

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 12485

00 AUG 36 AM 11:00

OIL CONSERVATION DIV

**APPLICATION OF COLEMAN OIL & GAS, INC.
FOR APPROVAL OF A PILOT PROJECT, INCLUDING
AN EXCEPTION TO RULES 4 AND 7 OF THE SPECIAL RULES
AND REGULATIONS FOR THE BASIN-FRUITLAND COAL
GAS POOL, FOR THE PURPOSES OF ESTABLISHING A
PILOT PROGRAM TO DETERMINE COMMERCIAL
FEASIBILITY FOR FRUITLAND COAL GAS WELLS
IN TOWNSHIP 24 NORTH, RANGE 10 WEST,
SAN JUAN COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Coleman Oil & Gas Corp.
Attn: Alan Emmendorfer
1610 Wynkoop Street, Suite 550
Denver, CO 80202
(800) 606-3203

ATTORNEY

William F. Carr, Esq.
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STATEMENT OF CASE

APPLICANT

Application of Coleman Oil & Gas, Inc. for approval of a Pilot Project, including an exception to Rules 4 and 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, for the purposes of establishing a pilot program to determine the commercial feasibility for Fruitland Coal Gas wells in Township 24 South, Range 10 West, NMPM, San Juan County, New Mexico. Applicant seeks approval of a pilot project, including an exception from Rules 4 and 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, and authorization to drill one additional well in the NW/4 of Section 16, Township 24 North, Range 10 West, NMPM, to temporarily increase the density from the maximum of one well per 320-acre per gas spacing and proration unit to a maximum of two wells per gas spacing and proration unit for wells dedicated to the Basin-Fruitland Coal Gas Pool to effect a 160-acre five spot well pattern to determine commercial feasibility for Fruitland Coal Gas within the Project Area which includes the following described lands:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Section 9:	S/2
Section 16:	All
Section 17:	E/2

Said unit is located approximately 30 miles south of Bloomfield, New Mexico.

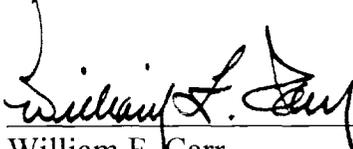
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Alan Emmendorfer (Geologist)	Approx. 15 min.	Approx. 3
Paul Thompson (Petroleum Engineer)	Approx. 20 min.	Approx. 11

PROCEDURAL MATTERS

Coleman Oil & Gas, Inc. has none at this time.



William F. Carr