



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

March 4, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Coleman Oil & Gas Inc.
P.O. Drawer 3337
Farmington, New Mexico 87499

Attention: L.O. Van Ryan

Re: Administrative
Order OLM-8

Dear Sir:

Reference is made to your letter dated February 11, 1988, whereby you requested authorization from the Division to meter the gas produced from the Anderson Well No. 1 located 1740 feet from the South line and 1980 feet from the West line (Unit K) of Section 22, Township 24 North, Range 8 West, N30E, Hydroco Gallup Pool, San Juan County, New Mexico, at the location where the well ties into Mesa Operating Limited Partnership's system located in Unit P of Section 22.

Inasmuch as double measurement would constitute economic waste, you are hereby authorized to meter the gas produced from the Anderson Well No. 1 off lease at the point described above subject to the following conditions:

1. All flow lines shall be maintained in a safe and adequate condition and any leaks or failures must be reported to the Division.
2. All separation and liquids storage facilities shall be located on the originating lease.
3. The meter shall be read and maintained by the gas purchaser.
4. This approval is subject to like approval by the BLM.

In addition, all production, storage, transportation, sales, and other operations shall comply with Division Rules and Regulations. It is the responsibility of the operator to notify the transporter of this approval.

ILLEGIBLE

Sincerely,

WJL
for William J. LeMay
Director

xc: OCD-Aztec

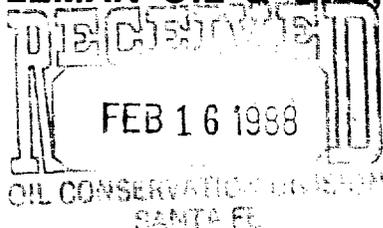
SUBSIDIARIES
COLEMAN DRILLING CO.
BIG A WELL SERVICE
SUNCO TRUCKING

DRAWER 3337
FARMINGTON, N.M. 87499

OFFICE: 505-327-0356



COLEMAN OIL & GAS, INC.



February 11, 1988

New Mexico Energy and Minerals Department
Oil Conservation Division
Box 2088
Santa Fe, NM 87501-2088

Attention: Mike Stogner

Re: Off-Lease Metering
Coleman Oil and Gas
Anderson No. 1 Well
SW/4 Sec. 22, T24N, R8W
San Juan County, New Mexico
Federal Oil and Gas Lease NM-54366

Gentlemen:

The subject well was completed in the Lybrook Gallup pool last October. Gas production from this well will be less than 50 Mcf/D. At this rate, the purchaser will not lay a gas line to the well.

Coleman has laid a gas line to a pipeline connection in unit P Section 22, T24N, R8W. This is the tie-in point given to us by the purchaser, Mesa Operating Limited Partnership. They are installing the gas meter at the tie-in point.

Coleman requests approval of this "off-lease" metering for the Anderson #1. Gas volumes will be reported by Mesa Operating Limited Partnership.

Yours truly,

L. O. Van Ryan
President

LOVR/ns