

11/4/99 | 11/24/99 | MS | NV | NSL(NSP)

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [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]

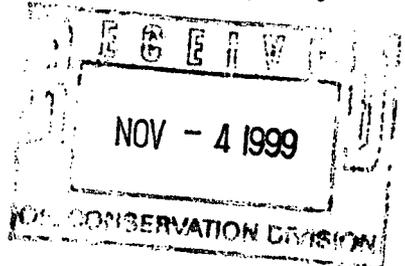
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling [X] NSL [X] NSP [] DD [] SD

Check One Only for [B] or [C]

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

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



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

- [A] [X] Working, Royalty or Overriding Royalty Interest Owners [B] [X] Offset Operators, Leaseholders or Surface Owner [C] [] Application is One Which Requires Published Legal Notice [D] [X] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office [E] [X] For all of the above, Proof of Notification or Publication is Attached, and/or, [F] [] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Paul C. Thompson Print or Type Name

Paul C. Thompson Signature

Agent Title

11/2/99 Date



WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

November 1, 1999

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Application for Non-Standard Location
and Downhole Commingling
Coleman Oil and Gas
Federal 11 #3R
1425' FSL, 1140' FEL
Section 11, T28N R13W
San Juan County, New Mexico
Basin Fruitland Coal and W. Kutz Pictured Cliffs

Dear Ms. Wrotenbery,

This is a request for administrative approval for a non-standard location for a completion in the Basin Fruitland Coal formation. This is also a request for administrative approval to downhole commingling of the production from the Basin Fruitland Coal and West Kutz Pictured Cliffs pools.

The Federal 11 #3R is a replacement for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R is located 40' south and 44' east of the Federal 11 #3. The downhole commingling of the production from the Basin Fruitland Coal and West Kutz Pictured Cliffs pool for the Federal 11 #3 was approved in Administrative Order DHC-1426. The non-standard Fruitland Coal location and non-standard proration unit for the Federal 11 #3 was approved by Administrative Order NSL-3738 (NSP).

All of Section 11 is dedicated to the Basin Fruitland Coal formation. Due to a variation in the legal subdivision of the U.S. Public Land Surveys the entire section is only 275.36 acres. The well does meet the set back requirements for a Fruitland Coal well.



The basal coal thins dramatically in the western half of this section. A Fruitland Coal completion in a standard location in the southwest quarter would not, in our opinion, result in an economic well. Please refer to Exhibit 1 which contains copies of the open hole logs for the Federal #2E (SW 11) and the Federal 11 #3 (SE 11).

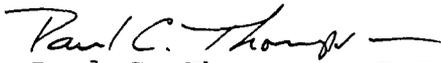
The location for the replacement Federal 11 #3R was selected by the surface owner, Bolack Land and Cattle Company, to reduce the surface disturbance and utilize the existing pad, access road and pipeline.

I have attached for your review, C-102's for each pool, an acreage plat outlining the dedicated acreage, offset wells and offset operators. I have also included a proposed allocation formula. The allocation formula is based on the cumulative production from the offset wells since there is insufficient production data. Production curves from the Federal 11 #3 are attached to show that the production from both zones is marginal. Water and gas analysis from the Federal 1 #3 are attached to show that the fluids are similar and that no damage will occur due to the commingling.

The offset Fruitland Coal operators (Burlington and Amoco) and the interest owners of the Federal 11 #3R are being notified of this application by certified return receipt mail. Copies of these letters are enclosed.

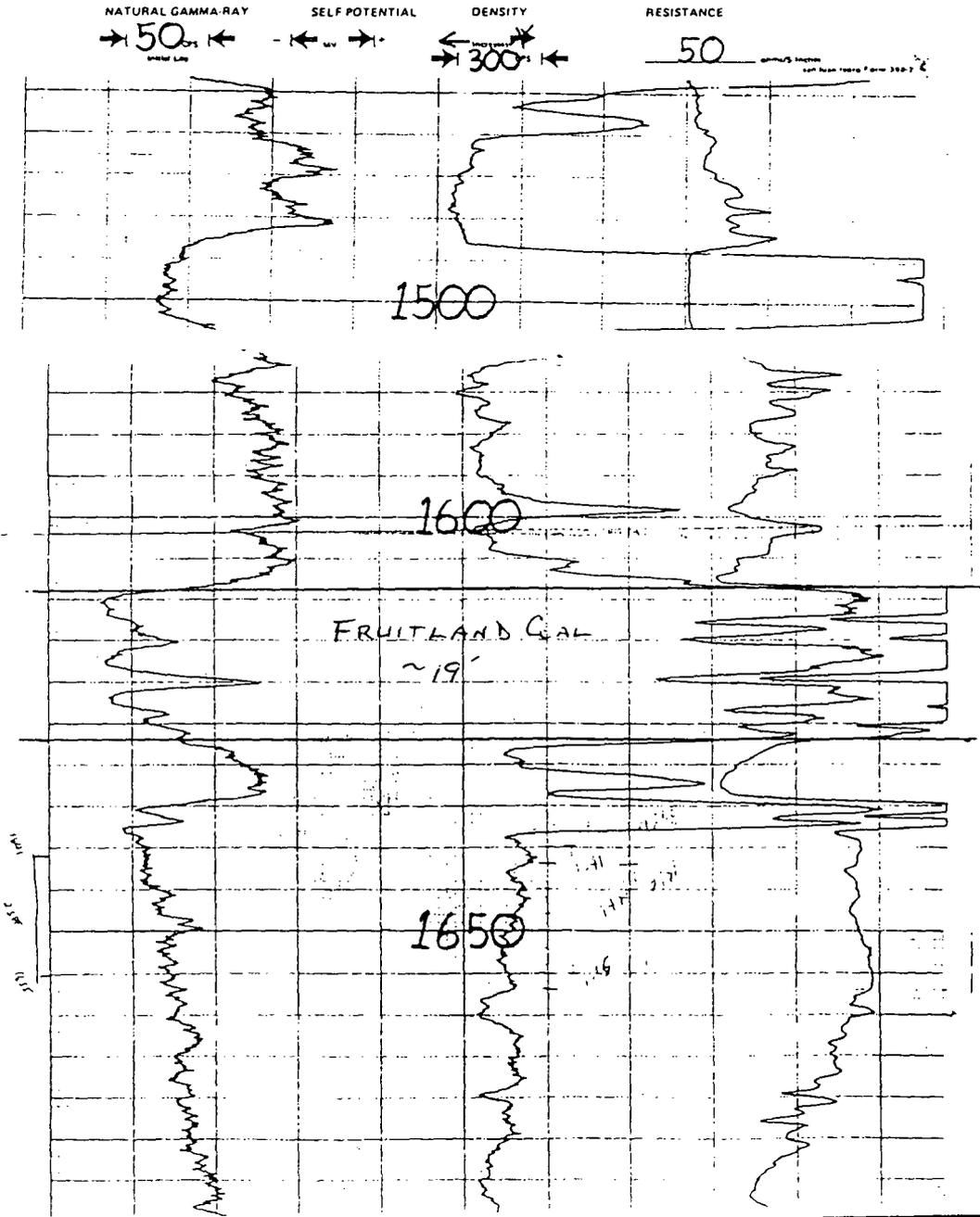
Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,


Paul C. Thompson, P.E.
Agent

cc: Chris Coleman, COG
NMOCD Aztec NM
BLM Farmington NM

W. Surveys		Date: 4-27-79	U.D. No: 1826	Drill No: 43/e-o to T.D.
Operator: Ralph Abbott		Mud: Mud		
Well No: 3-11		Unit No: 115		
Project: West Kute Picture Cliffs Core Project		Location: Farmington		
County: San Juan		State: N. Mex.		
Section: 11		Operator: Mr. Abbott		
Township: 28N		Geologist: J. Henrie		
Range: 13W		Density: 7000 - 3000		
TO LOGGED: 1809		NATURAL GAMMA RAY		
NATURAL GAMMA: 50		TC: 1		
TIME CONSTANT: 2		LOGGING SPEED: 30		
LOGGING SPEED: 30		COUNT RATE: 1000		
GAMMA CALIBRATION: 1809		TOTAL: 809		
PROB NO: 19		CORRECTION: 7/1/16		
Diameter: Scin. 1x4		Source No: CSU-129		
Date: 7/1/16		Probe No: 19		
Factor: 10		Diameter: Scin. 3/4x1		
Resistance: 1		Caliber: 3/4x1		



PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 1994

District II
PO Drawer 00, Artesia, NM 88211-0715

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number		'Pool Code		'Pool Name	
		71629		BASIN FRUITLAND COAL	
'Property Code		'Property Name			'Well Number
		FEDERAL 11			3R
'OGRID No.		'Operator Name			'Elevation
004838		COLEMAN OIL & GAS, INC.			5900'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
I	11	28N	13W		1425	SOUTH	1140	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	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.
275.36	Y		

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

Paul C. Thompson
Signature

Paul C. Thompson
Printed Name

Agent

Title

7-15-99
Date

Date

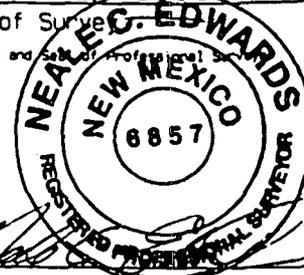
¹⁸ SURVEYOR CERTIFICATION

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.

JULY 2, 1999

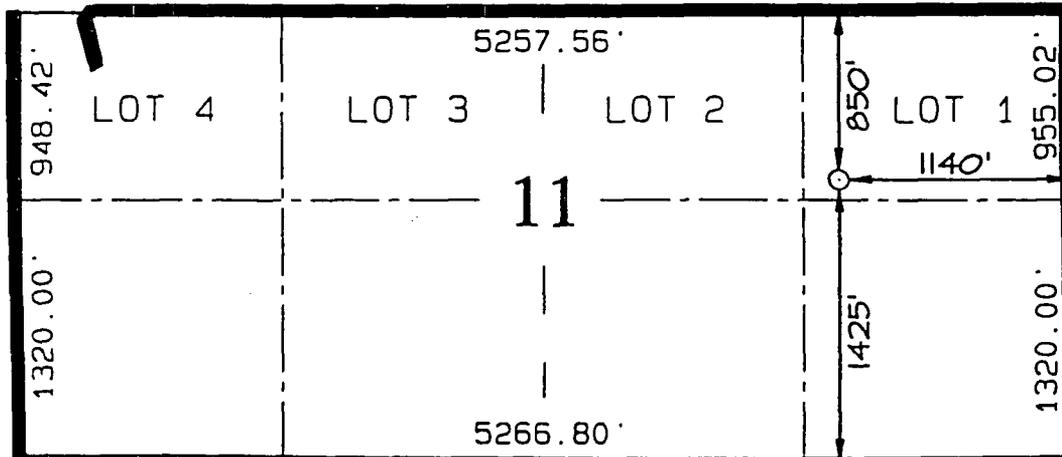
Date of Survey

Signature and Title of Professional



Certificate Number

6857



District II
PO Drawer 00, Artesia, NM 88211-071

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Revised February 21, 1993
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 79680	Pool Name WEST KUTZ PICTURED CLIFFS	
Property Code	Property Name FEDERAL 11		Well Number 3R	
GRID No. 004838	Operator Name COLEMAN OIL & GAS, INC.		Elevation 5900'	

10 Surface Location

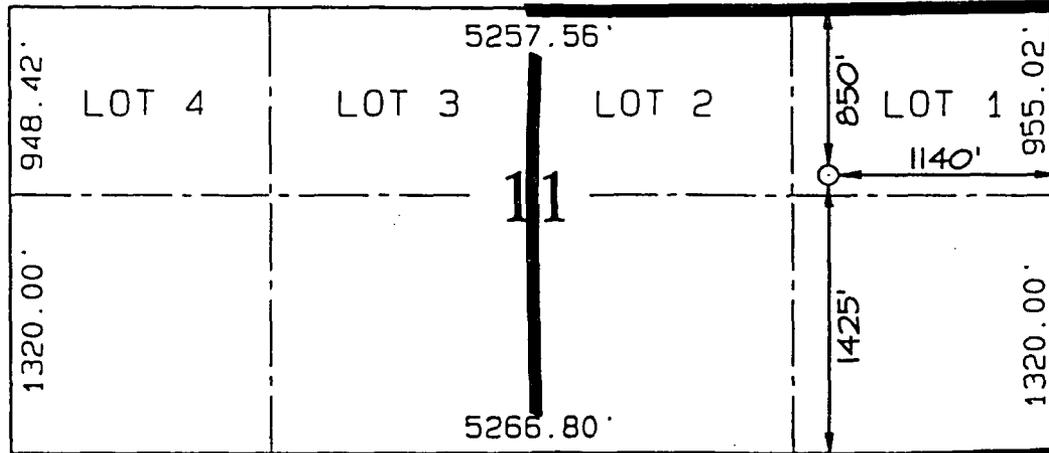
UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
I	11	28N	13W		1425	SOUTH	1140	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 137.78	13 Joint or Infill Y	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

Paul C. Thompson
Signature
Paul C. Thompson
Printed Name
Agent
Title
7-15-99
Date

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.

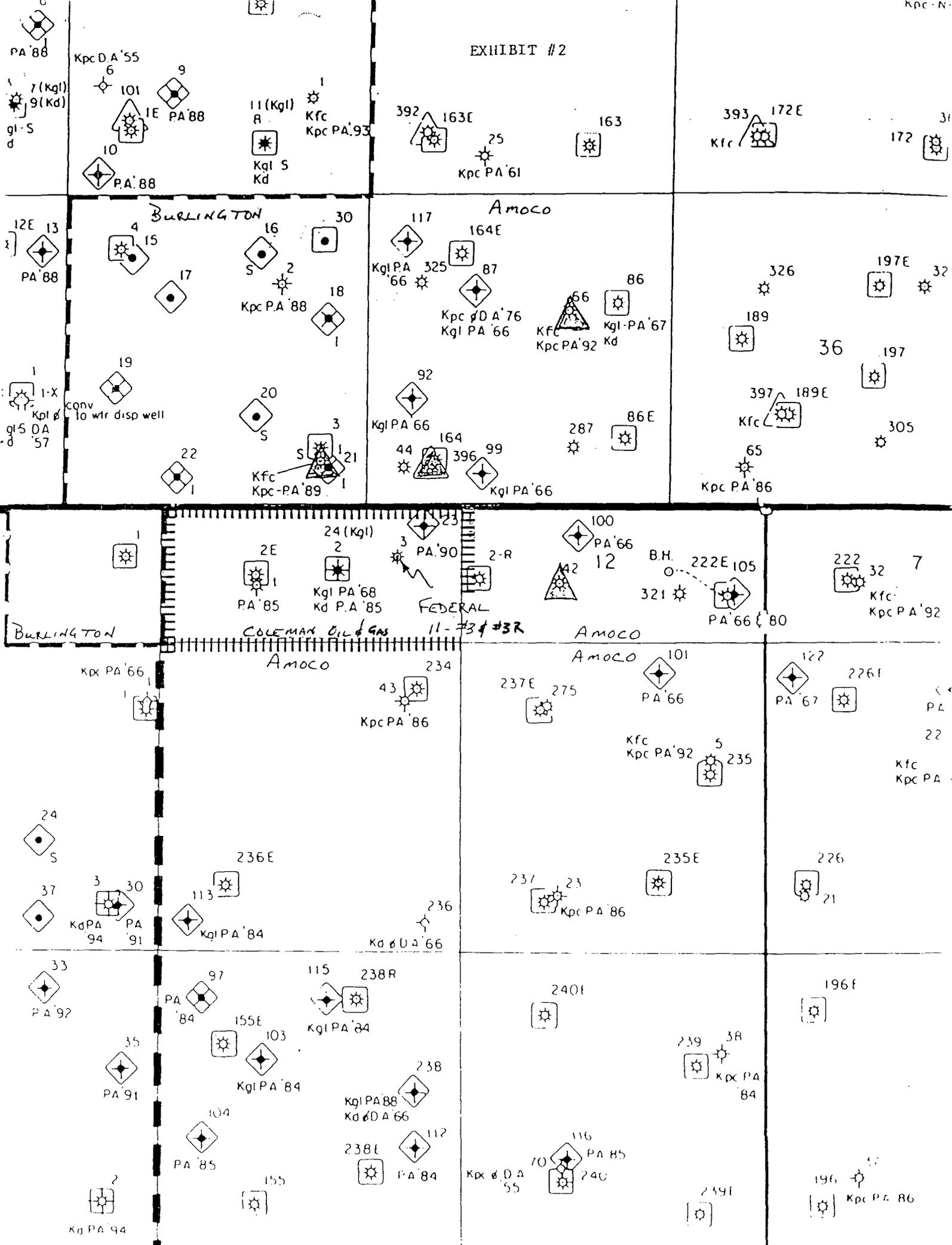
JULY 2, 1999
Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number 6857

EXHIBIT #2



PA '88
7 (Kgl)
9 (Kd)
gl-S
d

Kpc D.A '55
6
101
IE PA '88
10
P.A. '88

11 (Kgl)
R
Kfc
Kpc PA '93
Kgl S
Kd

392 163E
163
25
Kpc PA '61

393 172E
Kfc
172

12E 13
PA '88
4
15
17
19
1-X
Kgl
conv to wtr disp well
5 DA
57
20
S
21
Kfc
Kpc-PA '89

117
164E
Kgl PA 325
66
87
Kpc D.A '76
Kgl PA '66
Kfc
Kpc PA '92
Kd
92
Kgl PA 66
44
164
396
99
Kgl PA '66

326
189
36
197
397 189E
Kfc
65
Kpc PA '86
197E 32
305

BURLINGTON
1
Kpc PA '66

24 (Kgl)
2
PA '90
2-R
FEDERAL
COLEMAN OIL & GAS
11-#34 #3R
2E
PA '85
Kgl PA '68
Kd P.A '85

100
PA '66
12
B.H.
222E 105
321
PA '66
80

222 32 7
Kfc
Kpc PA '92

24
S
37
Kd PA 94
PA '91
30
113
Kgl PA '84
236E
236
Kd D.A '66

237E 275
101
PA '66
Kfc
Kpc PA '92
5
235
235E
237
23
Kpc PA '86

122
226I
PA '67
22
Kfc
Kpc PA
226
21

33
PA '92
35
PA '91
97
PA '84
155E
103
Kgl PA '84
104
PA '85
155
115
238R
Kgl PA '84
238
Kgl PA '88
Kd D.A '66
238L
PA '84
112
Kd D.A '55
240
Kgl PA 94

240I
239
38
Kpc PA '84
116
PA '85
240
249I

196f
Kpc PA '86

Federal 11 #3R
Commingling Application

Allocation Formula

The Federal 11 #3R is a replacement for the Federal 11 #3 well which was plugged due to mechanical problems. The Federal 11 #3R is 40' south and 44' east of the old Federal 11 #3 well. The Federal 11#3 was approved as a non-standard Fruitland Coal location and for downhole commingling.

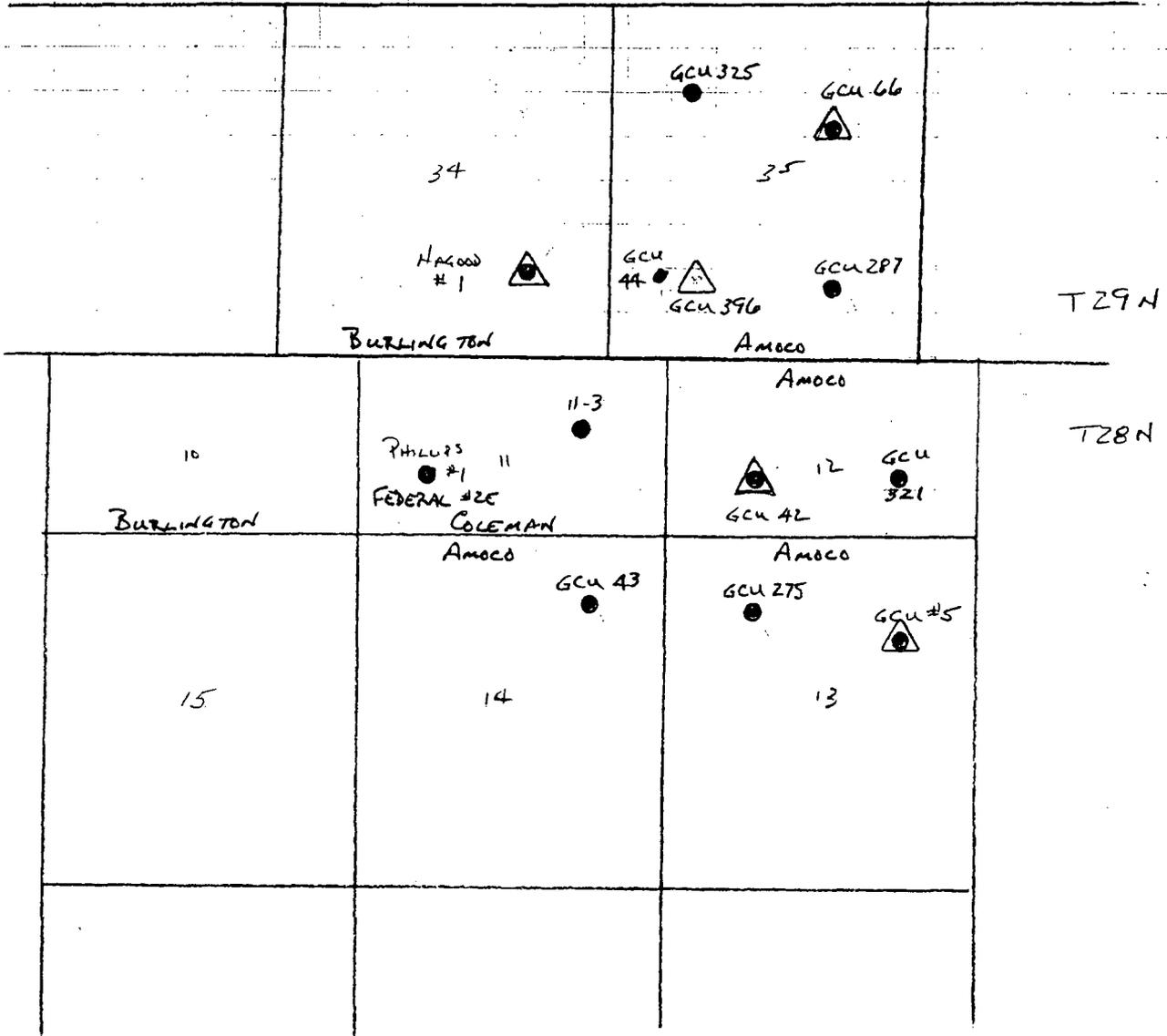
West Kutz Pictured Cliffs in the Federal 11 #3 was completed on May 15, 1979. Due to water production and pump problems the Pictured Cliffs was produced erratically until Coleman purchased the well in January 1996. The Fruitland Coal was completed in 1997 and commingled with the Pictured Cliffs production. Both decline curves are attached.

Since both zones appear to only be capable of marginal production, Coleman Oil and Gas proposes to downhole commingle the production.

Both zones have very similar bottom hole pressures (approximately 180 psig from the Pictured Cliffs and 175 psig from the Fruitland Coal) so cross flow will not be a factor. Both zones produce the same amount of water. Copies of water and gas analysis from the Federal 11 #3 are attached. Neither zone is fluid sensitive and the fluids from the two zones are compatible.

The Federal 11 #3R has not been completed, so no production data is available. Since neither zone has any data to prepare a reliable production forecast, Coleman Oil and Gas proposes to allocate the production based on a ratio of the expected reserves. Average cumulative production from Pictured Cliffs wells in this area is 774,786 Mcf of gas while Fruitland Coal wells average 678,508 Mcf. **The proposed allocation is therefore 53.3% to the Pictured Cliffs and 46.7% to the Fruitland Coal.**

R B W



THOMPSON ENGINEERING
FEDERAL 11 #3 OFFSETS

- PICTURED CLIFFS
- △ FRUITLAND COAL

**OFFSETS TO FEDERAL 11 #3R
SECTION 11, T28N, R13W**

PICTURED CLIFFS WELLS

WELL NAME	CUMULATIVE PRODUCTON MCF
Gallegos Canyon Unit #287	243,160
Gallegos Canyon Unit #44	895,532
Gallegos Canyon Unit #66	828,168
Gallegos Canyon Unit #275	911,367
Gallegos Canyon Unit #5	1,939,508
Gallegos Canyon Unit #43	358,228
Gallegos Canyon Unit #321	498,256
Gallegos Canyon Unit #42	1,167,923
Phillips #1 and Federal #2E	341,815
Hagood #1	563,903
AVERAGE	<hr/> 774,786
% of TOTAL PC PLUS FTC	53.3

FRUITLAND COAL WELLS

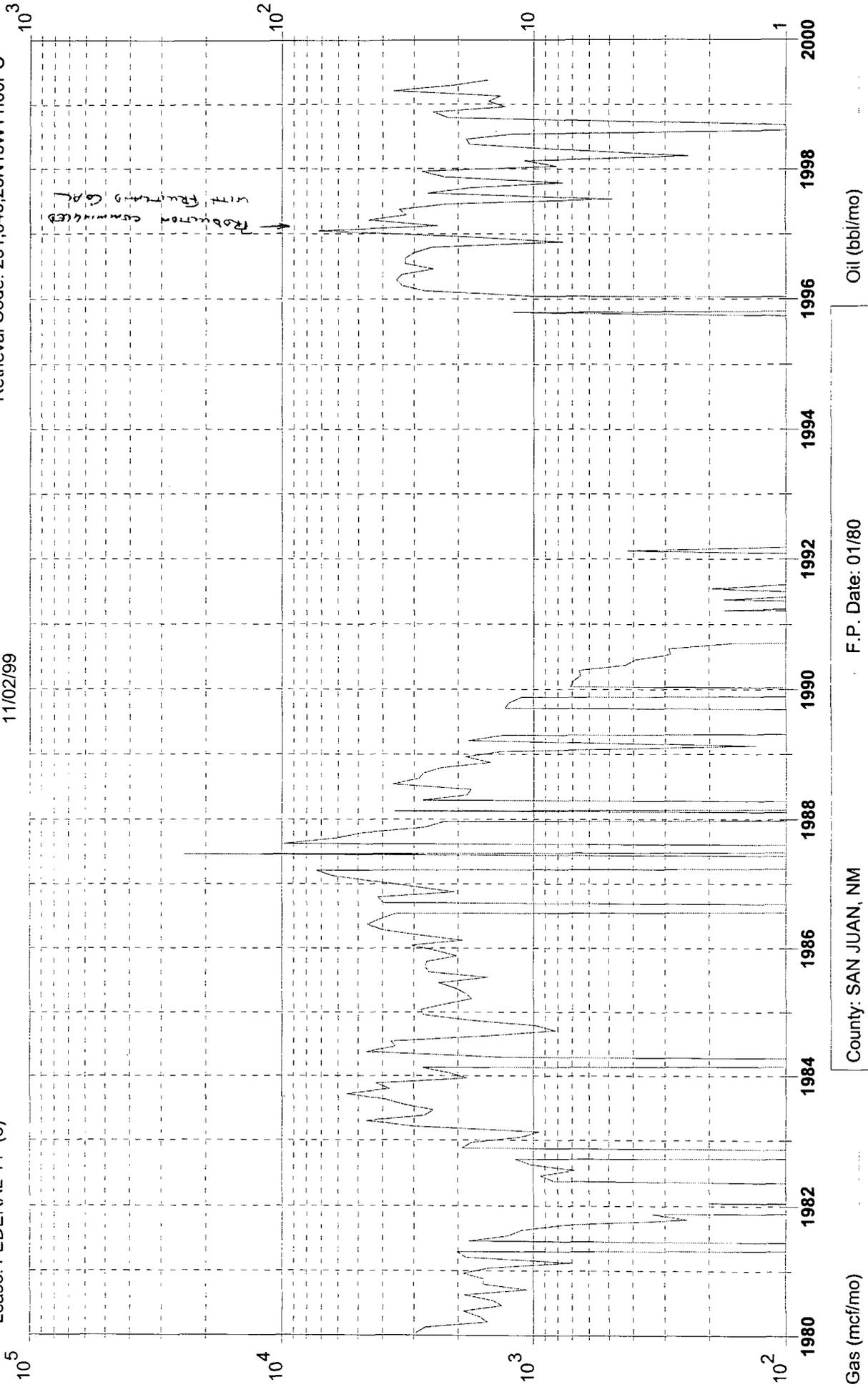
WELL NAME	CUMULATIVE PRODUCTON MCF
Gallegos Canyon Unit #396	557,542
Gallegos Canyon Unit #5	1,098,831
Gallegos Canyon Unit #42	444,349
Gallegos Canyon Unit #66	613,309
AVERAGE	<hr/> 678,508
% of TOTAL PC PLUS FTC	46.7

Dwights

Lease: FEDERAL 11 (3)

11/02/99

Retrieval Code: 251,045,28N13W1100PC



County: SAN JUAN, NM	F.P. Date: 01/80
Field: KUTZ WEST (PICTURED CLIFFS) PC	Oil Cum: 0 bbl
Reservoir: PICTURED CLIFFS	Gas Cum: 366.2 mmcf
Operator: COLEMAN OIL & GAS INC	Location: 111 28N 13W

Gas (mcf/mo)

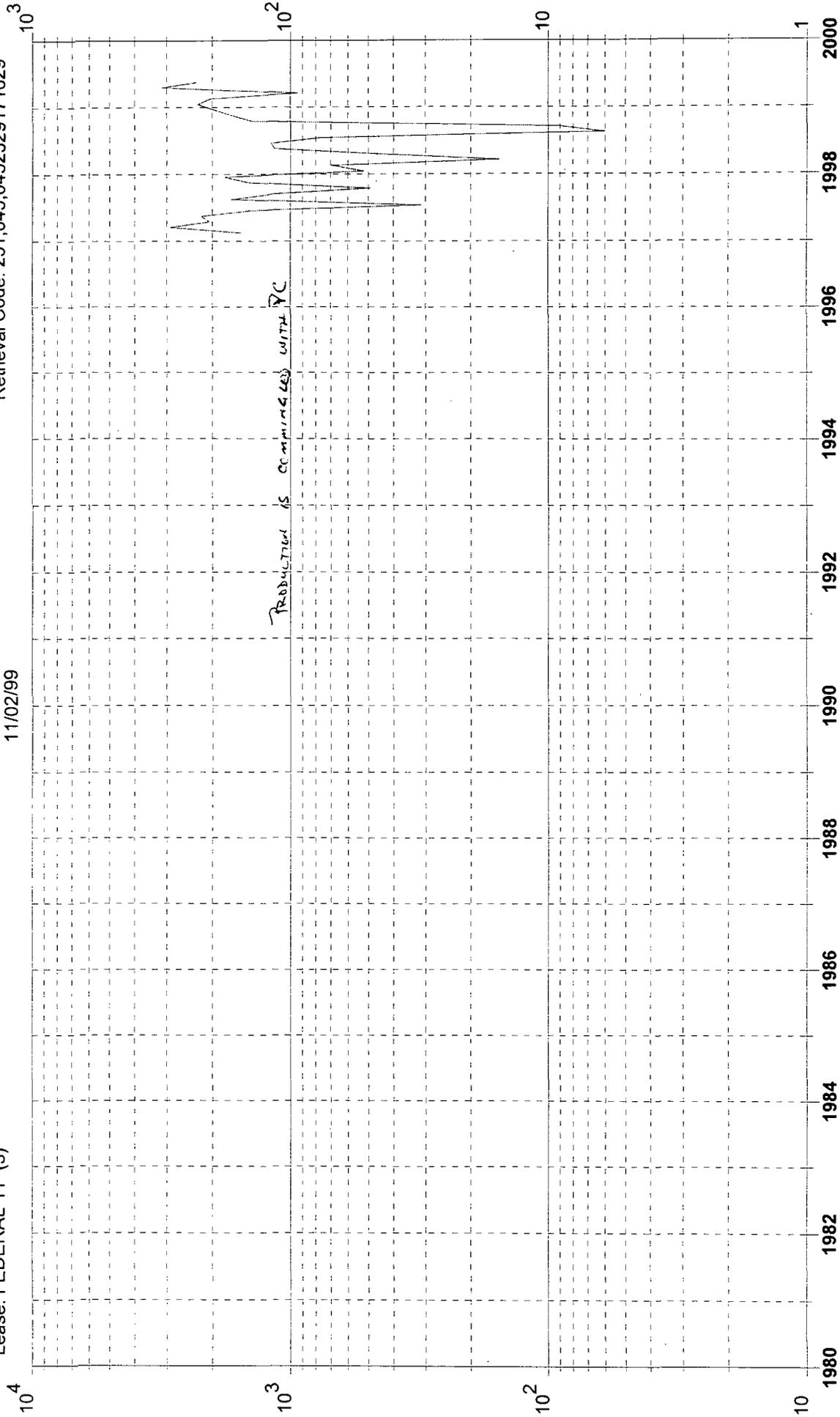
Oil (bbl/mo)

Dwights

Lease: FEDERAL 11 (3)

11/02/99

Retrieval Code: 251,045,0452329171629



Gas (mcf/mo)

Oil (bbl/mo)

F.P. Date: 02/97

County: SAN JUAN, NM

Field: BASIN (FRUITLAND COAL) FT

Oil Cum: 0 bbl

Reservoir: FRUITLAND COAL

Gas Cum: 37.71 mmcf

Operator: COLEMAN OIL & GAS INC

Location: 11 28N 13W

BJ SERVICES COMPANY
WATER ANALYSIS #FW01W046
FARMINGTON LAB

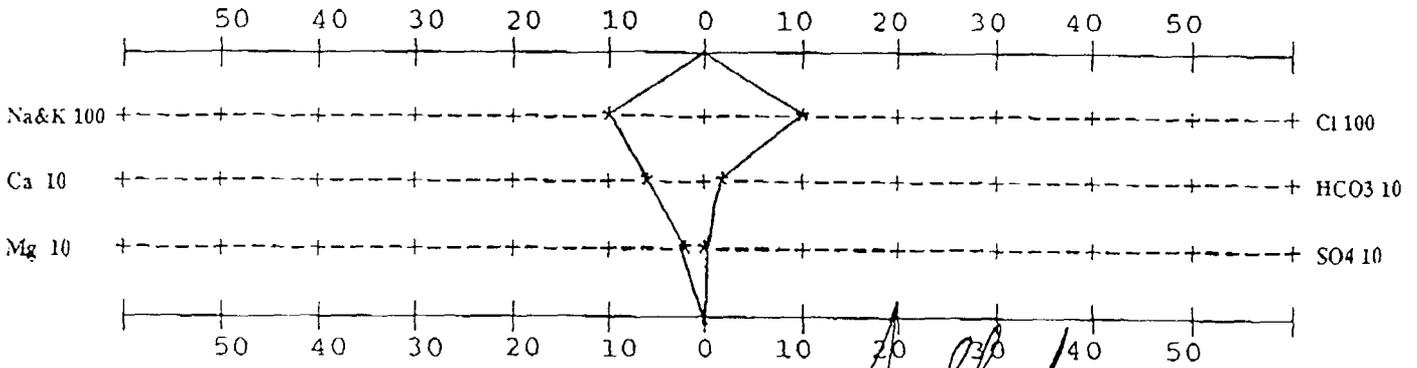
GENERAL INFORMATION		
OPERATOR: THOMPSON ENG.	DEPTH:	
WELL: FED. 11-3	DATE SAMPLED:	
FIELD:	DATE RECEIVED: 10/17/96	
SUBMITTED BY: PAUL THOMPSON	COUNTY:	STATE: NM
WORKED BY : D. SHEPHERD	FORMATION: PICTURED CLIFFS	
PHONE NUMBER:		

SAMPLE DESCRIPTION
SAMPLE FOR ANALYSIS

PHYSICAL AND CHEMICAL DETERMINATIONS	
SPECIFIC GRAVITY:	1.040 @ 78°F PH: 7.27
RESISTIVITY (MEASURED):	0.100 ohms @ 75°F
IRON (FE++) :	3 ppm
SULFATE:	0 ppm
CALCIUM:	1,232 ppm
TOTAL HARDNESS	3,791 ppm
MAGNESIUM:	173 ppm
BICARBONATE:	798 ppm
CHLORIDE:	35,112 ppm
SODIUM CHLORIDE (Calc)	57,759 ppm
SODIUM+POTASS:	21,324 ppm
TOT. DISSOLVED SOLIDS:	61,025 ppm
H2S: NO TRACE	POTASSIUM PPM: 73

REMARKS

STIFF TYPE PLOT (IN MEQ/L)



ANALYST

D. Shepherd
 D. SHEPHERD

BJ SERVICES COMPANY

WATER ANALYSIS #FW01W076

FARMINGTON LAB

GENERAL INFORMATION

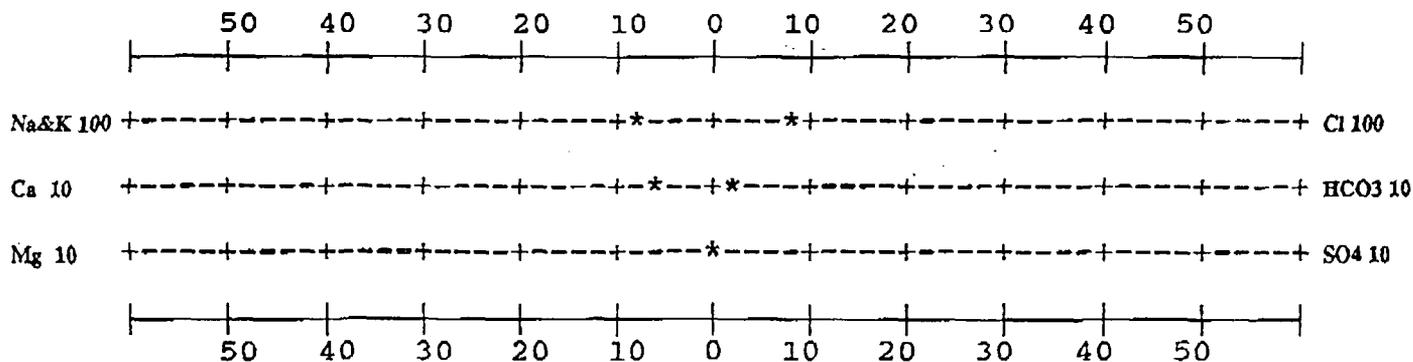
OPERATOR:	THOMPSON ENG.	DEPTH:	
WELL:	FEDERAL 11 #3	DATE SAMPLED:	12/02/96
FIELD:		DATE RECEIVED:	12/02/96
SUBMITTED BY:		COUNTY:	STATE:
WORKED BY	:MIKE KHACHATRIAN	FORMATION:	FRUITLAND COAL
PHONE NUMBER:			

SAMPLE DESCRIPTION

SAMPLE FOR ANALYSIS

PHYSICAL AND CHEMICAL DETERMINATIONS

SPECIFIC GRAVITY:	1.040	@ 64°F	PH:	6.80
RESISTIVITY (MEASURED):	0.100	ohms @ 64°F		
IRON (FE++) :	3	ppm	SULFATE:	5
CALCIUM:	1,174	ppm	TOTAL HARDNESS	3,194
MAGNESIUM:	63	ppm	BICARBONATE:	1,642
CHLORIDE:	30,169	ppm	SODIUM CHLORIDE(Calc)	49,628
SODIUM+POTASS:	18,714	ppm	TOT. DISSOLVED SOLIDS:	53,725
H2S: NO TRACE			POTASSIUM PPM:	75

REMARKS**STIFF TYPE PLOT (IN MEQ/L)**

ANALYST

MIKE KHACHATRIAN

RUTH - W / WALSH ENG.

505 327 4892

REPORT NO: CGME747 -01
Page No: 2

E L P A S O N A T U R A L G A S C O M P A N Y
Volume Calculation & Distribution Department
Monthly Volume and Analysis for December, 1995 thru December, 1995

Report Date: 12/03/96
Report Time: 12:18:24

Meter: 90524 - FEDERAL 11 #3 *PICTURED CLIFF*

Oper : 0523 - THOMPSON ENGINEERING & PROD

Reporting party: - *** No Reporting Party ***

Effective 12/01/95	Mole % / GPM										Spec Grav	GPM		
	CO2	H2S	N2	C1	C2	C3	IC4	NC4	ICS	NC5			C6P	BTU
0.640	0.000	0.000	0.390	93.480	4.800	0.420	0.080	0.090	0.030	0.020	0.050	1055	0.595	1.494
0.000	0.000	0.000	0.000	1.284	0.116	0.026	0.028	0.011	0.007	0.022				



1115 Farmington Avenue
 Farmington, N.M. 87401
 (505) 325-6622

Analysis No. TOG60004
 Cust. No. 77000-10035

WELL/LEASE INFORMATION

Company	: THOMPSON ENG & PROD	Source	:
Well Name	: FEDERAL 11 #3	Pressure	: 55 PSIG
County	: SAN JUAN	Sample Temp.	: 47 DEG.F
State	: NM	Well Flowing	: YES
Location	: 11-28N-13W	Date Sampled	: 11/29/96
Fld/Formation	: FRUITLAND COAL	Sampled By	: PAUL THOMPSON
Cust.Stn.No.	:	Foreman/Engr	:

Remarks:

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR.*
NITROGEN	2.466	0.0000	0.00	0.0239
CO2	0.606	0.0000	0.00	0.0092
METHANE	91.658	0.0000	927.85	0.5077
ETHANE	3.127	0.8365	55.46	0.0325
PROPANE	1.189	0.3277	29.99	0.0181
I-BUTANE	0.237	0.0775	7.72	0.0048
N-BUTANE	0.292	0.0921	9.55	0.0059
I-PENTANE	0.119	0.0435	4.77	0.0030
N-PENTANE	0.073	0.0264	2.93	0.0018
HEXANES	0.233	0.1016	11.98	0.0075
TOTAL	100.000	1.5053	1050.26	0.6144

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 & 60 DEG. F

COMPRESSIBILITY FACTOR	(1/Z)	1.0023
BTU/CU.FT. (DRY) CORRECTED FOR	(1/Z)	1052.7
BTU/CU.FT. (WET) CORRECTED FOR	(1/Z)	1034.4
REAL SPECIFIC GRAVITY		0.6156

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

CYLINDER #	: 026
CYLINDER PRESSURE	: 42 PSIG
DATE RUN	: 12/02/96
ANALYSIS RUN BY	: CHELLE DURBIN

Coleman Oil and Gas
Federal 11 #3R
1425'FSL & 1140'FEL
Sec. 11, T28N, R13W
San Juan County, New Mexico

The following offset Fruitland Coal Operators and interest owners have received written notice of the non-standard Fruitland Coal location and downhole commingling application for the West Kutz Pictured Cliffs and Basin Fruitland Coal.

Mr. T. Greg Merrion
Merrion Oil and Gas
P.O. Box 840
Farmington, NM 87499

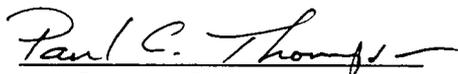
Mr. James Strickler
Burlington Resources
3535 E. 30th Street
Farmington, NM 87401

Land Manager
AMOCO Production Company
200 AMOCO Court
Farmington, NM 87401

Mr. George Coleman
Coleman Oil and Gas
P.O. Drawer 3337
Farmington, NM 87499

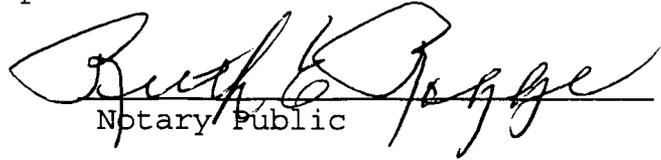
U.S. Government
Bureau of Land Management
Mr. Ruben Sanchez
1235 La Plata Highway
Farmington, NM 87401

I certify that copies of the Application for a non-standard Fruitland Coal well and downhole commingling have been mailed to the above Operators and Interest owners.


Paul C. Thompson

San Juan County)
) ss
State of New Mexico)

The following instrument was acknowledged before me this 21st day
of January 1998 by Paul C. Thompson.


Notary Public

My Commission Expires:
July 31, 2001

**Federal 11 #3R
Commingling Application**

Working, Overriding, and Royalty Interests

Pictured Cliffs

Owner	Working Interest	Net Revenue Interest
U.S. Government		0.12500
Coleman Oil and Gas	0.90000	0.74700
Paul Thompson	0.10000	0.08300
Merrion Oil and Gas		0.01000
George E. Coleman		0.03500
	<hr/>	<hr/>
	1.00000	1.00000

Fruitland Coal

Owner	Working Interest	Net Revenue Interest
U.S. Government		0.12500
Coleman Oil and Gas	0.90000	0.74324
Paul Thompson	0.10000	0.08258
Merrion Oil and Gas		0.01418
George E. Coleman		0.03500
	<hr/>	<hr/>
	1.00000	1.00000



WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

Mr. George E. Coleman
c/o Coleman Oil and Gas
P.O. Drawer 3337
Farmington, NM 87499

Re: Application for Non-standard Fruitland Coal
Location and Downhole Commingling
Coleman Oil and Gas Company
Federal 11 #3R
1425' FSL and 1140' FEL, Section 11, T28N, R13W
San Juan County, New Mexico
Basin Fruitland Coal and
West Kutz Pictured Cliffs

Dear Mr. Coleman,

As a working interest owner in the Federal 11 #3R, you are being notified of the application to the NMOCDC to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson".

Paul C. Thompson, P. E.
Agent
Coleman Oil and Gas



WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

Mr. James Strickler
Burlington Resources
3535 E. 30th Street
Farmington, NM 87401

Re: Application for Non-standard Fruitland Coal
Location and Downhole Commingling
Coleman Oil and Gas Company
Federal 11 #3R
1425' FSL and 1140' FEL, Section 11, T28N, R13W
San Juan County, New Mexico
Basin Fruitland Coal and
West Kutz Pictured Cliffs

Dear Mr. Strickler,

As an offset Fruitland Coal operator to the Federal 11 #3R, you are being notified of the application to the NMOCD to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson".

Paul C. Thompson, P. E.
Agent
Coleman Oil and Gas



WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

Land Manager
AMOCO Production Company
200 AMOCO Court
Farmington, NM 87401

Re: Application for Non-standard Fruitland Coal
Location and Downhole Commingling
Coleman Oil and Gas Company
Federal 11 #3R
1425' FSL and 1140' FEL, Section 11, T28N, R13W
San Juan County, New Mexico
Basin Fruitland Coal and
West Kutz Pictured Cliffs

Dear Land Manager,

As an offset operator to the Federal 11 #3R, you are being notified of the application to the NMOCD to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson" followed by a horizontal flourish.

Paul C. Thompson, P. E.
Agent
Coleman Oil and Gas



WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

Mr. T. Greg Merrion
Merrion Oil and Gas
610 Reilly Avenue
Farmington, NM 87401

Re: Application for Non-standard Fruitland Coal
Location and Downhole Commingling
Coleman Oil and Gas Company
Federal 11 #3R
1425' FSL and 1140' FEL, Section 11, T28N, R13W
San Juan County, New Mexico
Basin Fruitland Coal and
West Kutz Pictured Cliffs

Dear Mr. Merrion,

As an interest owner in the Federal 11 #3R, you are being notified of the application to the NMOCD to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson" followed by a horizontal flourish.

Paul C. Thompson, P. E.
Agent
Coleman Oil and Gas



WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

U. S. Government
Bureau of Land Management
Attn. Mr. Ruben Sanchez
1235 La Plata Highway
Farmington, NM 87401

Re: Application for Non-standard Fruitland Coal
Location and Downhole Commingling
Coleman Oil and Gas Company
Federal 11 #3R
1425' FSL and 1140' FEL, Section 11, T28N, R13W
San Juan County, New Mexico
Basin Fruitland Coal and
West Kutz Pictured Cliffs

Dear Mr. Sanchez,

As an interest owner in the Federal 11 #3R, you are being notified of the application to the NMOCD to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson" followed by a horizontal flourish.

Paul C. Thompson, P. E.
Agent
Coleman Oil and Gas

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED
BLM

5. Lease Serial No. **NM-0338690**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No. **25**

8. Well Name and No. **FEDERAL #11-3R**

9. API Well No. **30-045-29952**

10. Field and Pool, or Exploratory Area **BASIN FR COAL/W. KUTZ PC**

11. County or Parish, State **SAN JUAN, NM**

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Oil Well Gas Well Other

2. Name of Operator
COLEMAN OIL & GAS, INC.

3a. Address **P. O. DRAWER 3337, FARMINGTON, NM 87499-3337**

3b. Phone No. (include area code) **505 327-0356**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1425' FSL & 1140' FEL, SEC 11, T28^N, R13E

RECEIVED
OIL CON. DIV.
DIST. 3

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other SEE BELOW
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. 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 recompleat horizontally, give subsurface 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 file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. 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.)

SPUD WELL OCTOBER 15, 1999 @ 8:00 AM. DRILLED 8 3/4" HOLE TO 140' GL. RAN 3 JTS. 7", 20#, J-55, ST&C NEW CASING. RAN TOTAL FOOTAGE OF 120.65' AND LANDED @ 121.65' GL. CEMENTED W/50 SXS CLASS B W/2% CALCIUM CHLORIDE + 1/4# PER SX CELOFLAKE. CIRC 4 BBLs CEMENT TO RESERVE PIT. NU BOP & MANIFOLD, PRESSURE TEST BOP, MANIFOLD @ CASING TO 1000# FOR 30 MINUTES, HELD OK. DRILLED 6 1/4" HOLE TO T.D. @ 1840' GL @ 11:30 PM 10-21-99. RAN TOTAL OF 42 JTS, 4 1/2", 10.5#, ST&C, NEW CASING, LANDED @ 1840'. CEMENTED W/155 SXS CLASS B W/2% METOSILICATE, 1/4# PER SX CELOFLAKE. TAILED W/50 SXS CLASS B W/1/4# PER SX CELOFLAKE + 2% CALCIUM CHLORIDE. CIRC 9 BBLs CEMENT TO SURFACE.

RAN SCHLUMBERGER OPEN HOLE LOGS: TLD-CNL & AITH DATED OCTOBER 21, 1999.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Michael T. Hanson** Title **Engineer**

Signature *Michael T. Hanson* Date **October 27, 1999**

THIS SPACE FOR FEDERAL OR STATE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office _____

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 or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NOV 05 1999

NMOCD

FARMINGTON FIELD OFFICE
BY _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL DEEPEN

1b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Coleman Oil and Gas

3. ADDRESS OF OPERATOR
c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 327-4892

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At Surface *1425' FSL and 1140' FEL (NESE)*
At proposed Prod. Zone *Same*

5. LEASE DESIGNATION AND SERIAL NO.
NM-0338690

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
FARMINGTON #8

7. UNIT AGREEMENT NAME
24004

8. FARM OR LEASE NAME, WELL NO.
Federal 11 #3R

9. API WELL NO.
30-045-29952

10. FIELD AND POOL OR WILDCAT
Basin FR Coal/ W. Kutz PC

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 11, T28N, R13W

12. COUNTY OR PARISH
San Juan

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
5 miles south of Farmington, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
850'

16. NO. OF ACRES IN LEASE
275.36

17. NO. OF ACRES ASSIGNED TO THIS WELL
ALL 276.36 FTC, 137.78 PC

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.
30'

19. PROPOSED DEPTH
1840'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5900' GR

22. APPROX. DATE WORK WILL START*
August 1999

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	20#	120'	30sx (36 cu.ft.) to surface
6-1/4"	4-1/2"	10.5#	1840'	59 cu.ft. CI "B" and 319 CU.ft. CI "B"

This casing is subject to technical and procedural review pursuant to 43 CFR 3163.3 and appeal pursuant to 43 CFR 3193.4.

with 2% metasilicate

Coleman Oil and Gas proposes to drill a vertical well to develop the Pictured Cliffs and Fruitland Coal formations at the above described location in accordance with the attached drilling and surface use plans. If this well is successful, the Federal 11#3 will be plugged and abandoned.

No new road or pipeline ROW will be required for this well.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Paul Thompson* TITLE *Paul Thompson, Agent* DATE *7/21/99*

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *WAYNE TOWNSEND* TITLE *A.T.L.* DATE *SEP 2 1 1999*

*See Instructions On Reverse Side

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.

COAL NSL @

NMOCD

District II
PO Drawer 00, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

PO Box 2088
Santa Fe, NM 87504-2088

RECEIVED
BLM

AMENDED REPORT

District IV
PO Box 2088, Santa Fe, NM 87504-2088

99 JUL 19 PM 12:47

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-045-29952		'Pool Code 71629		'Pool Name BASIN FRUITLAND COAL	
'Property Code 24004		'Property Name FEDERAL 11			'Well Number 3R
'OGRID No. 037581		'Operator Name COLEMAN OIL & GAS, INC.			'Elevation 5900'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County
I	11	28N	13W		1425	SOUTH	1140	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ion	Feet from the	North/South line	Feet from the	East/West line	County

'Dedicated Acres 275.36	'Joint or Infill Y	'Consolidation Code	'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

RECEIVED
SEP 27 1999
OIL CON. DIV.
DIST. 3

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Paul C. Thompson
Signature
Paul C. Thompson
Printed Name
Agent
Title
7-15-99
Date

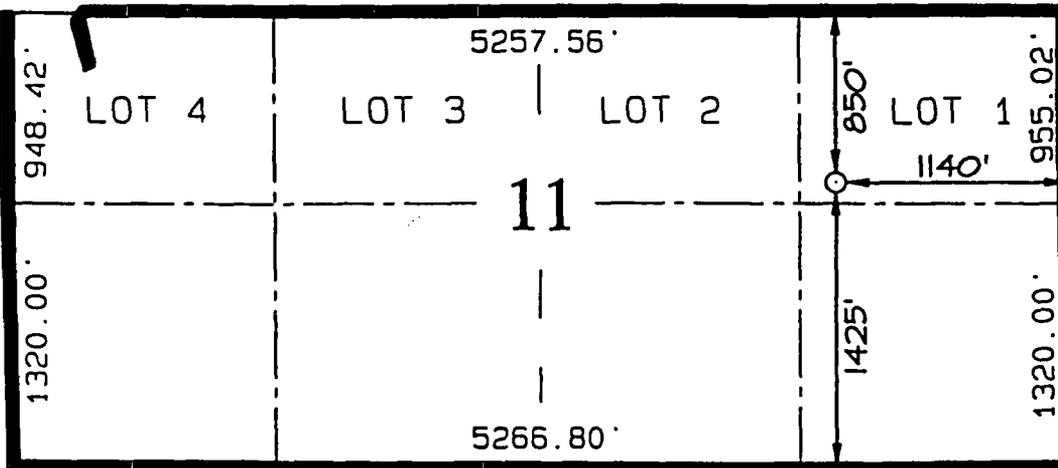
18 SURVEYOR CERTIFICATION

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.

JULY 2, 1999
Date of Survey
Signature and Seal of Professional Surveyor



Certificate Number 6857



PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer 00, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals & Natural Resources Dept

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Revised February 21, 199
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-045-29952		'Pool Code 79680		'Pool Name WEST KUTZ PICTURED CLIFFS	
'Property Code 24004		'Property Name FEDERAL 11			'Well Number 3R
'GRID No. 037581		'Operator Name COLEMAN OIL & GAS, INC.			'Elevation 5900'

¹⁰ Surface Location

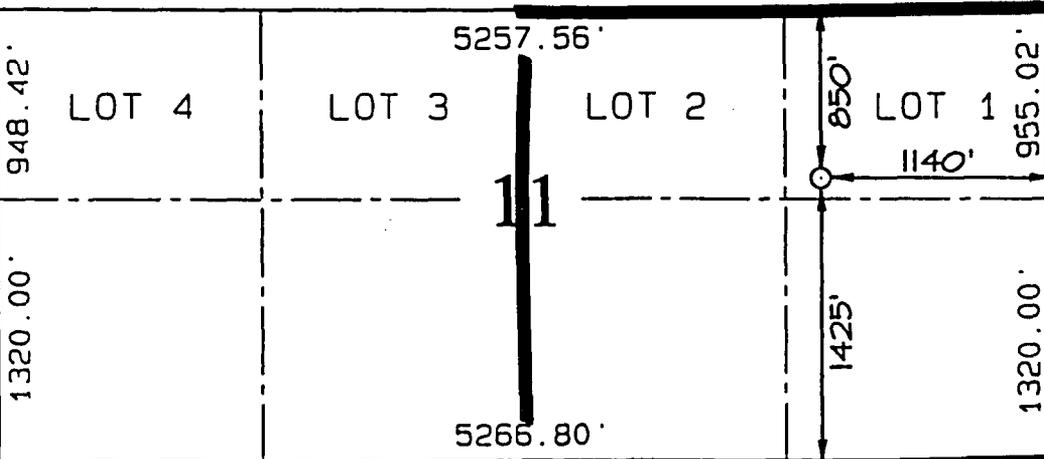
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	11	28N	13W		1425	SOUTH	1140	EAST	SAN JUAN

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 137.78	¹³ Joint or Infill Y	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

Paul C. Thompson
 Signature

Paul C. Thompson
 Printed Name

Agent
 Title

7-15-99
 Date

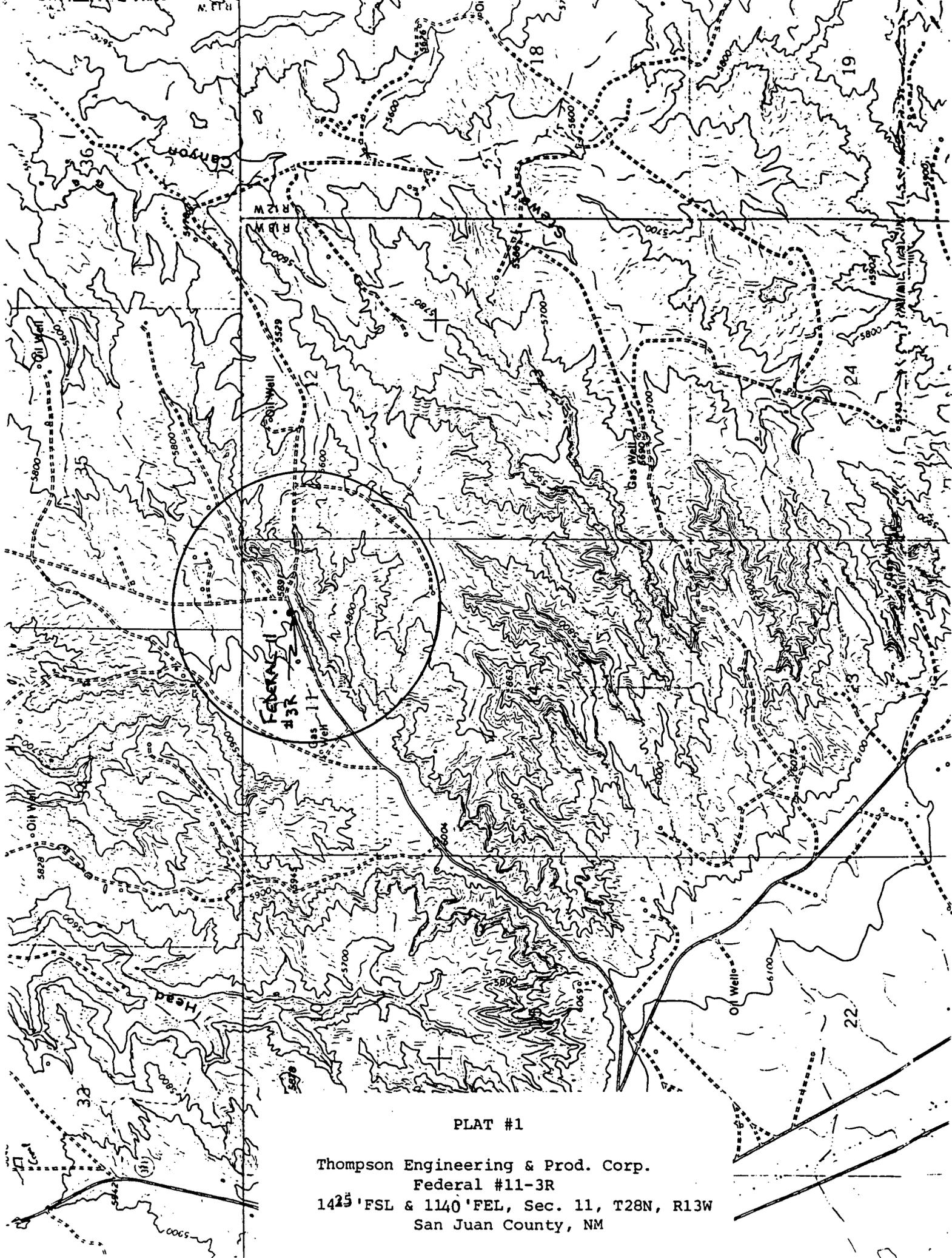
¹⁸ SURVEYOR CERTIFICATION

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.

JULY 2, 1999
 Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number 6857



PLAT #1

Thompson Engineering & Prod. Corp.
Federal #11-3R
1425' FSL & 1140' FEL, Sec. 11, T28N, R13W
San Juan County, NM

Mike Stogner

From: Ernie Busch
To: Mike Stogner
Subject: WALSH FEDERAL 11 #3 (NSL)
Date: Friday, November 22, 1996 10:47AM
Priority: High

FEDERAL 11 #3
1645' FSL;1184' FEL
I-11-28N-13W
RECOMMEND: APPROVAL AFTER A C-102 IS ADDED TO APPLICATION



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE



GARY E. JOHNSON
GOVERNOR

JENNIFER A. SALISBURY
CABINET SECRETARY

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 FAX: (505) 334-6170

FAX TRANSMITTAL SHEET AND INVOICE

DATE: 11-21-96

TO: MIKE STOGNER

FROM: Ernie Busch

COMMENTS: THANK FOR THE RESPONSE ON
RICHARDSON

NUMBER OF PAGES INCLUDING COVER: 2 CHARGES: 0

PLEASE REMIT TO LETTERHEAD ADDRESS WHEN THERE IS A CHARGE



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

JERRY APODACA
GOVERNOR
NICK FRANKLIN
SECRETARY

December 11, 1978

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-8170

NWU 3-774

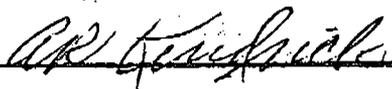
Fast Enterprises
Box 1200
Farmington, NM

SUBJECT: NON-STANDARD GAS PRORATION UNIT CONSISTING OF 137.78
ACRES IN THE West Kutz Pictured Cliffs GAS
POOL DESCRIBED AS FOLLOWS:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM

SECTION: 11 SE/4

By authority granted me by Rule 5(B) of Order R-1670, as amended, the above-described acreage has been approved as a non-standard gas proration unit to be dedicated to the Fast Federal 11 well no. 3, located 1465/S; 1184/E of said Section 11.


Supervisor, District #3

xc: Oil Conservation Commission
Santa Fe, New Mexico

Mike Stogner

From: Mike Stogner
To: Ernie Busch
Subject: RE: Order No. R-10656
Date: Wednesday, November 20, 1996 8:21AM

Sorry I'm late with a response - I was at the dentist yesterday.
There is no request for an extension from Richardson or their attorney.

ALSO:

Could you fax a copy of an old NWU Order for the Fast Enterprises' (now operated by Thompson Engineering) Federal "11" Well No. 3 (API NO. 30-045-23291), located 1465'FSL-1184'FEL (Lot 1/Unit I) 11-T28N-R13W, San Juan County. Thanks.

From: Ernie Busch
To: Mike Stogner
Subject: RE: Order No. R-10656
Date: Monday, November 18, 1996 1:30PM
Priority: High

I TAKE IT THAT RICHARDSON HASN'T REQUESTED AN EXTENSION?

From: Mike Stogner
Sent: Monday, November 18, 1996 12:37 PM
To: Ernie Busch
Cc: Frank Chavez
Subject: Order No. R-10656

Per your question concerning the subject order, Decretory Paragraph No. (1) on page 7 details the provisions of this order. Should the subject well not be drilled (commenced) by November 15, 1996 the subject order becomes void, unless: (a) the operator has been granted a time extension from the Director, or (2) all owners of unleased mineral interest have agreed to pool their interest.