

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

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

2005 SEP 29

RM 1111

RECEIVED
NM, NM 104609

OTO FARM

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

820' FSL, 1100' FWL Latitude 36.293937°, Longitude 107.977532°

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. 7610 approximately 60 miles.

15. Distance from proposed*

location to nearest
property or lease line, ft.

820'

(Also to nearest drlg unit line, if any)

18. Distance from proposed location*

to nearest well, drilling, completed,
applied for, on this lease, ft.

NA

16. No. of Acres in lease

1120

19. Proposed Depth

1080'

17. Spacing Unit dedicated to this well

320 ACRES W/2

20. BLM/ BIA Bond No. on file

Nm 2817
BLM Blanket Bond #08510612

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

6371'

22. Approximate date work will start*

November, 2006

23. Estimated Duration

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

Michael T. Hanson

Name (Printed/ Typed)

Michael T. Hanson

DATE

September 26, 2006

Title

Operations Engineer

Approved By (Signature)

Markie

Name (Printed/ Typed)

DATE

10/5/06

Title

Office

PTO

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

NMOCD

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 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
811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33979	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 310065	⁵ Property Name JUNIPER WEST 23	⁶ Well Number 14
⁷ GRID No. 4838	⁸ Operator Name COLEMAN OIL & GAS, INC.	⁹ Elevation 6371

¹⁰ Surface Location

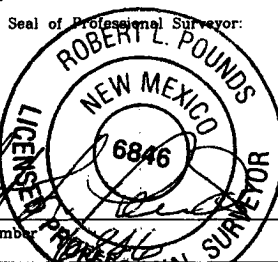
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	24 N	11 W		820	SOUTH	1100	WEST	SAN JUAN

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.

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

¹⁶ S 89°32'58" E 2626.65' N 0°02'25" E 2624.78' N 0°00'43" E 1100' 820' N 89°17'53" W 2636.80'	SECTION 23 LAT. N 36.293937° LONG. W 107.977532° NAD 83	S 89°49'04" E 2624.82' S 0°19'41" W 2635.03' S 0°15'29" W 2592.06'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Michael T. Hanson</u> Printed Name <u>MICHAEL T. HANSON</u> Title <u>OPERATIONS Engineer</u> Date <u>September 26, 2006</u> 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. 7/14/06 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number <u>PRO-0116</u>
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Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-045-33979
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. Federal NMNM 104609
7. Lease Name or Unit Agreement Name Juniper West 23 #14
8. Well Number #14
9. OGRID Number 004838
10. Pool name or Wildcat Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

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

3. Address of Operator
P.O. Drawer 3337 Farmington, NM 87499

4. Well Location
Unit Letter : M : 820' feet from the South line and 1100 feet from the West line
Section 23 Township 24N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6371' GR.

Pit or Below-grade Tank Application ☒ or Closure ☒

Pit type: LINED EARTHEN Depth to Groundwater: > 50 feet. Distance from nearest fresh water well > 5000'. Distance from nearest surface water > 100'.

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls: Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Construct and Reclaim Reserve Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Construct and Reclaimed reserve pit ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Dig earthen pit and line with 12 mil thick reinforced plastic for drilling reserve pit, as per approved Federal APD. See attached.

Coleman Oil & Gas, Inc. plans on reclaiming reserve pit as soon as possible.. Free liquids will be pulled and disposed of. Liner will be cut off at mud line. Excess plastic will be hauled off and disposed of. Reserve pit will be backfilled and reclaimed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed and closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Michael T. Hanson TITLE: Operations Engineer DATE: September 26, 2006

Michael T. Hanson cogmhanson@sprynet.com (505) 327-0356

For State Use Only

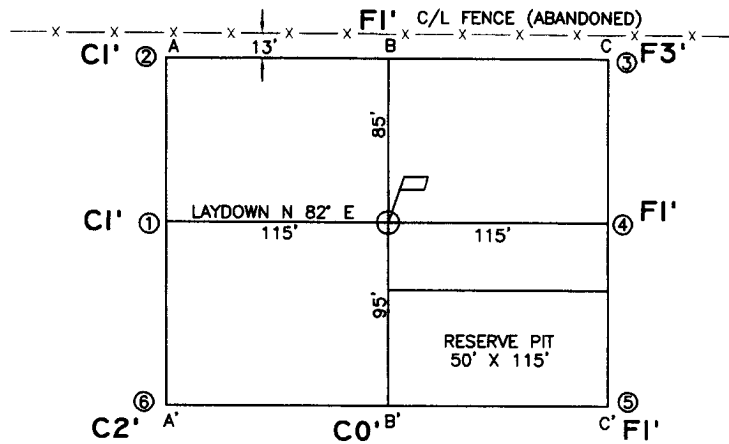
APPROVED BY: [Signature] TITLE: DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE: OCT 06 2006
Conditions of Approval (if any):

B 10/11

NOTIFY
NEW MEXICO ONE-CALL
BEFORE COMMENCING
EXCAVATION!
(800) 321-2537



0 50 100
SCALE: 1"=100'



A-A'

℄

6390	.....	.....	.....	.....
6380	.....	.....	.....	.....
6370	.....	.....	.....	.....
6360	.....	.....	.....	.....
6350	.....	.....	.....	.....

B-B'

℄

6390	.....	.....	.....	.....
6380	.....	.....	.....	.....
6370	.....	.....	.....	.....
6360	.....	.....	.....	.....
6350	.....	.....	.....	.....

C-C'

℄

6390	.....	.....	.....	.....
6380	.....	.....	.....	.....
6370	.....	.....	.....	.....
6360	.....	.....	.....	.....
6350	.....	.....	.....	.....

CROSS SECTIONS

HORIZONTAL: 1"=100'

VERTICAL: 1"=100'

LEASE: JUNIPER WEST 23 #14

FOOTAGE: 820' FSL, 1100' FWL

SEC. 23 TWN. 24 N RNG. II W N.M.P.M.

LATITUDE: N 36.293937° LONGITUDE: W 107.977532°

ELEVATION: 6371

COLEMAN OIL & GAS, INC.
FARMINGTON, NEW MEXICO

SURVEYED: 7/14/06

REV. DATE:

APP. BY R.P.

DRAWN BY: A.D.

DATE DRAWN: 7/21/06

FILE NAME: 6939C01



P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

Tuesday, September 26, 2006

OPERATIONS PLAN

Well Name: Juniper West 23 #14
Location: 820' FSL, 1100' FWL, Section 23, T-24-N, R-11-W, NMPM
San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6371' GL

Formation:	Top	Bottom	Contents
Nacimiento	Surface	70'	Aquifer
Ojo Alamo	70'	180'	Aquifer
Kirtland	180'	590'	
Fruitland	590'	880'	Gas
Pictured Cliffs	880'	1080'	Gas
Total Depth	1080'		

Drilling Contractor: Availability

Mud Program:

Interval	Type	Weight	Viscosity	Fluid Loss
0' – 120'	Spud	8.4 – 9.0	40 – 50	No Control
120' – 1080'	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	Casing Size	Weight	Grade
12 1/4"	0' – 120'	8 5/8"	24#	J-55 or K-55
7 7/8"	120' – 1080'	5 1/2"	15.5#	J-55 or K-55

Tubing Program:

0' – 910'	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 centralizers every other joint from top of well straddling Ojo Alamo.

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 92 sacks Class "B" cement with 1/4# celloflake/sx and 2% calcium chloride (108.56 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 750 psi/30 minutes.

5 1/2" Production Casing - *Circulate Cement*

Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 20 bbls of fresh water. Lead with 96 sacks (250.56 cu. ft) of Class "G" with 3% D79 and 1/4# Per sack D29. (Yield = 2.61 cu. ft./sack; slurry weight = 11.7 PPG). Tail with 90 sacks (113.4 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 363.96 cu. ft. (100% excess on open hole, calculated on cement volumes).

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, #3). Prior to drilling out surface casing, test blind rams and casing to 750 psig for 30 minutes; all pipe rams and choke assembly to 750 psig for 30 minutes each.

From Surface TD to Total Depth - 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 250 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: September 26, 2006 Drilling Engineer: Michael T. Hanor

Cementing Usage Plan

Juniper West 23 #14

Enter Surface Casing Depth	120	FT
Enter capacity between Surf casin/ hole	0.41271	cu ft per ft
Enter Yield for surface cement job	1.18	cu ft per sack
Enter capacity between Prod/Surface Casings	0.19259	cu ft per ft
Enter Total Depth	1080	FT
Enter Shoe Joint Length	44	FT
Enter PBTD	1036	FT
Enter Capacity between Production/Hole	0.17325	cu ft. per ft
Enter Lead Cement Yield	2.61	cu ft per sack
Enter Tail Cement Yield	1.26	cu ft per sack
Enter Production Casing Capacity	0.0238	bbl per ft
Enter Amount of Tail Cement Required	90	Sacks

Surface Cement Needed (100% excess) 92 Sacks → 108.56 cu ft

TOTAL HOLE REQUIREMENTS 361.63 cu ft of cement

Lead Cement → 96 Sacks → 250.56 cu ft

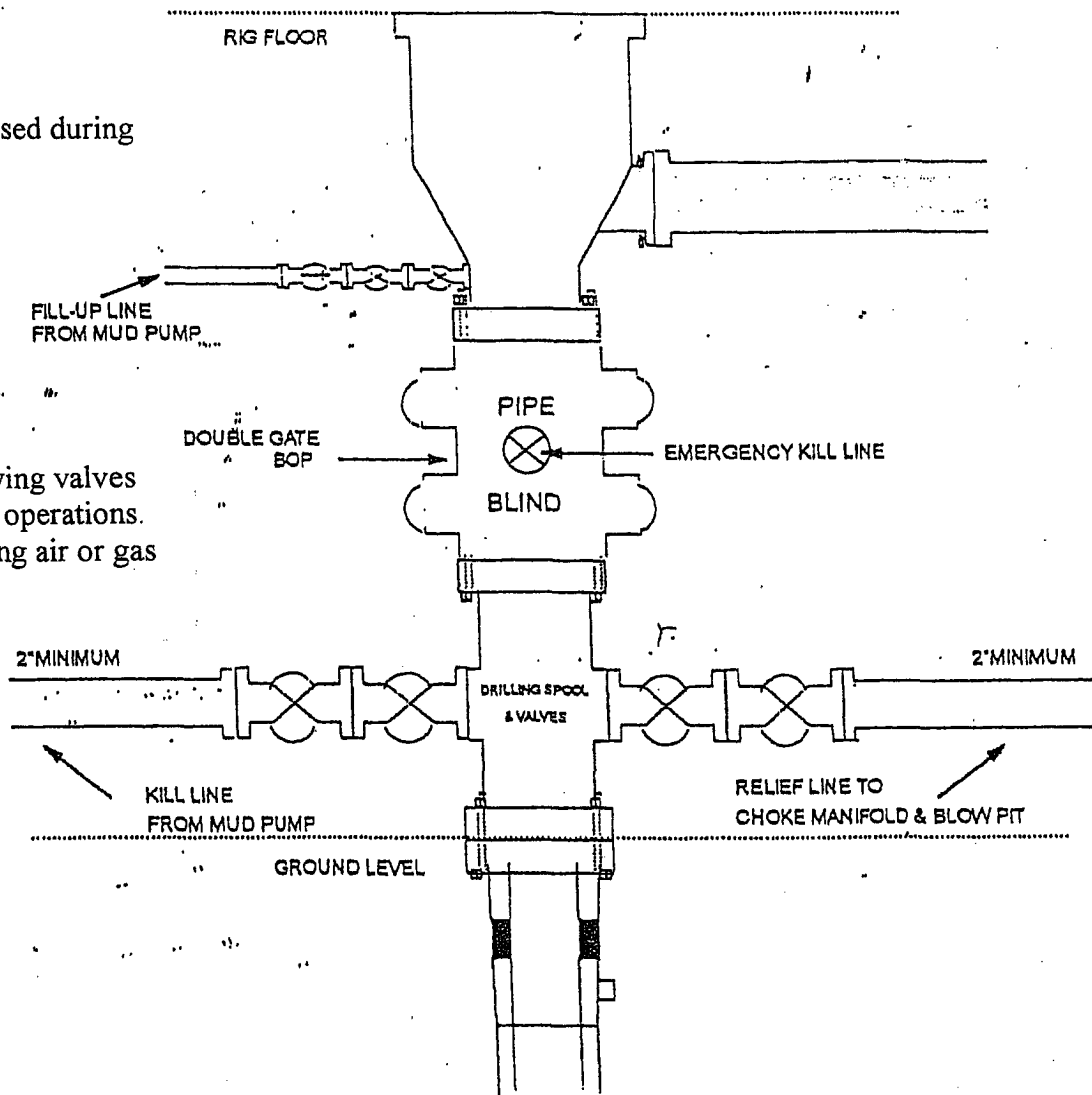
Tail Cement → 90 Sacks → 113.40 cu ft

TOTAL CEMENT VOLUME 363.96 cu ft

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

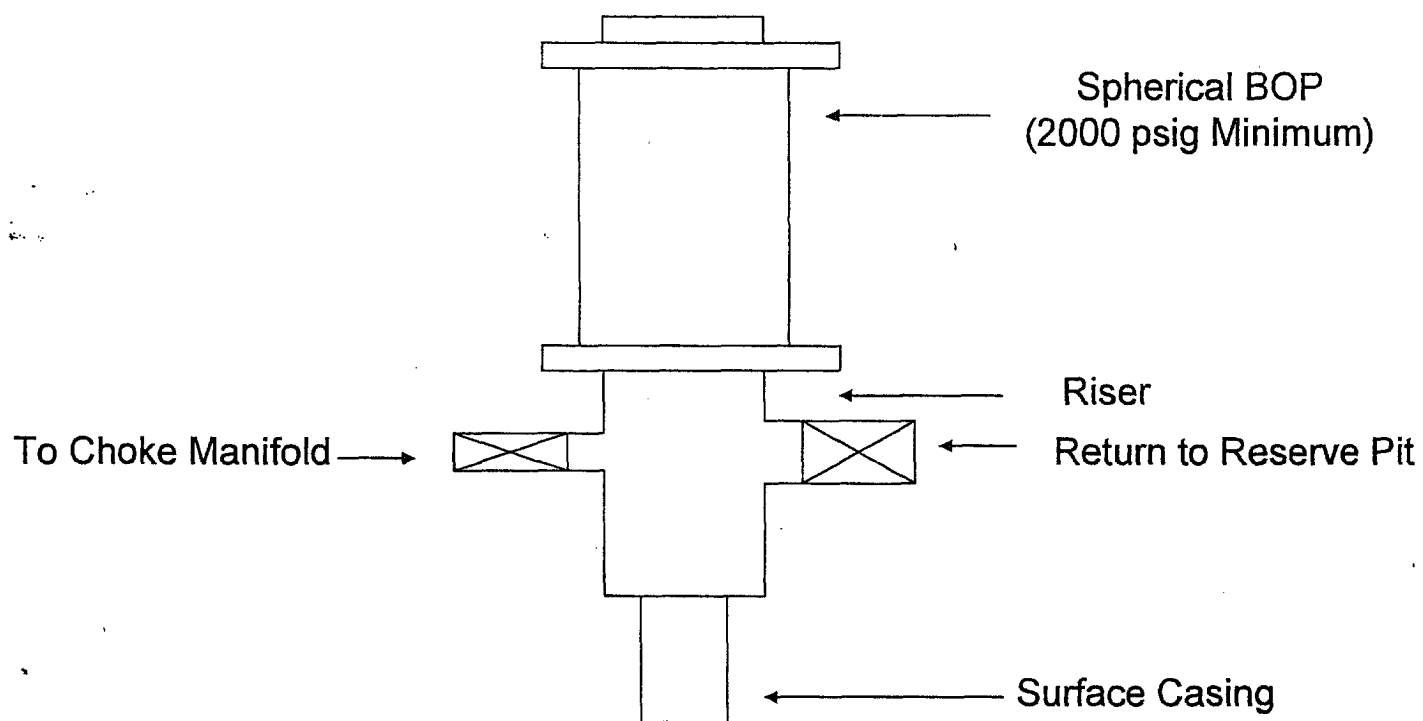
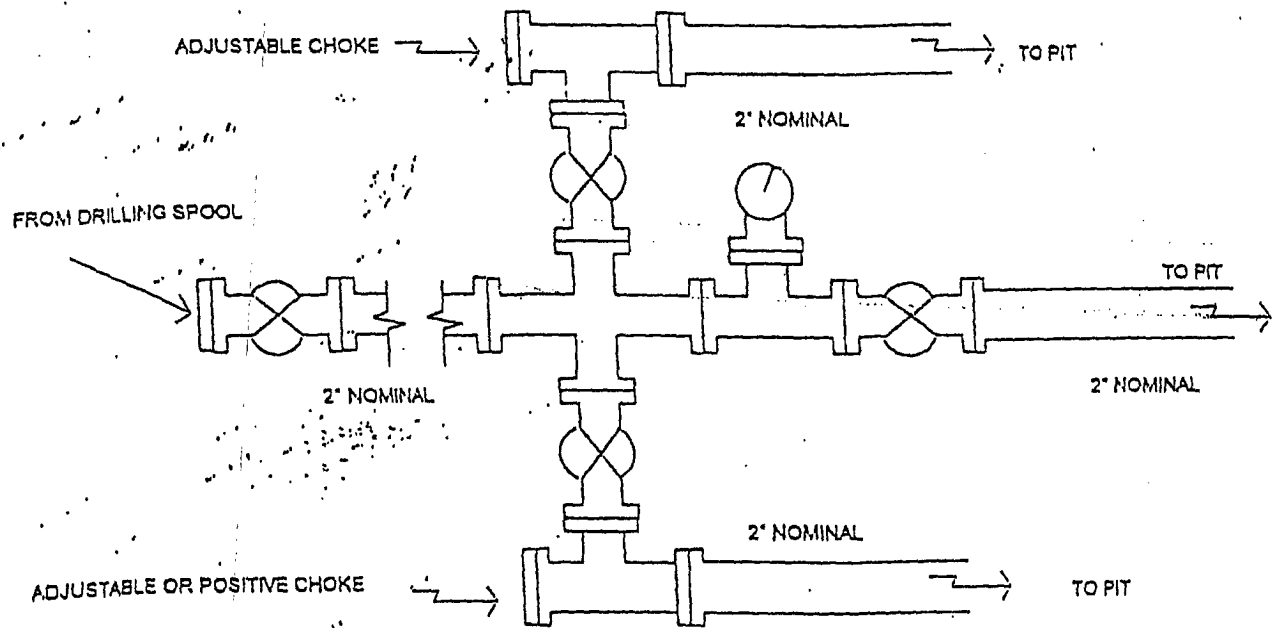


FIGURE #2

Choke Manifold Configuration 2M System



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

Figure #3