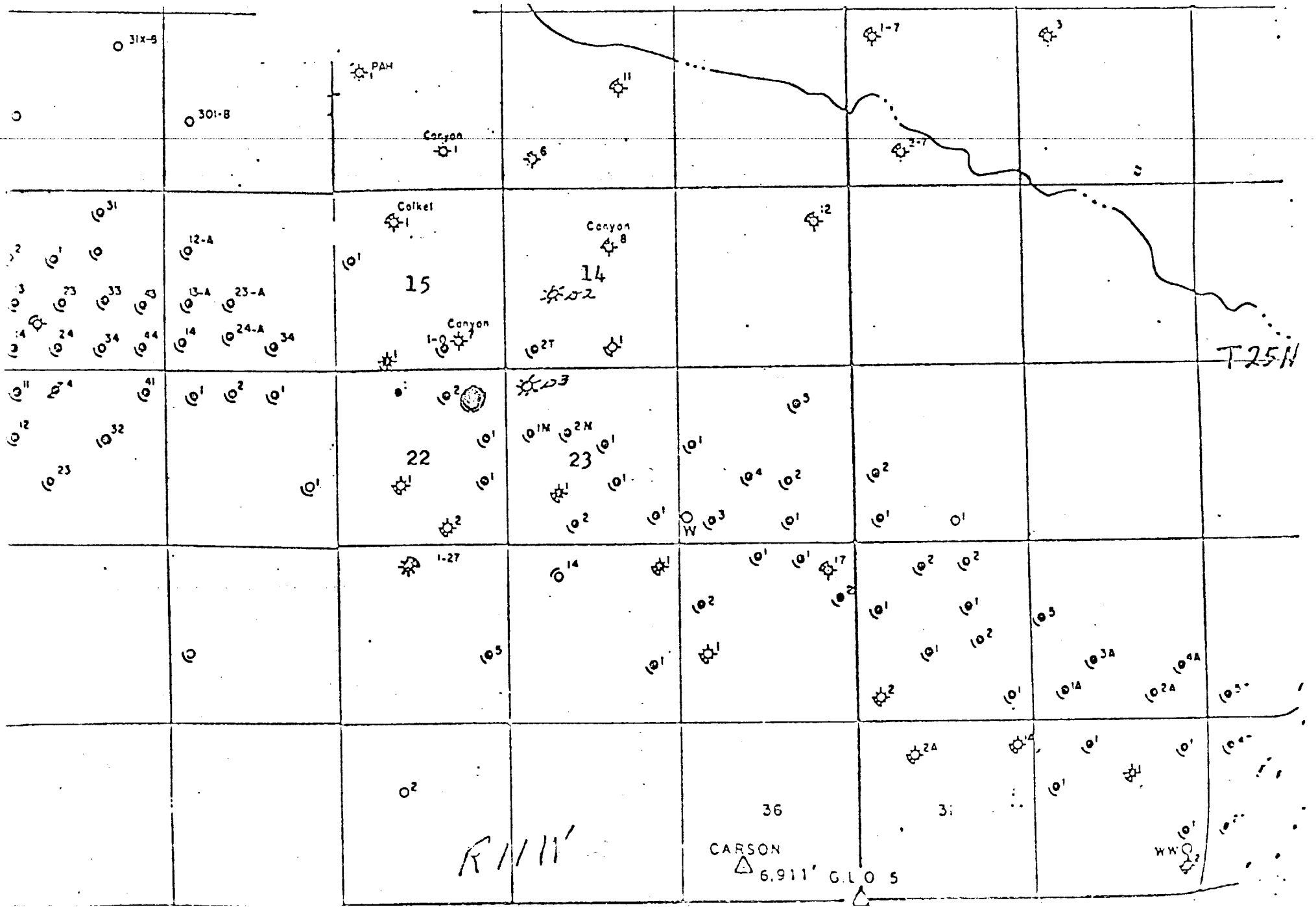
GEORGE E. COLEMAN, PEES.
CANYON #10
EXHIBIT A
No New Roads or Location



ched by the Geological Survey

COLEMAN OIL & GAS, INC.
GEORGE E. COLEMAN,- CANYON No. 10
Pres.

EXHIBIT "E"

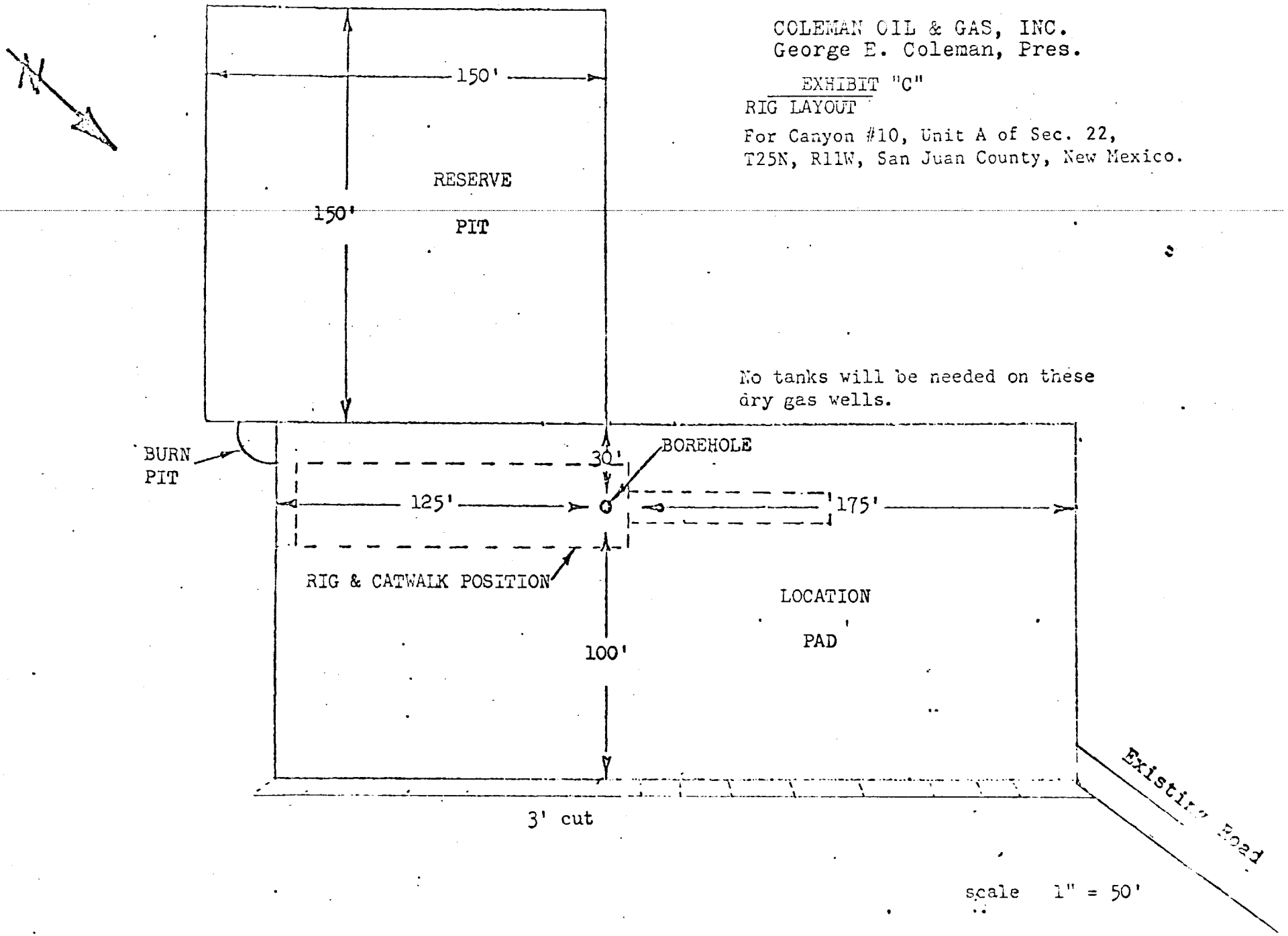


COLEMAN OIL & GAS, INC.
George E. Coleman, Pres.

EXHIBIT "C"

RIG LAYOUT

For Canyon #10, Unit A of Sec. 22,
T25N, R11W, San Juan County, New Mexico.



COLEMAN OIL & GAS, INC.
GEORGE E. COLEMAN, Pres.

EXHIBIT "D"

Canyon #10

7 - POINT WELL CONTROL PLAN

1. Surface casing: 8 5/8", 24#, K-55, approximately 505', new condition.

2. Casing head will be 10", 900 series, 3000 psi rating.

3. No intermediate casing will be run.

4. Blowout preventors: Hydraulic, double ram, 10", one set of rams will be provided for each size drill pipe in the hole. One set of blind rams at all times. Fill line will be 2". Kill line will be 2" and choke relief line will be 2" with variable choke.

5. Auxiliary equipment:

   (1) Kelly cock will be in use at all times.
   (2) Stabbing valve to fit drill pipe will be present on floor at all times.
   (3) Mud monitoring will be visual, no abnormal pressures are anticipated in this area.

6. This is an area of known pressure. Maximum anticipated pressure at 5970' T.D. is 2500 psi.

7. Drilling Fluids:

0 - 5300' ±	Gel water with solids control to maintain good conditions.
5300' ± - T.D.	Gel water with 50 sec. viscosity or greater, and 9 cc or less water loss.

EXHIBIT "E"

SEEDING REQUIREMENTS IN THE BISTI AREA

1. SEED MIXTURE 2

2. TIME:

   All seeding will take place between July 1 and September 15.

3. EQUIPMENT:

   Seeding will be done with a disc-type drill with two boxes for various seed sizes. The drill rows will be eight to ten inches apart. The seed will be planted not less than one-half inch deep or more than one inch deep. The seeder will be followed with a drag, packer, or roller to insure uniform coverage of the seed, and adequate compaction. Drilling will be done on the contour where possible, not up and down the slope. Where slopes are too steep for contour drilling, a "cyclone" hand seeder or similar broadcast seeder will be used. Seed will then be covered to the depth described above by whatever means is practical.

4. SPECIES TO BE PLANTED IN POUNDS PURE-LIVE-SEED PER ACRE:

   CRESTED WHEATGRASS (Agropyron desertorum) - 3½ lbs.

   FOURWING SALTBUSH (dewinged) (Atriplex conescens) - ½ lb.

   SAND DROPSEED (Sporobolus cryptandrus) - 3/4 lb.

   WINTERFAT (Eurotia lanata) - ½ lb.

   ALKALI SACATON (Sporobolus airoides) - 3/4 lb.

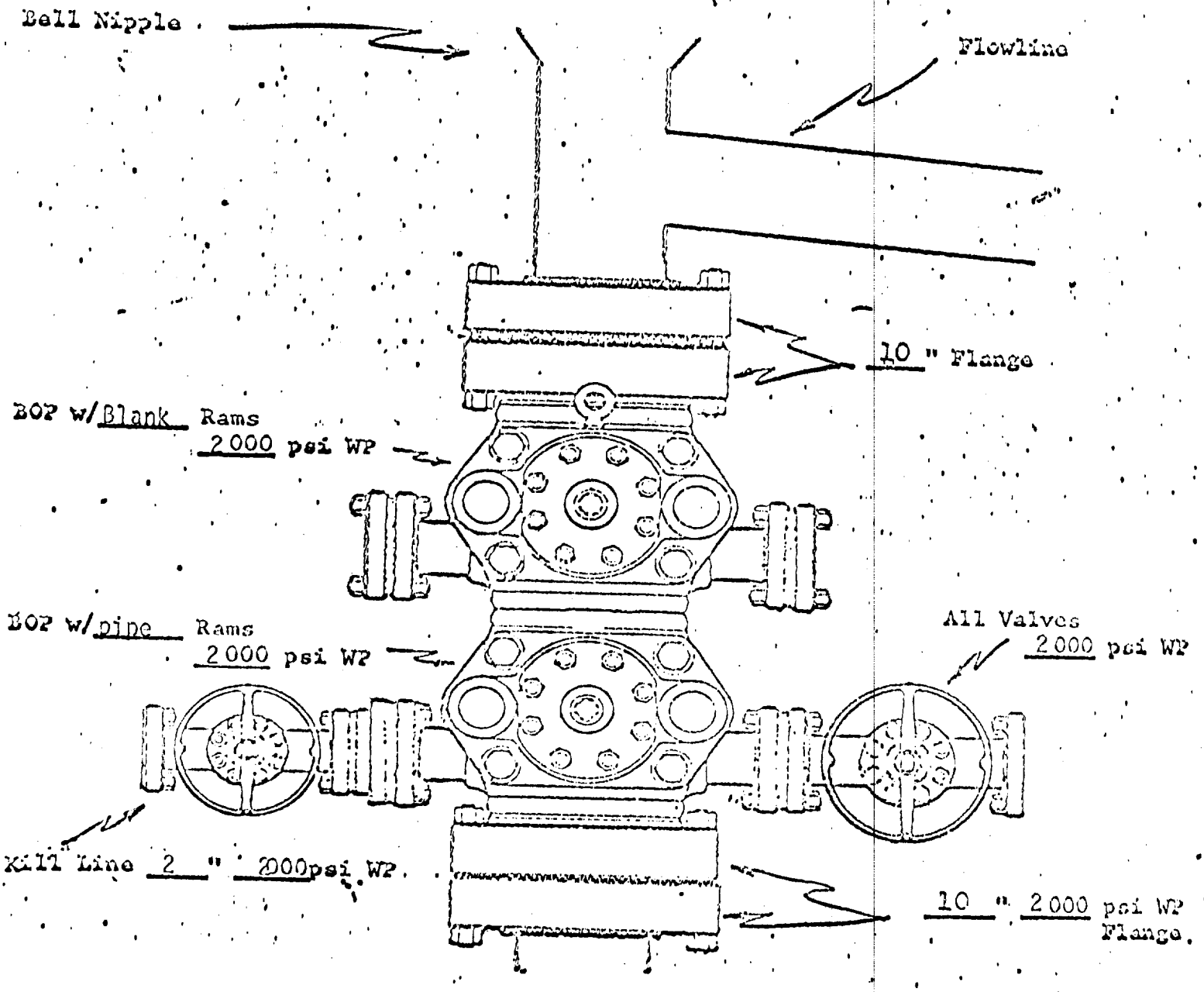
COLEMAN OIL & GAS, INC - CANYON #10
SURFACE FORMATION AND FORMATION TOPS

SURFACE FORMATION is Nacimiento.

FORMATION TOPS

Pictured Cliffs	1250'	possible oil or gas producer
Cliff House	2010'	possible oil or gas producer
Point Lookout	3705'	possible oil or gas producer
Gallup	4735'	possible oil or gas producer
Greenhorn LS	5638'	
Graneros SH	5693'	
Basin Dakota	5804'	possible oil or gas producer

PROPOSED BOP STACK
8-5/8 " CASING



COLEMAN OIL & GAS, INC.
GEORGE E. COLEMAN, Pres.
CANYON #10

GEORGE E. COLEMAN
C/O W. M. GALLAWAY
101-2 Petroleum Plaza Building
Farmington, New Mexico 87401

SUPPLEMENT TO NTL-6
AS PER YOUR LETTER OF APRIL 17, 1980

WELL: Canyon #10 - Re-entry
E½, Sec. 22, T25N, R11W,
San Juan County, New Mexico
Lease No. NOO-C-14-20-5248

1. The estimated top of the Ojo Alamo is ~~390'~~ 310' and the bottom is 490', presently behind surface casing.

   The estimated top of the Kirtland Formation is ~~1125'~~ 465'.

   The estimated top of the Fruitland Formation is ~~1235'~~ 950'.

2. The grade of 4½" casing is used 11.60# drifted and tested to 4900#.

3. The type of cement is 65-35 with 2% gel, 10% salt and 20 bbls. of C.W. 100 chemical wash ahead.

GEORGE E. COLEMAN, Operator

By: W. M. Gallaway
W. M. Gallaway, Field Engineer

United States Department of the Interior

GEOLOGICAL SURVEY

P.O. Box 959
Farmington, New Mexico 87401

APR 17 1979

Coleman Oil & Gas, Inc.
c/o W. M. Gallaway
101-2 Petroleum Plaza Bldg.
Farmington, New Mexico 87401

Gentlemen:

Reference is made to your Application for Permit to Re-enter Well No. 10 Canyon, NE¼NE¼ sec. 22, T. 25 N., R. 11 W., Lease No. NOO-C-14-20-5248.

Prior to any sales of production from Well No. 10 Canyon, a communitization agreement covering the E½, sec. 22, T. 25 N., R. 11 W. and involving leases NOO-C-14-20-5247 and NOO-C-14-20-5248 must be filed for approval with the U.S. Geological Survey, P.O. Box 26124, Albuquerque, New Mexico 87125.

Pursuant to NTL-6, the following items must be submitted to place the Application in a technically and administratively complete form:

1. The estimated tops of the Ojo Alamo, Kirtland, and Fruitland formations.
2. The grade of the casing and whether it is new or used.
3. The type of cement including additives to be used in setting the production casing.

Sincerely yours,

for James F. Sims
District Oil & Gas Supervisor