A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

RCVD FEB 4'09

DIL CONS. DIV.

Form 3160-3 (August 1999) DEC 172007

Bureau of Land Management

OMB NO 1004-0136 Expires: November 30, 2000

DEPARTMENT OF THE INTERIOR ratington Field Office BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER

UNITED STATES

NM NM 104609 If Indian, Allottee or Tribe Name

Lease Serial No.

| 1s TYPE OF WORK IN TYPE OF WELL OIL STORE OF SINGLE ZONE MULTIPLE ZONE To the of Operator Name of Operator Coleman Oil & Gas, Inc. Address PO. Drawer 3337, Farmington N.M. 87499 Coleman Oil & Gas, Inc. Address PO. Drawer 3337, Farmington N.M. 87499 (505) 327-0356 Basin Fruitland Coal Locateo of well (Report location slearly and In accordance with any State requirements.*) At Locateo of well (Report location slearly and In accordance with any State requirements.*) At surface 1700' FNL, 700' FEL Latitude 36° 18' 04.9", Longitude 107° 56' 53.2" H Section 24, T24N, R11V At proposed prod., zone 12 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR FOST OFFICES* South East of Farmington New Mexico on County RD. 7610 approximately 50 miles South East of Farmington New Mexico on County RD. 7610 approximately 50 miles To Distance from proposed location* to essential the street will use thin, if any) 18 Distance from proposed location* to essential the street will be supplieded, applied for, on this lease, ft NA 1245' BLM Blacket Bond #0851061 21 ELEVATIONS (Show whether DF RT, GR, etc.) 5002 Application special file and this be experienced by a causing board on file/see to serve with the requirements of Onshore Oil and Gas Order No. 1 shall be arrached to this form: 4 Bond to cover the operationes unless converted by scatting board on file/see 1states and the dwith the experienced Forms of Time of SUP obtains the file with the experienced Forms of Time Name (Printed/Typed) Name (Printed/Typed) Name (Printed/Typed) Name (Printed/Typed) DOPATE Application approved does not wereast or certify that the applicant holds legal or equatable to the to frose rights in the subject lease which would entitle the applicant to conduct operations thereon. Occasions of approval, if any, see attached. | | | | | | |
|--|---|--|--------------------------------|-----------------------------------|---------------|--|
| 8. Lesse Name and Well No Juniper West 24 #42 2 Name of Operator Coleman Oil & Gas, Inc. Coleman Oil & Gas, Inc. 30045 -3359/ 3a Address P.O. Drawer 3337, Farmington N.M. 87499 Expected and Fool, or Displostory Basin Fruitland Coal Location of well (*Report location clearly and In accordance with any State requirements.*) At surface 1700 FNL, 700' FEL Latitude 36° 18' 04.9", Longitude 107° 56' 53.2" At proposed prod. zone 14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR FOST OFFICE* South East of Farmington New Mexico on County RD. 7610 approximately 50 miles. San Juan NM 15 Distance from proposed* Location according to them. 2 (Abosto inneced oil) gual line. If tesy) 16 No. of Acres in losse 17. Spacing Unit deducated to this well Doctor to according to the set lone, 2 spiced for, on this lease, 2 Application growed By [16]. NA 1245' LEEVATIONS (Show whether DF RT, GR, etc.) Agroof all be attached to this form: 1 Well plus certified by a registered surveyor 23 Seguenter Name (Printed Typed) | la TYPE OE WORK X DDII I | DEENTED | 7. | If Unit or CA Agreement, Nar | ne and No | |
| TYPE OF WELL OIL GOAS WELL OTHER SINGLE ZONE MULTIPLE ZONE JUNIPER West 24 #42 Name of Operator Coleman Oil & Gas, Inc. Address P.O. Drawer 3337, Farmington N.M. 87499 (505) 327-0356 Location of well (Report location clearly and In accordance with any State requirements.*) At surface 1700 FNL, 700' FEL Latitude 36° 18' 04.9", Longitude 107° 56' 53.2" H Section 24, T24N, R11V At proposed prod. Zone South East of Farmington New Mexico on Country RD. 7610 approximately 50 miles. San Juan No. 15 Distance from proposed* location to reserve the distilling, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form: 18 DLM Blacket Bond #0851061 The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form: Name (Franted Typed) | a Title of World | REENTER | 8. | Lease Name and Well No | | |
| Coleman Oil & Gas, Inc. 30 - 045 - 3359/ Basin Fruitland Coal Location of well (Report location death) and in accordance with any State requirements. 1 Location of well (Report location death) and in accordance with any State requirements. 1 Sec. T. R. M., or Bik And Survey or Area At surface 1 1 Sec. T. R., M., or Bik And Survey or Area H Section 24, T24N, R11V At proposed prod. zone 14 DISTANCE IN MUES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* South East of Farmington New Mexico on County RD. 7610 approximately 50 miles. San Juan NM 15 Detains from proposed* 16 No. of Area in lease 17. Spacing Unit deducated to this well location to nearest well, full mile, completed, applied for, on this lease, ft 19 Proposed Depth 10 Sec. T. R., M., or Bik And Survey or Area 11 Sec. T. R., M., or Bik And Survey or Area 12 County or Parish 13 State South East of Farmington New Mexico on County RD. 7610 approximately 50 miles. San Juan NM 15 Detains from proposed* 16 No. of Area in lease 17. Spacing Unit deducated to this well location to nearest well fail unit line, if any) 18 Detains from proposed Depth 19 Proposed Depth 20 BLM/ BLA Bend No. on file 21 DELEVATIONS (Show whether DF RT, GR, etc.) 19 Proposed Depth 20 BLM/ BLA Bend No. on file 21 DELEVATIONS (Show whether DF RT, GR, etc.) 4 Bend No. over the operations unless covered by existing bond on file/sec item 20 above) 5 Signature 4 Bend No. over the operations unless covered by existing bond on file/sec item 20 above) 5 Signature Name (Printed/Typed) Name (Printed/Typed) Name (Printed/Typed) Name (Printed/Typed) DATE Signature Name (Printed/Typed) DATE Office Name (Printed/Typed) | TYPE OF WELL OIL GAS WELL OTHER SIN | IGLE ZONE MULTIPLE ZON | | | #42 | |
| Share Address Share Shar | Name of Operator | | 9 | API Well No | | |
| P.O. Drawer 3337, Farmington N.M. 87499 Location of well (Report location clearly and In accordance with any State requirements.*) At surface 1700 FNL, 700 FEL Latitude 36° 18' 04.9", Longitude 107° 56' 53.2" H Section 24, T24N, R11V At proposed prod. zone 4 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* South East of Farmington New Mexico on County RD. 7610 approximately 50 miles. South East of Farmington New Mexico on County RD. 7610 approximately 50 miles. South East of Farmington New Mexico on County RD. 7610 approximately 50 miles. At proposed Prod. zone 15 Destance from proposed* 16 No. of Acres in lease 17. Spacing Unit dedicated to this well coation to nearest property or lease line, if any) 18 Destance from proposed destance to this well as 20 ACRES E/2. (Also to nearest well, drilling, completed, applied for, on this lease, ft NA 1245' BLM Blacket Bond #0851061 19 Proposed Depth 20 BLM/BlA Bond No. on file 1245' In ELEVATIONS (Show whether DF RT, GR, etc.) 6502 At Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form: 4 Bond to cover the operations unless covered by existing bond on file feee item 20 above) 5 Signature Nume (Printed/Typed) | | | | 30-045-33 | 591 | |
| At surface 1700' FNL, 700' FEL Latitude 36° 18' 04.9", Longitude 107° 56' 53.2" 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 50 miles. San Juan NM 15 Distance from proposed* location to accessed prod. accessed proposed* (Also to nearest drig unit line, if any) 18 Distance from proposed for dispersion of the location is on the state of the location of | a Address 3b. Pho | ne No. (include area code) | 10 | Field and Pool, or Exploratory | | |
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| 1700' FNL, 700' FEL | Location of well (Report location clearly and In accordance with any State requi | rements.*) | 11 | Sec, T, R, M., or Blk And S | urvey or Area | |
| South East of Farmington New Mexico on County RD. 7610 approximately 50 miles. San Juan NM Distance from proposed 6* location to nearest forgun time, if any) 15 Distance from proposed focusion to nearest forgun time, if any) 16 No. of Agres in lease 17. Spacing Unit deducated to this well and the focusion to nearest drig unit line, if any) 18 Distance from proposed focusion* 19 Proposed Depth 20 BLM/ BIA Bond No. on file 19 Proposed Depth 20 BLM/ BIA Bond No. on file 10 BLM Blacket Bond #0851061 11 ELEVATIONS (Show whether DF RT, GR, etc.) 22. Aproximate date work will start* 23. Estumated Duration May-06 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: 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). Name (Printed/Typed) | 1700' FNL, 700' FEL Latitude 36° 18' 04.9" | , Longitude 107° 56' 53.2" | ' | H Section 24, T2 | 4N, R11W | |
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| SUPO shall be filed with the appropriate Forest Service Office). 6. Such other site specific information and/ or plans as may be required by the a authorized officer. 5. Signature Name (Printed/Typed) Operations Engineer Approved by (Signature) Name (Printed/Typed) Name (Printed/Typed) DATE 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. | _ | · · · · · · · · · · · · · · · · · · · | | * | | |
| authorized officer. Name (Printed/Typed) Michael T. Hanson DATE 12-Feb-06 Operations Engineer Approved by (Signatura) Name (Printed/Typed) Name (Printed/Typed) DATE 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 perations thereon. | · · · · · · · · · · · · · · · · · · · | rmation and/ | or plans as may be required by | he a | | |
| Michael T. Hanson 12-Feb-06 Operations Engineer Approved By (Signatura) Name (Printed/Typed) DATE 23 Office Application approval does not warrant or certify that the applicant holds legal or equitable title to friose rights in the subject lease which would entitle the applicant to conduct perations thereon. | 2 - 2 Small of man are spropriate Polese Delvice Office). | 1 | TITIGUOII AIIU/ | or brane as may be reduting by | ano a | |
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| Operations Engineer Approved By (Signatura) Name (Printed/Typed) DATE 2 3 6 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 perations thereon. | Millay 1. Harr | Michael T. Hanso | n | 12 | -Feb-06 | |
| Name (Printed/Typed) Name (Printed/Typed) DATE 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 perations thereon. | $\mathcal{L}_{\mathcal{L}}$ | | | | | |
| 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 perations thereon. | | Printed/Typed) | | 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 perations thereon. | WIII (m/leolet) | | | ~// | 5/09 | |
| perations thereon. | Citle Office | FIN | | | | |
| · | | e title to those rights in the subject lease w | hich would e | ntitle the applicant to conduct | | |
| | • | | | | | |
| tates any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction | See Instructions On Reverse Side | | | | | |

FEB 1 2 2009

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT **NMOCD**

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

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AN OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATION ON FEDERAL AND INDIAN LANDS

This action is subject to technical and procedural review pursuant to 43 CFR 3165 3 and appeal pursuant to 43 CFR 3165.4

DISTRICE I P.O. Box 1980, Hobbs, N.M. 88241-1980 C.1 South First, Artesia, N.M. 88210

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

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised Febuary 21, 1994

OIL CONSERVATION DIVISION

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

P.O. Box 2088 Santa Fe, NM 87504-2088

| 2040 South Pacheco, Santa Fe, NM 87504-2088 | | | | | | D | FC | 1 7 2007 | | AMENI | DED REPORT | | |
|---|--------------|---------------------------------------|--------|--------------|------------------|-----|---------------------|--|---------|------------------------------------|---------------|-------------|--|
| WELL LOCATION AND ACREAGE DEDICATION PLAT | | | | | | | | | | | | | |
| 30 046 33691 2Pool Code 7/629 | | | | | RIC | | | ton Pool Nam | ēce | 411 | COAL | | |
| Property | | , | | | ⁵ Pro | | Name | 2//У | | - KU- | . / | 5 W | ell Number |
| J CO CO TOGRID | 68 No | | | | JUNIPE | | VEST 24 | <u>+ </u> | | | | 1 | 42 Elevation |
| 48 | 38 | | | COL | EMAN (| | | INC. | | | | | 6502 |
| | | | | | 10 Surf | ace | Locatio | n n | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from | | North/So | | Fe | et from the | East/We | | County |
| Н | 24 | 24 N | 11 W | <u> </u> | 1700 | | NOF | | | 700 | EA | AST | SAN JUAN |
| UL or lot no. | Section | Township | | om Hole | | | | | | Surface | 77a - 1 (797a | -A 12 | |
| OL OF IOL IIO. | Section | Township | Range | Lot Idn | Feet from | tne | North/So | uth line | Fe | et from the | East/We | est line | County |
| 12 Dedicated Acr | res 13 Joint | or Infill 14 | | n. Code 15 O | rder No. | | | | <u></u> | | | | |
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| 2635.01 | | | | | | | | | | or under my su correct to the b | | | same is true and |
| 56 | | • | | | | | | | | 5/24 | /05 | 1101 | 1 161 |
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| { } | | | | | | | | | _ | 17078 | mhan | PROFES | SIONAL |
| N 89°32 | '40" W | 2614 | 84' | N 89 | °30'36" \ | N | 261 | 7.78'_ | | Certificate Nu | mper | | |

OPERATIONS PLAN

Well Name:

Juniper West 24 #42

Location:

1700' FNL, 700' FEL Section 24, T-24-N, R-11-W, NMPM

San Juan County, NM

Formation:

Basin Fruitland Coal

Elevation:

6502' GL

| Formation: | Тор | Bottom | Contents |
|-----------------|---------|--------|----------|
| Nacimiento | Surface | 235' | aquifer |
| Ojo Alamo | 235' | 345' | aquifer |
| Kirtland | 345' | 755' | |
| Fruitland | 755' | 1045' | gas |
| Pictured Cliffs | 1045' | 1245' | gas |
| Total Depth | 1245' | | |

Drilling Contractor: Availability

Mud Program:

| <u>Interval</u> | <u>Type</u> | Weight | <u>Vis.</u> | Fluid Loss |
|-----------------|---------------|-----------|-------------|-------------|
| 0' - 120' | Spud | 8.4 - 9.0 | 40 - 50 | no control |
| 120' - 1245' | 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:

| | | | ~_ | |
|-----------------------------|-----------------------------|----------------------------|-------------------|------------------------------|
| <u>Hole Size</u> 12 1/4" | Depth Interval 0' - 120' | <u>Csg. Size</u> 8 5/8" | <u>Wt.</u> 24# | <u>Grade</u> J-55 or K-55 |
| 7 7/8" | 120' - 1245' | 5 1/2" | 15.5# | |
| 1 1,0 | 120 - 1245 | 5 1/2 | 15.5# | J-55 or K-55 |
| Tubing Program: | | | | |
| | 0' - 1105' | 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 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 -

Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 20 bbls of fresh water. Lead with 118 sacks (307.98 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 421.38 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: Z/12/06 Drilling Engineer: MMahafT / fons

V

Cementing Usage Plan

Juniper West 24 #42

Enter Surface Casing Depth

Enter capacity between Surf casin/ hole

Enter Yield for surface cement job

Enter capacity between Prod/Surface Casings

Enter Total Depth

Enter Shoe Joint Length

Enter PBTD

Enter Capacity between Production/Hole

Enter Lead Cement Yield

Enter Tail Cement Yield

Enter Production Casing Capacity

Enter Amount of Tail Cement Required

| 120 | FT |
|---------|----------------|
| 0.41271 | cu ft per ft |
| 1.18 | cu ft per sack |
| 0.19259 | cu ft per ft |
| 1245 | FT |
| 44 | FT |
| 1201 | FT |
| 0.17325 | cu ft. per ft |
| 2.61 | cu ft per sack |
| 1.26 | cu ft per sack |
| 0.0238 | bbl per ft |
| 90 | Sacks |

Surface Cement Needed (100% excess)

92

Sacks ->> 108.56 cu ft

TOTAL HOLE REQUIREMENTS

418.80

cu ft of cement

Lead Cement

-----> 118

Sacks → 307.98 cu ft

Tail Cement

→ 90

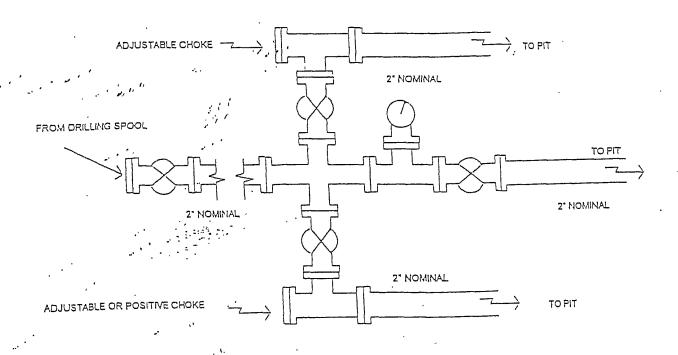
Sacks → 113.40 cu ft

TOTAL CEMENT VOLUME

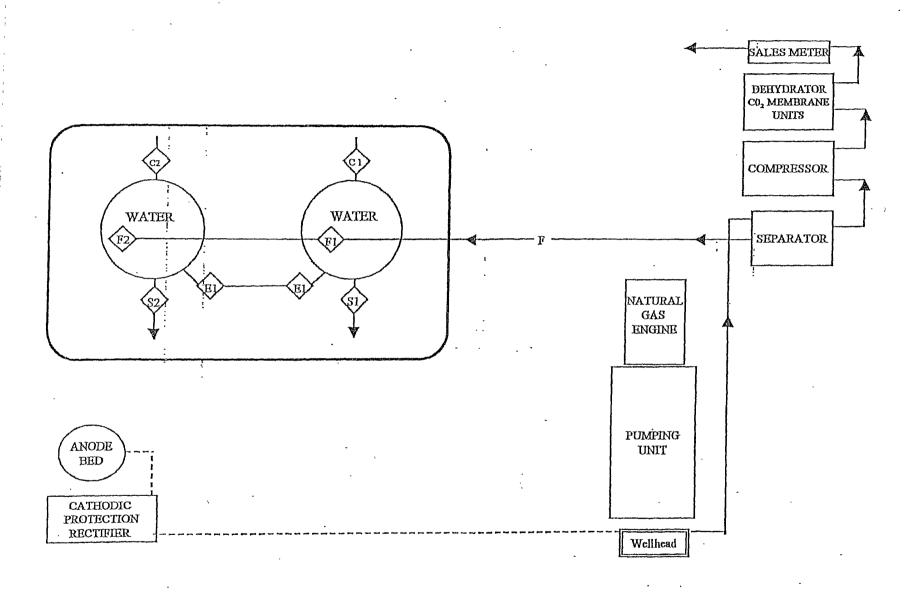
421.38

cu ft

Choke Manifold Configuration 2M System



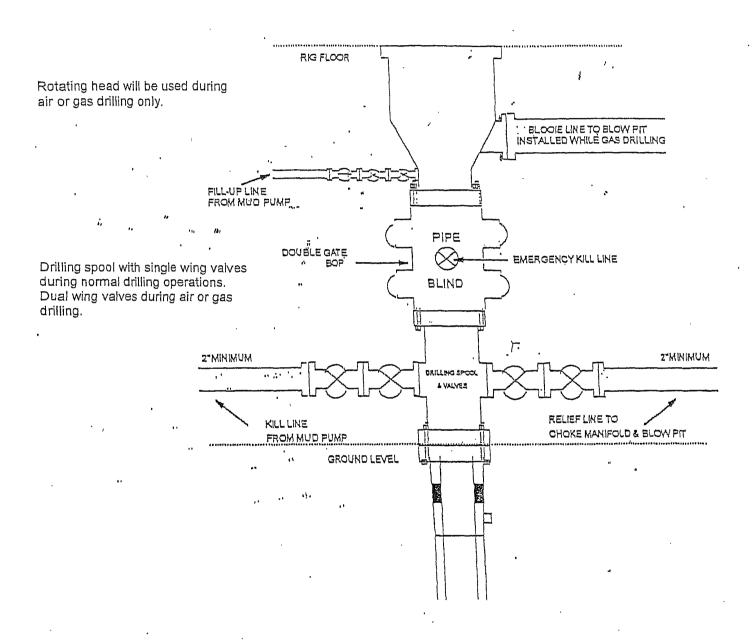
Minimum choke manifold installation from surface to Total Depth. 2" minimum, 2000psi working pressure equipment with two chokes.



Prepared: July 28, 1999

Production Facility - Plat #1

BOP Configuration 2M psi System



Minimum BOP installation for Drilling Operations. 7 1/16" Bore(6" Nominal), 2000 psi minimum working pressure double gate BOP to be equipped with blind and pipe rams

