## STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION FOR THE PURPOSES OF CONSIDERING:

CASE NO. 13812 De Novo

APPLICATION OF COLEMAN OIL & GAS, INC FOR THE RESCISSION OF DE NOVO ORDER NO. R-12820-A, SAN JUAN COUNTY, NEW MEXICO.

# PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil.

#### APPEARANCES OF PARTIES

### **APPLICANT**

Coleman Oil & Gas, Inc. Attn: Alan Emmendorfer 1610 Wynkoop Street, Suite 550 Denver, CO 80202 (303) 623-2401

### **RESPONDENT**

Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

### **ATTORNEY**

Ocean Munds-Dry Holland & Hart LLP 110 N. Guadalupe St. Suite 1 Santa Fe, NM 87501 (505) 988-4421

### **ATTORNEY**

Mikal Altomare Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505 (505) 476-3480

### STATEMENT OF CASE

Applicant requests that the Commssion either rescind Order No. R-12820-A or that the Commission no longer require Coleman to re-enter and re-complete the well for disposal. Applicant has plugged the well due to changing economics and needs of the company.

#### PROPOSED EVIDENCE

## **APPLICANT**

WITNESSES ESTIMATED TIME

**EXHIBITS** 

None

2

## PROCEDURAL MATTERS

Coleman is not aware of any procedural matters at this time.

Ocean Munds-Dry

Attorney for Coleman Oil and Gas Inc.

## CERTIFICATE OF SERVICE

| by                        | I certif | y that on June 10, 2010 I served a copy of the foregoing document to the following         |
|---------------------------|----------|--|
|                           |          | U.S. Mail, postage prepaid Hand Delivery Fax Electronic Service by LexisNexis File & Serve |
| Oil Co<br>1220 S<br>Santa |          | ion Division<br>ancis Drive<br>87505   |
|                           |          | Ocean Munds-Dry  |

#### Form 3160-5 (November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR

# RECEIVED

FORM APPROVED OMB No 1004-0135 Expires July 31, 1996

BUREAU OF LAND MANAGEMENT FEB 28 20

FEB 2 8 2010 5. Lease Serial No.

|  | IN MN  | NM NM 104606  |  |   |  |
|--|--|---|--|---|--|
| Do not use this<br>abandoned well.   | form for proposals to<br>Use Form 3160-3 (APD)   | S ON WELLS Green of Land Ma<br>drill or reeptation flator flator<br>for such proposals.   | Office   | llottee or Tribe Name   |  |
|  |  |   | 7 If Unit or C   | A/Agreement, Name and/or N  |  |
| SUBMIT IN TRIPLICATE – Other instructions on reverse side  |  |   |  | N/A   |  |
| *****  | X Other  |   | 8. Well Name   | and No  |  |
| Name of Operator   | [7] 5.00   |   | м  | onument # 1   |  |
| Coleman Oil & Gas, Inc.  |  |   | 9. API Well N  | 0   |  |
| u Address  |  | 3b Phone No. (include area code)  | 30   | )-045-21912   |  |
| O Drawer 3337, Farmingto   |  | (505) 327-0356  | 10. Field and P  | ool, or Exploratory Area  |  |
| Location of Well (Footage, Sec., 7   | T., R., M., or Survey Description  | n <b>j</b><br>:.  |  | lesa Verde  |  |
| 1656 ' FNL and 942' FEL, Ur  | nit 🄾 Section 17, Twp 2  | 24N, Rge 10W  | 11 County or F<br>San Ju   | an County, NM   |  |
| 2. CHECK APPROPRIATE BOX   | K(ES) TO INDICATE NATU   | JRE OF NOTICE, REPORT, OR   | OTHER DATA   |   |  |
| TYPE OF SUBMISSION   | TYPE OF ACTION   |   |  |   |  |
| Subsequent Report  | Acidize Alter Casing Casing Repair Change Plans Convert to Injection   | Fracture Treat Reclan New Construction Recom Plug and Abandon Tempo   |  | Water Shut-Off Well Integrity  Other See below  |  |
| As per the New Mexico Oil Co. Monument #1 and place a cer and re-plug the Monument #1 operations. Coleman Oil & Ga use a closed loop system and Field Office. It is our intention remain on previously disturbe anticipated that this will be do | nservation Division's Case # ment plug across the entire 1 back to surface. Please si as, Inc. currently has a permi is in the process of obtaining to use the original access to ad areas. Coleman Oil & Cone within thurty to forty five | ty after all requirements, including reclaims  13812, Order # R-12820-A Cole Cliff House and La Ventana Tou ee the attached procedure for the it for the construction of a reserve g approval for the closed loop sys to location and existing location to Gas, Inc. intends to reclaim acci- te days with weather permitting, by the Farmington BLM Field Office | man Oil & Gas, Inc. inge members of the e specifics of the re e pit however to red stem from the Oil Co o re-enter the Monu ess and location a Seeding requireme | is required to re-enter the ne Mesa Verde Formation e-entering and re-plugging uce impact has decided to onservation Division Aztec ment #1. All activities will is soon as possible. It is |  |
| I hereby certify that the foregoing  | is true and correct  | 1 7.4.  |  | DICT 6  |  |
| Name (Printed/Typed) Brvar   | n Lewis  | Title   | Landman  | DIST. 3   |  |
| Signature Date   |  |   | ······································   | uary 24, 2010   |  |
| 7.13(1   | in Shun  | Fel   | bruary 24, 2010  |   |  |
|  |  | Fel<br>OR FEDERAL OR STATE USE  | pruary 24, 2010  |   |  |
| - Oslega   |  |   | Date   | FEB 2 4 2010  |  |

(Instructions on reverse)

NMOCD 16

Notify NMOCD 24 hrs prior to beginning operations

Form 3160-5 (November 1994)

#### UNITED S ES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| The Court |
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| Ton Last  |

FORM APPROVED Expires July 31 1996

5. Lease Serial No

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or transfer an all the same and the sam abandoned well. Use Form 3160-3 (APD) for such proposals.

NM NM 104606 If Indian, Allottee or Tribe Name

|   | <u>'</u>                          | 250%  | A 100 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | <u>*</u> k      |                               |
|---|-----------------------------------|---|---|-----------------|-------------------------------|
| SUBMIT IN TRIP                              | LICATE – Other instru             | uctions on reverse                          | side                                    | 7. If Unit or C | CA/Agreement, Name and/or N   |
| l. : Oil Well   Gas Well                    | X Other                           |   |   | 8. Well Name    | and No.                       |
| 2 Name of Operator                          |                                   |   |   | 1 M             | Ionument # 1                  |
| Coleman Oil & Gas, Inc.                     |                                   |   |   | 9. API Well N   | <del>1</del> 0.               |
| 3a. Address                                 |                                   | 3b. Phone No. (include                      | : area code)                            | 3               | 0-045-21912                   |
| P O Drawer 3337, Farming                    |                                   | 10. Field and F                             | ool, or Exploratory Area                |                 |                               |
| 4. Location of Well (Footage, Sec.          | , T., R., M., or Survey Descripti | on)   |   | 1 1             | Mesa Verde                    |
|   | . <b>A</b>                        | 1   |   | 11 County or    | Parish, State                 |
| 1656 ' FNL and 942' FEL, U                  | Init <b>6</b> , Section 17, Twp   | 24N, Rge 10W                                |   | San Ju          | an County, NM                 |
| 12 CHECK APPROPRIATE BO                     | X(ES) TO INDICATE NAT             | TURE OF NOTICE, REI                         | PORT, OR OT                             | HER DATA        |                               |
| TYPE OF SUBMISSION                          | TYPE OF ACTION                    |   |   |                 |                               |
| X Notice of Intent                          | Acidize Alter Casing              | Deepen Fracture Treat                       | Reclamatio                              |                 | Water Shut-Off Well Integrity |
| Subsequent Report  Final Abandonment Notice | Change Plans Convert to Injection | New Construction Plug and Abandon Plug Back | Recomplete Temporaril Water Disp        | ly Abandon      | See below                     |

Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof if the proposal is to deepen directionally or recomplete horizontally, give substitutes locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on tile with BLM/BIA. Required subsequent reports shall be filed within 30 days. Following completion of the involved operations fusing his been completed. Final Abandonne If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

As per the New Mexico Oil Conservation Division's Case # 13812, Order # R-12820-A Coleman Oil & Gas, Inc. is required to re-enter the Monument #1 and place a cement plug across the entire Cliff House and La Ventana Tounge members of the Mesa Verde Formation and re-plug the Monument # 1 back to surface. Please see the attached procedure for the specifics of the re-entering and re-plugging operations. Coleman Oil & Gas, Inc. currently has a permit for the construction of a reserve pit however to reduce impact has decided to use a closed loop system and is in the process of obtaining approval for the closed loop system from the Oil Conservation Division Aztec Field Office. It is our intention to use the original access to location and existing location to re-enter the Monument #1. All activities will remain on previously disturbed areas. Coleman Oil & Gas, Inc. intends to reclaim access and location as soon as possible. It is anticipated that this will be done within thirty to forty five days with weather permitting. Seeding requirements will take place during seasonal periods as per recommendations and approvals by the Farmington BLM Field Office.

|   | SEE ATTACHED FOR CONDITIONS OF APPROVAL                    |       |
|---|--|-------|
| 14. Thereby certify that the foregoing is true and correct  | 2004141741 1 1 2 3 1 4 5 1 4 5 1 4 5 1 4 5 1 4 5 1 5 1 5 1 |       |
| Name (Printed/Typed)  | Title  |       |
| Bryan Lewis   | Landman  |       |
| Signature Blejan Hives  | Date February 24, 2010                                     |       |
|   | ACE FOR FEDERAL OR STATE USE                               |       |
| Approved by   | Title & Date FEB 2 4 2010                                  | <br>J |
| Conditions of approval, plans, are attached. Approval of this notice decretly that the applicacy holds legal or equitable title to those rights in which would entitle the applicant to conduct operations thereon. |  |       |

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.

(Instructions on reverse)