

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

**IN THE MATTER OF THE APPLICATION OF  
COLEMAN OIL & GAS, INC. FOR  
SIMULTANEOUS DEDICATION  
SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 13894

**ENTRY OF APPEARANCE**

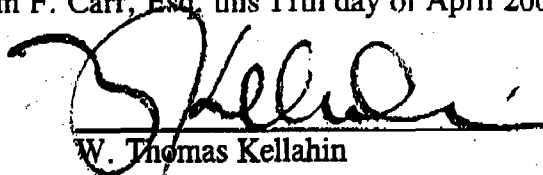
Comes now Pro NM Energy Inc., by its attorneys, Kellahin and Kellahin, and enters its appearance in this case as a party affected by this application.



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**CERTIFICATE OF MAILING**

I certify that a copy of this pleading was transmitted by facsimile to counsel for applicant, William F. Carr, Esq. this 11th day of April 2007.



W. Thomas Kellahin

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

2007 MAY 1 AM 8:28

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

**APPLICATION OF COLEMAN OIL & GAS, INC.  
FOR SIMULTANEOUS DEDICATION,  
SAN JUAN COUNTY, NEW MEXICO**

**CASE 13894**

**PRE-HEARING STATEMENT**

Pro NM Energy Inc. submits its pre-hearing statement as required by the New Mexico Oil Conservation Division.

**APPEARANCES OF THE PARTIES**

**APPLICANT**

**Coleman Oil & Gas, Inc.**

**ATTORNEY**

**William F. Carr, Esq.**

**OPPOSITION**

**Pro NM Energy, Inc.  
460 St. Michael's Drive  
Santa Fe, N.M. 8750  
Attn: Gene Gallegos  
505-983-6686**

**ATTORNEY**

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## STATEMENT OF THE CASE

### OPPONENT:

For more than four (4) years after obtaining approval to plug and abandon the Ricky #1 and the Ricky #2 and after completing replacement wellbores, the Ricky 1R and Ricky 2R, Coleman continues to delay plugging the original wellbores.

Pro NM Energy, Inc. requests that the Division deny Coleman's application. Coleman has drilled and now produces 2-replacement coal gas wells in the W/2 of Section 18, T26N, R11W but has failed to plug and abandon the two original coal-gas wells.

In February 2003, rather than comply with letters from the BLM and the OCD requiring Coleman to plug the two original wells, Coleman attempted to avoid that requirement by seeking approval for a 12-month production test. That request was approved in Case 13279 by Order R-12201.

Again in February 2006, at the end of the original test period, Coleman sought and obtained an additional one-year period before plugging the two original wellbores, which was approved in Case 13558 by Order R-122201-A, issued February 3, 2006.

There is no justification for Coleman not to comply with the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool.

The time has come for Coleman to bring this 320-acre gas spacing unit into compliance with the rules for this pool.

## PROPOSED EVIDENCE

### OPPONENT

| WITNESSES           | EST. TIME  | EST. EXHIBITS |
|---------------------|------------|---------------|
| Dana Delventhal, PE | 30-45 min. | about 8       |


1. In June 2004, Coleman's stated purpose was:

- a. To conduct a twelve-month production test on these wells with meters on all four wells so that gas produced from each interval could be monitored.
- b. "Production data will be matched with the original decline curves from the wells to determine if there is communication between zones.

- c. Coleman will use the data obtained from this one year production test to determine if it is economically viable to complete wells in this portion of the reservoir in the upper coal gas intervals.”
2. The Division allowed the production test on the basis that “the proposed production test will allow the recovery of additional gas reserves from the upper coal interval of the Basin-Fruitland Coal Gas Pool in this area that may otherwise not be recovered, thereby preventing waste.” Finding (12)(h) Order R-12201.
3. On behalf of PRO NM, Dana Delventhal, will present evidence to demonstrate that:
  - a. Coleman test data proves that it is economically viable to produce both the upper coal and the basal coal in the replacement wellbores;
  - b. There will be no reduction in the ultimate recovery of gas if the original two wells are plugged and therefore no waste of hydrocarbons;
  - c. The two replacement wells can achieve the same ultimate recovery of gas from the upper coal interval of this pool that Coleman wants to use four wells to accomplish;
  - d. Using four wellbores to recover the same gas that two wells can recover is wasteful; and
  - e. The two original wellbores are unnecessary and should be plugged and abandoned as Coleman sought to do more than four years ago in February 2003.

#### PROCEDURAL MATTERS

None anticipated

  
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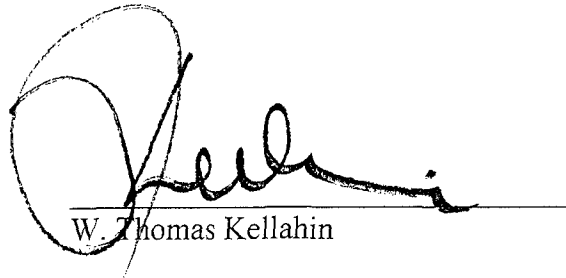
## CERTIFICATE OF SERVICE

I certify that on April 30, 2007, I served a copy of the foregoing documents by:

- ☐ US Mail, postage prepaid
- ☐ Hand Delivery
- ☒ Facsimile

to the following:

William F. Carr, Esq.



W. Thomas Kellahin