



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 18, 2007

Holcomb Oil and Gas, Inc.
Attn: J.B. Holcomb
P.O. Box 2058
Farmington, NM 87499

Mr. W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, NM 87504-2265

Case 13918

**Re: Holcomb Oil and Gas Inc.
Magnum Well #1Y
F-27-29N-11W
San Juan County, New Mexico**

Gentlemen:

Reference is made to Holcomb's non-standard location (NSL) application for the above well, which the Division received on April 8, 2007.

XTO Energy has protested this application; so it will be set for hearing, as Case No. 13918.

The hearing of this matter will take place before a Division Hearing Examiner on Thursday, May 24, 2007, in Porter Hall in the Wendell Chino Building, 1220 S. St. Francis Drive, in Santa Fe, New Mexico, commencing at 8:15 a.m.

A copy of the advertisement that will be published for this hearing is enclosed.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Legal Examiner

CASE 13918: Application of Holcomb Oil and Gas, Inc. for an unorthodox well location, San Juan County, New Mexico. Applicant seeks an order authorizing the drilling and production of its Mangum Well No. 1Y (API No. 30-045-34266) at an unorthodox well location 1985 feet from the North line and 2470 feet from the West line of Section 27, Township 29 North Range 11 West, NMPM to be dedicated to a standard 320-acre spacing unit consisting of the W/2 of this section for any production for any Basin Fruitland Coal Gas Pool. This administrative case has been set for hearing upon the objection of XTO Energy Inc. an offsetting operator. This well is located approximately 3/4 of a mile southeast from Bloomfield, New Mexico.

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Holcomb O&G
Mangum #14
Case 13918

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.

Division of Oil & Gas

Signature

Title

Date

e-mail Address



April 4, 2007

VIA FEDEX OVERNIGHT

New Mexico Oil Conservation Division
1220 S St Francis Dr
Santa Fe NM 87504

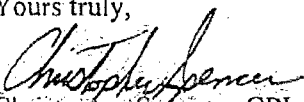
Re: Protest to Application for Administrative Approval of Unorthodox Location
Holcomb Oil and Gas Inc.'s Magnum 1Y
1985' FNL and 2470' FWL, Section 27, T29N, R11W
San Juan County, New Mexico

Gentlemen:

On March 30, 2007, XTO Energy Inc. received notice postmarked March 26, 2007 of Holcomb Oil and Gas Inc.'s application for an unorthodox location for the Magnum 1Y Well. Due to the close proximity of the proposed well location XTO's Fruitland Coal rights in the E/2 of Sec. 27, please consider this notice that XTO Energy Inc. intends to protest Holcomb's unorthodox location application.

Please advise of the date that this matter will be set for hearing.

Yours truly,


Christopher Spencer, CPL
Landman

/cks

cc: Mr. J. B. Holcomb - Holcomb Oil and Gas, Inc.



April 4, 2007

VIA FEDEX OVERNIGHT

New Mexico Oil Conservation Division
1220 S St Francis Dr
Santa Fe NM 87504

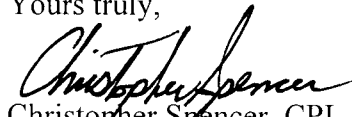
Re: Protest to Application for Administrative Approval of Unorthodox Location
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1985' FNL and 2470' FWL, Section 27, T29N, R11W
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Please advise of the date that this matter will be set for hearing.

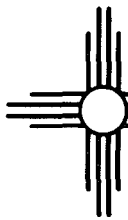
Yours truly,


Christopher Spencer, CPL
Landman

/cks

cc: Mr. J. B. Holcomb – Holcomb Oil and Gas, Inc.

2007 APR 5 PM 1 37



HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

April 5, 2007

CERTIFIED RETURN RECEIPT: 70053110000197320517

New Mexico Oil Conservation Division
1220 S St Francis Dr.
Santa Fe, NM 87504

RE: Application for Administrative Approval of Unorthodox Location
Holcomb Oil and Gas Inc.'s Mangum 1Y
1985 FNL and 2470 FWL (NW/4)
Section 27, T29N, R11W
San Juan County, New Mexico
Fruitland Coal Formation

2007 APR 8 AM 3 29

To Whom It May Concern:

Holcomb Oil and Gas Inc. on behalf of LCS Company request your concurrence with a non-standard location for the drilling of the Mangum 1Y Fruitland Coal well. This well will be located in the NW/4 Sec. 27 T29 R11W @ 1985 FNL and 2470 FWL. Attached for your reference are the following exhibits:

1. Well location plat (NMOCD Form C-102)
2. Topographic map
3. Ownership map
4. Production map showing Fruitland Coal Gas
5. Basin Natural Gas Quiet Title Suit.

This location has been selected so as not to interfere with ongoing Foutz & Bursum gravel pit operations, Giant refining operations and a park in the city of Bloomfield. All of the offset operators have been notified of this application, with the exception of Mr. F.B. Umbarger, by certified mail and copies of the letters and receipts are attached.

We have contacted your chief engineer, Mr. Richard Ezeanyim, on the week of March 26th, 2007. This conversation was concerning the estate of F. B. Umbarger, now deceased. Four years ago, LCS Company acquired Basin Natural Gas through a quiet title suit. I have enclosed a copy of the quiet title order for your information.

Mr. Umbarger was the president and owner of Basin Natural Gas. After extensive searching with the use of both private investigators and notices in numerous newspapers from New Mexico to California, no remaining heirs have been identified.

Holcomb Oil and Gas Inc. requests your administrative approval for the unorthodox location based on the above information. Should you need any additional information, please contact me at (505) 326-0550.

Yours truly,

A handwritten signature in black ink, appearing to read "JB Holcomb", with a stylized flourish extending from the end.

JB Holcomb

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

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

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 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 30-045-34266 | ² Pool Code | ³ Pool Name Basin Fruitland Coal |
| ⁴ Property Code | ⁵ Property Name MANGUM | ⁶ Well Number 185 |
| ⁷ OGRID No. | ⁸ Operator Name HOLCOMB OIL AND GAS INC. | ⁹ Elevation 5509 |

¹⁰ Surface Location

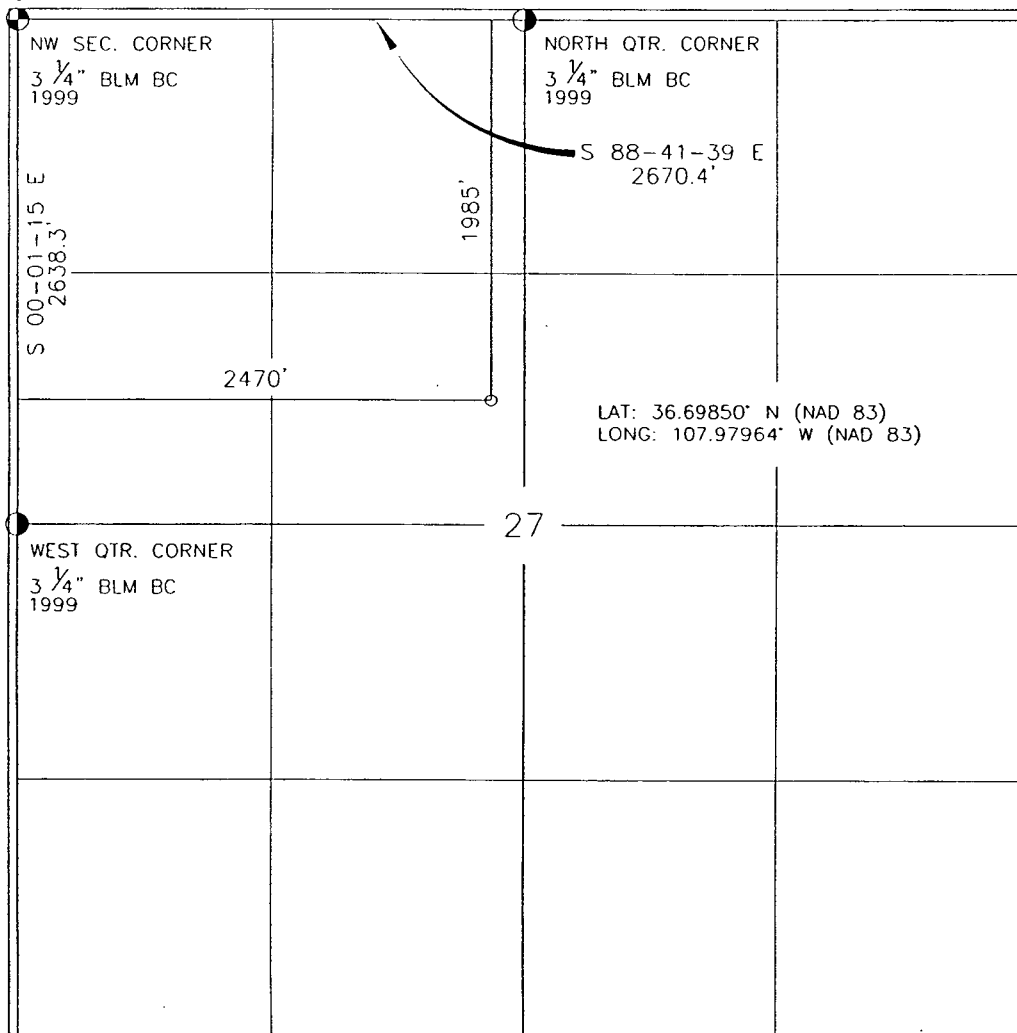
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| F | 27 | 29-N | 11-W | | 1985 | NORTH | 2470 | 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 | | | 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

16



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.

W. J. Holcomb 3/21/07
Signature Date
W. J. Holcomb
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.

MARCH 15 2007
Date of Survey
Signature and Seal of Professional Surveyor
ROY A. RUSK
8894
3-15-07
Certificate Number

108.00000° W

107.98333° W

WGS84 107.96667° W

HOLCOMB OIL AND GAS INC.

MANGUM No. 1Y

NW/4 SEC. 27, T-29-N, R-11-W, N.M.P.M.

SAN JUAN COUNTY, NEW MEXICO

1985 FNL 2470 FWL

30 FT. NEW ACCESS

Bloomfield

SAN JUAN

MANGUM No. 1Y

LAT. 36.69850 N (NAD 83)

LONG. 107.97964 W (NAD 83)

30 FT. NEW ACCESS

595 FT. EXISTING ACCESS

**THIS MAP IS FOR ESTIMATING PURPOSES ONLY.
CONSTRUCTION FOOTAGES ARE APPROXIMATE.**

108.00000° W

107.98333° W

WGS84 107.96667° W

TN MN
11°

0 1000 FEET 0 500 1000 METERS

Printed from TOPO! ©2001 National Geographic Holdings (www.topo.com)

SECTION PLAT/9 SQUARE MILES

| State: New Mexico Section: 27 | | County: San Juan Township: 29N | | Prospect: NW/4 Range: 11W | |
|----------------------------------|--|---|--|---|--|
| 21 | | 22 | | 23 | |
| | | Manana Gas Inc. | | Holcomb Oil and Gas Inc. LCS Company | |
| 28 | | 27 | | 26 | |
| | | Proposed Location: Mangum 1Y 1985 FNL & 2470 FWL(NW/4) | | XTO Energy | |
| Conoco Phillips | | Conoco Phillips W/2 | | XTO Energy F.B. Umbarger Dugan Production E/2 | |
| | | | | Conoco Phillips | |
| 33 | | 34 | | 35 | |
| | | Conoco Phillips | | Conoco Phillips | |
| | | | | Conoco Phillips | |

Fruitland Coal Production Map

State: New Mexico
Section: 27

County: San Juan
Township: 29N

Prospect: NW/4
Range: 11W

| | | |
|---|---|--|
| 21 | 22 | 23 <div data-bbox="1117 593 1209 715"> <p>Holcomb State BS #1 0 79.63 0 5.55 11/05-12/06 FRTL COAL</p> </div> <div data-bbox="1265 727 1419 851"> <p>Holcomb Ashcroft Travis #1 0 82.03 0 5.55 11/06-12/06 FRTL COAL</p> </div> |
| 28 <div data-bbox="332 1064 466 1185"> <p>Conoco Phillips Mangum #4E 0 53.24 0 4.75 8/05-12/06 FRTL COAL</p> </div> | 27 <div data-bbox="716 868 980 987"> <p>Proposed Location: Mangum 1Y 1985 FNL & 2470 FWL(NW/4)</p> </div> <div data-bbox="651 1006 779 1127"> <p>Conoco Phillips Mangum #1 0 52.13 0 .002 10/00-9/06 FRTL COAL</p> </div> | 26 <div data-bbox="1281 883 1411 1006"> <p>XTO E B Sullivan 2 0 39.58 0 3.3 1/06-12/06 FRTL COAL</p> </div> <div data-bbox="1135 1046 1266 1170"> <p>Conoco Phillips Calvin 100 0 84.33 0 1.98 3/03-12/06 FRTL COAL</p> </div> |
| 33 | 34 <div data-bbox="812 1383 956 1504"> <p>Conoco Phillips Congress 5E 0 279.332 0 2.77 3/02-12/06 FRTL COAL</p> </div> | 35 <div data-bbox="1248 1219 1386 1342"> <p>Conoco Phillips Congress #4 0 950.07 0 4.904 6/93-12/06 FRTL COAL</p> </div> <div data-bbox="1086 1400 1273 1521"> <p>Conoco Phillips Congress #3 0/0 48.42/348.3 0/0 .874/ .806 1/03-1/93-12/06:12/06 FRTL COAL/FKPC</p> </div> |
| <div data-bbox="241 1555 477 1715"> <p>Operator Well Name Cum Oil Cum Gas Oil Rate Gas Rate Cum from _____ to _____ Formation Name</p> </div> | | |



HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT:70022410000101329011

Mr. Christopher Spencer
XTO Energy Inc.
810 Houston Street
Ft Worth, TX 76102

RE: Application for Administrative Approval of Unorthodox Location
Holcomb Oil and Gas Inc.'s Mangum 1Y
1985 FNL and 2470 FWL (NW/4)
Section 27, T29N, R11W
San Juan County, New Mexico
Fruitland Coal Formation

Mr. Spencer:

Enclosed is a copy of the above mentioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you should have any questions concerning the application, please contact me at (505) 326-0550.

Yours truly,

JB Holcomb

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Christopher Spencer
XTO Energy Inc.
810 Houston Street
Ft. Worth, TX 76102

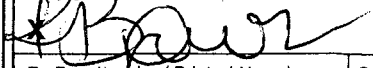
2. Article Number

(Transfer from service label)

7002 2410 0001 0132 9011

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

3/30/07

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT:70022410000101329004

Mr. Ed Hartman
Manana Gas Inc.
2520 Tramway Terrace Court
Albuquerque, NM 87122

RE: Application for Administrative Approval of Unorthodox Location
Holcomb Oil and Gas Inc.'s Mangum 1Y
1985 FNL and 2470 FWL (NW/4)
Section 27, T29N, R11W
San Juan County, New Mexico
Fruitland Coal Formation

Mr. Hartman:

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Yours truly,

JB Holcomb

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Ed Hartman
Manana Gas Inc.
2520 Tramway terrace Court
Albuquerque, NM 87122

2. Article Number

(Transfer from service label)

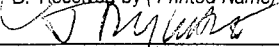
7002 2410 0001 0132 9004

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X  ☐ Agent
☐ Address

B. Received by (Printed Name)



C. Date of Delivery

3/20

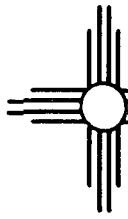
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT: 7002 2410 0001 0132 8991

Mr. Frank Schilling
Conoco Phillips
3401 East 30th Street
Farmington, NM 87402

RE: Application for Administrative Approval of Unorthodox Location
Holcomb Oil and Gas Inc.'s Mangum 1Y
1985 FNL and 2470 FWL (NW/4)
Section 27, T29N, R11W
San Juan County, New Mexico
Fruitland Coal Formation

Mr. Schilling:

Enclosed is a copy of the above mentioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you should have any questions concerning the application, please contact me at (505) 326-0550.

Yours truly,

JB Holcomb

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Mr. Frank Schilling
Conoco Phillips
3401 East 30th Street
Farmington, NM 87402

MAR 2007

2. Article Number
(Transfer from service label)

7002 2410 0001 0132 8991

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-15

COMPLETE THIS SECTION ON DELIVERY

A. Signature

*Karla Halphen

☐ Agent

☐ Address

B. Received by (Printed Name)

Karla Halphen

C. Date of Delivery

3/28/07

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

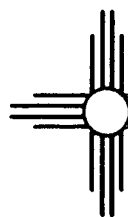
☒ Return Receipt for ~~Handwritten~~

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

Certified Return Receipt: 70022410000101328984

Mr. Skip Fraker
Dugan Production
PO Box 420
Farmington, NM 87499

RE: Application for Administrative Approval of Unorthodox Location
Holcomb Oil and Gas Inc.'s Mangum 1Y
1985 FNL and 2470 FWL (NW/4)
Section 27, T29N, R11W
San Juan County, New Mexico
Fruitland Coal Formation

Mr. Fraker:

Enclosed is a copy of the above mentioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you should have any questions concerning the application, please contact me at (505) 326-0550.

Yours truly,

JB Holcomb

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Skip Fraker
Dugan Production
PO Box 420
Farmington, NM 87499

MAR 2007

2. Article Number

(Transfer from service label)

7002 2410 0001 0132 8984

COMPLETE THIS SECTION ON DELIVERY

A. Signature

SM Nugent ☐ Agent
Tom Dugan ☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT:70053110000197320548

Mr. William J. Holcomb
LCS Company
PO Box 2058
Farmington, NM 87499

RE: Application for Administrative Approval of Unorthodox Location
Holcomb Oil and Gas Inc.'s Mangum 1Y
1985 FNL and 2470 FWL (NW/4)
Section 27, T29N, R11W
San Juan County, New Mexico
Fruitland Coal Formation

Mr. Holcomb:

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Yours truly,

JB Holcomb

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. William J. Holcomb
LCS Company
PO Box 2058
Farmington, NM 87499

MAR 28 2007

2. Article Number

(Transfer from service label)

7005 3110 0001 9732 0548

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

W J Holcomb ☐ Agent
☐ Addressee

B. Received by (Printed Name)

W J Holcomb

C. Date of Delivery

3/28/07

D. Is delivery address different from item 1? ☐ Yes

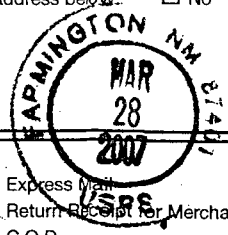
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes





HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT:70053110000197320531

Mr. William J. Holcomb
Holcomb Oil and Gas, Inc.
PO Box 2058
Farmington, NM 87499

RE: Application for Administrative Approval of Unorthodox Location
Holcomb Oil and Gas Inc.'s Mangum 1Y
1985 FNL and 2470 FWL (NW/4)
Section 27, T29N, R11W
San Juan County, New Mexico
Fruitland Coal Formation

Mr. Holcomb:

Enclosed is a copy of the above mentioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you should have any questions concerning the application, please contact me at (505) 326-0550.

Yours truly,

JB Holcomb

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. William J. Holcomb
Holcomb Oiland Gas, INC
PO Box 2058
Farmington, NM 87499

MAR 2007

2. Article Number

(Transfer from service label)

7005 3110 0001 9732 0531

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *W J Holcomb*

- ☐
- Agent
-
- ☐
- Address

B. Received by (Printed Name)

Sh Holcomb

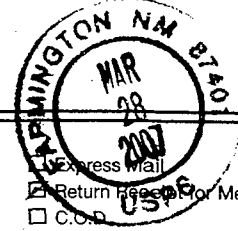
C. Date of Delivery

*3/28/07*D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Registered☐ Insured Mail☐ Express Mail☐ Return Receipt for Merchandise☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

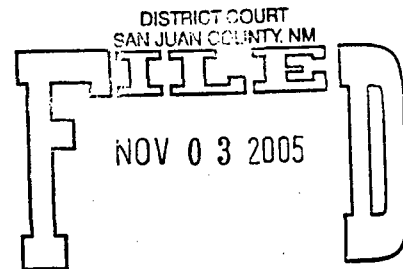
☐ Yes

STATE OF NEW MEXICO
COUNTY OF SAN JUAN
ELEVENTH JUDICIAL DISTRICT

LCS COMPANY, INC., a New Mexico Corporation

Plaintiff

vs



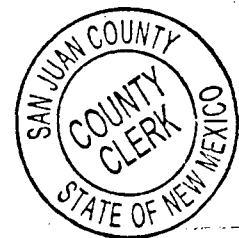
CV 2005-655-1

CLASS I

BASIN NATURAL GAS CORPORATION, a New Mexico Corporation, Incorporated March 17, 1953, as a Domestic Profit entity, presently inactive, revoked and beyond appeal period; Francis, B. Umbarger, deceased; Mary Elizabeth Umbarger (Spouse of Francis B. Umbarger), deceased; Frank H. Umbarger (Brother of Francis B. Umbarger), deceased; and Bernard Scott Umbarger (Son of Francis B. Umbarger); individually, and as Shareholders of Basin Natural Gas Corporation, a New Mexico Corporation; Francis B. Umbarger, Mary Elizabeth Umbarger, and Bernard Scott Umbarger and their respective Heirs, Assigns, Legatees, Beneficiaries, and Successors in Interest, herein referred to John Does one (1), two (2), and three (3) and Jane Does one (1), two (2) and three (3), their true names unknown, as their respective interest may be determined either individually or as Shareholders of Basin Natural Gas Corporation;

CLASS II

I.L. Canfield, deceased, individually and as an Officer, Director and/or Shareholder of Basin Natural Gas Corporation; Margery Kranovich, individually and as an Officer, Director and/or Shareholder of Basin Natural Gas Corporation; Elaine Barnes, individually and as an Officer, Director and/or Shareholder of Basin Natural Gas Corporation; L. B. Vaught, individually and as an Officer, Director and/or Shareholder of Basin Natural Gas Corporation; John Does one (1), two (2) and three (3) and Jane Does one (1), two (2) and



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San Juan County, NM Clerk FRAN HANHARDT

TS

three (3), individually and as an Officer, Director, and/or Shareholder of Basin Natural Gas Corporation, whose true names are unknown, and each and every one of the above named parties as their respective interest may be determined, including each and every one of their respective Heirs, Assigns, Legatees, Beneficiaries, and Successors in Interest.

CLASS III

All unknown Shareholders of Basin Natural Gas Corporation herein referred to as John Doe One (1), John Doe two (2) and John Doe three (3), and Jane Doe one (1), Jane Doe two (2), and Jane Doe three (3), whose true names are unknown, as their respective interest may be determined, including their respective Heirs, Assigns, Legatees, Beneficiaries, and Successors in Interest as their respective interest may be determined.


CLASS IV

All unknown claimants of any interest held by Basin Natural Gas Corporation not reflected in preceding three (3) classes.

Defendants

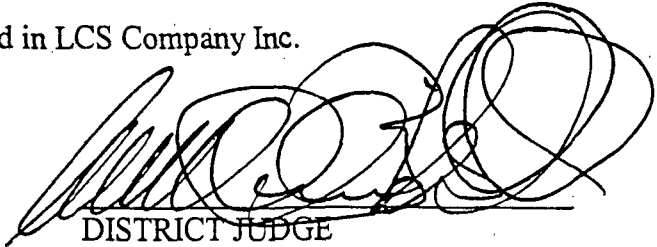
DEFAULT JUDGMENT

THIS MATTER having come before the Court upon motion of the Plaintiff for entry of Default Judgment against the named Defendants, the named Defendants noticed by Plaintiff pursuant to the New Mexico Rules of Civil Procedure as reflected by Affidavits of Publication and named Defendants having failed to answer or otherwise appear, and being in default, the Court having reviewed the pleadings and being otherwise fully advised in the premises, finds that it has jurisdiction of the subject matter and of the parties, and that the Quiet Title Suit is filed and service by publication has occurred with no response or answer by named Defendants, and that they, each and everyone are in


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default, and that the Plaintiff is entitled to judgment against the named Defendants and to the relief prayed for therein.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that Judgment is granted against the named Defendants, in favor of Plaintiff, for all right, title, and interest in the assets of Basin Natural Gas Corporation, and said right, title, and interest of named Defendants is forever quieted in LCS Company Inc.


DISTRICT JUDGE

Submitted by:

Robert Cardin, P.A.
Attorney for Plaintiff
232 N. Schwartz
Farmington, NM 87401

STATE OF NEW MEXICO }
COUNTY OF SAN JUAN } SS:

I certify that the above and foregoing

Default Judgment

In Cause No. 11-1203-155

is a true and perfect copy of the original
on file in my said office.

Weldon J. Neri

Clerk of District Court



Deputy

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San Juan County, NM Clerk FRAN HANHARDT