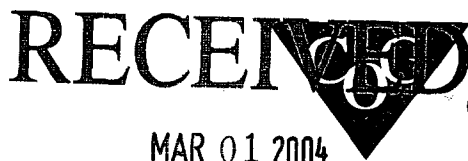


~~ADD~~ 1220 3/1/04 SUSPENSE
P.O. DRAWER 3337
FARMINGTON, NM 87499

ENCL

PLC
AMEND

PDCE 0406229495
OFFICE: 505-327-0356
FAX: 505-327-9425



COLEMAN OIL & GAS, INC.

MAR 01 2004

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

RECEIVED
Bryan Lewis
e-mail: bgl@brylewis.com

MAR 1 2004

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

Thursday, February 26, 2004

Ms. Lori Wrotenbery
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: **SURFACE COMMINGLING ADDITION**
Commingling Order PLC-211

Dear Ms. Wrotenbery and Mr. Lovato :

Application for Surface Commingling was made on August 09, 2002 and Oil Conservation Division Commingling Order PLC-211 was issued September 13, 2002, effective April 7, 2000 relating to the wells listed below:

Township 26 North, Range 11 West, NMPM

Marilyn Com # 1	Section 19	SWSW	Basin FC
-----------------	------------	------	----------

Township 26 North, Range 12 West, NMPM

Sharen # 2	Section 13	NENW	Gallegos Fruitland Sand PC
Sharen Com # 1	Section 13	SESW	Basin FC
Knicks # 1	Section 24	NWNW	Gallegos Fruitland Sand PC
Navajo Smith # 1	Section 24	SWNE	Gallegos/Gallup Assoc
Cardinal Com # 1	Section 24	SWNE	Basin FC
Clinton # 1	Section 24	NWSW	Gallegos Fruitland Sand PC
Purls Com # 1	Section 24	SESW	Basin FC
Legend Com # 1	Section 25	SWNE	Basin FC
John # 1	Section 25	SENE	PC

San Juan County, New Mexico

Coleman Oil & Gas, Inc. hereby requests that the following wells be added to Commingling Order PLC-211:

SURFACE COMMINGLING ADDITION

Commingling Order PLC-211

Thursday, February 26, 2004

Page 2

Township 26 North, Range 11 West, NMPM

Marilyn Com # 1S	Section 19	SWSE	Basin FC	3004531734
------------------	------------	------	----------	------------

Township 26 North, Range 12 West, NMPM

Purls Com # 1S	Section 24	SESE	Basin FC	3004531735
----------------	------------	------	----------	------------

Legend Com # 1S	Section 25	SWNW	Basin FC	3004531733
-----------------	------------	------	----------	------------

San Juan County, New Mexico

1. **Proposed System.** Notwithstanding the addition of the new equipment and pipeline to the existing system there will be no operational changes in the system. The gas produced from the added wells will flow into the El Paso Natural Gas gathering system, in the NENW of Section 13 – Twp 26 N – Rge 12 W.
2. **Location Map.** Exhibit 1 is a topographic map showing the locations of the wells to be added to Commingling Order PLC-211.
3. **Well, Locations and Lease Numbers.** Exhibit 2 consists of acreage dedication plats for the added wells. The added wells and acreage dedications are tabulated below.

Marilyn Com # 1S	Section 19	W/2	NOG-9811-1311 NOG-9904-1348
Purls Com # 1	Section 24	S/2	NOG-9909-1359 NOG-0101-1436
Legend Com # 1	Section 25	N/2	NOG-0006-1391 NM NM-094069

The three added wells are in-fill wells to the Marilyn Com #1, Purls Com #1 & Legend Com #1 wells, respectively. As such, the owners' interest in each of the added wells is concurrent with the initial well drilled on each dedicated acreage unit. Exhibit 3 is a list of the royalty, overriding royalty and working interest owners in the added wells and the initial well in its respective dedicated acreage unit.

4. **Schematic Diagram.** Exhibits 5 through 5M are schematic diagrams of the existing and proposed surface commingling facilities.
5. **Lease Use Gas.** Each added well has a pumping unit that uses approximately 1.5 MCFD of lease use gas and a separator that uses approximately 0.5 MCFD of lease use gas. Two compressors still serve the system using approximately 120 MCFD of lease use gas which is allocated according to current allocation guidelines in effect for the respective lease managing authorities, in this case the Bureau Of Indian Affairs for Navajo Allotted leases and the Bureau of Land Management for Federal leases for the wells subject to Commingling Order PLC-211 and any additions and amendments thereto.

SURFACE COMMINGLING ADDITION

Commingling Order PLC-211

Thursday, February 26, 2004

Page 3

6. **Mechanical Integrity.** There are no changes to the system of flow lines as stated in the original Surface Commingling Application.

Production – Gravity/BTU. The added wells are new completions - there is currently no production data available. Gas Analysis reports for the added wells are attached as Exhibit 4A – 4C.

7. **Allocation Formula.** All initial and added wells have an allocation meter on location. The production allocated to each well will be calculated according to then current allocation guidelines in effect for the respective lease managing authorities, in this case the Bureau Of Indian Affairs for Navajo Allotted leases and the Bureau of Land Management for Federal leases. Royalties will be paid on these allocated volumes according to applicable MMS and State of New Mexico guidelines.
8. **Line Purging and Purged Fluids.** No changes planned from original application.
9. **Meter Calibration Schedule.** No changes planned from original application.
10. **Gas Analysis Schedule.** No changes planned from original application.
11. **Effective Date.** One or more of the added wells first delivered in November 2003 therefore it is requested that approval for the addition of the wells contemplated herein be retroactive to 11/01/03.

Sincerely,

COLEMAN OIL & GAS, INC.



Bryan Lewis
Landman

Attachments:

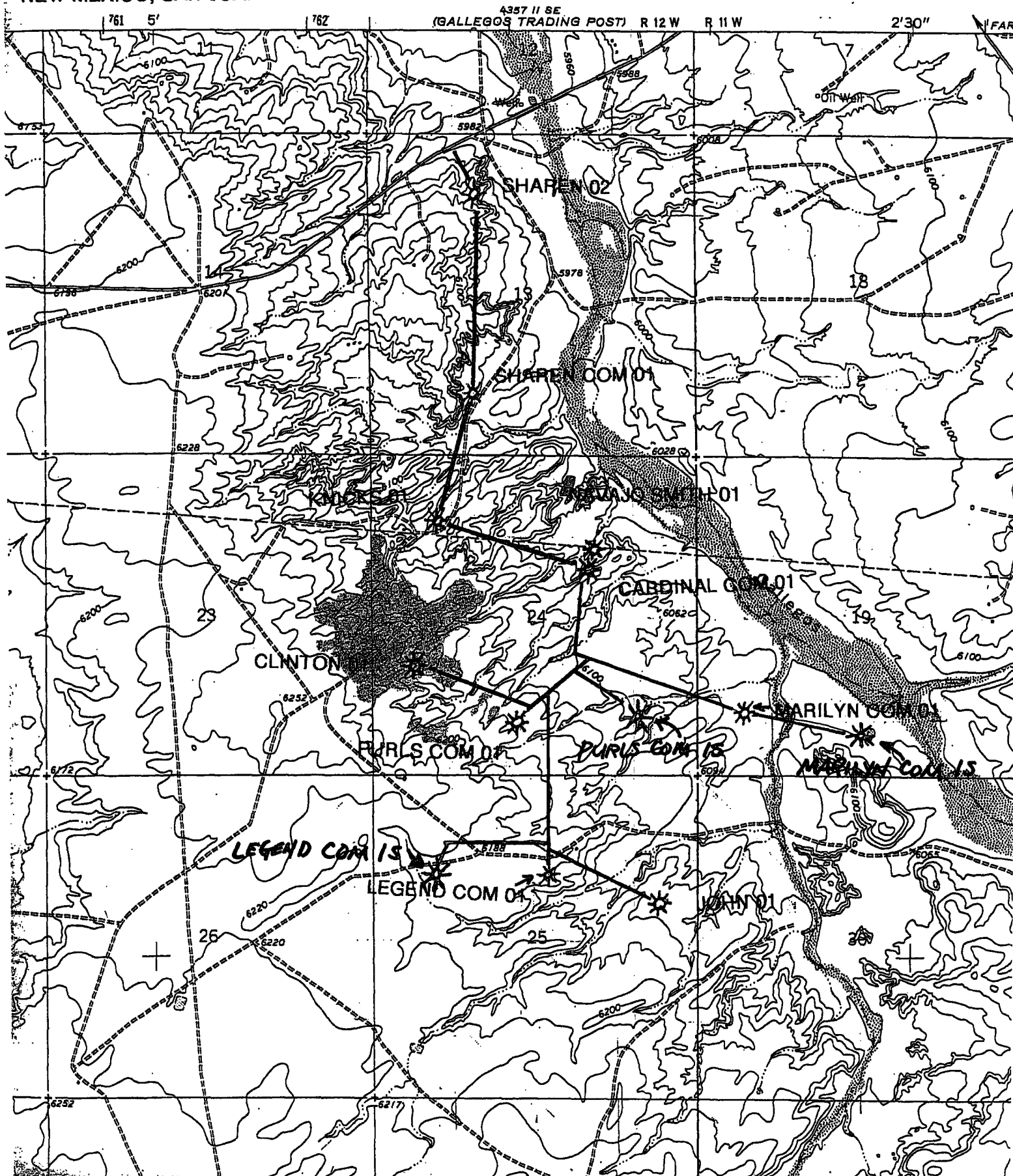
<i>Exhibit 1</i>	<i>Topographic maps</i>
<i>Exhibit 2</i>	<i>Acreage dedication plats</i>
<i>Exhibit 3</i>	<i>List of owners in leases</i>
<i>Exhibit 4A – 4C</i>	<i>Gas Analysis reports</i>
<i>Exhibit 5 – 5M</i>	<i>Schematic Diagrams</i>

cc:

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

EXHIBIT 1

CARSON TRADING POST QUADRANGLE
7.5 MINUTE SERIES
NEW MEXICO, SAN JUAN



1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088☐ AMENDED REPORT

30-045-31734

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUILTAND COAL
*Property Code	*Property Name MARILYN COM		*Well Number 1S
*OGRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6037'

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
0	19	26N	11W		670	SOUTH	2580	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 319.19 Acres - (S/2)	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	1306.80'	1321.32'	2642.64'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Michael T. Hanson</i> Signature <i>Michael T. HANSON</i> Printed Name <i>Engineer</i> Title <i>6/15/03</i> Date
Exhibit 2 Page 1				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. Survey Date: JANUARY 30, 2003 Signature and Seal of Professional Surveyor  <i>JASON C. EDWARDS</i> Certificate Number 15269
19				
NO-G-9811-1311				
NO-G-9904-1348				
MARILYN COM #1 API Number 30-045-29976				
MARILYN COM #15				
800'				
1000'				
1314.06'				
1327.92'				
670'				
2580'				
2623.50'				

Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

Instructions on back

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PO Drawer DD, Artesia, NM 88211-0719

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

☐ AMENDED REPORT

30-045-31735

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name PURLS COM		*Well Number 1S
*GRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6083'

¹⁰ Surface Location

UL or lot no. P	Section 24	Township 26N	Range 12W	Lot Idn	Feet from the 1000	North/South line SOUTH	Feet from the 1000	East/West line EAST	County 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 320.0 Acres - (S/2)					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

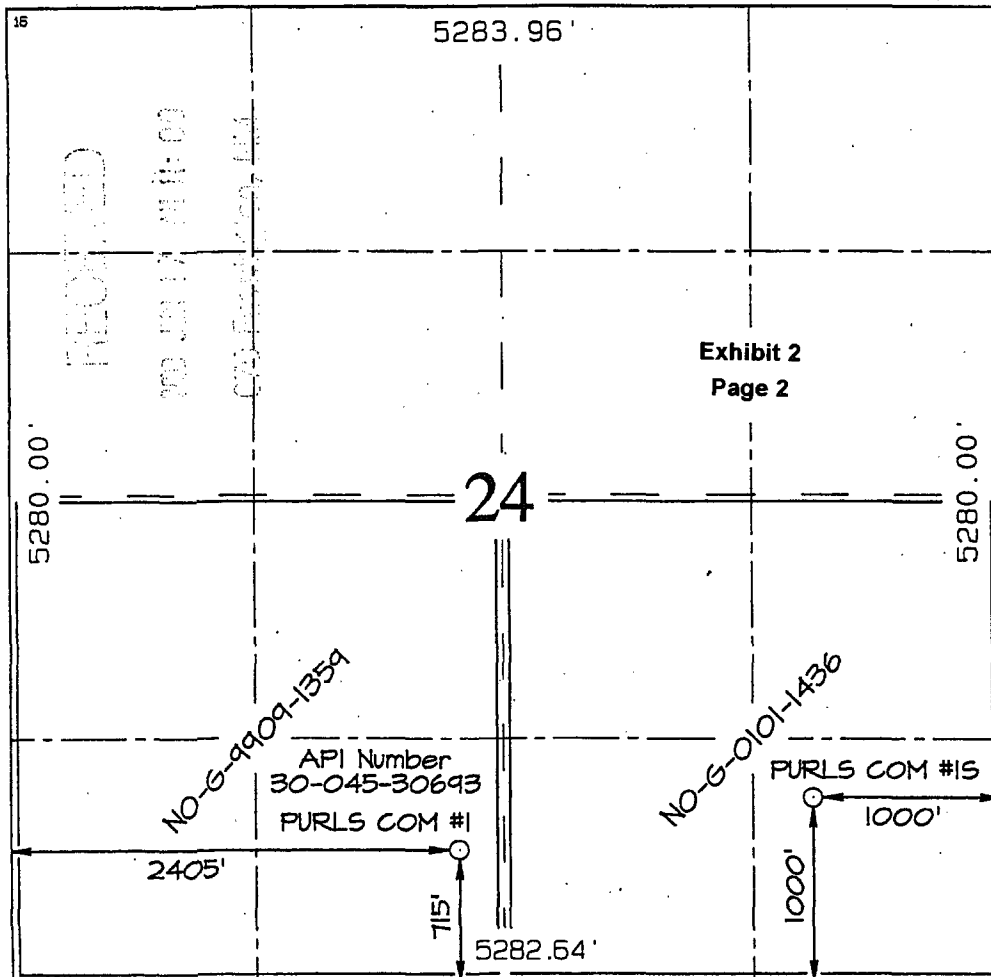


Exhibit 2
Page 2

¹⁷ OPERATOR CERTIFICATION

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

Signature
Michael T. Hanson
Printed Name
MICHAEL T. HANSON
Title
Engineer
Date
6/15/03

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.

Survey Date: JANUARY 24, 2003

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

District I
PO Box 980, Hobbs, NM 88241-1980

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-1
Revised February 21, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

30045-31733

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name LEGEND COM		*Well Number 1S
*GRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6186'

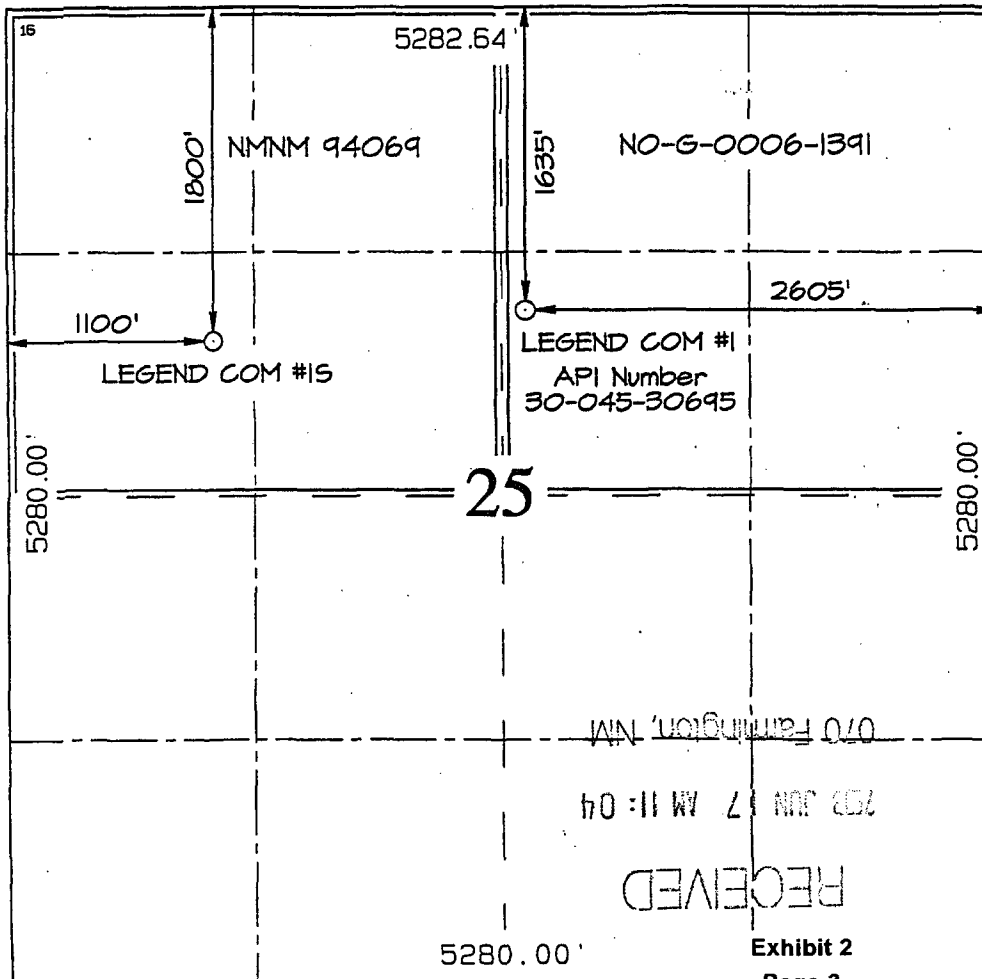
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	26N	12W		1800	NORTH	1100	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 320.0 Acres - (N/2)					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



¹⁷ OPERATOR CERTIFICATION

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

Signature: *Michael T. Hanson*
Printed Name: *Michael T. Hanson*
Title: *Engineer*
Date: *6/15/03*

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.

Survey Date: JANUARY 24, 2003

Signature and Seal of Professional Surveyor

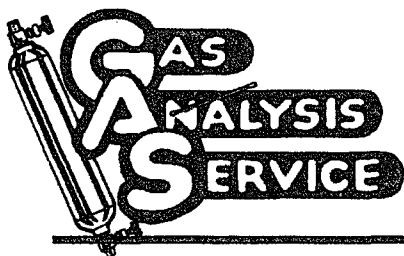


JASON C. EDWARDS
Certificate Number 15269

EXHIBIT "3"
LIST OF OWNERS

	<u>Marilyn Com #1</u>	<u>PurIs Com #1</u>	<u>Legend Com #1</u>
	NOG 9811-1311	NOG 9909-1359	NOG 0006-1391
	NOG 9904-1348	NOG 0101-1436	NM NM-064069
Royalty Owners			
DOI - MMS	0.00000000	0.00000000	0.06250000
DOI - MMS for BIA	0.14588620	0.18333333	0.06250000
Overriding Royalty Owners			
None	0.00000000	0.00000000	0.00000000
Working Interest Owners			
Coleman Oil & Gas, Inc. etal	0.42705690	0.41666667	0.43750000
Merrion Oil & Gas, Inc.	0.42705690	0.00000000	0.00000000
Robert Beamon etal	0.00000000	0.20000000	0.21875000
Red Wolf Production	0.00000000	0.20000000	0.21875000
Total Revenue Interests	1.00000000	1.00000000	1.00000000

	<u>Marilyn Com #1S</u>	<u>PurIs Com #1S</u>	<u>Legend Com #1S</u>
	NOG 9811-1311	NOG 9909-1359	NOG 0006-1391
	NOG 9904-1348	NOG 0101-1436	NM NM-064069
Royalty Owners			
DOI - MMS	0.00000000	0.00000000	0.06250000
DOI - MMS for BIA	0.14588620	0.18333333	0.06250000
Overriding Royalty Owners			
None	0.00000000	0.00000000	0.00000000
Working Interest Owners			
Coleman Oil & Gas, Inc. etal	0.42705690	0.41666667	0.43750000
Merrion Oil & Gas, Inc.	0.42705690	0.00000000	0.00000000
Robert Beamon etal	0.00000000	0.20000000	0.21875000
Red Wolf Production	0.00000000	0.20000000	0.21875000
Total Revenue Interests	1.00000000	1.00000000	1.00000000



230 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CM240004
CUST. NO. 18200 - 10270

WELL/LEASE INFORMATION

CUSTOMER NAME COLEMAN OIL AND GAS INC.
WELL NAME MARILYN COM #1S
COUNTY/ STATE SAN JUAN
LOCATION
FIELD
FORMATION
CUST.STN.NO.

SOURCE
PRESSURE 13 PSIG
SAMPLE TEMP DEG.F
WELL FLOWING Y
DATE SAMPLED 1/5/04
SAMPLED BY BRUCE TAYLOR
FOREMAN/ENGR.

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.272	0.0000	0.00	0.0026
CO2	2.045	0.0000	0.00	0.0311
METHANE	96.404	0.0000	975.90	0.5340
ETHANE	1.273	0.3403	22.58	0.0132
PROPANE	0.004	0.0011	0.10	0.0001
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.002	0.0007	0.08	0.0000
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.000	0.0000	0.00	0.0000
TOTAL	100.000	0.3421	998.66	0.5811

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

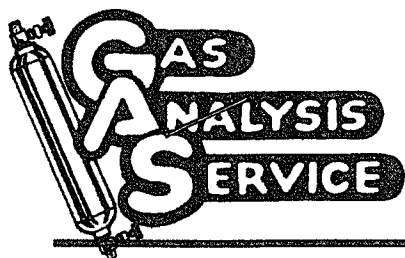
** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z) 1.0021
BTU/CU.FT (DRY) CORRECTED FOR (1/Z) 1,000.8
BTU/CU.FT (WET) CORRECTED FOR (1/Z) 985.6
REAL SPECIFIC GRAVITY 0.5822

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 995.3
DRY BTU @ 14.696 998.5
DRY BTU @ 14.730 1,000.8
DRY BTU @ 15.025 1,020.8

CYLINDER # AZT015
CYLINDER PRESSURE 13 PSIG
DATE RUN 1/8/04
ANALYSIS RUN BY JANA CARANTA



2830 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CM240005
CUST. NO. 18200 - 10275

WELL/LEASE INFORMATION

CUSTOMER NAME COLEMAN OIL AND GAS INC.
WELL NAME PURLS COM #1S
COUNTY/ STATE SAN JUAN
LOCATION
FIELD
FORMATION
CUST.STN.NO.

SOURCE D.S.MTR RUN
PRESSURE 13 PSIG
SAMPLE TEMP DEG.F
WELL FLOWING Y
DATE SAMPLED 1/5/04
SAMPLED BY BRUCE TAYLOR
FOREMAN/ENGR.

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.180	0.0000	0.00	0.0017
CO2	2.797	0.0000	0.00	0.0425
METHANE	95.306	0.0000	964.78	0.5280
ETHANE	1.710	0.4571	30.33	0.0178
PROPANE	0.005	0.0014	0.13	0.0001
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.002	0.0007	0.08	0.0000
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.000	0.0000	0.00	0.0000
TOTAL	100.000	0.4592	995.32	0.5901

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

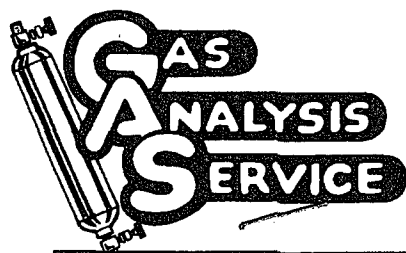
** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z) 1.0021
BTU/CU.FT (DRY) CORRECTED FOR (1/Z) 997.4
BTU/CU.FT (WET) CORRECTED FOR (1/Z) 982.3
REAL SPECIFIC GRAVITY 0.5912

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650 992.0
DRY BTU @ 14.696 995.1
DRY BTU @ 14.730 997.4
DRY BTU @ 15.025 1,017.4

CYLINDER # A038
CYLINDER PRESSURE 14 PSIG
DATE RUN 1/8/04
ANALYSIS RUN BY JANA CARANTA



2000 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CM230046
CUST. NO. 18200 - 10255

WELL/LEASE INFORMATION

CUSTOMER NAME	COLEMAN OIL AND GAS INC.	SOURCE	N/A
WELL NAME	LEGEND COM #1S	PRESSURE	9 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	N/A DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	11/19/03
FORMATION		SAMPLED BY	BRUCE TAYLOR
CUST.STN.NO.		FOREMAN/ENGR.	

REMARKS SAMPLE TAKEN DOWN STREAM METER

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.121	0.0000	0.00	0.0012
CO2	3.390	0.0000	0.00	0.0515
METHANE	93.818	0.0000	949.72	0.5197
ETHANE	2.662	0.7121	47.22	0.0276
PROPANE	0.005	0.0014	0.13	0.0001
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.004	0.0015	0.16	0.0001
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.000	0.0000	0.00	0.0000
TOTAL	100.000	0.7149	997.23	0.6002

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

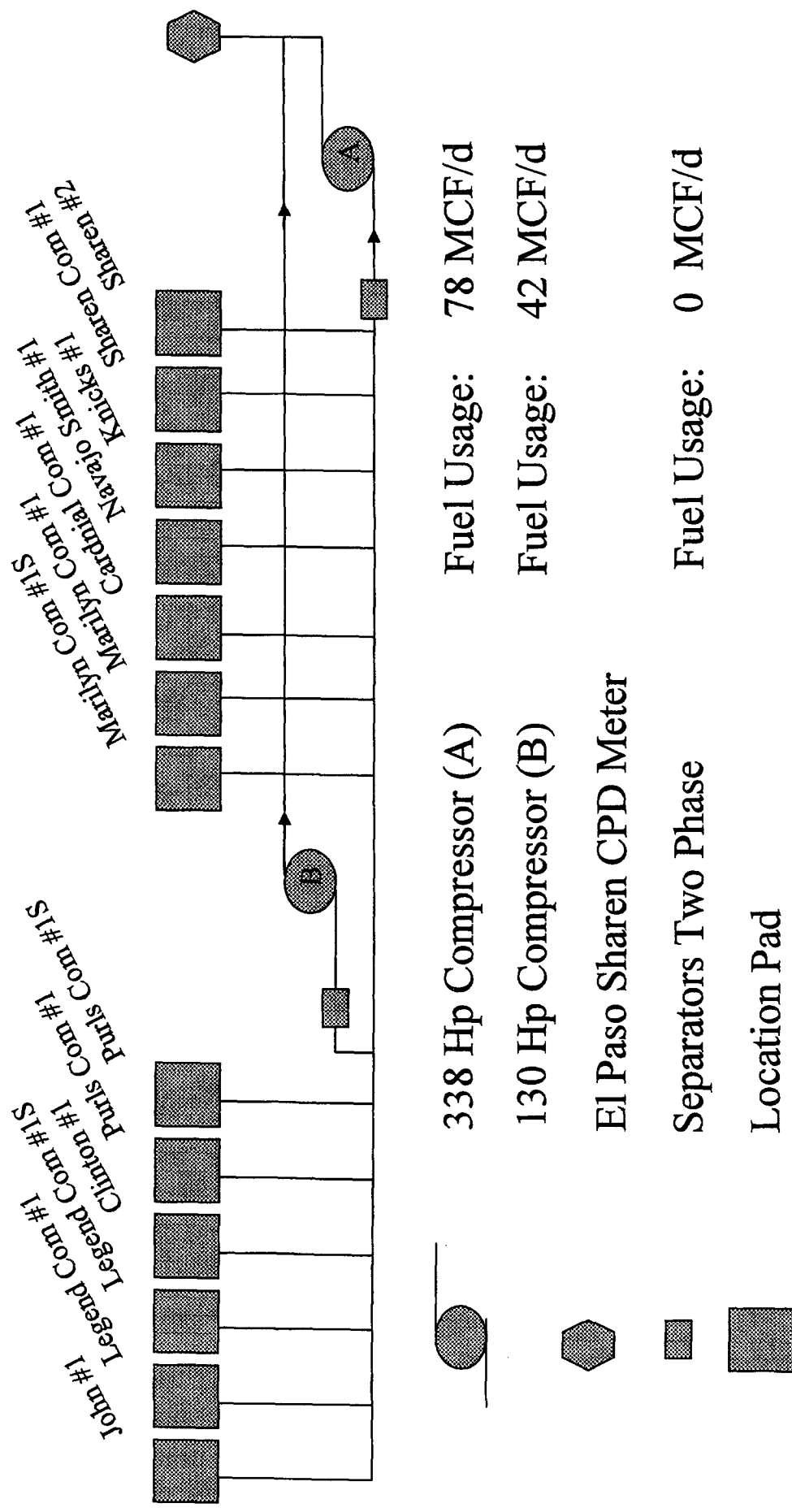
COMPRESSIBILITY FACTOR	(1/Z)	1.0022
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	999.4
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	984.3
REAL SPECIFIC GRAVITY		0.6015

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

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DRY BTU @ 14.696	997.1
DRY BTU @ 14.730	999.4
DRY BTU @ 15.025	1,019.4

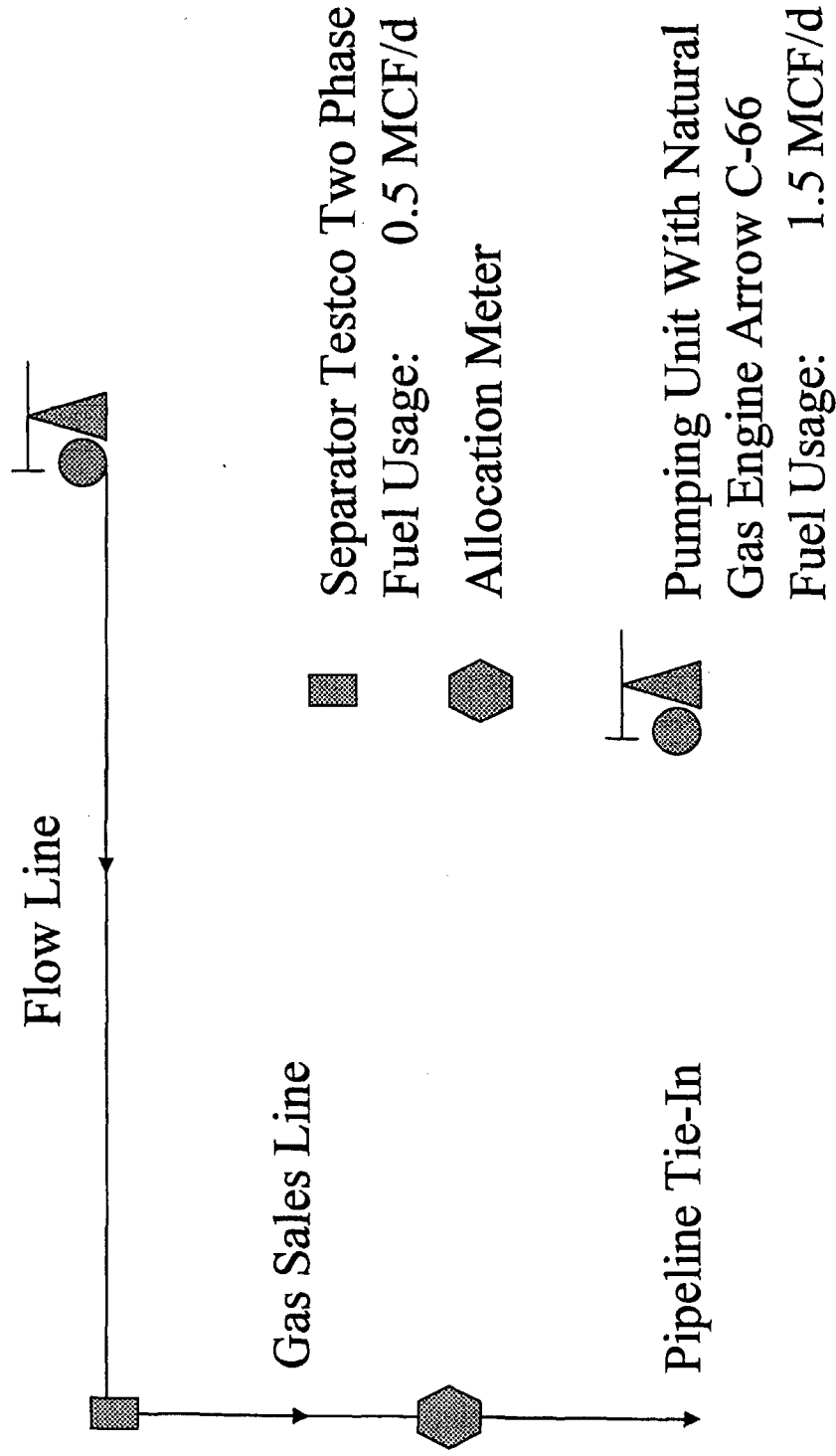
CYLINDER #	K084
CYLINDER PRESSURE	12 PSIG
DATE RUN	12/2/03
ANALYSIS RUN BY	DAWN BLASSINGAME

Sharen CPD Surface Commingle



2/2/2004

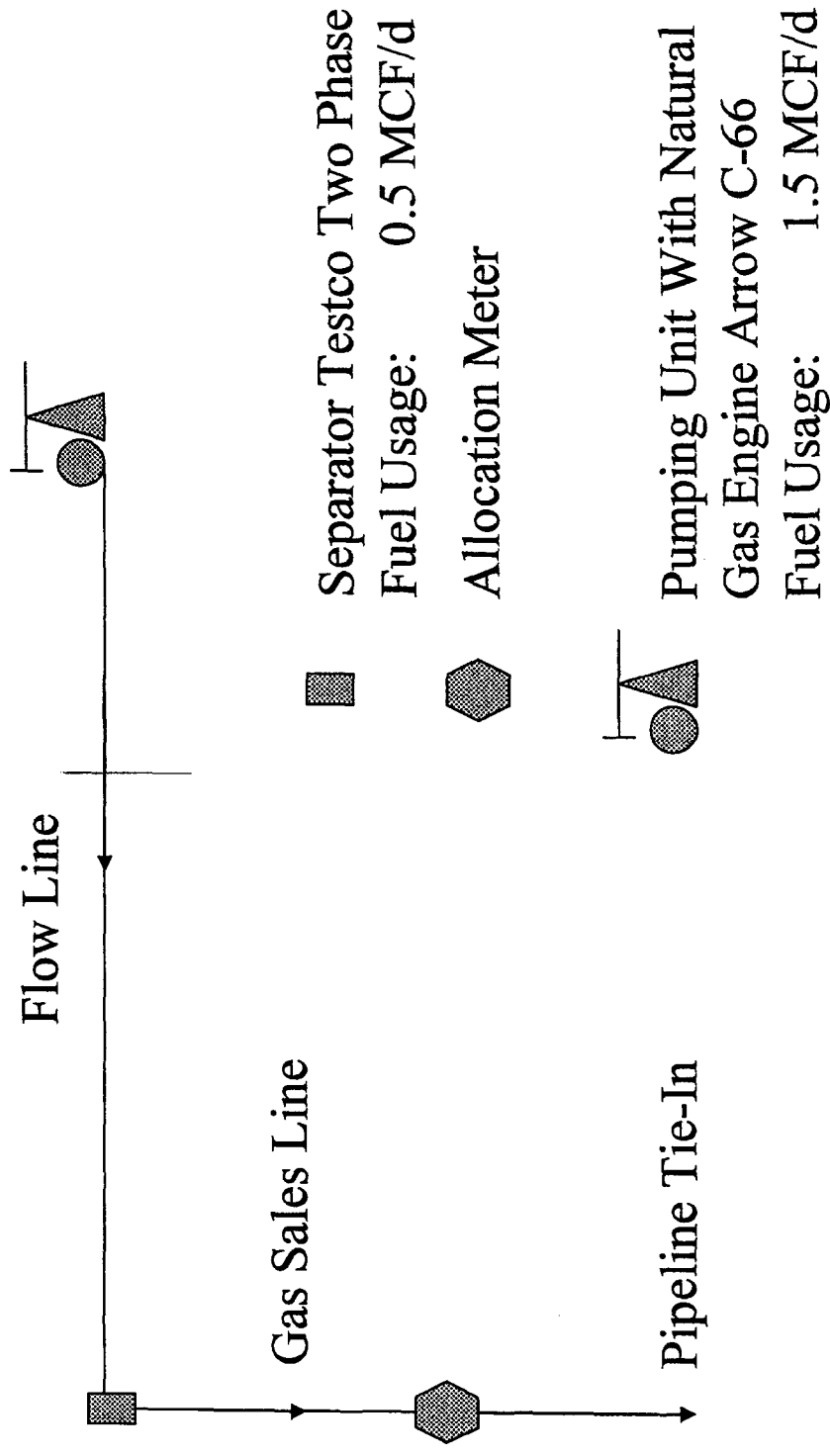
Sharen #2 Surface Facility



2/2/2004

Exhibit 5A

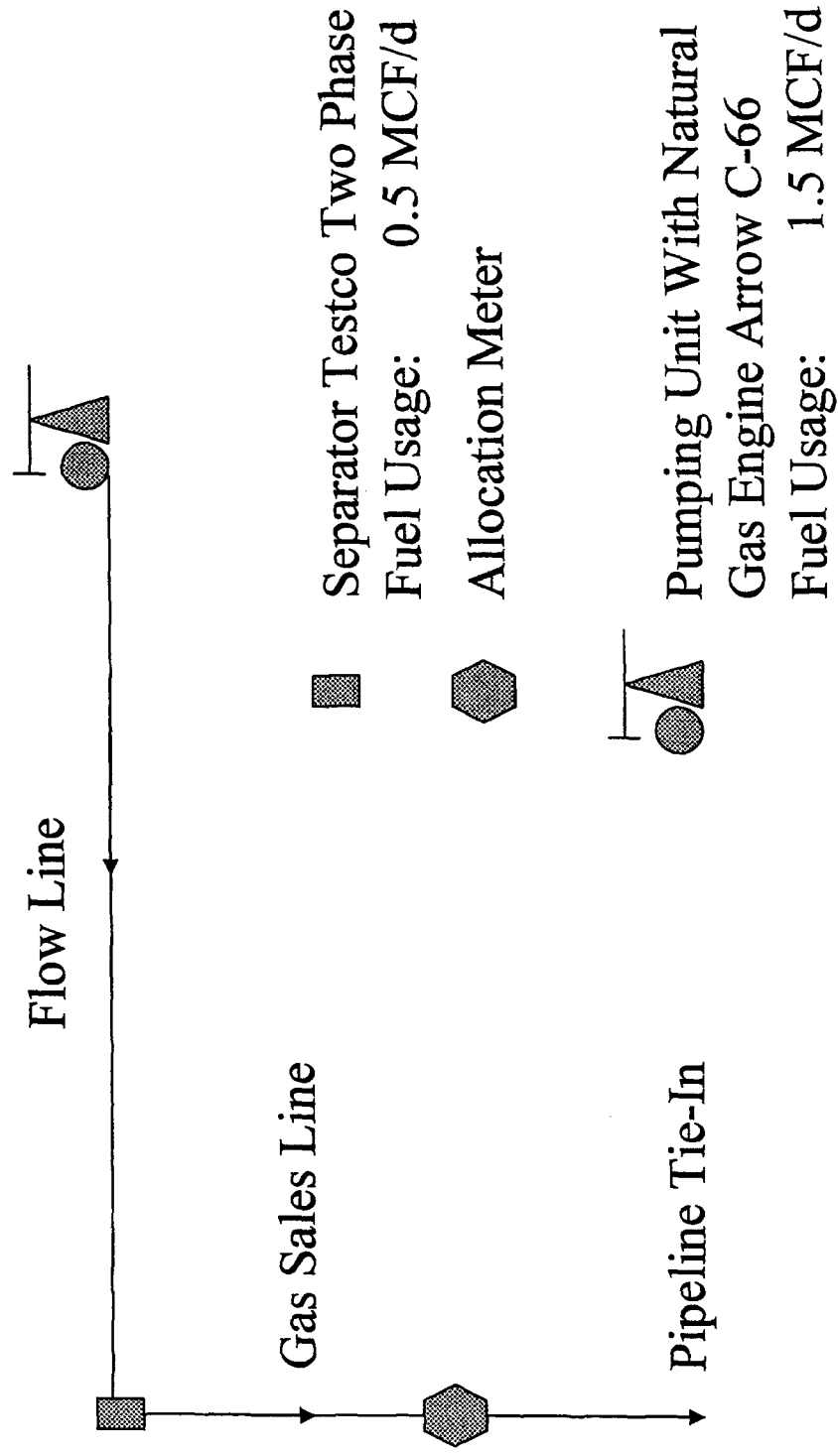
Sharen Com #1 Surface Facility



2/2/2004

Exhibit 5B

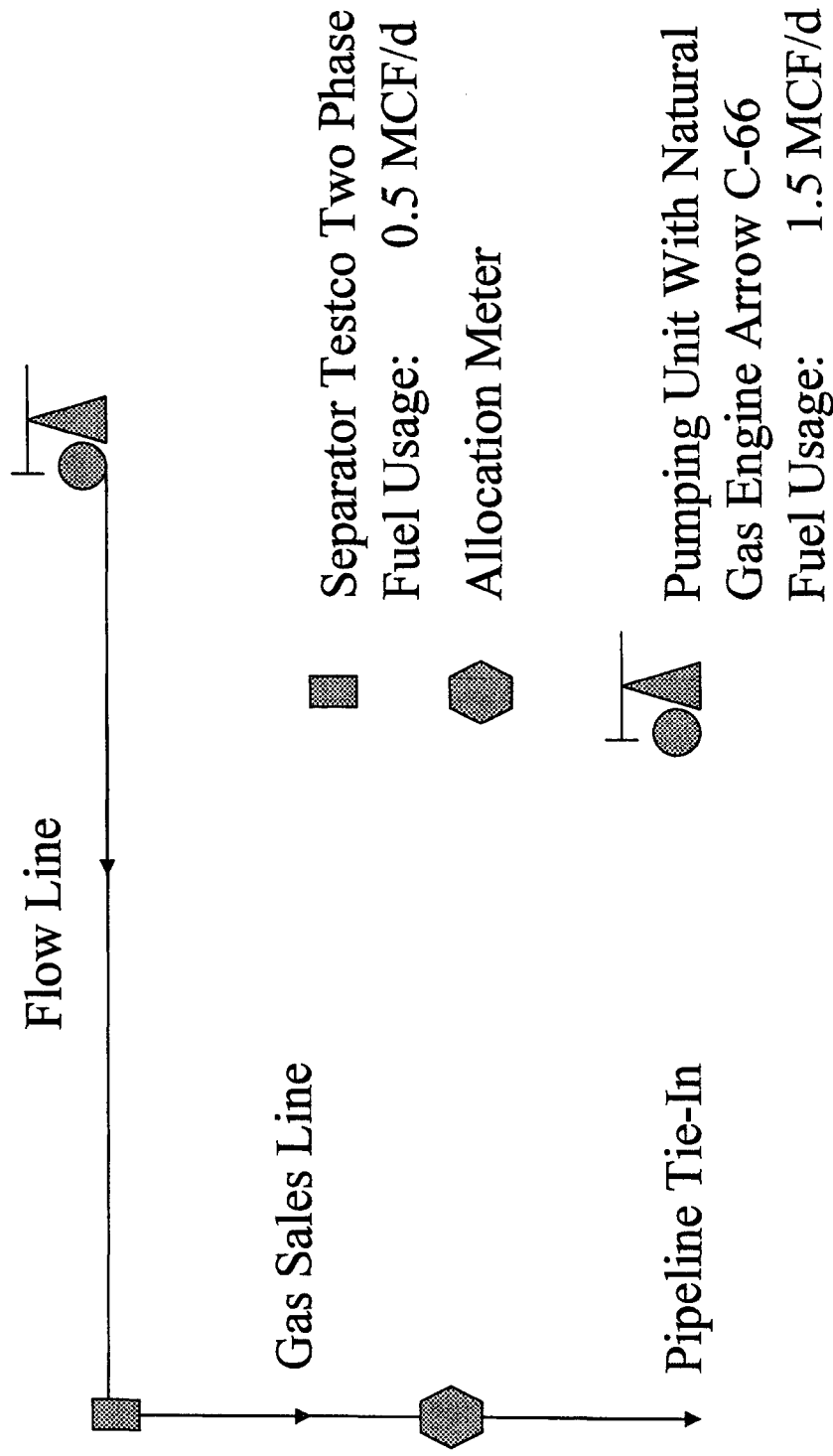
Knicks #1 Surface Facility



2/2/2004

Exhibit 5C

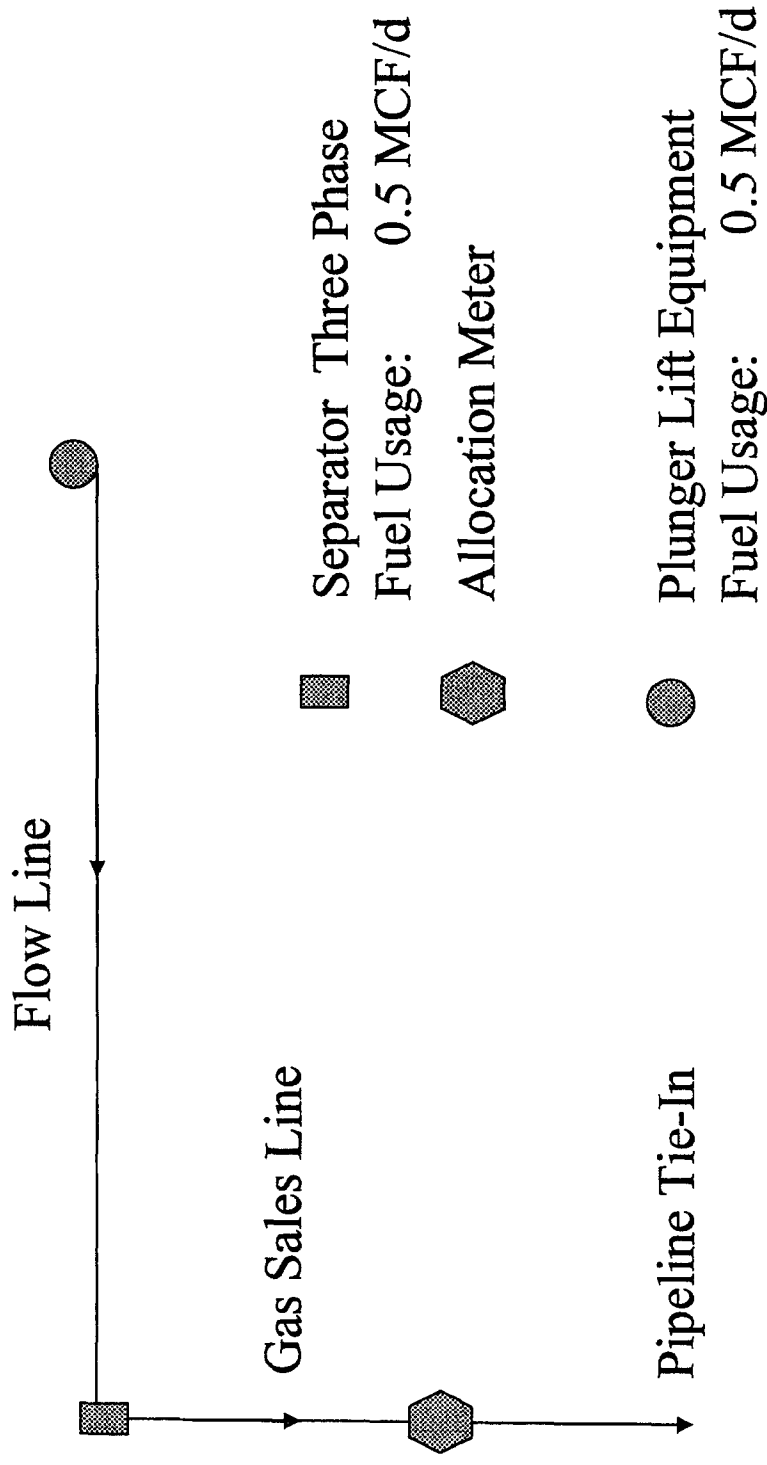
Cardinal Com #1 Surface Facility



2/2/2004

Exhibit 5D

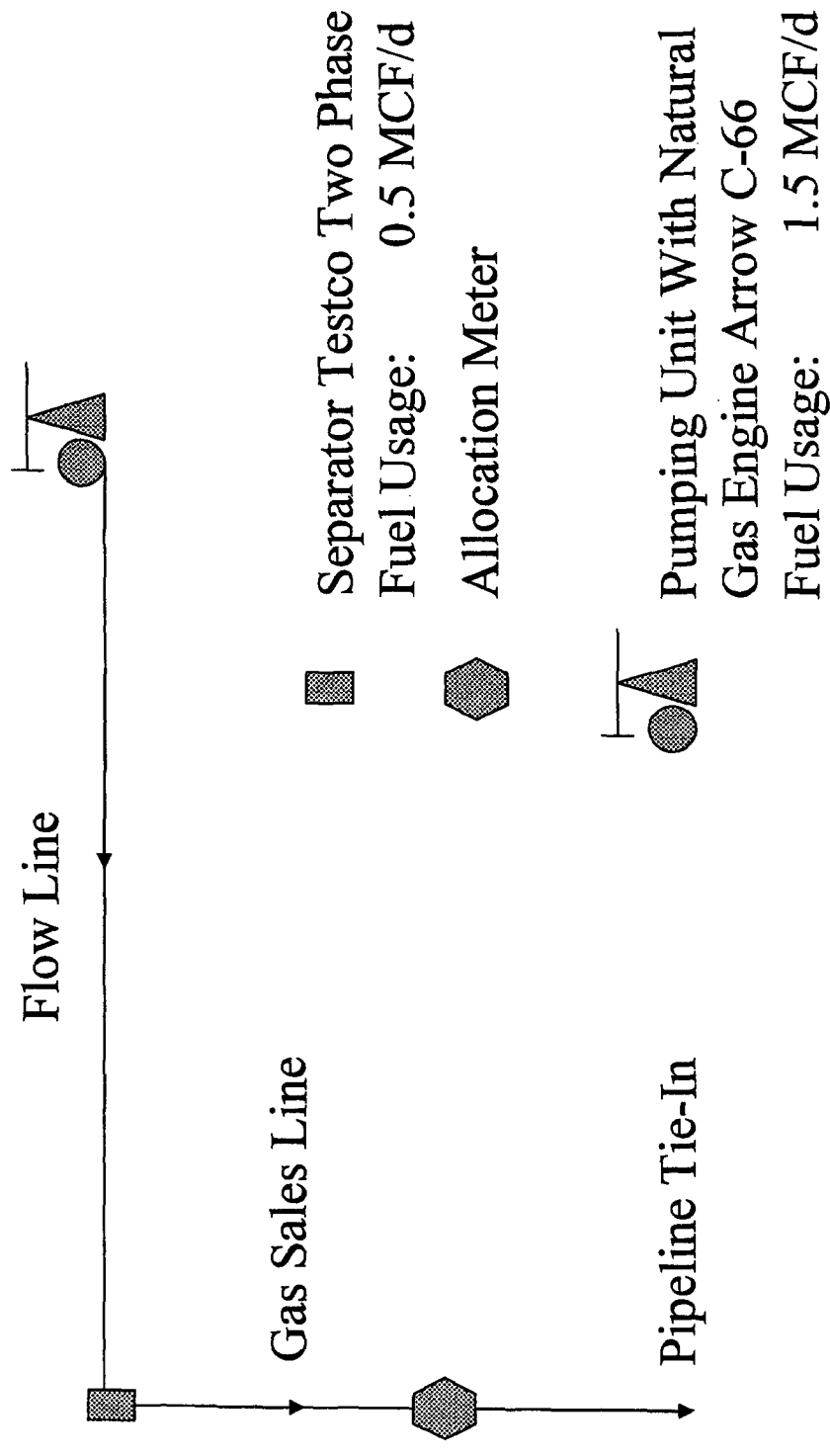
Navajo Smith #1 Surface Facility



2/2/2004

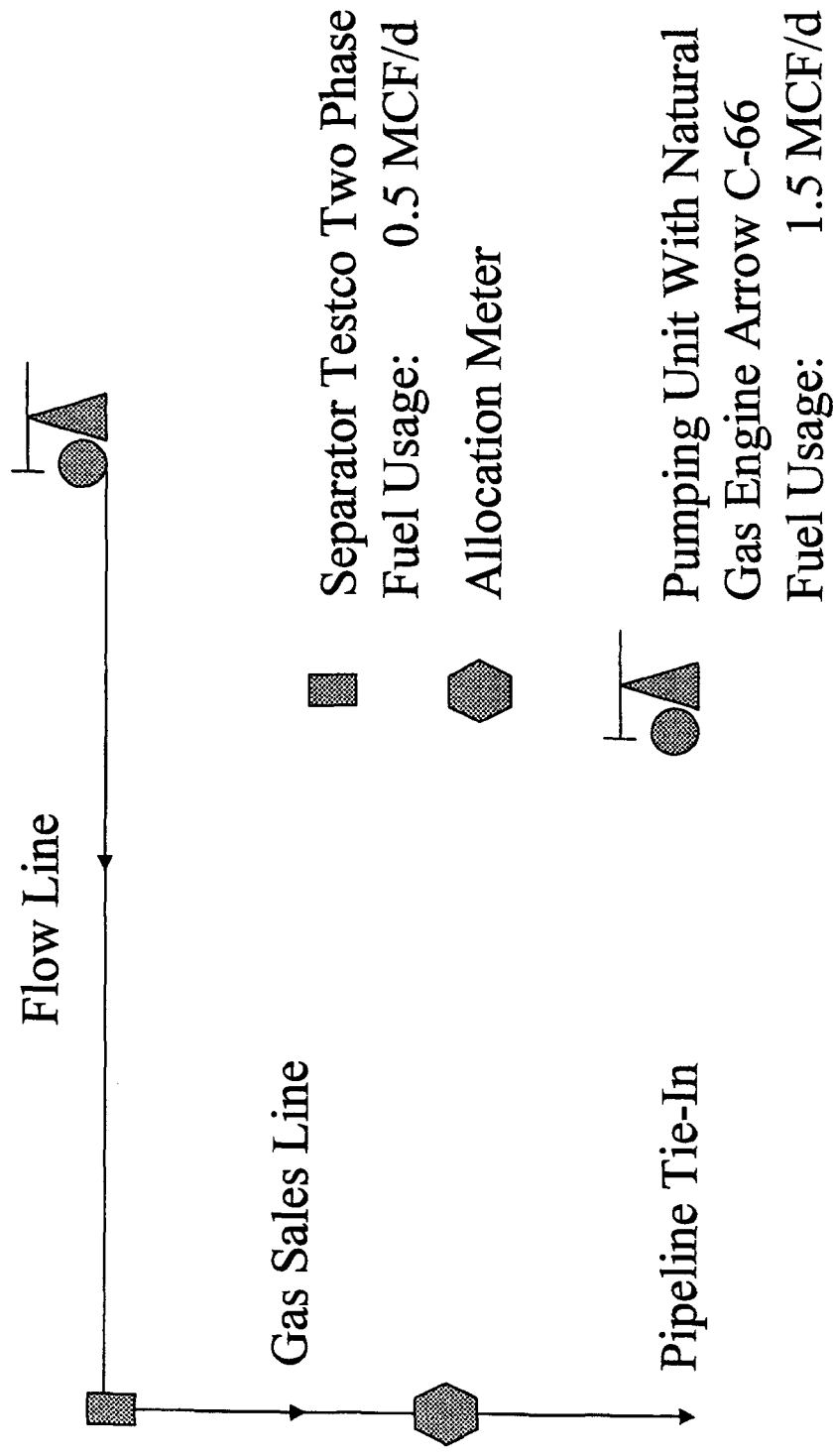
Exhibit 5E

Marilyn Com #1 Surface Facility



2/2/2004

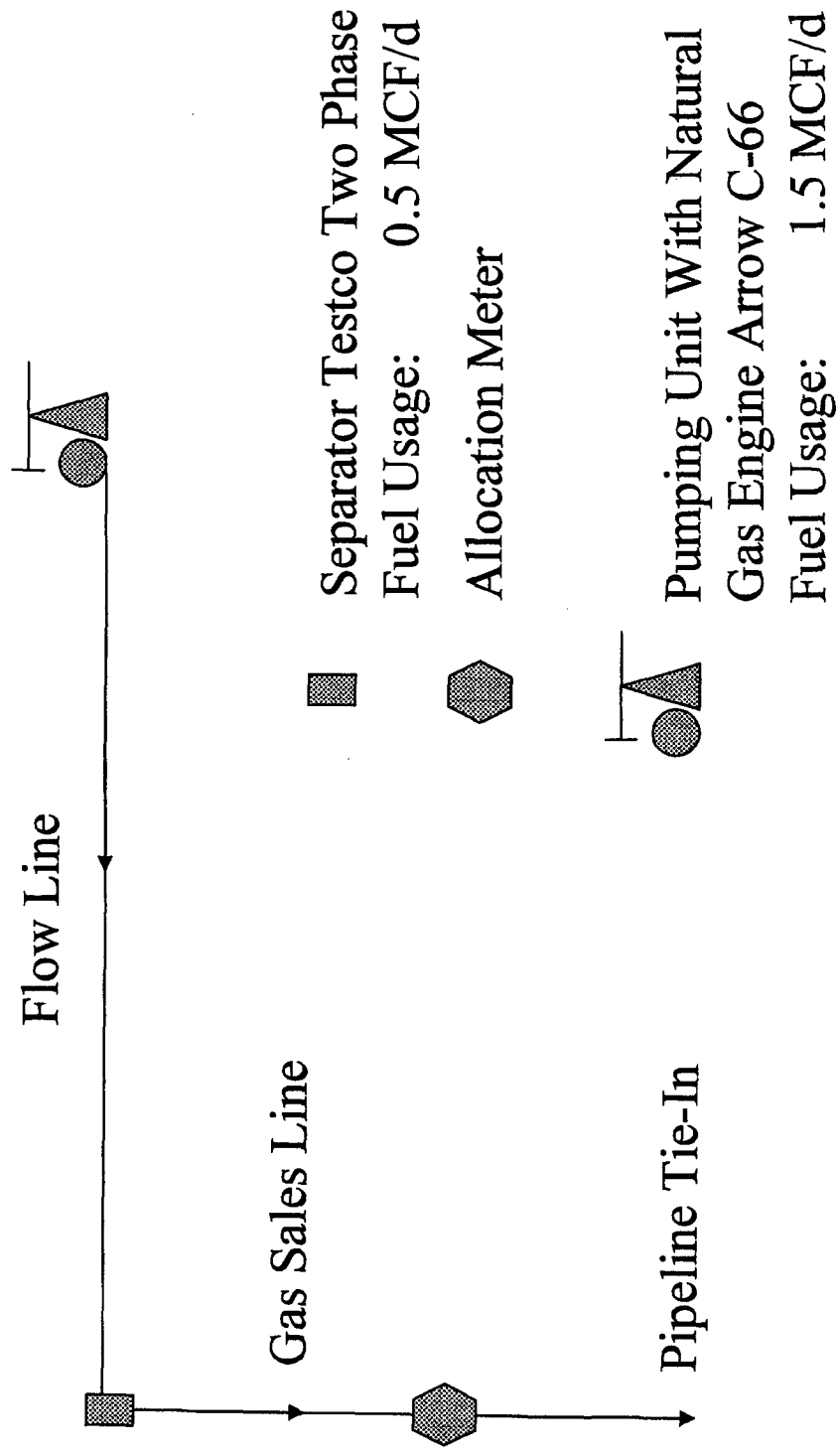
Marilyn Com #1S Surface Facility



2/2/2004

Exhibit 5G

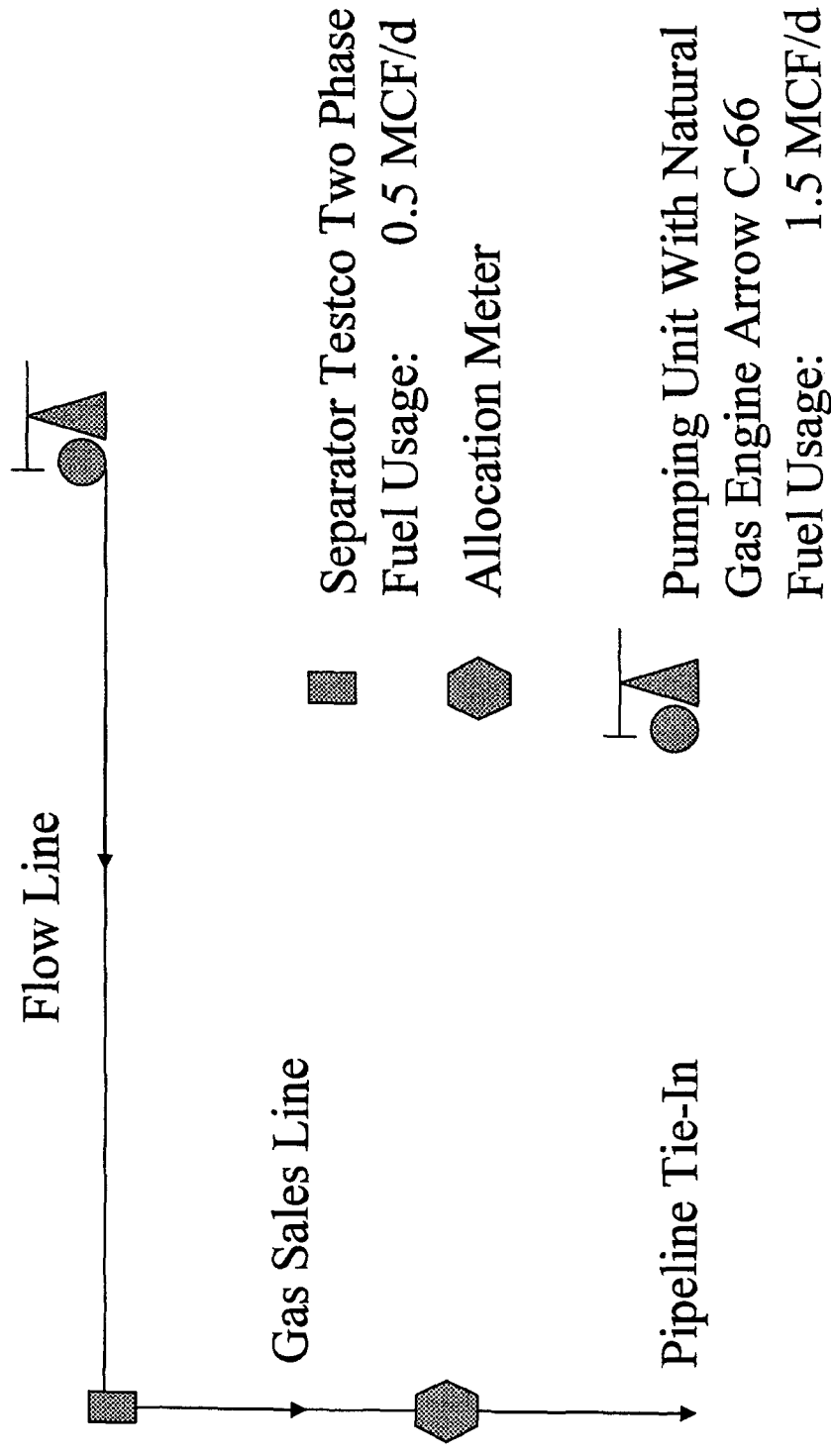
Purles Com #1 Surface Facility



2/2/2004

Exhibit 5H

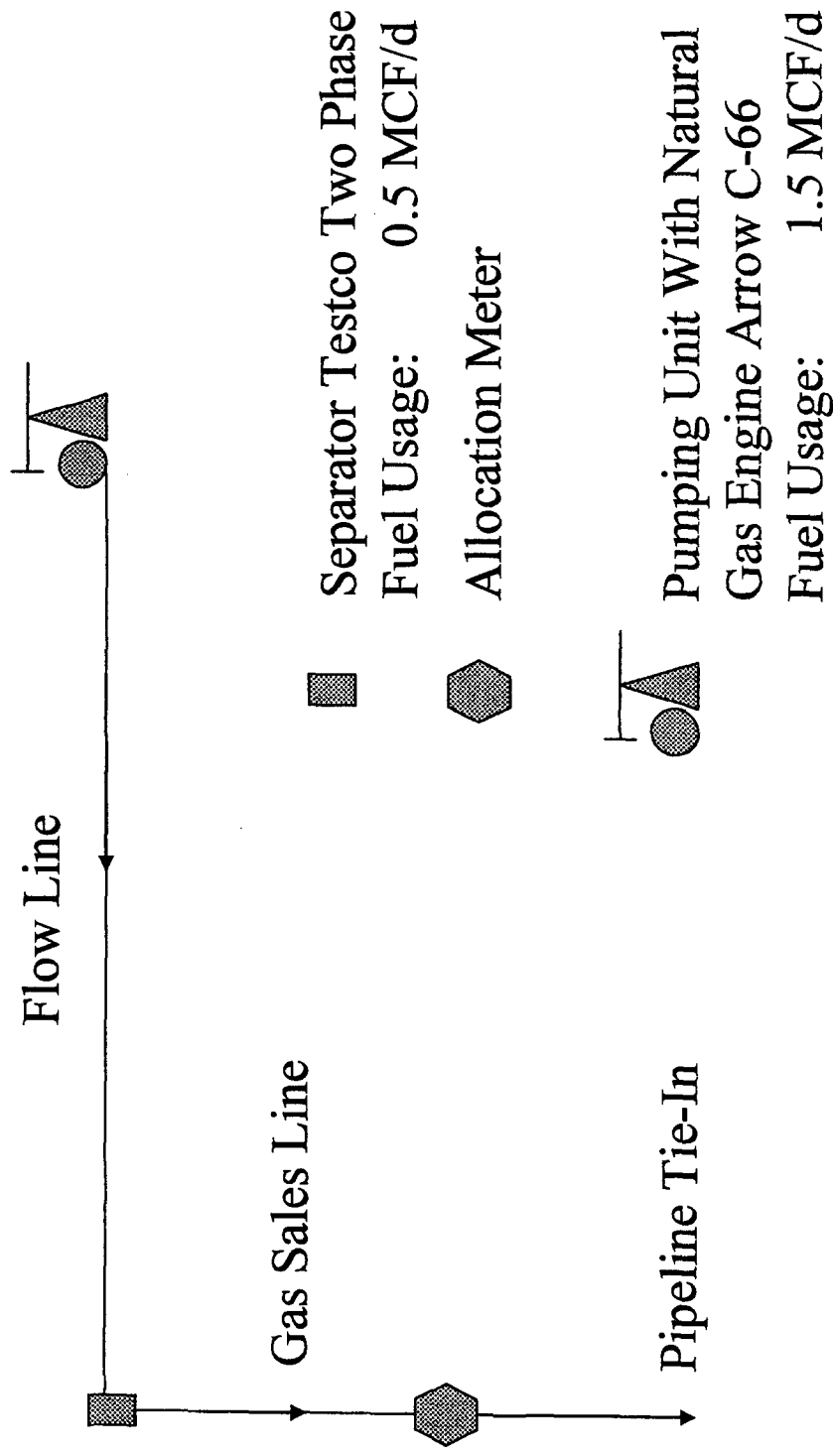
Purls Com #1S Surface Facility



2/2/2004

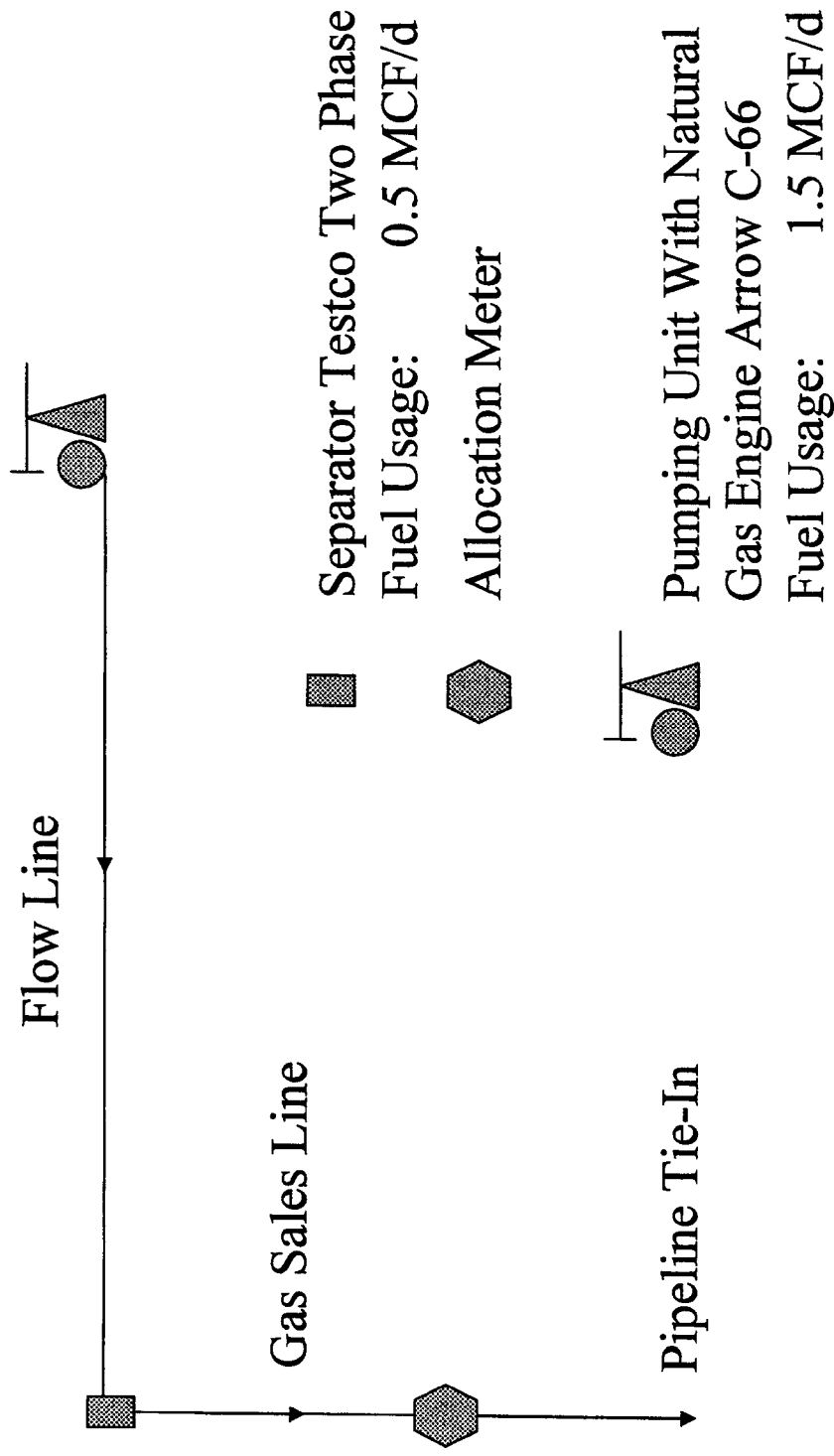
Exhibit 5I

Clinton #1 Surface Facility



2/2/2004

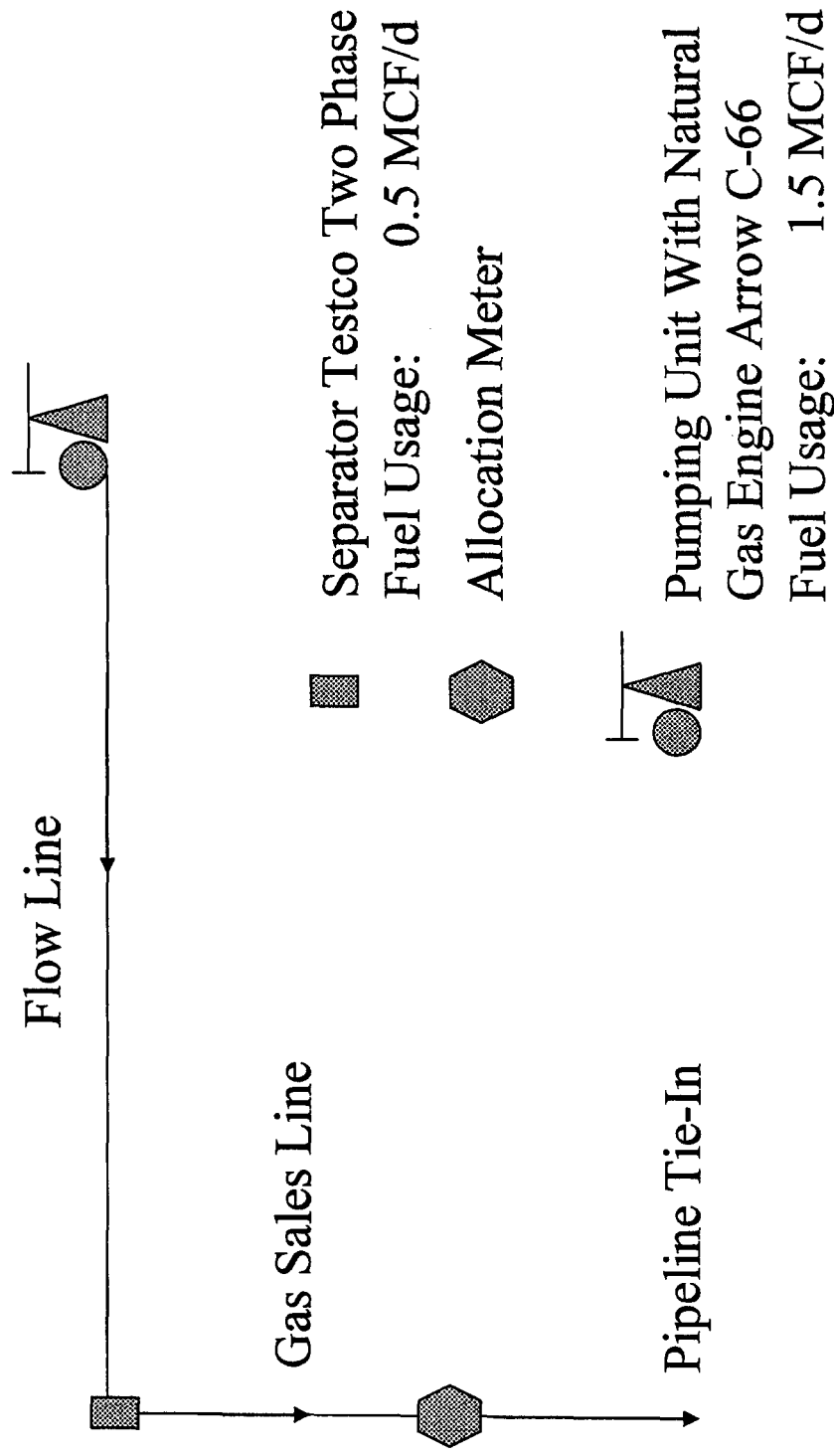
Legend Com #1 Surface Facility



2/2/2004

Exhibit 5K

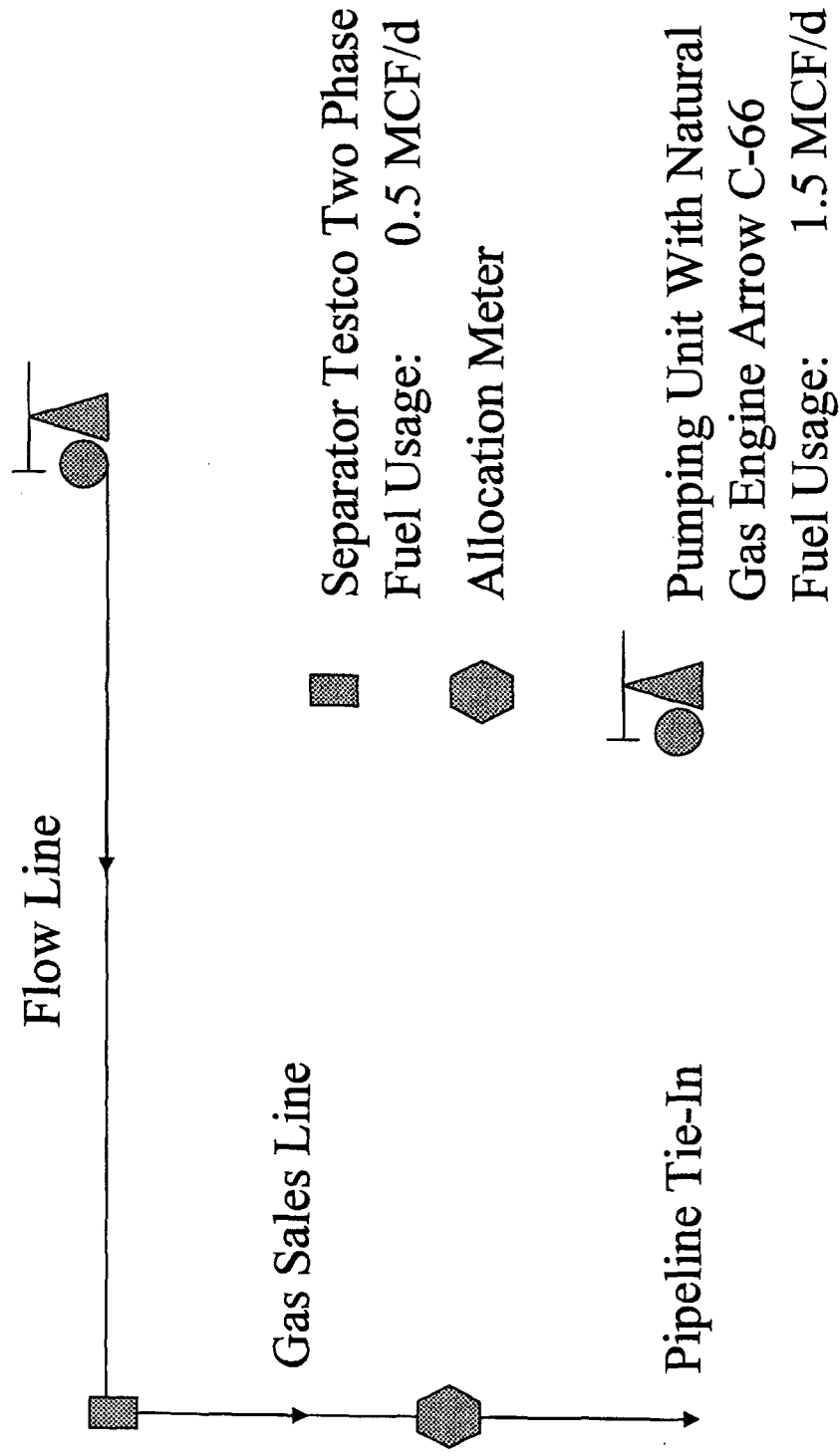
Legend Com #1S Surface Facility



2/2/2004

Exhibit 5L

John #1 Surface Facility



2/2/2004

Exhibit 5M