FORM APPROVED Form 3160-3 2005 APR 26 AM 11 4\$ OMB NO 1004-0136 (August 1999) Expires: November 30, 2000 **UNITED STATES** DEPARTMENT OF THE INTERIOR 070 FARMINGTON MIN 5 Lease Serial No. **BUREAU OF LAND MANAGEMENT** NM NM 104606 If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER If Unit or CA Agreement, Name and No. \square 1a. TYPE OF WORK DRILL REENTER Lease Name and Well No. GAS WELL MULTIPLE ZONE b. TYPE OF WELL LOIL OTHER SINGLE ZONE Juniper Com 21 #14 2. Name of Operator API Well No. 30-045-33043 Coleman Oil & Gas, Inc. 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 3a. Address P.O. Drawer 3337, Farmington N.M. 87499 (505) 327-0356 **Basin Fruitland Coal** Location of well (Report location clearly and In accordance with any State requirements.*) 11. Sec., T., R., M., or Blk. And Survey or Area 1100' FSL, 1165' FWL Latitude 36° 17' 40", Longitude 107° 54' 20" M Section 21, T24N, R10W At proposed prod. zone 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. County or Parish South East of Farmington New Mexico on County RD. 7515 approximately 40 miles. San Juan **NM** 15. Distance from proposed 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest 1100' 1120 320 ACRES W/2 property or lease line, ft. (Also to nearest drlg unit line, if any) 18. Distance from proposed location 20. BLM/ BIA Bond No. on file 19. Proposed Depth to nearest well, drilling, completed, 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 6726' June-05 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. Bond to cover the operations unless covered by existing bond on file(see 2. A Drilling Plan. item 20 above) 3. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certification SUPO shall be filed with the appropriate Forest Service Office). Such other site specific information and/ or plans as may be required by the a Name (Printed/Typed) Michael T. Hanson 20-Apr-05 Operations Engineer Approved By (Signature Name (Printed/ Typed) DATE Title Office 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

1/3

File application for Pit permit on C-103 Prior to building location 2/28/07

NMOCD NOTIFY AZTEC OCD 24thry IN TIME TO WITNESS C89 & Cenar

3/2/07

District I PO Box 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

Revised February 21, 1994 'Instructions on back

Form C-102

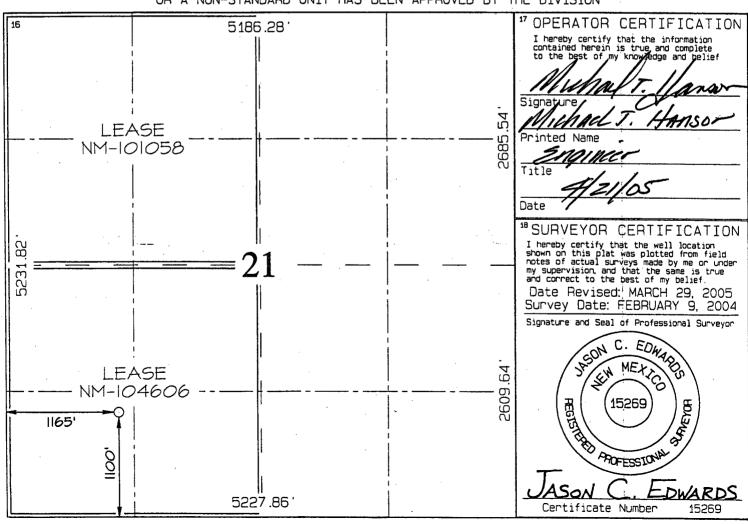
Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

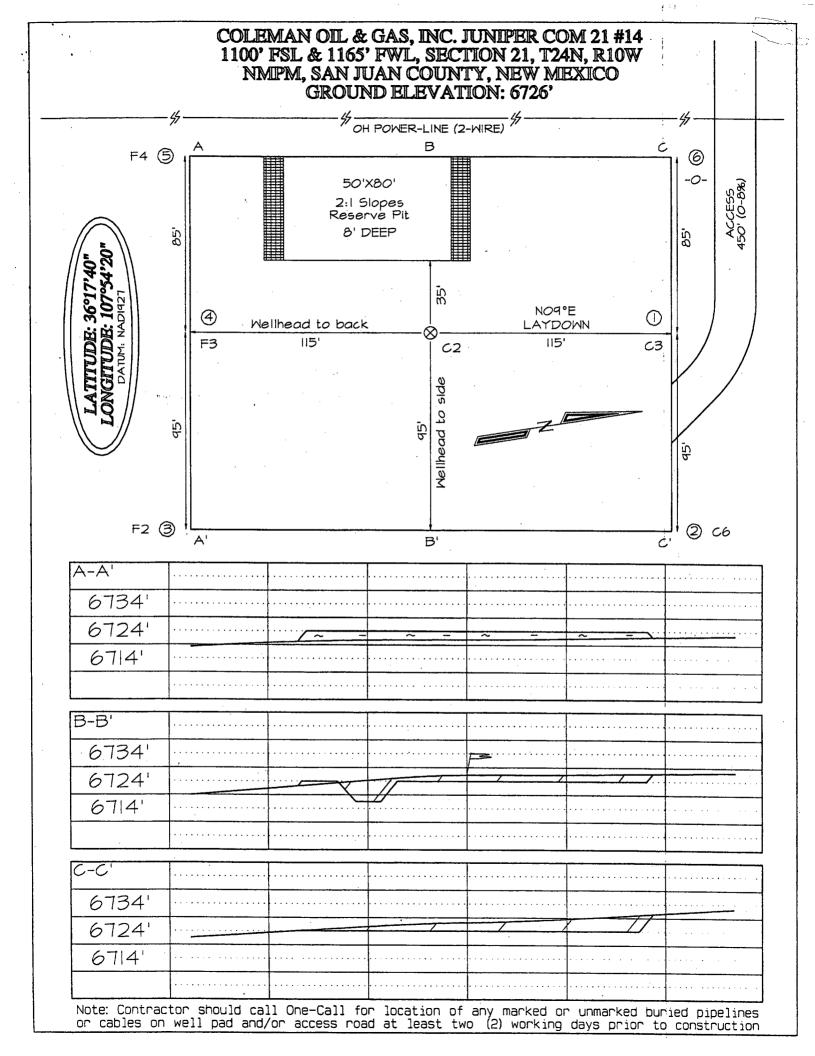
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

> AMENDED REPORT RCUD FEB28'07

OTI CONS. DTU

			WELL	LOCATI	ON AND A	CREAGE DEDI	CATION PL	AT DIST. 3		
'API Number		Pool Code			³Pool Name					
30-045	5- 32	043		71629	, *	BA	SIN FRUITL	AND COAL		
¹Property Code		Property			/ Name			*Well Number		
34103			JUNIPER COM 21						14	
'OGRID N	₩.		*Operator Name						Elevation	
4838	4838		COLEMAN OIL 6			& GAS, INC.		ļ. 	6726	
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	21	24N	10W		1100	SOUTH	1165	WEST	SAN JUAN	
		11 E	Bottom	Hole L	ocation I	f Different	From Surf	ace		
UL or lot no.	Section	Township	Rängs	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
12 Dedicated Acres	<u> </u>	<u> </u>	L		13 Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.	L		
320.0 Acres - (W/2)										
NO ALLOW	IABLE W		ASSIGNE NON-S			ON UNTIL ALL EN APPROVED	INTERESTS H BY THE DIVI	IAVE BEEN CO SION	NSOLIDATED	
¹⁶ 5186.28					I hereby	ATOR CERT	information			





OPERATIONS PLAN

Well Name:

Juniper Com 21 #14

Location:

1100' FSL, 1165' FWL Section 21, T-24-N, R-10-W, NMPM

San Juan County, NM

Formation:

Basin Fruitland Coal

Elevation:

6726' GL

Formation:	Тор	Bottom	Contents
Nacimiento	Surface	450'	aquifer
Ojo Alamo	450'	565'	aquifer
Kirtland	565'	1015'	
Fruitland	1015'	1275'	gas
Pictured Cliffs	1275'	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 12 1/4" 7 7/8" Tubing Program:	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
	0' - 120'	8 5/8"	24#	J-55 or K-55
	120' - 1475'	5 1/2"	15.5#	J-55 or K-55
i abing i rogiani.	0' - 1320'	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 centralizers 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 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 148 sacks (386.26 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 499.68 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 15 minutes each.

From Surface TD to Total Depth - choke manifold (Reference Figure #3).

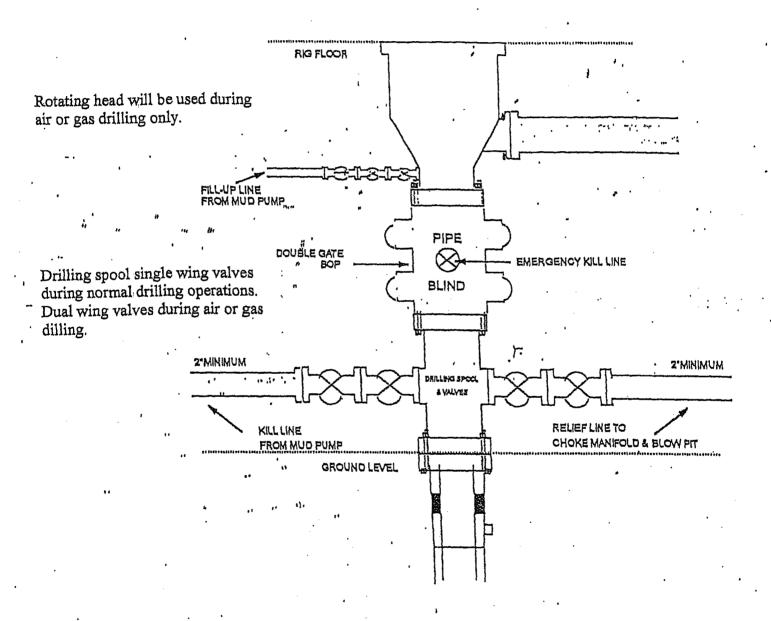
Pipe rams will be actuated at least once each day and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

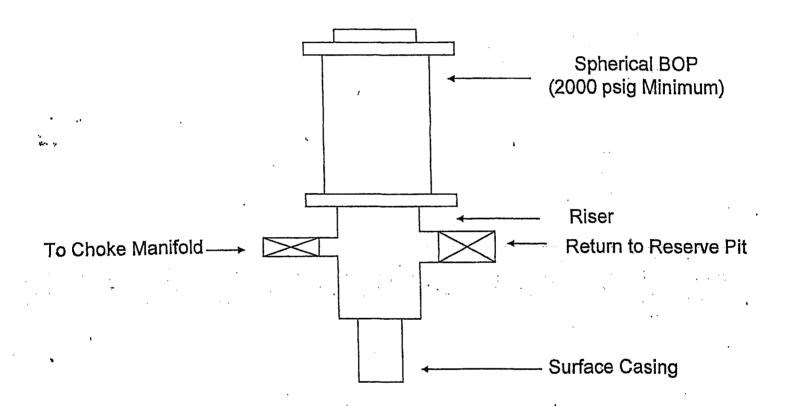
- The Fruitland Coal formation will be completed.
- Anticipated pore pressure for the Fruitland is 250 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 4/24/05 Drilling Engineer: Muhau T. Jans

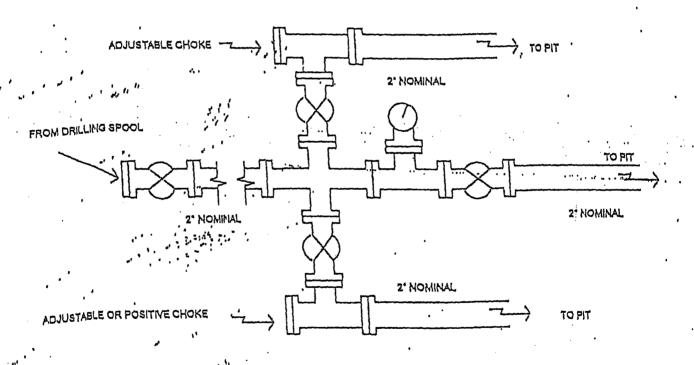
BOP Configuration 2M psi System



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.



Choke Manifold Configuration 2M System



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