



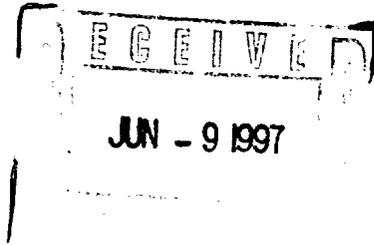
**COASTAL MANAGEMENT CORPORATION**  
OIL AND GAS PROJECT MANAGEMENT

CTB 6/30/97  
453

June 4, 1997

915-688-0756

Mr. David R. Catanach  
State of New Mexico  
Oil Conservation Commission  
2040 S. Pacheco Street  
Santa Fe, New Mexico 87505



Re: Commingling Proposal  
Quanah Federal No. 1  
NM-17807, SE/4 SW/4 Sec. 14-T18S-R32E  
Yuma Federal No. 1  
NM-40452, NE/4 SW/4 Sec. 14-T18S-R32E  
Lea County, New Mexico

Gentlemen:

1. 3 BATTERIES

At present the batteries for the referenced wells are located on the same pad. Each battery consists of two oil tanks, one heater treater and a communal water tank. The oil tanks for the Yuma battery are in poor condition and need to be replaced. In order to avoid an approximate \$10,000 tank replacement, Coastal Management Corporation is asking for approval to commingle the production of said wells. A schematic diagram of the current and proposed Yuma-Quanah battery have been enclosed for your review. Both wells are currently producing from the Delaware formation.

WEST COBBIN 13195

In accordance with 19 NMAC 15.E 309-B.A. Paragraph 4, a certified letter was mailed on May 7, 1997 to the working interest owners notifying them of our intent to commingle the production. A copy of said letter has been enclosed for your review along with copies of the return receipts. To date, all working interest owners have returned their letters concurring with the commingling of said production with the exception of Gene Shumate, Jack Huff and Harold Justice. These working interest owners have not objected, they have just not responded.

I would like to thank you for your attention and consideration on this matter. Should you have any questions or need additional information, please do not hesitate contacting the undersigned at 915-688-0756.

Sincerely,

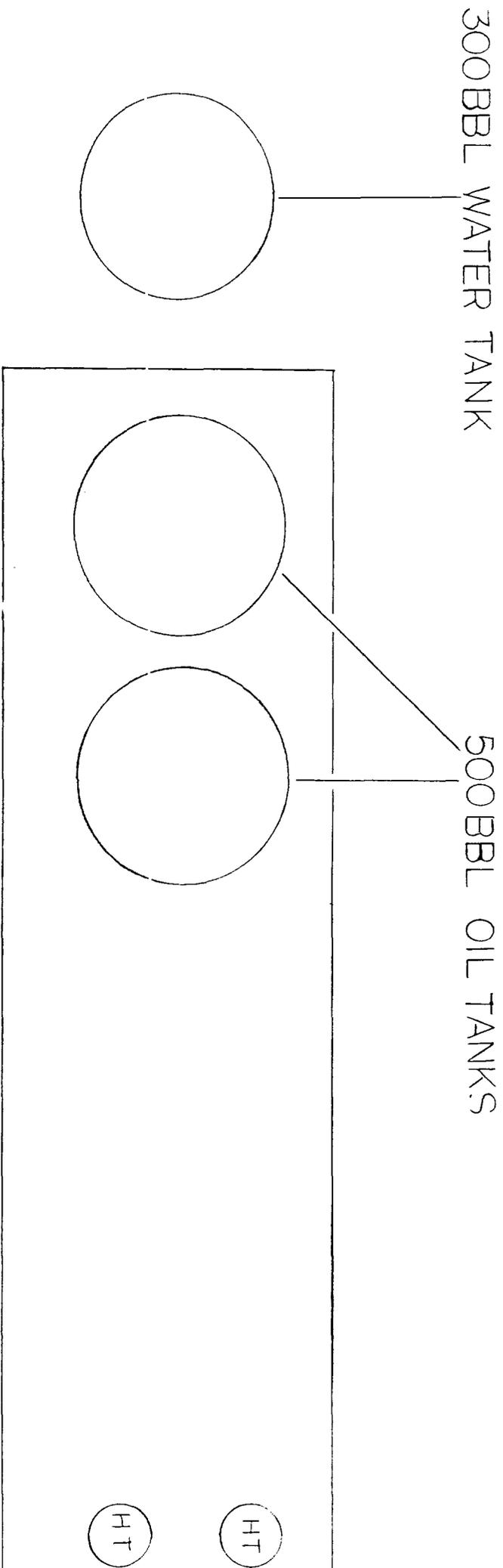
COASTAL MANAGEMENT CORPORATION

Leila Esterly  
Regulatory Coordinator

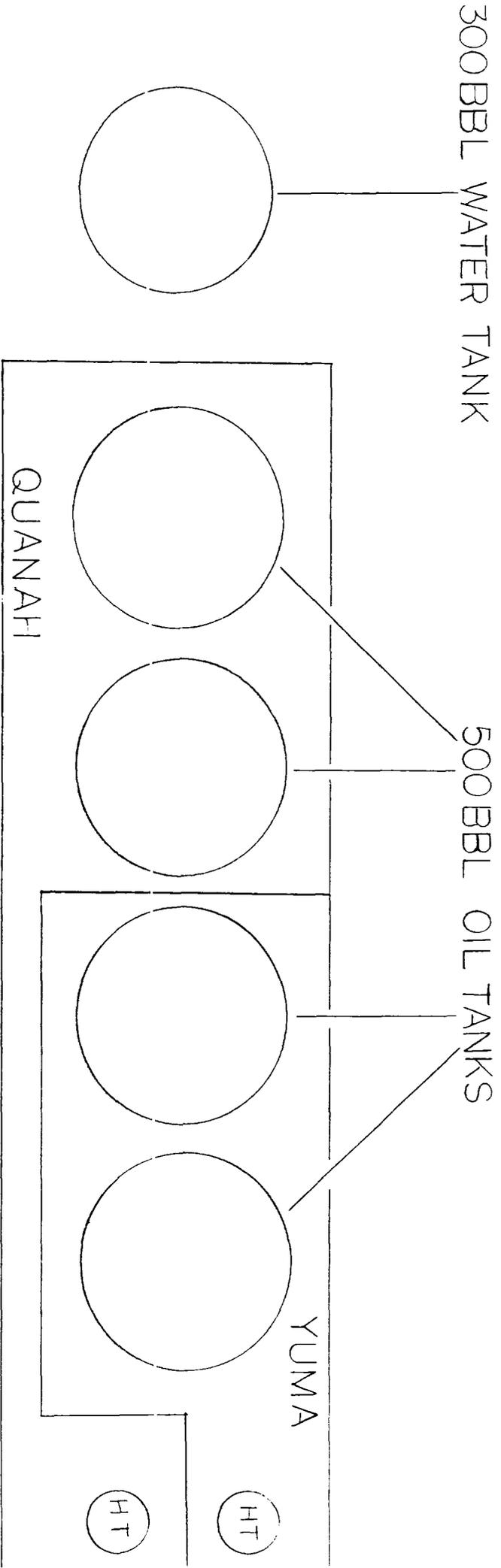
MONDAY  
FOR VERBAL  
ALAN MEANS  
915-688-0781

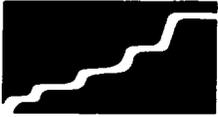
Enclosures  
/le

*Quandah - Yuma Battery  
PROPOSED*



*Quanah - Yuma Battery  
Current*





# COASTAL MANAGEMENT CORPORATION

OIL AND GAS PROJECT MANAGEMENT

VIA CERTIFIED P 245 753 177

May 7, 1997

TO ALL WORKING INTEREST OWNERS  
(See Enclosed Distribution List)

Re: Quanah Federal No. 1  
NM-17807, SE/4 SW/4 Sec. 14-T18S-R32E  
Yuma Federal No. 1  
NM-40452, NE/4 SW/4 Sec. 14-T18S-R32E  
Lea County, New Mexico

Ladies and Gentlemen:

Our records indicate that you own an interest in either one or both of the captioned wells. In an effort to reduce operating costs, Coastal Management Corporation would like to commingle the production from the captioned wells into one battery. The purchaser will allocate the production based on a metered well test.

It is required by the State of New Mexico that all interest owners consent to the commingling of production from separate leases. Therefore in this regard, I ask that you sign in the space provided below and return to my attention at the letterhead address at your earliest convenience. Should you have any questions in this regard, please contact the undersigned at 915-688-0700.

Sincerely,

*COASTAL MANAGEMENT CORPORATION*

Leila Esterly  
Land Administrator

AGREED to and ACCEPTED this \_\_\_\_ day of  
May, 1997.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Enclosure  
/lc

**WORKING INTEREST OWNER  
DISTRIBUTION LIST**  
Quanah Federal No. 1 and Yuma Federal No. 1

St. Mary Land & Exploration Company  
1776 Lincoln Street, Suite 1100  
Denver, CO 80203

T. K. Campbell  
P.O. Box 846  
Las Cruces, NM 88004-0846

Riverhill Energy Corporation  
P.O. Box 2726  
Midland, TX 79702-2726

Santa Fe Energy Operating Partners  
550 West Texas, Suite 1330  
Midland, TX 79701

Nathan C. Greer  
P.O. Box 1627  
Santa Fe, NM 87504-1627

Jose Rodriguez  
712 Main Street, Suite 2200  
Houston, TX 77002

Harold D. Justice  
3007 Riverside Drive  
Roswell, NM 88201-1348

Patty Jennings  
1107 N. Kentucky  
Roswell, NM 88202-5024

Dean Kinsolving  
P.O. Box 325  
Tatum, NM 88267-0325

Burma Lee Kernal  
Route 2, Box 96  
Seminole, OK 74868

Dr. Michael Norton, III  
688 County Street  
New Bedford, MA 02470

Gene Shumate  
P.O. Box 2473  
Midland, TX 79702-2473

Centennial  
P.O. Box 1837  
Roswell, NM 88202-1837

Jack Huff  
P.O. Box 50190  
Midland, TX 79710-0190

Byron Bachschmid  
P.O. Box 306  
Hurst, TX 76053-0306

The right of the return  
 at a post office service  
 gummed stub to the right of the  
 receipt, and mail the article.  
 number and your name and address  
 front of the article by means of the  
 of article. Endorse front of article  
 authorized agent of the  
 front of this  
 Form 3811.

is your RETURN ADDRESS

**R:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this  
 to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not  
 permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date  
 delivered.

I also wish to receive the following services (for an extra fee):

Addressee's Address  
 Restricted Delivery  
 Consult postmaster for fee.

1. Article Addressed to:  
 T.K. Campbell  
 P.O. Box 846  
 Las Cruces, NM 88004-0846

4a. Article Number  
 P 245 753 174

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery

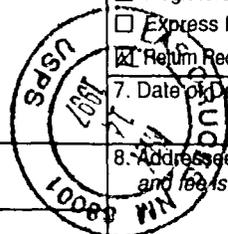
5. Received By: (Print Name)  
Rita V. Ryan

6. Signature: (Addressee or Agent)  
X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt



Thank you for using Return Receipt Service.

First-class postage, certified mail fee, and  
 only.  
 gummed stub to the right of the return  
 the article at a post office service  
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 the gummed stub to the right of the  
 the receipt, and mail the article.  
 number and your name and address  
 the front of the article by means of the  
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 ber.  
 or to an authorized agent of the  
 front of the article.  
 appropriate spaces on the front of this  
 table blocks in item 1 of Form 3811.

is your RETURN ADDRESS

**SENDER:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this  
 to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not  
 permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date  
 delivered.

I also wish to receive the following services (for an extra fee):

Addressee's Address  
 Restricted Delivery  
 Consult postmaster for fee.

Article Addressed to:  
 St. Mary Land & Exploration Co.  
 1776 Lincoln Street, Suite 1100  
 Denver, CO 80203

4a. Article Number  
 P 245 753 173

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
5-12-97

Received By: (Print Name)

Signature: (Addressee or Agent)  
X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

First-Class postage, certified mail fee, and  
 (See front).  
 stick the gummed stub to the right of the return  
 and present the article at a post office service  
 extra charge).  
 stick the gummed stub to the right of the  
 the receipt, and mail the article.  
 number and your name and address  
 front of the article by means of the  
 of article. Endorse front of article  
 authorized agent of the  
 the front of this  
 Form 3811.

is your RETURN ADDRESS

**R:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this  
 to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not  
 permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date  
 delivered.

I also wish to receive the following services (for an extra fee):

Addressee's Address  
 Restricted Delivery  
 Consult postmaster for fee.

Article Addressed to:  
 Dr. Michael Norton, III  
 688-County Street  
 New Bedford, MA 02470

4a. Article Number  
 P 245 753 182

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
5/10/97

5. Received By: (Print Name)  
M. J. NORTON

6. Signature: (Addressee or Agent)  
X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

**SENDER:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
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 The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Article Addressed to:  
 Byron Bachschmid  
 P.O. Box 306  
 Hurst, TX 76053-0306

4a. Article Number  
 P 245 753 186

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 1

Received By: (Print Name)  
 Signature: (Addressee or Agent)  
 X *Byron Bachschmid*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

**SENDER:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Print your name and address on the reverse of this form so that we can return this to you.  
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 The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Article Addressed to:  
 Santa Fe Energy Operating  
 550 West Texas, Suite 330  
 Midland, Texas 79701

4a. Article Number  
 P 245 753 175

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 5-8-97

Received By: (Print Name)  
 Signature: (Addressee or Agent)  
 X *Yvonne Hetch*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

**SENDER:**  
 Complete items 1 and/or 2 for additional services.  
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 The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Article Addressed to:  
 Patty Jennings  
 1107 N. Kentucky  
 Roswell, NM 88202-5024

4a. Article Number  
 P 245 753 179

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 5/8/97 C4

Received By: (Print Name)  
 Signature: (Addressee or Agent)  
 X *Elliot D. Keard*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3800, April 1995 (Reverse)

Thank you for using Return Receipt Service.

First-Class postage, certified mail fee, and (See front).  
 the gummed stub to the right of the return present the article at a post office service charge).  
 stick the gummed stub to the right of the retain the receipt, and mail the article.  
 mail number and your name and address to the front of the article by means of the back of article. Endorse front of article the number.  
 addressee, or to an authorized agent of the front of the article.  
 appropriate spaces on the front of this applicable blocks in item 1 of Form 3811.  
 inquiry.

First-Class postage, certified mail fee, and (See front).  
 the gummed stub to the right of the return present the article at a post office service charge).  
 stick the gummed stub to the right of the retain the receipt, and mail the article.  
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 inquiry.

certified mail fee, and  
 the article at a post office service  
 the gummed stub to the right of the return  
 the article by means of the  
 the article. Endorse front of article  
 or to an authorized agent of the  
 the article.  
 spaces on the front of this  
 blocks in item 1 of Form 3811.

**PS Form 3800, April 1995 (Revised)**

**PS Form 3811, December 1994**

**Domestic Return Receipt**

**RETURN:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Write your name and address on the reverse of this form so that we can return this to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Article Addressed to:  
 Gene Shumate  
 P.O. Box 2473  
 Midland, TX 79702-2473

4a. Article Number  
 P 245 753 183

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 5-8-97

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
 X Gene Shumate

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

First-Class postage, certified mail fee, and  
 optional services (See front).  
 Write the gummed stub to the right of the return  
 receipt attached, and present the article at a post office service  
 carrier (no extra charge).  
 receipt postmarked, stick the gummed stub to the right of the return  
 receipt attached, and present the article at a post office service  
 carrier (no extra charge).  
 write the certified mail number and your name and address  
 3811 and attach it to the front of the article by means of the  
 gummed stub. Otherwise, affix to back of article.  
 Endorse front of article  
 to the addressee, or to an authorized agent of the  
 the article.  
 appropriate spaces on the front of this  
 the applicable blocks in item 1 of Form 3811.  
 an inquiry.

**PS Form 3800, April 1995 (Revised)**

**PS Form 3811, December 1994**

**Domestic Return Receipt**

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 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Article Addressed to:  
 Rick Huff  
 P.O. Box 2473  
 Midland, TX 79710-0190

4a. Article Number  
 P 245 753 185

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 MAY 8 1997

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
 X Nancy Rupp

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

First-Class postage, certified mail fee, and  
 optional services (See front).  
 Write the gummed stub to the right of the return  
 receipt attached, and present the article at a post office service  
 carrier (no extra charge).  
 receipt postmarked, stick the gummed stub to the right of the return  
 receipt attached, and present the article at a post office service  
 carrier (no extra charge).  
 write the certified mail number and your name and address  
 3811 and attach it to the front of the article by means of the  
 gummed stub. Otherwise, affix to back of article.  
 Endorse front of article  
 to the addressee, or to an authorized agent of the  
 the article.  
 appropriate spaces on the front of this  
 the applicable blocks in item 1 of Form 3811.  
 an inquiry.

**PS Form 3800, April 1995 (Revised)**

**PS Form 3811, December 1994**

**Domestic Return Receipt**

**RETURN:**  
 Complete items 1 and/or 2 for additional services.  
 Complete items 3, 4a, and 4b.  
 Write your name and address on the reverse of this form so that we can return this to you.  
 Attach this form to the front of the mailpiece, or on the back if space does not permit.  
 Write "Return Receipt Requested" on the mailpiece below the article number.  
 The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

Article Addressed to:  
 Jose Rodriguez  
 712 Main Street, Suite 2200  
 Houston, Texas 77002

4a. Article Number  
 P 245 753 177

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 MAY 9 1997

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
 X Jose Rodriguez

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

...d stub to the right of the return  
...the article at a post office service  
...the gummed stub to the right of the  
...receipt, and mail the article.  
...the gummed stub to the right of the  
...your name and address  
...of the article by means of the  
...article. Endorse front of article  
...authorized agent of the  
...on the front of this  
...of Form 3811.

is your RETURN ADDRESS

<b>SENDER:</b> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Write your name and address on the reverse of this form so that we can return this to you. Attach this form to the front of the mailpiece or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
4. Article Addressed to:  Centennial P.O. Box 1837 Roswell, NM 88202-1837	4a. Article Number P 245 753 184	7. Date of Delivery 5-13-97
4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD		
5. Received By: (Print Name) J Wilson	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X <i>J Wilson</i>		

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

...st-Class postage, certified mail fee, and  
...the front).  
...gummed stub to the right of the return  
...the article at a post office service  
...charge).  
...the gummed stub to the right of the  
...the receipt, and mail the article.  
...the number and your name and address  
...the front of the article by means of the  
...back of article. Endorse front of article  
...number.  
...or to an authorized agent of the  
...front of the article.  
...state spaces on the front of this  
...in item 1 of Form 3811.

is your RETURN ADDRESS

<b>SENDER:</b> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Write your name and address on the reverse of this form so that we can return this to you. Attach this form to the front of the mailpiece or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
4. Article Addressed to:  Burma Lee Kernal Route 2, Box 96 Seminole, OK 74868	4a. Article Number P 245 753 181	7. Date of Delivery 5-10-97 PM
4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD		
5. Received By: (Print Name) Burma Kernal	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X <i>Burma Kernal</i>		

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

...st-Class postage, certified mail fee, and  
...the front).  
...gummed stub to the right of the return  
...the article at a post office service  
...charge).  
...the gummed stub to the right of the  
...the receipt, and mail the article.  
...the number and your name and address  
...the front of the article by means of the  
...back of article. Endorse front of article  
...number.  
...or to an authorized agent of the  
...front of the article.  
...state spaces on the front of this  
...in item 1 of Form 3811.

is your RETURN ADDRESS

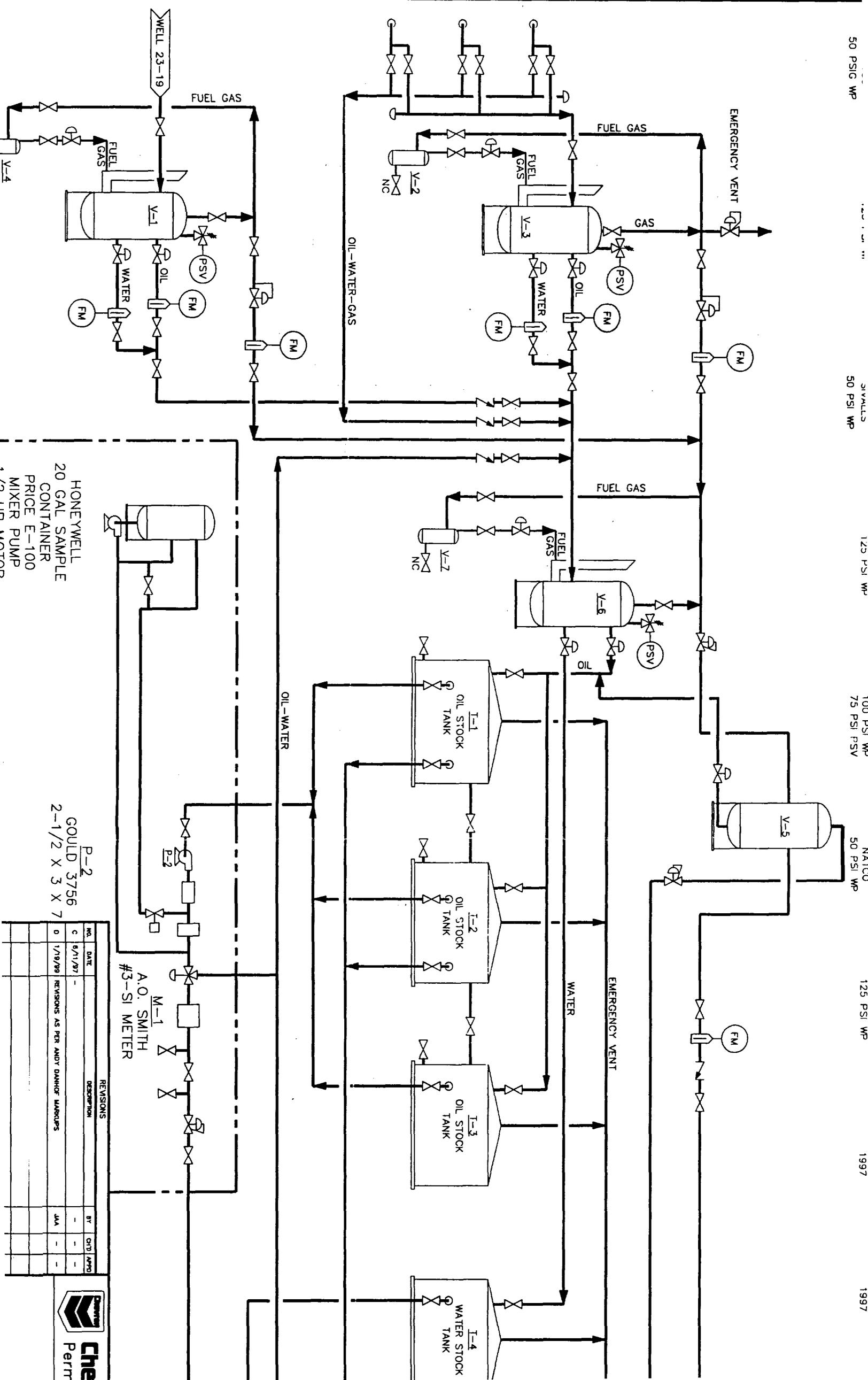
<b>SENDER:</b> Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Write your name and address on the reverse of this form so that we can return this to you. Attach this form to the front of the mailpiece or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
4. Article Addressed to:  Dean Kinsolving P.O. Box 325 Tatum, NM 88267-0325	4a. Article Number P 245 753 180	7. Date of Delivery 5-9-97
4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD		
5. Received By: (Print Name) Dean Kinsolving	8. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent) X <i>Dean Kinsolving</i>		

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.





50 PSIG WP  
 50 PSIG WP  
 125 PSI WP  
 100 PSI WP  
 75 PSI PSV  
 50 PSI WP  
 125 PSI WP  
 1997  
 1997

HONEYWELL  
 20 GAL SAMPLE  
 CONTAINER  
 PRICE E-100  
 MIXER PUMP  
 1/2 HP MOTOR

P-2  
 GOULD 3756  
 2-1/2 X 3 X 7

REVISIONS		NO.	DATE	DESCRIPTION	BY	CHK'D	APPRO.
C	6/11/97	-					
D	1/19/99			REVISIONS AS PER ANDY DANHOFF MARKUPS	JAA		

M-1  
 A.O. SMITH  
 #3-SI METER

