

ABOVE THIS LINE FOR DIVISION USE ONLY

537-A

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



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
 - 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.

Print or Type Name	Signature	Title	Date
e-mail Address			



RECEIVED
COLEMAN OIL & GAS, INC.
2007 OCT 9 PM 1:54

Bryan Lewis
e-mail: cogblewis@yahoo.com

Thursday, October 04, 2007

Mr. Mark E. Fesmire
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505-4000

Mr. Jim Lovato
Bureau Of Land Management
1235 La Plata Highway, Suite A
Farmington, NM 87401

RE: Application for Surface Commingling

Dear Messrs. Fesmire and Lovato:

This is a request for approval to add two wells to surface commingling order CTB 537. Surface commingling is currently allowed for the wells listed directly below under order CTB 537:

Township 26 North - Range 11 West, NMPM

Ricky #1R	Section 18	NWNW	Basin Fruitland Coal	30-045-31165
Ricky Com #2R	Section 18	NWSW	Basin Fruitland Coal	30-045-31166
Meg Com #1	Section 19	SWNE	Basin Fruitland Coal	30-045-30999
Meg #2	Section 19	NWNW	Basin Fruitland Coal	30-045-30998

San Juan County, New Mexico

The Applicant, Coleman Oil & Gas, Inc., would like to add the following wells to order CTB 537:

Township 26 North - Range 11 West, NMPM

Ricky # 1	Section 18	NWNW	Basin Fruitland Coal	30-045-25976
Ricky # 2	Section 18	NWSW	Basin Fruitland Coal	30-045-25977

San Juan County, New Mexico

Application for Surface Commingling

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All four of the Ricky wells are completed in the Basin Fruitland Coal. The # 1 and # 2 wells are completed in the upper zones and the # 1R and # 2R wells are completed in the lower zones.

Oil Conservation Division orders numbered R-12201 and R-12201A allowed Applicant to produce all four Ricky wells within the standard 320 acre (W/2) Basin Fruitland Coal proration unit. Production of all four Ricky wells during the pendency of a matter brought before the Oil Conservation Division for Simultaneous Dedication is authorized in a March 08, 2007 letter from Mr. Fesmire to William F. Carr, the attorneys for Applicant.

All issues and matters set forth in the original application for Surface Commingling dated May 19, 2003 and its subsequent amendments remain unchanged.

The proration unit (W/2) for and ownership of the upper and lower zones in all of the Ricky wells are identical. No new lands, leases or owners are involved in this request to add wells to order CTB 537.

Sincerely,

COLEMAN OIL & GAS, INC.



Bryan Lewis
Landman

cc:

*Mr. Charlie Perrin, Supervisor District 3
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410*

EXHIBIT "3"
LIST OF OWNERS

<u>Ricky #1R</u>	<u>Ricky Com #2R</u>	<u>Meg Com #1</u>	<u>Meg #2</u>
NOOC 1420-5389	NOOC 1420-5389	NOG 0103-1465	NOG 0103-1466
NOOC 1420-5389	NOOC 1420-5390	NOG 0103-1466	NOG 0103-1465

REVENUE INTEREST

Royalty Owners			
DOI - BIA	0.16666667	0.20000000	0.20000000
Overriding Royalty Owners			
Four Star Oil & Gas Co.	0.01555550	0.00000000	0.00000000
Pitco Production	0.03125000	0.00000000	0.00000000
Shear Inc.	0.00444400	0.00000000	0.00000000
Richard D. Simmons, Sr.	0.01000000	0.00000000	0.00000000
Working Interest Owners			
Coleman Oil & Gas, Inc. etal	0.77208383	0.80000000	0.80000000
Total Revenue Interests	1.00000000	1.00000000	1.00000000