

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

RECEIVED

DEC 17 2007

RCVD FEB 4 '09

OIL CONS. DIV.

INST 3

FORM APPROVED

OMB NO 1004-0136

Expires: November 30, 2000

Form 3160-3  
(August 1999)

UNITED STATES Bureau of Land Management  
DEPARTMENT OF THE INTERIOR Farmington Field Office  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a TYPE OF WORK <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. <b>NM NM 104609</b>
b TYPE OF WELL <input type="checkbox"/> OIL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE		6 If Indian, Allottee or Tribe Name
2 Name of Operator <b>Coleman Oil &amp; Gas, Inc.</b>		7 If Unit or CA Agreement, Name and No
3a Address <b>P.O. Drawer 3337, Farmington N.M. 87499</b>		8 Lease Name and Well No <b>Juniper West 24 #42</b>
3b. Phone No. (include area code) <b>(505) 327-0356</b>		9 API Well No <b>30-045-33591</b>
4 Location of well (Report location clearly and in accordance with any State requirements. *) At surface <b>1700' FNL, 700' FEL Latitude 36° 18' 04.9", Longitude 107° 56' 53.2"</b> At proposed prod. zone		10 Field and Pool, or Exploratory <b>Basin Fruitland Coal</b>
14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>South East of Farmington New Mexico on County RD. 7610 approximately 50 miles.</b>		11 Sec. T, R, M., or Blk And Survey or Area <b>H Section 24, T24N, R11W</b>
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg unit line, if any) <b>700</b>	16 No. of Acres in lease <b>1120</b>	17 Spacing Unit dedicated to this well <b>320 ACRES E/2</b>
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft <b>NA</b>	19 Proposed Depth <b>1245'</b>	20 BLM/ BIA Bond No. on file <b>BLM Blacket Bond #08510612</b>
21. ELEVATIONS (Show whether DF RT, GR, etc ) <b>6502</b>	22. Approximate date work will start* <b>May-06</b>	23. Estimated Duration <b>2 Weeks</b>

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  | 4 Bond to cover the operations unless covered by existing bond on file(see item 20 above)             |
| 2 A Drilling Plan.  | 5 Operator certification.   |
| 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). | 6. Such other site specific information and/ or plans as may be required by the a authorized officer. |

25 Signature <i>Michael T. Hanson</i>	Name (Printed/ Typed) <b>Michael T. Hanson</b>	DATE <b>12-Feb-06</b>
Title <b>Operations Engineer</b>		
Approved By (Signature) <i>D. Manley</i>	Name (Printed/ Typed) <b>AFM</b>	DATE <b>2/3/09</b>
Title <b>FEO</b>		

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

FEB 12 2009

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

NMOC D

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

BLM'S APPROVAL OR ACCEPTANCE OF THIS  
ACTION DOES NOT RELIEVE THE LESSEE AND  
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

DISTRICT I

P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II

E-1 South First, Artesia, N.M. 88210

DISTRICT III

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

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

## OIL CONSERVATION DIVISION

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

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30 046 33591	<sup>2</sup> Pool Code 71629	<sup>3</sup> Farmington Pool Name BASIN FRUITLAND COAL
<sup>4</sup> Property Code 36668	<sup>5</sup> Property Name JUNIPER WEST 24	<sup>6</sup> Well Number 42
<sup>7</sup> OGRID No. 4838	<sup>8</sup> Operator Name COLEMAN OIL & GAS, INC.	<sup>9</sup> Elevation 6502

<sup>10</sup> Surface Location

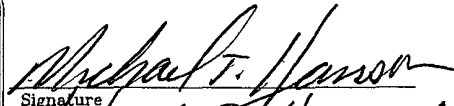
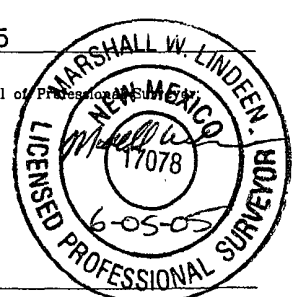
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	24	24 N	11 W		1700	NORTH	700	EAST	SAN JUAN

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320 Ac-E $\frac{1}{2}$	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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 N 89°37'23" W 2625.30' N 0°19'44" E 2635.01' N 0°15'26" E N 89°32'40" W 2614.84'	SECTION 24	5232.32' 1700' 700' 5269.06' N 0°17'24" E 2617.78'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Michael T. HANSON Printed Name Operations Engineer Title 2/12/06 Date
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. 5/24/05 Date of Survey Signature and Seal of Professional Surveyor  17078 Certificate Number			

Tuesday, July 19, 2005

## 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:	Top	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:

Interval	Type	Weight	Vis.	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:

Hole Size	Depth Interval	Csg. Size	Wt.	Grade
12 1/4"	0' - 120'	8 5/8"	24#	J-55 or K-55
7 7/8"	120' - 1245'	5 1/2"	15.5#	J-55 or K-55

### Tubing Program:

0' - 1105'	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 -

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:

2/12/06

Drilling Engineer:

Michael T. Jones

# Cementing Usage Plan

Juniper West 24 #42

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	1245	FT
Enter Shoe Joint Length	44	FT
Enter PBSD	1201	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

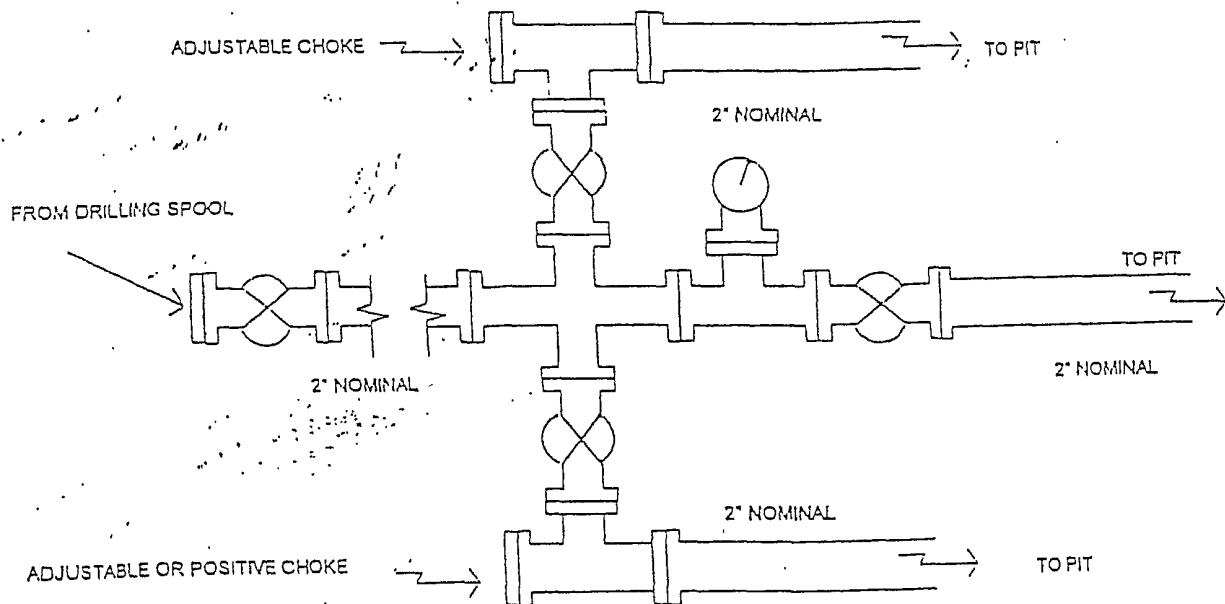
TOTAL HOLE REQUIREMENTS 418.80 cu ft of cement

Lead Cement → 118 Sacks → 307.98 cu ft

Tail Cement → 90 Sacks → 113.40 cu ft

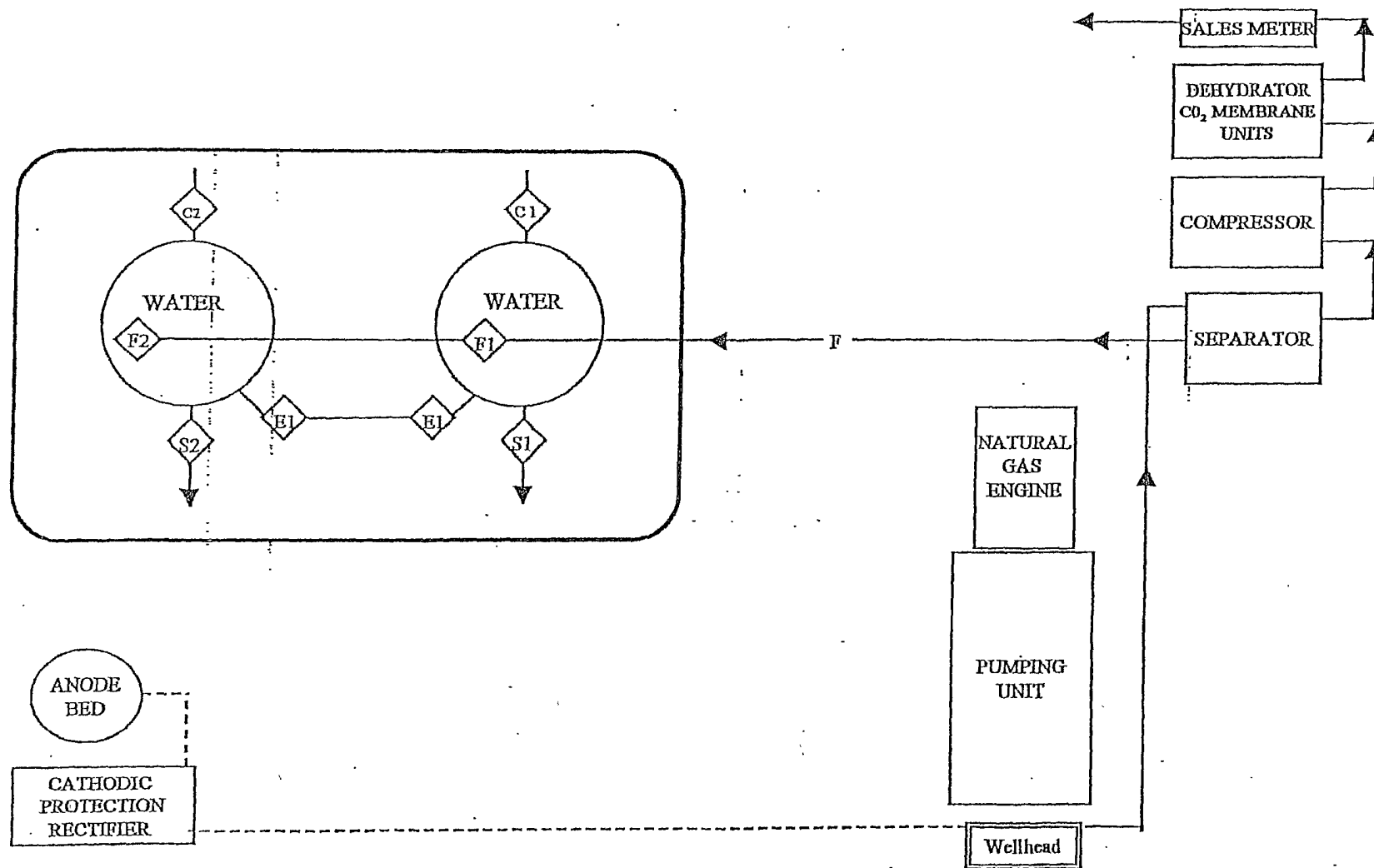
TOTAL CEMENT VOLUME 421.38 cu ft

## Choke Manifold Configuration 2M System



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

Figure #3



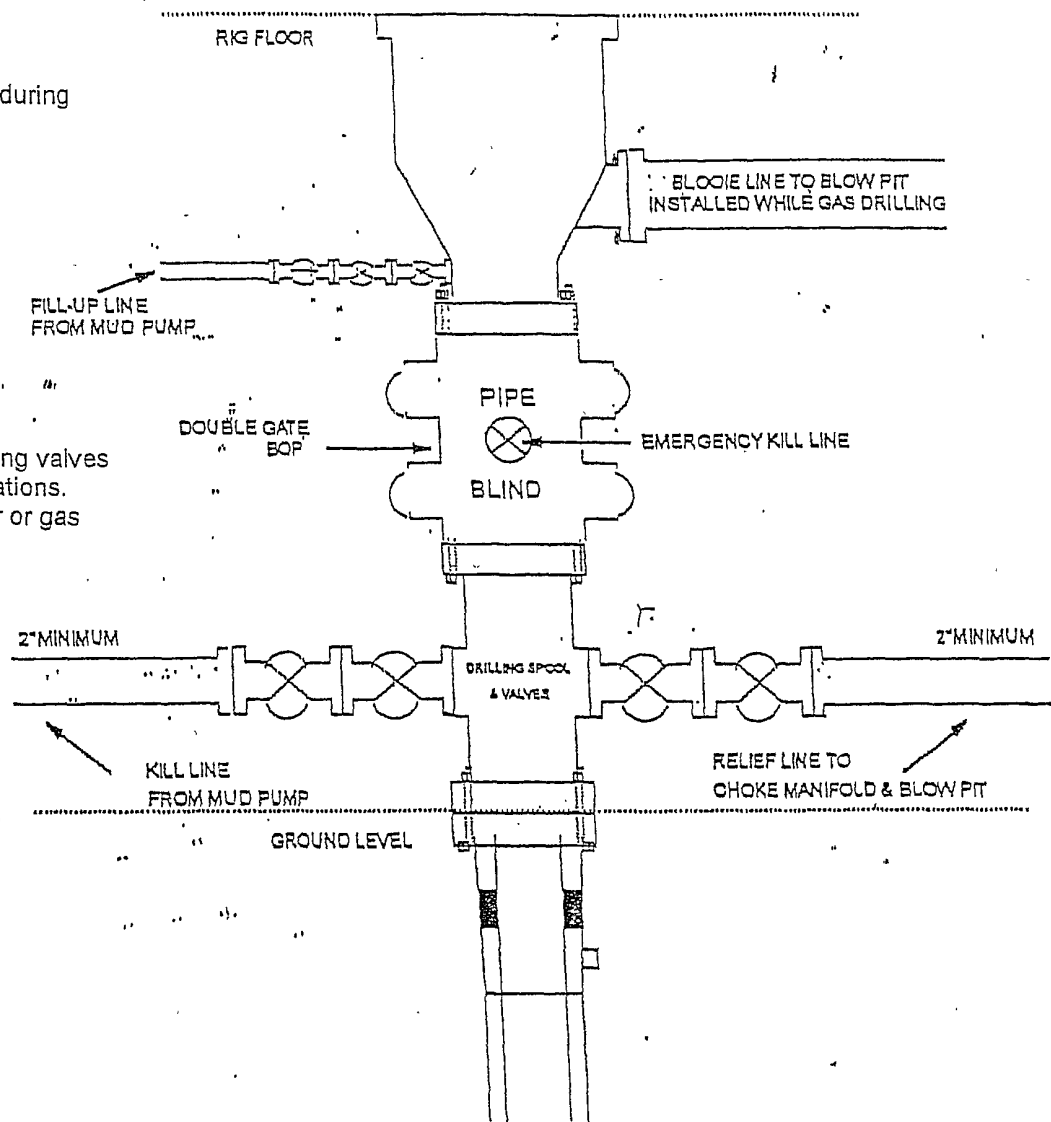
Prepared: July 28, 1999

Production Facility - Plat #1

## BOP Configuration 2M psi System

Rotating head will be used during  
air or gas drilling only.

Drilling spool with single wing valves  
during normal drilling operations.  
Dual wing valves during air or gas  
drilling.



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

FIGURE #1



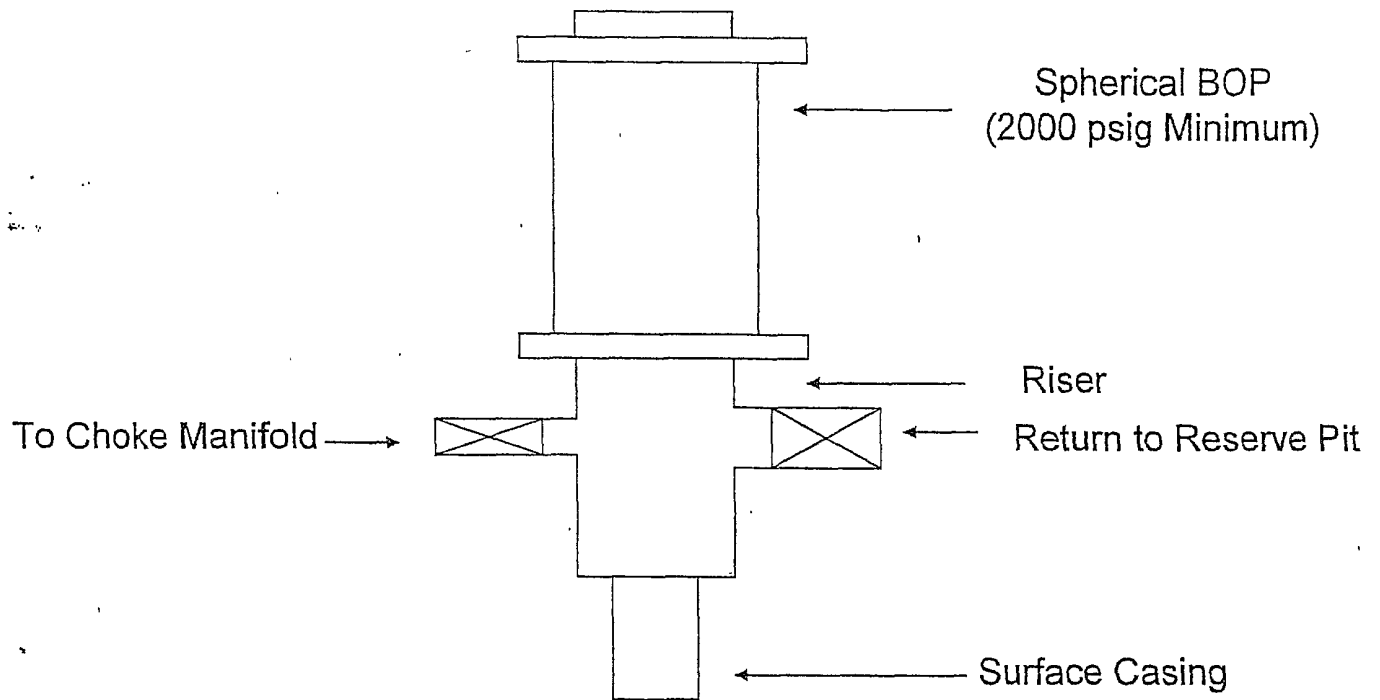


FIGURE #2