SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
6/27/08	W Jones	6/27/08	SWD 1137	PKVR0817944131

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
NSL NSP SD

Coleman's
Monument 1
30-045-21912

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
WFX PMX (SWD) IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or _ Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

RECEIVED
2008 JUN 25 P 5:41

Print or Type Name	Signature	Title	Date
BRIAN WOOD (505) 466-8120 FAX 466-9682	BWood	CONSULTANT	6-23-08 e-mail Address brian@permitswest.com

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance YES Disposal _____Storage
Application qualifies for administrative approval? XXX Yes _____No

II. OPERATOR: COLEMAN OIL & GAS, INC.

ADDRESS: P. O. DRAWER 3337, FARMINGTON, NM 87499

CONTACT PARTY: BRIAN WOOD (PERMITS WEST, INC.) PHONE: (505) 466-8120

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes XXX No
If yes, give the Division order number authorizing the project:

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

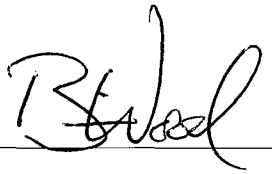
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: BRIAN WOOD TITLE: CONSULTANT

SIGNATURE:  DATE: JUNE 23, 2008

E-MAIL ADDRESS: brian@permitswest.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

Side 2

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

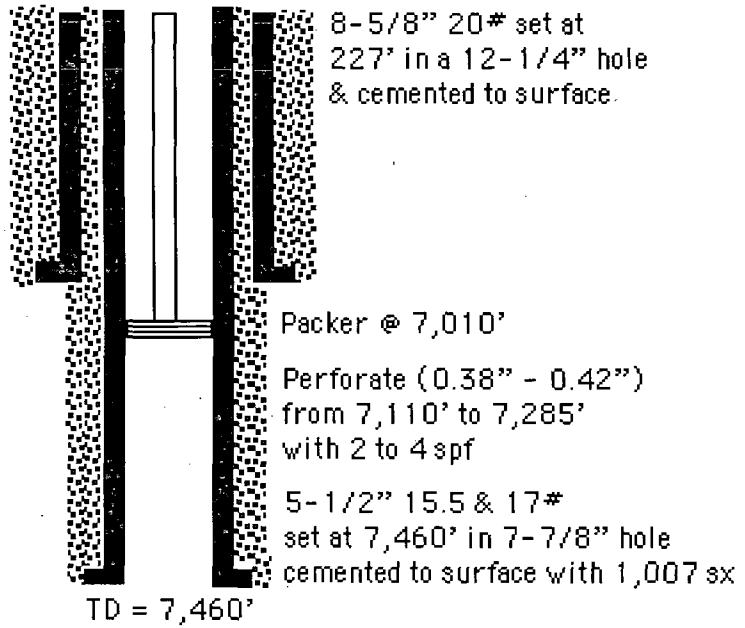
INJECTION WELL DATA SHEET

OPERATOR: COLEMAN OIL & GAS, INC.

WELL NAME & NUMBER: MONUMENT #1

WELL LOCATION:	1656' FNL & 942' FEL	H	17	24 N	10 W
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12-1/4" Casing Size: 8-5/8" 20#

Cemented with: UNKNOWN sacks *or* _____ ft^3

Top of Cement: SURFACE Method Determine: VISUAL

Intermediate Casing

Hole Size: Casing Size:

Cemented with: *or* _____ ft^3

Top of Cement: Method Determined:

Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2" 15.5 & 17# J-55 or K-55

Cemented with: 1,007 sacks *or* _____ ft^3

Top of Cement: SURFACE Method Determine: VISUAL & CAL

Total Depth: 7,460'

Injection Interval

From 7,110 feet To 7,285 feet

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-/78" 6.5# J-55 Lining Material: PLASTIC

Type of Packer: ARROW MODEL 1X OR ITS EQUIVALENT

Packer Setting Depth: WITHIN 100' OF THE HIGHEST PERFORATION

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? XXX Yes XXX No

   If no, for what purpose was the well originally drilled? WELL WAS ORIGINALLY DRILLED TO 6,100' AS A DAKOTA TEST & THEN PLUGGED. WILL DRILL OUT PLUGS, DEEPEN TO 7,460', & RUN LONG STRING.

2. Name of the Injection Formation: ENTRADA

3. Name of Field or Pool (if applicable): SWD; ENTRADA (POOL CODE: 96436)

4. Has the well ever been perforated in any other zone(s)? NO List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. (see attachments)

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   OVER: FRUITLAND COAL (1,385' – 1,403') IN ADJACENT (781' NORTH) JUNIPER 41-17

   UNDER: NONE

   _____

COLEMAN OIL & GAS, INC.
MONUMENT #1
1656' FNL & 942' FEL
SEC. 17, T. 24 N., R. 10 W.
SAN JUAN COUNTY, NM

I. Purpose is water disposal into the Entrada zone.

II. Operator: Coleman Oil & Gas, Inc.
Operator phone number: (505) 327-0356
Operator address: P. O. Drawer 3337
Farmington, NM 87499
Contact: Brian Wood (Permits West, Inc.)
Phone: (505) 466-8120

III. A. (1) Lease: BLM lease NMNM-104606
Lease Size: 1,120 acres
Lease Area: SW4 Sec. 4, SE4 Sec. 8, E2 Sec. 10, NE4 Sec. 17, NE4 Sec. 18, & SW4 Sec. 21; all T. 24 N., R. 10 W.
Closest Lease Line: 942'
Well Name & Number: Monument #1* (API # 30-045-21912)
*wildcat Dakota test P & A in 1975
Location**: 1656' FNL and 942' FEL Sec. 17, T. 24 N., R. 10 W. (see Exhibit A)
** per 2008 survey attached as Exhibit A (OCD records show 1650 FNL & 990 FEL, but no C-102 in OCD records)

A. (2) Surface casing (8-5/8", 20#) was set in 1975 at 227' in a 12-1/4" hole. Surface casing was cemented with an unknown quantity and type of cement. Completion report indicates cement circulated to the surface. Casing will be tested to ≈750 psi for ≈30 minutes.

Production casing (5-1/2", 15.5# (0' - 6,200') & 17# (6,200' - TD), J-55 or K-55, all L T & C) will be set at ≈7,460' in a 7-7/8" hole. (Well was originally drilled to 6,100'. However, no production casing was run.) A float will be placed one joint above the shoe. Five centralizers will be spaced every other joint above the shoe. Three centralizers will be placed across the stage collar (≈4,061'). Three

centralizers will be placed across the Ojo Alamo. Production casing will be cemented to the surface in two stages with ≈60% excess.

Stage #1 - Circulate hole with at least 1-1/2 hole volume of mud and 20 barrels of fresh water before cementing. Lead with ≈455 sacks (823.55 cubic feet) Class G 35/65 poz with 2% gel D-20 + 5 pounds per sack gilsonite + 0.1% D46 + 1% S-1 + 1/4 pound per sack D29. (Yield = 1.81 cubic feet per sack; slurry weight = 12.4 pounds per gallon). Tail with ≈100 sacks (126 cubic feet) Class G 50/50 poz with 2% gel D-20 + 5 pounds per sack gilsonite + 0.1% D46 + 1% S-1 + 1/4# pound per sack D29. (Yield = 1.26 cubic feet per sack; slurry weight = 13.5 pounds per gallon). Total cement volume is 949.55 cubic feet.

Stage #2 - Open stage tool and circulate ≥4 hours. Circulate hole with at least 1-1/2 hole volume of mud and 20 barrels fresh water before cementing. Lead with ≈402 sacks (1049.22 cubic feet) Class G with 3% D79 + 1/4 pound per sack D29. (Yield = 2.61 cubic feet per sack; slurry weight = 11.7 pounds per gallon). Tail with 50 sacks (63 cubic feet) Class G 50/50 poz with 2% gel D-20 + 5 pounds per sack gilsonite + 0.1% D46 + 1% S-1 + 1/4 pound per sack D29. (Yield = 1.26 cubic feet per sack; slurry weight = 13.5 pounds per gallon). Total cement volume is 1112.22 cubic feet.

A. **(3)** Tubing will be 2-7/8" 6.5# J-55 plastic lined. It will be set at ≈7,010' (≈100' above the highest perforation at ≈7,110').

A. **(4)** An Arrow Model 1X internally coated packer will be set within ≈100' of the highest perforation (≈7,110'). Thus, packer will be set at ≈7,010'.

B. **(1)** Disposal zone will be the Entrada sandstone (pool code 96436). Fracture gradient is expected to be ≈0.62 - 0.68 psi per foot.

B. (2) Disposal interval will be ≈7,110' to ≈7,285' (well logs will determine exact interval after drilling). It will be perforated (0.38" or 0.42") with two to four shots per foot.

B. (3) Well was drilled in 1975 to 6,100' as a Dakota wildcat test. It was plugged in the same year and these plugs were set:

Surface: 10 sacks
5' - 50': 18 sacks
350' - 550': 62 sacks
1,300' - 1,500': 62 sacks
1,700' - 1,900': 62 sacks
3,900' - 4,100': 62 sacks
4,900' - 5,100': 62 sacks
5,800' - 6,100': 62 sacks

Well will be for Coleman's exclusive use and for the sole purpose of water disposal from present and future Coleman wells. Water analysis from a Coleman Fruitland coal gas well is attached.

B. (4) Well bore has not yet been perforated. (Production casing was not run. The Entrada has not yet been drilled.) Once the well is deepened, it will be perforated from ≈7,110' to ≈7,285' (logs will be used to determine the exact interval after drilling).

B. (5) Top of the Entrada is predicted to be at ≈7,100'. Bottom of the Entrada is estimated to be at ≈7,360'. Bottom of the closest potentially productive zone (Dakota) is at ≈6,135'. There will be a ≈975' interval between the bottom of the Dakota and the highest Entrada injection perforation. There is no underlying actual or potential producing zone. Oil is being produced elsewhere in the San Juan Basin from the Entrada. However, closest Entrada production is in the Leggs Field which is ≈16 miles south (11-21n-10w).

IV. This is not an expansion of an existing injection project. It is an expansion (fourth disposal well) of an existing water disposal project in Coleman's Juniper

and Juniper West project. It will be their first Entrada disposal well in the area. The other three existing disposal wells are in the Mesa Verde. The producing wells are Fruitland coal gas.

V. A map (Exhibit B) showing the 4 existing wells within the half mile radius area of review is attached. (A fifth well is 48' beyond the 1/2 mile radius and is also included.) None of the five penetrated the Entrada.

WELL	API # 30-045	T. 24 N., R. 10 W.	ZONE	STATUS	TD	DISTANCE
Juniper 41-17	-30635	NENE Sec. 17	Fruitland coal	gas	1,550'	781'
Juniper SWD 1	-29732	NWNW Sec. 16	Mesa Verde	disposal	4,125'	1,843'
Monument 2	-21463	NWNW Sec. 16	Dakota	P & A	6,190'	1,940'
Juniper 11	-30481	NWNW Sec. 16	Fruitland coal	gas	1,550'	2,129'
Juniper 17-22	-32727	SENW Sec. 17	Fruitland coal	gas	1,425'	2,688'

A map (Exhibit C) showing all 61 wells (50 oil or gas producers + 7 P & A + 2 water disposal + 2 water supply) within a two mile radius is attached.

Exhibit D shows all leases within a half mile radius. Details are:

AREA (all 24n-10w)	LESSOR	LEASE #	LESSEE(S)
SW4 Sec. 8	FIMO	NO-G-9911-1367	Coleman
SE4 Sec. 8	BLM	NMNM-104606	Coleman, EOG, & Rosetta
SW4 Sec. 9	BLM	NMNM-101058	Coleman, EOG, & Rosetta
NW4 & N2SW4 Sec. 16	NMSLO	VO-5292-0000	Coleman
W2 & SE4 Sec. 17	BLM	NMNM-101058	Coleman, EOG, & Rosetta

A map (Exhibit E) showing all lessors within a two mile radius is attached. Most leases are BLM. The remainder are Navajo allotted (FIMO) or State (NMSLO).

VI. None of the wells within a 1/2 mile radius penetrate the proposed injection zone. The deepest well (Tenneco's Monument #2) has a total depth of 6,190'. There will be a ≈920' interval between the bottom of that well and the highest proposed perforation (≈7,110').

VII. 1. Average injection rate will be ≈3,000 bwpd.
Maximum injection rate will be ≈4,000 bwpd.

2. System will be closed. A 2,573.7' long buried pipeline will be laid from Coleman's existing Juniper SWD #1 well (NWNW 16-24n-10w). No additional facilities will be needed.

3. Average injection pressure will be ≈1,400 psi
Initial maximum injection pressure will be ≈1,422 psi
(≤0.2 psi x 7,110' depth of top perforation = 1,422 psi)
Coleman will conduct a step rate test to raise maximum to 1,600 psi if justified by test and approved by government agencies.

4. Water source will be existing and future Coleman wells in the San Juan Basin. Coleman has 57 existing or approved Fruitland coal gas wells in Township 24 North, Ranges 10 and 11 West as of June 23. Water analyses from the Entrada (receiving water) and Fruitland (water to be disposed) are attached (Exhibit F). The Entrada sample is from the Herry Monster 3 well (30-045-33217) which is ≈4 miles northwest in SENW 11-24n-11w. A summary follows.

Parameter	Entrada	Fruitland
specific gravity	1.005	1.009
pH	8.4	7.44
resistivity	0.89	0.427
potassium	200	43
sodium	4165	4880
calcium	176	120
magnesium	15	30
chlorides	2200	7550
sulfates	2000	5.1
bicarbonates	5612	not analyzed
total dissolved solids	14,408	13,900

5. The Entrada has not been found to be productive within two miles of the well. In general, Entrada water near recharge zones (basin fringe) has a specific conductance of <1,500 μmhos. Entrada

water from deeper parts of the basin has a specific conductance of >10,000 μmhos. Stone et al in Hydrogeology and water resources of San Juan Basin, New Mexico wrote, "Generally, however, water from the Entrada is not suitable for drinking, especially in deeper parts of the basin." There are 32 wells approved for disposal into the Entrada in San Juan County.

VIII. The Entrada sandstone is a very porous and permeable æolian sandstone. It produces oil elsewhere in the basin (e. g., Eagle Mesa, Leggs, Media, Ojo Encino, Papers Wash, Snake Eyes Fields). It is ≈260' thick in the well bore.

Formation tops in this well are estimated to be at:

Nacimiento: 0'
Ojo Alamo Sandstone: 589'
Kirtland Shale: 678'
Fruitland: 1,143'
Pictured Cliffs Sandstone: 1,384'
Lewis Shale: 1,610'
Cliff House Sandstone: 1,745'
La Ventana: 2,126'
Menefee Shale: 2,836'
Point Lookout Sandstone: 3,805'
Mancos Shale: 4,011'
Gallup Sandstone: 4,846'
Greenhorn Limestone: 5,756'
Graneros Shale: 5,806'
Dakota Sandstone: 5,852'
Morrison Formation: 6,135'
Bluff Sandstone: 6,690'
Todilto Limestone: 7,060'
Entrada Sandstone: 7,100'
Chinle Formation: 7,360'
Total Depth: 7,460'

There are no water wells within a one mile radius. There are two water wells within a two mile radius. Closest well is a windmill over 1-1/4 miles east in NW 15-24n-10w. There is no record of the windmill in the State Engineer's data base. Second well is over 1-3/4 miles south in NW 29-24n-10w. It is 640' deep and its water depth is 595'. Both water wells are above the Entrada. Likely aquifers are the Nacimiento or Ojo Alamo.

No existing underground drinking water source is below the Entrada within a two miles. There will be ≈6,460' of vertical separation between the bottom of the deepest (640') water well within two miles and the top of the Entrada.

IX. The well will be stimulated with 15% HCl.

X. Porosity (triple litho density with GR and CAL) and Induction (array with GR and SP) logs will be run and copies will be provided to the NMOCD.

XI. There are no water wells within a one mile radius.

XII. Coleman is not aware of any geologic or engineering data which may indicate the Entrada is in hydrologic connection with any underground sources of water. There will be ≈6,460' of vertical separation between the top (≈7,100') of the Entrada and the bottom (640') of the deepest water well within two miles. This interval includes at least five shale zones (Kirtland, Lewis Menefee, Mancos, Graneros).

XIII. Notice (this application) has been sent (Exhibit G) to the surface owner (Navajo Nation), operators of all wells (only Coleman), and lessees or lease operating right holders (Coleman, EOG, and Rosetta), and lessors (BLM, FIMO, and NM State Land Office) within a half mile. Legal ad (see Exhibit H) was published on June 12, 2008.

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name	
[4] Property Code	[5] Property Name: MONUMENT		[6] Well Number: 1
[7] OGRID No.	[8] Operator Name: COLEMAN OIL & GAS, INC.		[9] Elevation: 6769

[10] Surface Location

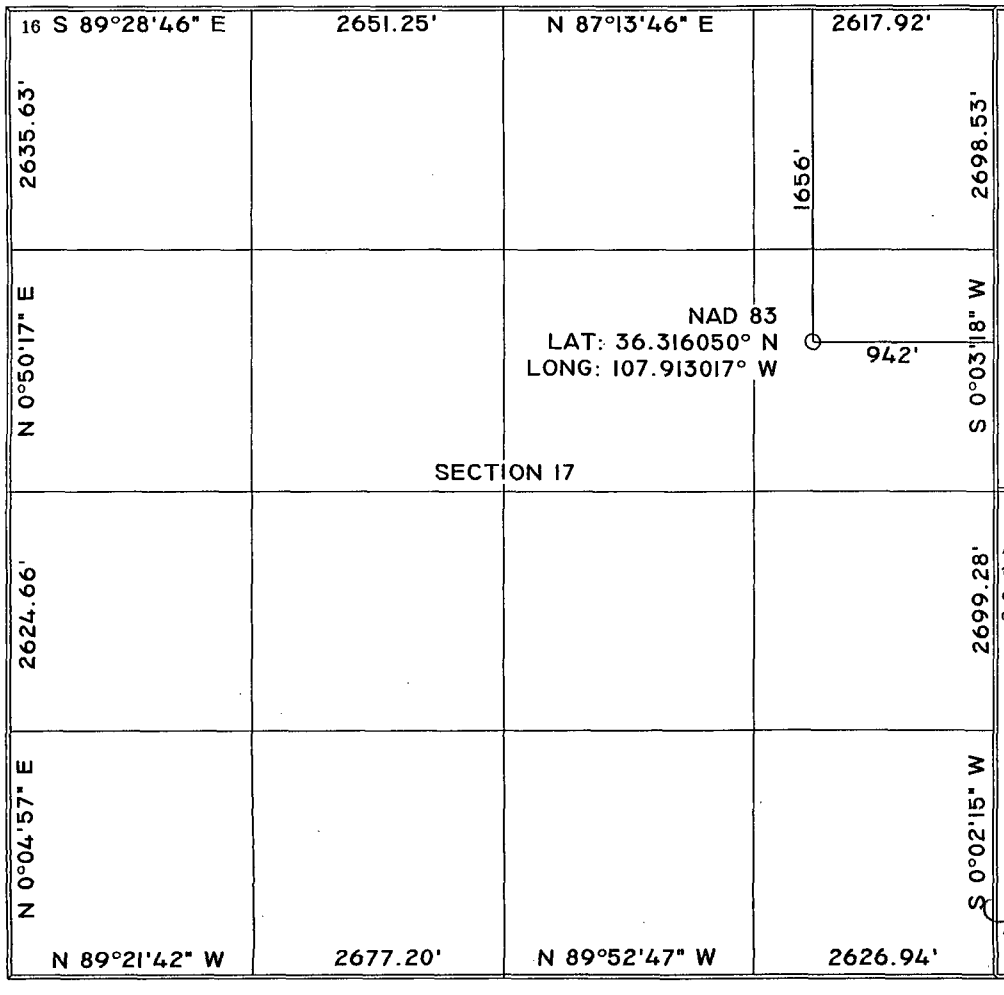
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	24 N	10 W		1656	NORTH	942	EAST	SAN JUAN

[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	[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



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Date

Printed Name

[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.

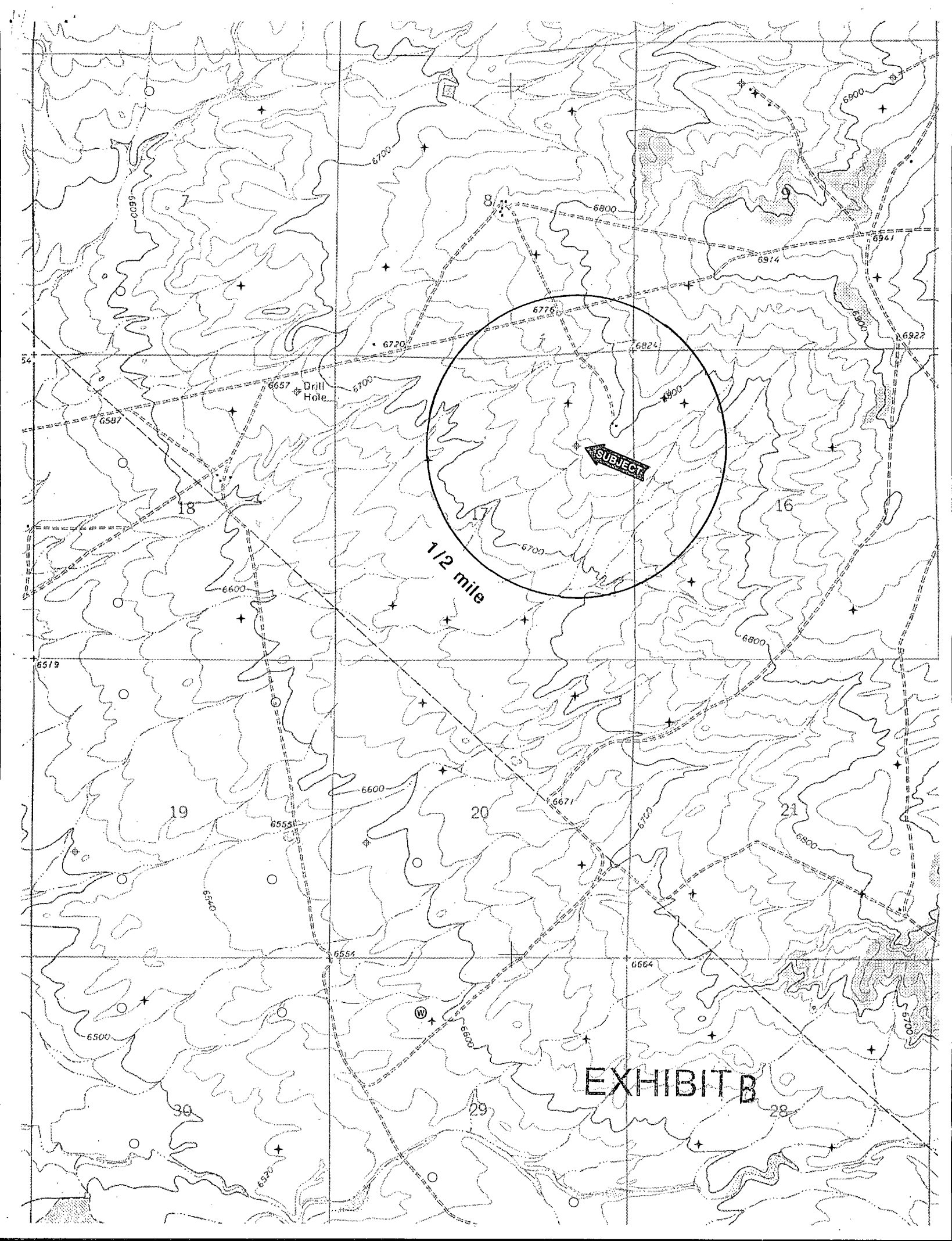
1/15/08
Date of Survey

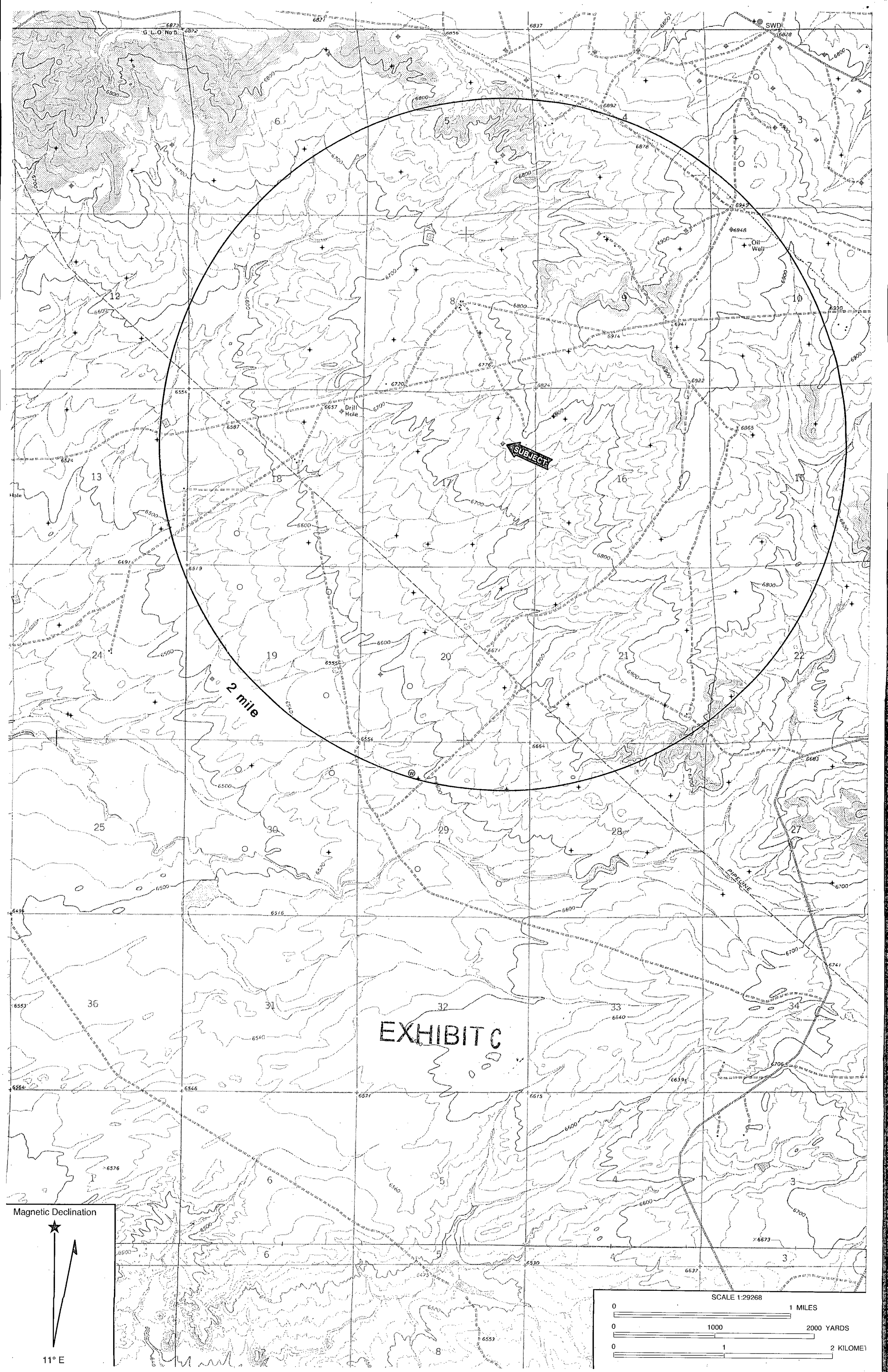
Signature and Seal of Professional Surveyor:

ROBERT L. POUNDS
NEW MEXICO
6846
LICENSED PROFESSIONAL SURVEYOR

Certificate Number 6846

EXHIBIT A


SUBJECT
1/2 mile
Drill Hole
EXHIBIT B


SUBJECT
2 mile
EXHIBIT C
SWD
Oil Well
Drill Hole
PIPELINE
Magnetic Declination
11° E
SCALE 1:29268
0
1 MILES
0
1000
2000 YARDS
0
1
2 KILOMET

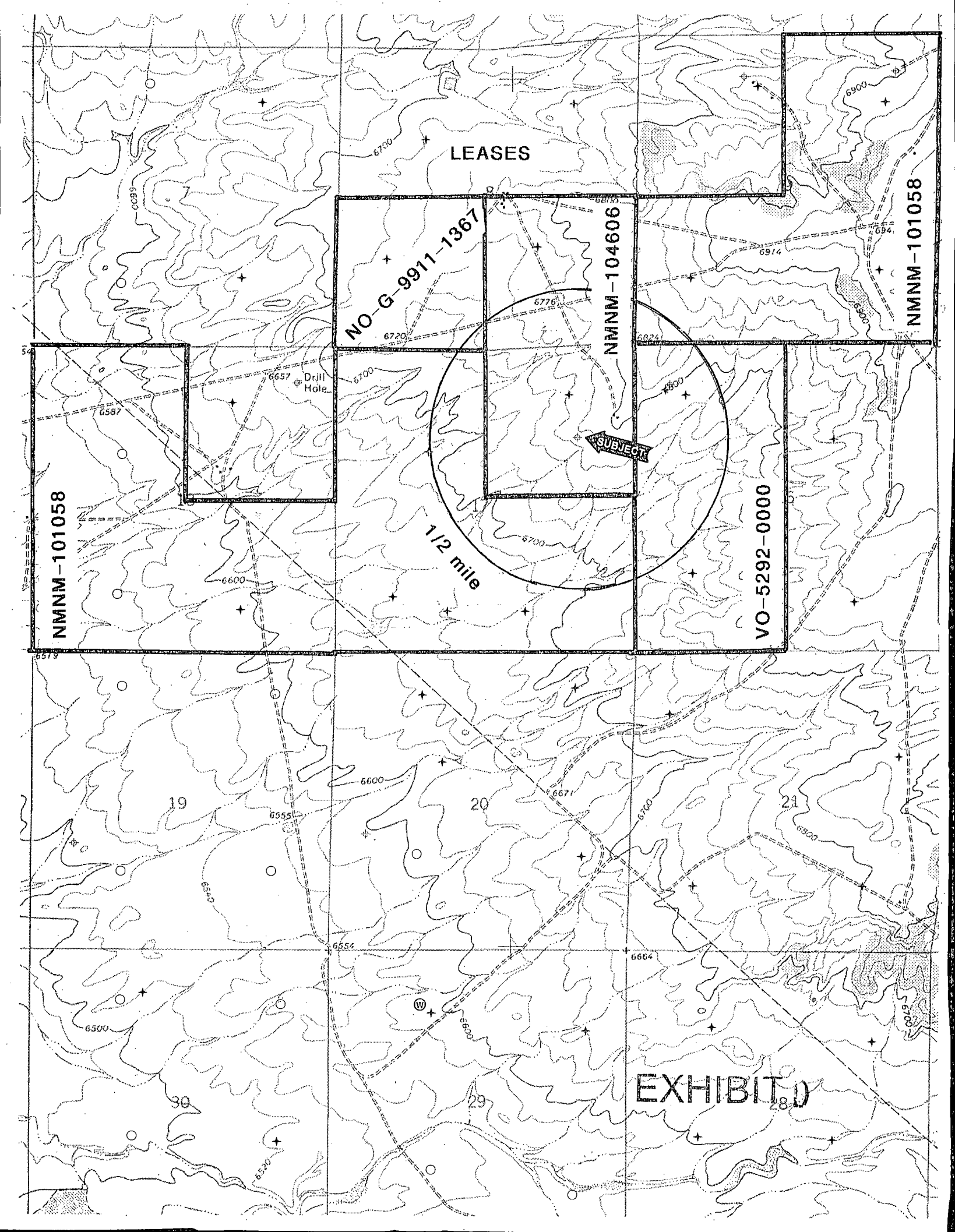

LEASES
NO-G-9911-1367
NMNM-104606
NMNM-101058
NMNM-101058
VO-5292-0000
SUBJECT
1/2 mile
Drill Hole
19
20
21
29
30
EXHIBIT D

EXHIBIT E

FIMO

FIMO

BLM

NMSLO

FIMO

LESSORS

2 mile

SUBJECT

Drill Hole

Oil Well

SWD

PIPELINE

Magnetic Declination

11° E

SCALE 1:29268

0 1 MILES

0 1000 2000 YARDS

0 1 2 KILOMET

from SWD-944
SENW 11-24n-11w

HALLIBURTON

Water Analysis Report

To:	Dugan Production	**Date:**	11/10/2005
Submitted by:	Halliburton Energy Services	**Date Rec:**	11/10/2005
Attention:	Darrin Steed	**Report #:**	FLMM5A44
Well Name:	Herry Monster #3 SWD	**Formation:**	Entrada/SWD

Specific Gravity	1.005	
pH	8.4	
Resistivity	0.89	@ 70° F
Iron (Fe)	0	Mg / L
Potassium (K)	200	Mg / L
Sodium (Na)	4165	Mg / L
Calcium (Ca)	176	Mg / L
Magnesium (Mg)	15	Mg / L
Chlorides (Cl)	2200	Mg / L
Sulfates (SO4)	2000	Mg / L
Carbonates (CO3)	40	Mg / L
Bicarbonates (HCO3)	5612	Mg / L
Total Dissolved Solids	14408	Mg / L

Respectfully: Bill Loughridge
Title: Senior Scientist
Location: Farmington, NM

EXHIBIT F

OFF: (505) 325-5667
FAX: (505) 327-1496

ON SITE TECHNOLOGIES, LTD.

LAB: (505) 325-1556
FAX: (505) 327-1496

ANALYTICAL REPORT

Date: *14-Jul-00*

Client:	Coleman Oil and Gas Company	Client Sample Info:	Coleman Oil & Gas
Work Order:	0006052	Client Sample ID:	Juniper #1
Lab ID:	0006052-01A Matrix: AQUEOUS	Collection Date:	6/21/2000 5:00:00 PM
Project:	Juniper #1	COC Record:	10748

Parameter	Result	PQL	Qual	Units	DF	Date Analyzed
CALCIUM, DISSOLVED		E215.1				Analyst: HR
Calcium	120	25		mg/L	100	7/10/2000
IRON, DISSOLVED		E236.1				Analyst: HR
Iron	0.17	0.1		mg/L	1	7/11/2000
POTASSIUM, DISSOLVED		E258.1				Analyst: HR
Potassium	43	5		mg/L	20	6/30/2000
MAGNESIUM, DISSOLVED		E242.1				Analyst: HR
Magnesium	30	2.5		mg/L	10	7/10/2000
SODIUM, DISSOLVED		E273.1				Analyst: HR
Sodium	4880	1000		mg/L	4000	6/30/2000
ALKALINITY, TOTAL		M2320 B				Analyst: HR
Alkalinity, Bicarbonate (As CaCO3)	500	5		mg/L CaCO3	1	6/29/2000
Alkalinity, Carbonate (As CaCO3)	ND	5		mg/L CaCO3	1	6/29/2000
Alkalinity, Hydroxide	ND	5		mg/L CaCO3	1	6/29/2000
Alkalinity, Total (As CaCO3)	500	5		mg/L CaCO3	1	6/29/2000
CHLORIDE		E325.3				Analyst: HR
Chloride	7550	1		mg/L	1	6/29/2000
HARDNESS, TOTAL		M2340 B				Analyst: HR
Hardness (As CaCO3)	430	1		mg/L	1	6/27/2000
PH		E150.1				Analyst: HR
pH	7.44	2		pH units	1	6/22/2000
RESISTIVITY (@ 25 DEG. C)		M2510 C				Analyst: HR
Resistivity	0.427	0.001		ohm-m	1	6/27/2000
SPECIFIC GRAVITY		M2710 F				Analyst: HR
Specific Gravity	1.009	0.001		Units	1	6/28/2000
SULFATE		M4500-SO4 D				Analyst: HR
Sulfate	5.1	5		mg/L	1	6/29/2000
TOTAL DISSOLVED SOLIDS		E160.1				Analyst: HR
Total Dissolved Solids (Residue, Filterable)	13900	40		mg/L	1	6/27/2000
TOTAL DISSOLVED SOLIDS		CALC				Analyst: HR
Total Dissolved Solids (Calculated)	12900	40		mg/L	1	7/11/2000

EXHIBIT F

Qualifiers:

PQL - Practical Quantitation Limit
ND - Not Detected at Practical Quantitation Limit
J - Analyte detected below Practical Quantitation Limit
B - Analyte detected in the associated Method Blank
S - Spike Recovery outside accepted recovery limits
R - RPD outside accepted recovery limits
E - Value above quantitation range
Surr: - Surrogate

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 23, 2008

Bertha Spencer
Bureau of Indian Affairs
P. O. Box 1060
Gallup, NM 87305

Dear Bertha,

Coleman Oil & Gas, Inc. is applying (see attached application) to drill its Monument #1 water disposal well. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well.

Well Name: Monument #1 Total Depth: ≈7,460'
Proposed Disposal Zone: Entrada (from ≈7,110' to ≈7,285')
Location: 1656' FNL & 942' FEL Sec. 17, T. 24 N., R. 10 W.,
San Juan County, NM on BLM lease NMNM-104606
Approximate Location: ≈28 air miles south-southwest of Bloomfield, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

EXHIBIT 5

Note: Interested parties must file objections or requests for hearing with the NM Oil Conservation Division within 15 days. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

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Total Postage & Fees	$	$6.24

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PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 23, 2008

BLM
1235 LaPlata Highway
Farmington, NM 87401

Coleman Oil & Gas, Inc. is applying (see attached application) to drill its Monument #1 water disposal well. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well.

Well Name: Monument #1 Total Depth: ≈7,460'
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San Juan County, NM on BLM lease NMNM-104606
Approximate Location: ≈28 air miles south-southwest of Bloomfield, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

EXHIBIT 3

Note: Interested parties must file objections or requests for hearing with the NM Oil Conservation Division within 15 days. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

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PERMITS WEST, INC.
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37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 23, 2008

Ty Stillman
EOG Resources, Inc.
600 17th St., Suite 1000-N
Denver, CO 80202-5402

Dear Ty,

Coleman Oil & Gas, Inc. is applying (see attached application) to drill its Monument #1 water disposal well. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well.

Well Name: Monument #1 Total Depth: ≈7,460'
Proposed Disposal Zone: Entrada (from ≈7,110' to ≈7,285')
Location: 1656' FNL & 942' FEL Sec. 17, T. 24 N., R. 10 W.,
San Juan County, NM on BLM lease NMNM-104606
Approximate Location: ≈28 air miles south-southwest of Bloomfield, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

EXHIBIT 5

Note: Interested parties must file objections or requests for hearing with the NM Oil Conservation Division within 15 days. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

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PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 23, 2008

FIMO
1235 LaPlata Highway
Farmington, NM 87401

Coleman Oil & Gas, Inc. is applying (see attached application) to drill its Monument #1 water disposal well. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well.

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Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

EXHIBIT 5

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Please call me if you have any questions.

Sincerely,

Brian Wood

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PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 23, 2008

Howard Draper
Navajo Nation Project Review Office
P. O. Box 2249
Window Rock, AZ 86515

Dear Howard,

Coleman Oil & Gas, Inc. is applying (see attached application) to drill its Monument #1 water disposal well. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well.

Well Name: Monument #1 Total Depth: ≈7,460'
Proposed Disposal Zone: Entrada (from ≈7,110' to ≈7,285')
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Approximate Location: ≈28 air miles south-southwest of Bloomfield, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

EXHIBIT 5

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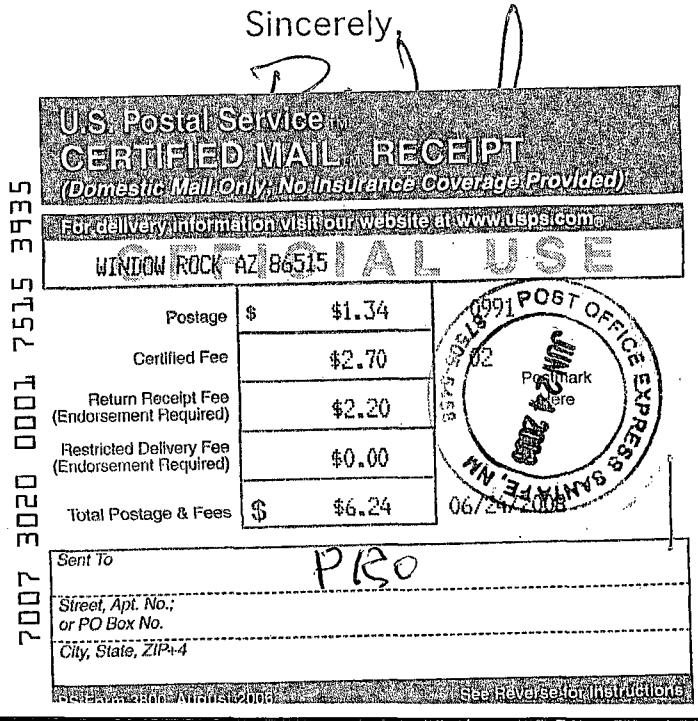
Please call me if you have any questions.

Sincerely,



PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 23, 2008

NM State Land Office
P. O. Box 1148
Santa Fe, NM 87504

Coleman Oil & Gas, Inc. is applying (see attached application) to drill its Monument #1 water disposal well. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well.

Well Name: Monument #1 Total Depth: ≈7,460'
Proposed Disposal Zone: Entrada (from ≈7,110' to ≈7,285')
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San Juan County, NM on BLM lease NMNM-104606
Approximate Location: ≈28 air miles south-southwest of Bloomfield, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

EXHIBIT 3

Note: Interested parties must file objections or requests for hearing with the NM Oil Conservation Division within 15 days. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

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PERMITS WEST, INC.
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June 23, 2008

Charles Campbell
Rosetta Resources Operating LP
1200 17th St., Suite 770
Denver, CO 80202

Dear Charlie,

Coleman Oil & Gas, Inc. is applying (see attached application) to drill its Monument #1 water disposal well. As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following proposed water disposal well.

Well Name: Monument #1 Total Depth: ≈7,460'
Proposed Disposal Zone: Entrada (from ≈7,110' to ≈7,285')
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Approximate Location: ≈28 air miles south-southwest of Bloomfield, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

EXHIBIT 3

Note: Interested parties must file objections or requests for hearing with the NM Oil Conservation Division within 15 days. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Rf

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AFFIDAVIT OF PUBLICATION

Ad No. 60304

STATE OF NEW MEXICO
County of San Juan:

BOB WALLER, being duly sworn says: That he is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Thursday June 12, 2008

And the cost of the publication is $53.50

ON 6/13/08 BOB WALLER appeared before me, whom I know personally to be the person who signed the above document.

My Commission expires November 05, 2011

COPY OF PUBLICATION

Coleman Oil & Gas, Inc. is applying to reenter, deepen, and convert the Monument 1 to a water disposal well. The Monument 1 is located at 1656' FNL & 942' FEL, Sec. 17, T. 24 N., R. 10 W., San Juan County, NM. The well will dispose of water produced from oil and gas wells into the Entrada sandstone at a depth of 7,110' to 7,285' at a maximum rate of 4,000 barrels of water per day and at a maximum pressure of 1,600 psi. Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 within 15 days. Additional information can be obtained by contacting Brian Wood, Permits West, Inc., 37 Verano Loop, Santa Fe, NM 87508. Phone number is (505) 466-8120.

Legal No. 60304 published in The Daily Times, Farmington, New Mexico on Thursday June 12, 2008

EXHIBIT H

Injection Permit Checklist (7/8/08)

Case ______ R-______ SWD 1137 WFX ______ PMX ______ IPI ______ Permit Date ______ UIC Qtr July/Aug/Sept

Wells 1 Well Name: Monument No. 1

API Num: (30-) 045-21912 Spud Date: 1975 New/Old: O (UIC primacy March 7, 1982)

Footages 1656 FNL/942 FEL Unit H Sec 17 Tsp 24N Rge 10W County San Juan

Operator: Coleman Oil & Gas, INC. Contact Brian Wood (Permits West, NC)

OGRID: 4838 RULE 40 Compliance (Wells) OK 0/171 (Finan Assur) OK

Operator Address: P.O. Drawer 3337, Farmington NM 87499

Current Status of Well: P&A 1975 w/poor coverage of Cliff House

Planned Work to Well: Re-enter, Deepen, run 5 1/2" Planned Tubing Size/Depth: 2 7/8 @ 7010

	Sizes Hole.......Pipe		Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing ✓ Surface	12 1/4	8 5/8	227	?	CIRC
~~Existing~~ ~~Intermediate~~				(455+100/402+50)	
~~Existing~~ Long String	7 7/8	5 1/2	7460	1007	Planned to CIRC

DV Tool 4061 Liner —— Open Hole —— Total Depth 7,460 PBTD ______

Well File Reviewed ✓

Diagrams: Before Conversion____ After Conversion____ Elogs in Imaging File: E

Planned SWD for only Coleman's wells

Logs will be run

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)	——	——	
Above (Name and Top)	——	——	
Injection...... Interval TOP:	7110	Entrada	
Injection........... Interval BOTTOM:	7285	"	
Below (Name and Top)	7360	CHINLE	

1,422 PSI Max. WHIP will run SRT later

NO Open Hole (Y/N)

NO Deviated Hole?

7110 / 1422.0

Sensitive Areas: ~~Capitan Reef~~ Cliff House 2100' ~~Salt Depths~~

.... ~~Potash Area (R-111-P)~~ ~~Potash Lessee~~ ~~Noticed?~~

Fresh Water: Depths: 0-640 Nacimiento/Ojo Alamo Wells(Y/N) NO Analysis Included (Y/N): NO Affirmative Statement ✓

Salt Water: Injection Water Types: FRC Analysis? Yes

Injection Interval.....Water Analysis: Yes Hydrocarbon Potential NONE

Notice: Newspaper(Y/N)____ Surface Owner Navajo's (BIA) Mineral Owner(s)____

RULE 701B(2) Affected Parties: BLM/Kaiser/Coleman/EOG Res./FIMO/SCO

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N) ✓

Active Wells 0 Num Repairs 0 Producing in Injection Interval in AOR NO

..P&A Wells 0 Num Repairs 0 All Wellbore Diagrams Included? ——

Questions to be Answered:

Required Work on This Well: —— Request Sent NO Reply: ______

AOR Repairs Needed: —— Request Sent " Reply: ______

Request Sent " Reply: ______