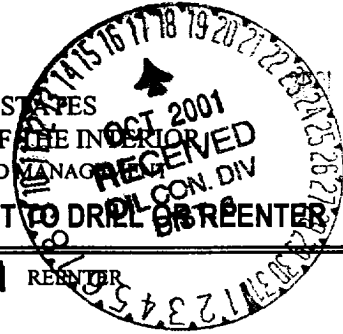


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
PERMITTING DIVISION



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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: DRILL REENTER

b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

5. Lease Serial No.
NMNM 101058

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
28980

8. Lease Name and Well No.
Juniper #14

2. Name of Operator
Coleman Oil and Gas Company c/o Walsh Engineering 4838

9. API Well No.
30-045-30636

3A. Address
7415 E. Main, Farmington, NM 87402

3b. Phone No. (include area code)
505.327.4892

10. Field and Pool, or Exploratory
Basin Fruitland Coal

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface **1075' FSL and 975' FWL**
At proposed prod. Zone

11. Sec., T., R., M., or Blk, and Survey or Area
M Section 9, T24N, R10W

14. Distance in miles and direction from nearest town or post office*
25 miles south of Bloomfield, NM

12. County or Parish
San Juan

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **975**

16. No. of Acres in lease **1750.52**

17. Spacing Unit dedicated to this well **320 acres S/2**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **N/A**

19. Proposed Depth **1600'**

20. BLM/BIA Bond No. on file **BLM Blanket Bond # 08510612**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6876' GL**

22. Approximate date work will start* **July 2001**

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:

- | | |
|--|--|
| <ul style="list-style-type: none"> 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). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an 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 authorized office. |
|--|--|

25. Signature *Paul C. Thompson* Name (Printed/Typed) **Paul C. Thompson, P.E.** Date **4/9/01**

Title **Agent**

Approved by (Signature) *David J. Markiewicz* Name (Printed/Typed) **David J. Markiewicz** Date **10/15/01**

Title **AFM minerals** Office **FFO**

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.

*(Instructions on reverse)

procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

GENERAL REQUIREMENTS

K

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

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

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30636		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 28980	*Property Name JUNIPER 9		*Well Number 14
*OGRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6876'

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	9	24N	10W		1075	SOUTH	975	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 320	¹³ Joint or Infill J	¹⁴ Consolidation Code	¹⁵ Order No.
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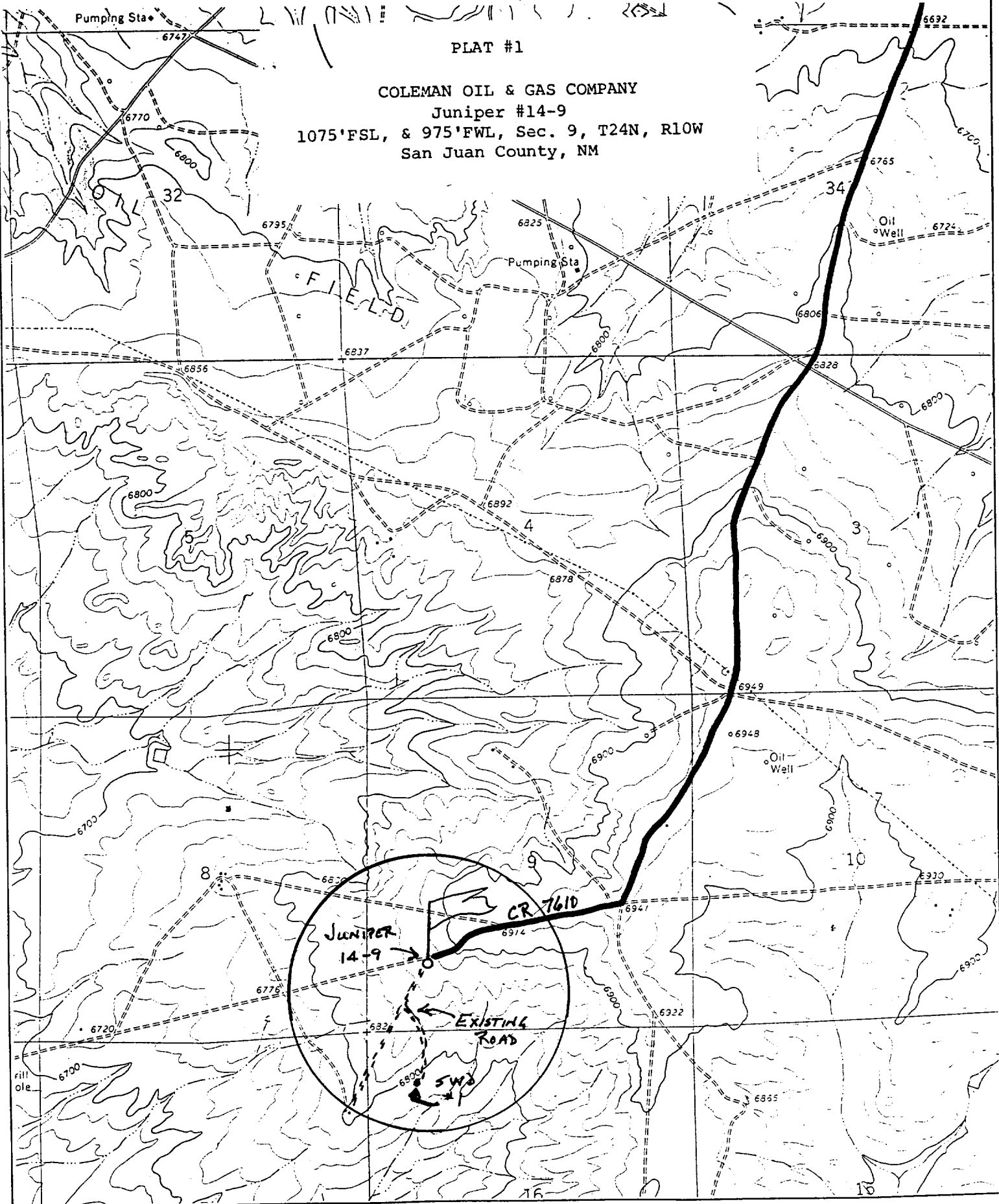
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁵ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Paul C. Thompson Printed Name Agent Title 4/9/01 Date

COL 1AN OIL & GAS INC. JUNIPER #14-9
1075' FSL & 975' FWL, SECTION 9, T24N, R10W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO

PLAT #1

COLEMAN OIL & GAS COMPANY
Juniper #14-9
1075' FSL, & 975' FWL, Sec. 9, T24N, R10W
San Juan County, NM



**COLEMAN OIL AND GAS
OPERATIONS PLAN
Juniper #14-9**

I. Location: 1075' FSL & 975' FWL Date: April 9, 2001
 Sec 9 T24N R10W
 San Juan County, NM

Field: Basin Fruitland Coal Elev: GL 6876'
Surface: Bureau of Land Management
Minerals: Federal NMNM 101058

II. Geology: Surface formation _ Nacimiento

<u>A. Formation Tops</u>	<u>Depths</u>
Ojo Alamo	637'
Kirtland	762'
Fruitland	1117'
Fruitland Coal	1442'
Pictured Cliffs	1467'
Total Depth	1600'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 1117'; gas - 1467'.

B. Logging Program: Induction/GR and density logs at TD.

C. No over pressured zones are expected in this well. No H₂S zones will be penetrated in this well. Max. BHP = 500 psig.

III. Drilling

A. Contractor: Wayne Smith Drilling

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The production hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

C. Minimum Blowout Control Specifications:

Double ram type or annular type 2000 psi working pressure BOP with a rotating head. See the attached exhibits (#1 through #3) for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 psi.

C. Cont.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
8-3/4"	120'	7"	20# K-55
6-1/4"	1600'	4-1/2"	10.5# K-55

B. Float Equipment:

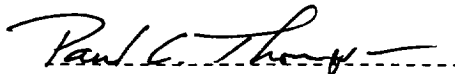
a) Surface Casing: None

b) Production Casing: 4-1/2" 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 turbolizers every other joint from the top of the well.

V. Cementing:

Surface casing: 7" - Use 50 sx (59 cu. ft.) of Cl "B" with 2% CaCl₂ (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 600 psi for 30 min.

Production Casing: 4-1/2" - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. Lead with 130 sx (268 cu.ft) of Cl "B" with 2% metasilicate. (Yield = 2.06 cu.ft./sk; slurry weight = 12.5 PPG). Tail with 50 sx (59 cu.ft.) of Cl "B" with 2% CaCl₂ (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG) Total cement volume is 327 cu.ft. (100% excess to circulate cement to surface).



Paul C. Thompson, P.E.