

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMNM 96045 79574
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Coleman Oil and Gas, Inc.		7. UNIT AGREEMENT NAME 27463
3. ADDRESS AND TELEPHONE NO. PO Drawer 3337 Farmington, NM 87499		8. FARM OR LEASE NAME, WELL NO. NEFF COM #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At Surface 660' FSL, 1845' FwL Latitude 36° 57' 10", Longitude 108° 12' 42" At proposed prod. zone		9. API WELL NO. 30-045-30478
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* NORTH WEST OF FARMINGTON NEW MEXICO ON LAPLATA HWY		10. FIELD AND POOL, OR WILDCAT BASIN FRUITLAND COAL
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'	16. NO. OF ACRES IN LEASE 120	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SESW Sec 28, T-32-N, R-13-W
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2296'	19. PROPOSED DEPTH 1068'	12. COUNTY OR PARISH San Juan
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6001 GR x DF x GR		13. STATE NM
22. APPROX. DATE WORK WILL START* As soon as permit approved		17. NO. OF ACRES ASSIGNED TO THIS WELL 320 or 313.65 W/2

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 or K-55 9 5/8"	36#	125'	70 sx cl "B" Circ. to surface
8 3/4"	J-55 or K-55 7"	20#	1050'	L-100 sx "B" lite; T-200 sx Cl "B" - Circ
6 1/4"	J-55 or K-55 5 1/2"	15.5#	1068'	**

** If the coal is cleated a 5 1/2" 15.5# liner will be run in the open hole without being cemented. If the coal is not cleated, the well will be stimulated and open hole completed.

This action is subject to technical and procedural review pursuant to 43 CFR 3105.3 and appeal pursuant to 43 CFR 3105.4.

Coleman Oil and Gas, Inc. proposed to drill a vertical well at the above location in accordance with the attached Operations and Multi-Point Surface Use Plans.

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

Attached find the pipeline survey for ROW footages.

Note: This well has been archaeologically surveyed by Laplata Archaeological Consultants. Copies of their report have been submitted directly to your office.

This APD also is serving as an application to obtain BLM road and pipeline right of ways. See attachments.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Michael T. Lamm TITLE Engineer DATE 12/22/2000

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Jim Lovato TITLE _____ DATE FEB - 5

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

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

OIL CONSERVATION DIVISION
PO 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-30478		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code 27463	*Property Name NEFF		*Well Number 1
*OGRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6001'

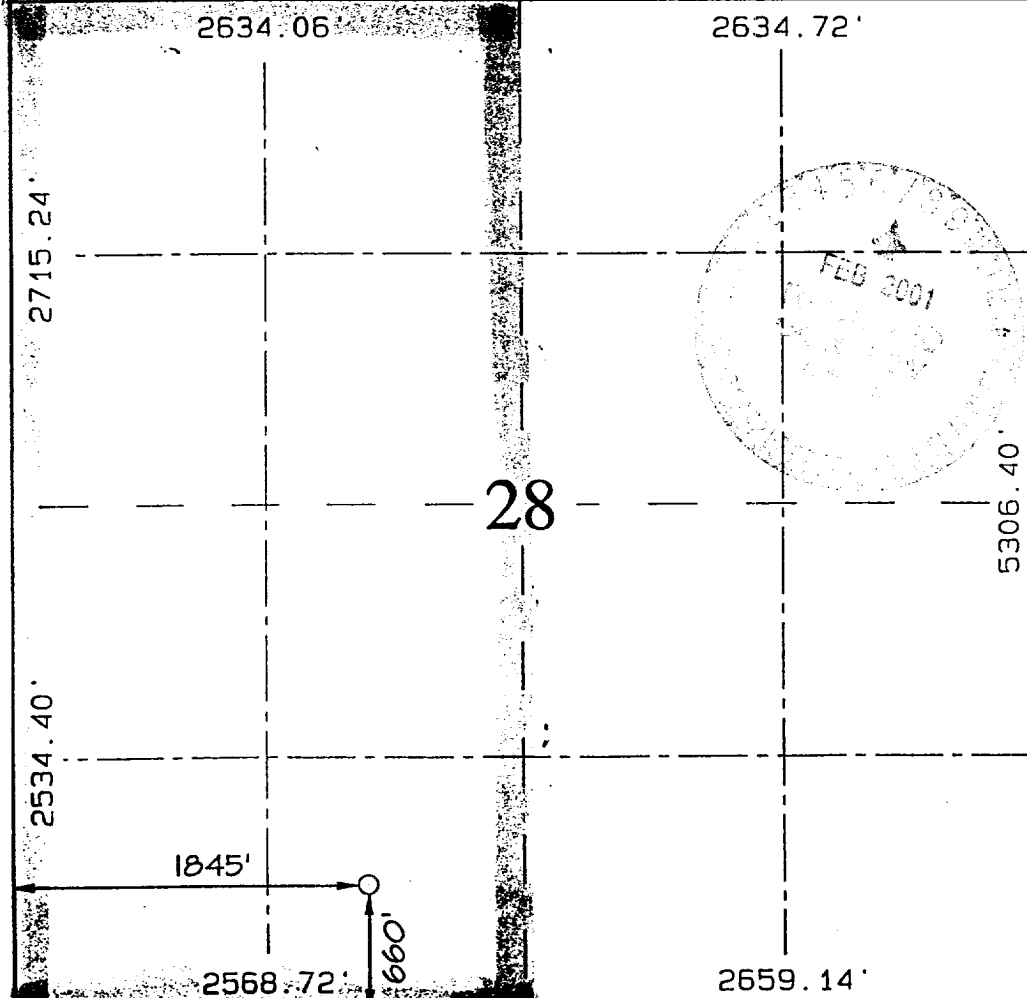
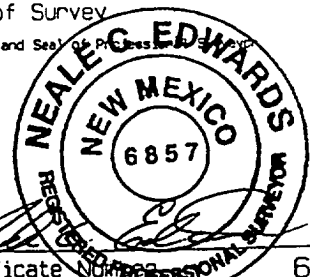
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
N	28	32N	13W		660	SOUTH	1845	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

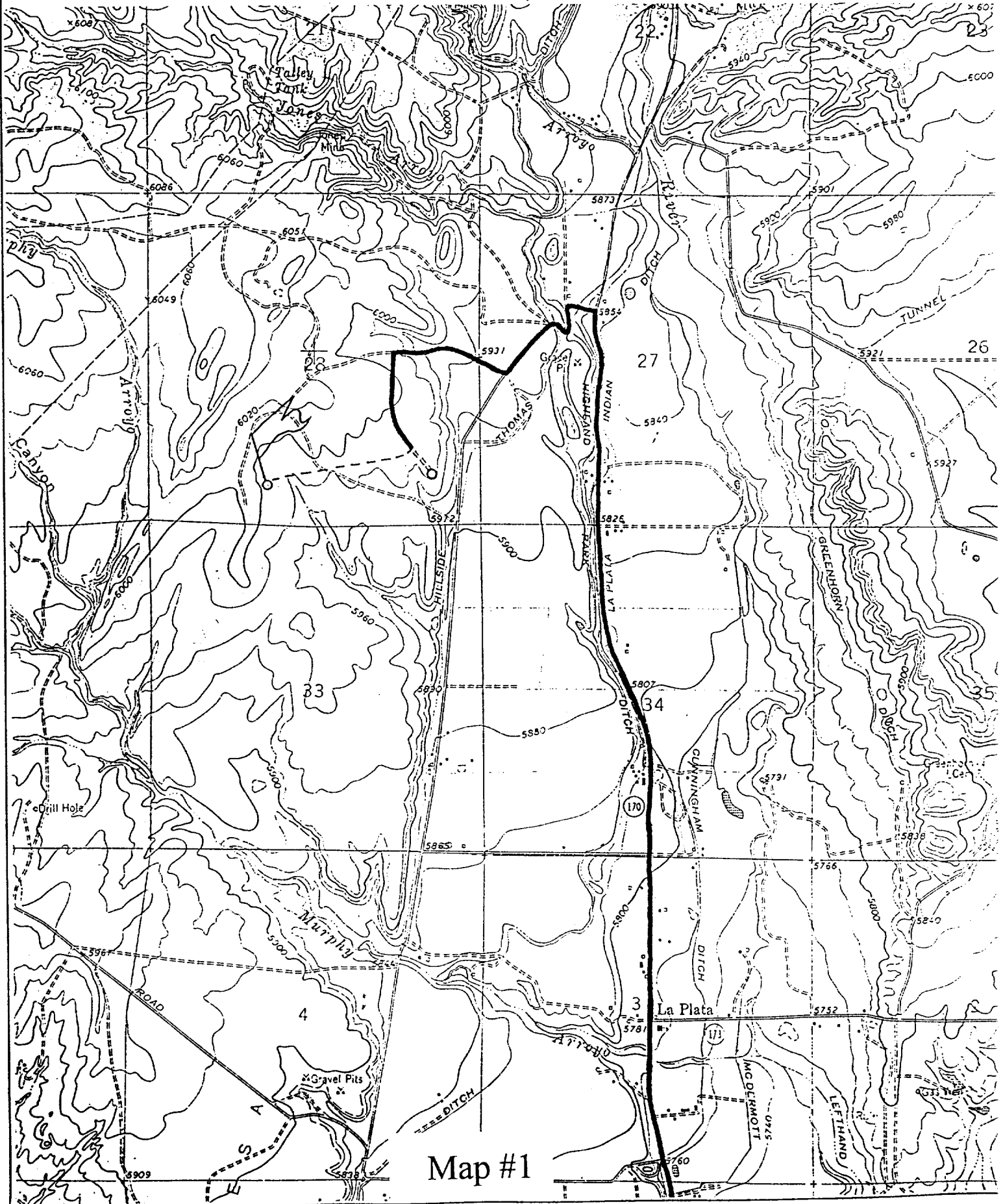
UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320 $\frac{1}{2}$		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Michael T. Hanson</u> Signature <u>MICHAEL T. HANSON</u> Printed Name <u>Engineer</u> Title <u>12/20/2000</u> Date</p>
	<p>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.</p> <p><u>JULY 28, 2000</u> Date of Survey Signature and Seal of Professional Surveyor  Certificate Number <u>6857</u></p>

COLEMAN OIL & GAS INC. NEFF #1

660' FSL & 1845' FWL, SECTION 28, T32N, R13W, N.M.P.M.
SAN JUAN COUNTY, NEW MEXICO



December 18, 2000

OPERATIONS PLAN

Well Name: Neff Com #1
Location: 660' FSL, 1845' FWL Section 28, T-32-N, R-13-W
Latitude 36° 57' 10", Longitude 108° 12' 42"
San Juan County, NM
Formation: Basin Fruitland Coal
Elevation: 6001' GL

Formation:	Top	Bottom	Contents
Surface	Kirtland	750'	
Fruitland	750'	1050'	gas
Fruitland Coal	1050'	1070'	gas
Pictured Cliffs	1070'		gas
Total Depth	1068'		

Logging Program: GR/CL from T.D. \pm 900 Ft. GL.

Coring Program: none

Mud Program:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Vis.</u>	<u>Fluid Loss</u>
0 - 125'	Spud	8.4 - 9.0	40 - 50	no control
125 - 1050'	Non-dispersed	8.4 - 9.0	30 - 60	no control
1050 - 1068'	Air with Mist			

Casing Program

<u>Hole Size</u>	<u>Depth Interval</u>	<u>Csg. Size</u>	<u>Wt.</u>	<u>Grade</u>
12 1/4"	0' - 125'	9 5/8"	36#	J-55 or K-55
8 3/4"	125' - 1068'	7"	20#	J-55 or K-55

Tubing Program:

0' - 1050'	2 3/8"	4.70#	J-55
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Float Equipment:

9 5/8" surface casing - saw tooth guide shoe. ~~Centralizes~~ none.

7" intermediate casing - guide shoe and self-fill float collar. Four centralizes will be run on the bottom, one in the center of shoe joint and three every other joint above shoe joint.

5 1/2" liner - float shoe on bottom and pre-drilled liner run to the 7" casing with a minimum 100' overlap. Liner hanger is a double slip grip type. Liner will only be run if coal stabilization is required.

Wellhead Equipment: 9 5/8" x 7" Braiden Head and 7" x 2 3/8" Tubing Head. Independent Well Head assembly with a minimum rated working pressure of 1000 psig.

Cementing:**9 5/8" Surface Casing -**

Cement with 70 sacks Class "B" cement with 1/4# celloflake/sx and 3% calcium chloride (81.52 cu. ft. of slurry, 100% excess to circulate to surface). WOC 12 hrs. Test casing to 600 psi/30 minutes.

7" Intermediate Casing-

Before cementing circulate hole with at least 1 1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. Lead with 100 sx (221 cu. ft.) of CI "B" with 2% metasilicate and 1/4#/sk celloflake. (Yield = 2.21 cu. ft. /sk; slurry weight = 12.5 PPG). Tail with 75 sx (88.5 cu. ft.) of CI "B" with 2% CaCl and 1/4#/sk celloflake. (Yield = 1.18 cu. ft. / sk; slurry weight = 15.6 PPG). Total cement volume is 304 cu. ft. (100% excess on open hole, calculated on cement volumes). WOC 12 hrs. Test casing to 600 psi/30 minutes.

5 1/2" liner - uncemented.

BOP and Tests:

Surface pipe to intermediate TD – Annular or Double Ram type 11" 2000 psi (minimum) double gate BOP stack (Reference Figure #1 and #1A). Prior to drilling out surface casing, test blind rams and casing to 600 psig for 30 minutes; all pipe rams and choke assembly to 600 psig for 15 minutes each.

Intermediate TD to Total Depth – 7 1/16" 3000 psi (minimum) double gate BOP stack (Reference Figure #2). Prior to drilling out intermediate casing, test blind rams and casing to 600 psig for 30 minutes; all pipe rams and choke assembly to 600 psig for 15 minutes each.

From surface pipe to TD - choke manifold (Reference Figure #3).

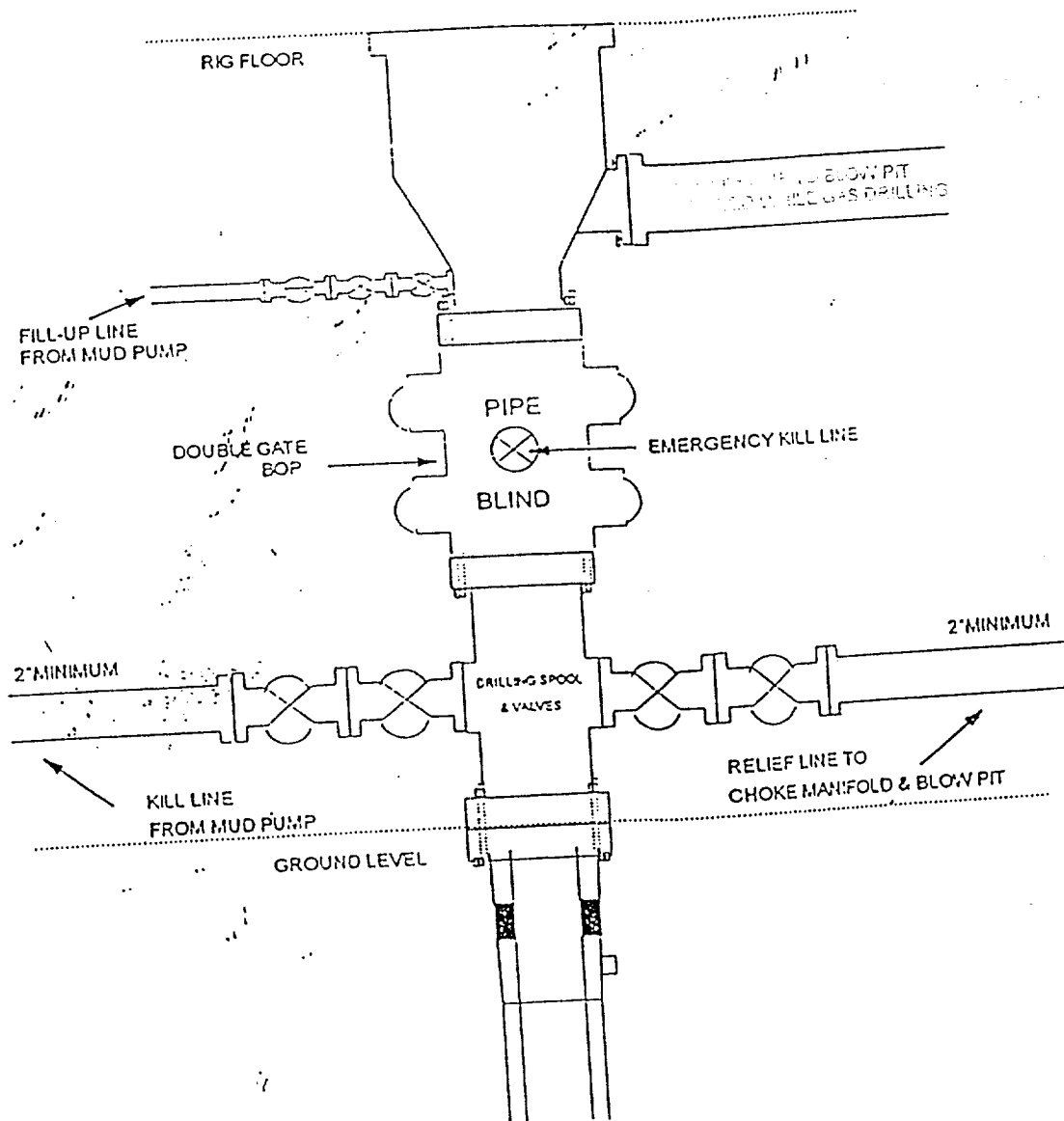
Pipe rams will be actuated at least once each date and blind rams actuated once each trip to test proper functioning. An upper kelly cock valve with handle and drill string safety valves to fit each drill string will be maintained and available on the rig floor.

Additional information:

- The Fruitland Coal formation will be completed.
- Anticipated pore pressure for the Fruitland is 300 psi.
- New casing will be utilized.
- Pipe movement (either rotation or reciprocation) will be done if hole conditions permit.

Date: 12/23/2000 Drilling Engineer: Michael T. Jones

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. All equipment is 2000psi working pressure/ or greater.

FIGURE #1