

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Coleman Oil and Gas, Inc.

3. ADDRESS AND TELEPHONE NO.

PO Drawer 3337 Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At Surface

1860' FNL, 1255' FEL Latitude 36° 58.4, Longitude 107° 52.0

At proposed prod. zone

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

12 miles from Aztec

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1255'

18. DISTANCE FROM PROPOSED LOCATION *

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

400'

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

6158 GR

x DF

x GR

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	H - 40 13 3/8"	48#	125'	176 sx cl "B" Circ. to surface
12 1/4"	J - 55 or K-55 9 5/8"	36#	2525	547 sx 65/35 POZ; T-200 sx Cl "B"
8 3/4"	J - 55 or K-55 7"	20#	2525' - TD	**

** If the coal is cleated a 7" 20# liner will be run in the open hole without being cemented. If the coal is not cleated, the well will be stimulated and open hole completed.

Coleman Oil and Gas, Inc. proposed to drill a vertical well at the above location in accordance with the attached Operations and Multi-Point Surface Use Plans.

Attached find the pipeline survey for ROW footages.

Note: This well has been archaeologically surveyed by Complete Archaeological Service Associates. Copies of their report have been submitted directly to your office.

This APD also is serving as an application to obtain BLM road and pipeline right of ways. See attachments.

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.

SIGNED

Michael J. Haver

TITLE

Engineer

DATE

09/03/1999

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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:

APPROVED BY

J. C. [Signature]

TITLE

Associate District Manager

DATE

7/27/00

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

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

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

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

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

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

99 SEP -7 PM 1:49 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-29979	*Pool Code 71629	*Pool Name Basin Fruitland Coal
*Property Code 26418	*Property Name PAYNE	*Well Number 221
*CGRID No. 004838	*Operator Name COLEMAN OIL & GAS, INC.	*Elevation 6158


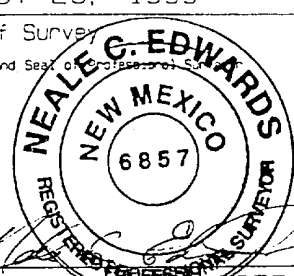
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	22	32N	10W		1860	NORTH	1255	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 E/302.77		¹³ Joint, or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

 2616.24' 2632.74' 2666.40'	5046.36'		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Michael T. Hanson</i> Signature Michael T. Hanson Printed Name Engineer Title September 3, 1999 Date		
	LOT 2 LOT 3 22 LOT 4 LOT 5 LOT 6 LOT 7 LOT 8		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. AUGUST 28, 1999 Date of Survey <i>Neale G. Edwards</i> Signature and Seal of Professional Surveyor  Certificate Number 6857		
		1860' 1255'			
		5249.64'			
		2500.74'			

st

Cementing: 13 3/8" surface casing - cement with 176 sx Class "B" cement with 1/4# flocele/sx and 3% calcium chloride (208.38 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi/30 minutes.

9 5/8" intermediate casing - with stage collar at \pm 1,400 ft.

Stage 1:

Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. Lead with 260 sx (582 cu. ft.) of CI "H" 65/35 Poz with 12% gel, 5# gilsonite/sk, and 1/4#/sk celloflake. (Yield = 2.21 cu. ft. /sk; slurry weight = 12 PPG). Tail with 100 sx (118 cu. ft.) of CI "H" with 1/4 #/sk celloflake, 5#/sk gilsonite, 0/3% FL-62 and 2% CaC12 (Yield = 1.2 cu. ft. / sk; slurry weight = 15.6 PPG). Total cement volume is 700 cu. ft. (75% excess calculated on cement volumes).

Stage 2:

Before cementing circulate minimum four hours. Precede cement with 30 bbls of fresh water. Lead with 287 sx (650 cu. ft.) of CI "H" 65/35 Poz with 12% gel, 5# gilsonite/sk, and 1/4#/sk celloflake. (Yield = 2.21 cu. ft. /sk; slurry weight = 12 PPG). Tail with 100 sx (118 cu. ft.) of CI "H" with 1/4 #/sk celloflake, 5#/sk gilsonite, 0/3% FL-62 and 2% CaC12 (Yield = 1.2 cu. ft. / sk; slurry weight = 15.6 PPG). Total cement volume is 767 cu. ft. (75% excess to circulate cement to surface).

7" liner - uncemented.

BOP and Tests: Surface to intermediate TD - 13 5/8" 2000 psi (minimum) double gate BOP stack (Reference Figure #1). Prior to drilling out surface casing, test rams to 600# / 30 min.

Intermediate TD to Total Depth - 11" 3000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to drilling out intermediate casing, test blind rams and casing to 1500 psi for 30 minutes; all pipe rams and casing to 1500 psi for 30 minutes each.

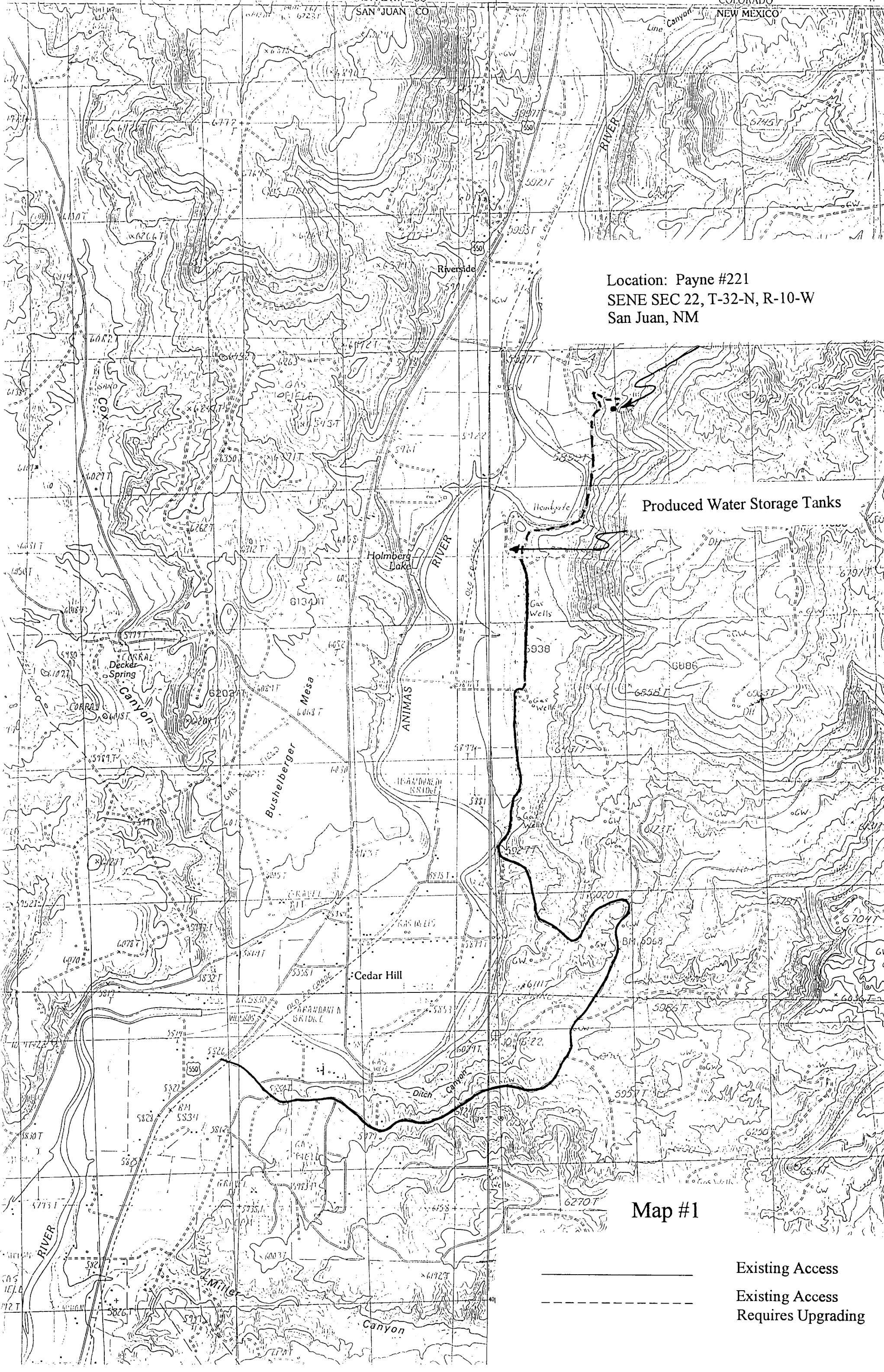
From surface to TD - choke manifold (Reference Figure #3).

Pipe rams will be actuated at least once each date 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 794 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: September 03, 1989 Drilling Engineer: Michael J. Hansen



Location: Payne #221
SENE SEC 22, T-32-N, R-10-W
San Juan, NM

Produced Water Storage Tanks

Map #1

Existing Access
Existing Access
Requires Upgrading