

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

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

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

RECEIVED

5. Lease Serial No.
NMNM 104610

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
N/A

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)

1850' FSL and 790' FEL, Section 26, T26N, R12W

8. Well Name and No.
Carrie #1

9. API Well No.
30-045-30296

10. Field and Pool, or Exploratory Area
WAW Fruitland Sand- PC

11. County or Parish, State
San Juan County, NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" 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 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 |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon SEE BELOW |
| | <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.)

Coleman Oil & Gas, Inc. has applied to the NMOCD for approval to downhole commingle the production from the WAW Fruitland Sand/Pictured Cliffs pool with the Basin Fruitland Coal pool. Attached is a copy of this application. The working and net revenue interests are common between the two pools.

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Name (Printed/Typed)

(MICHAEL T. HANSON)

Title

ENGINEER

Signature

Date

July 9, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

/s/ Jim Lovato

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

OCT - 2 2003

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.

(Instructions on reverse)

NMOCD

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Coleman Oil & Gas, Inc.

P.O. Drawer 3337, Farmington, NM 87499

Operator Address
Carrie #1 I, 26, T26N, R12W San Juan County, NM

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 004838 Property Code API No. 30-045-30296 Lease Type: ☒ Federal ☐ State ☐ Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|---|-------------------|---------------------------------------|
| Pool Name | Basin Fruitland Coal | | WAW Fruitland Sand PC |
| Pool Code | 71629 | | 87190 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 1235' - 1250' | | 1257' - 1268' |
| Method of Production (Flowing or Artificial Lift) | Pumping | | Pumping |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | NR | | NR |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 1004 (Est. from offset) | | 999 |
| Producing, Shut-In or New Zone | New Zone | | Producing |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Waiting on Completion Rig Estimate start completion July 2003 Date: Rates: | Date: Rates: | Date: October 2002 Rates: 130 MCFD |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas % % | Oil Gas % % | Oil Gas % % |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☒ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Michael T. Hanson TITLE Engineer DATE July 08, 2003

TYPE OR PRINT NAME Michael T. Hanson TELEPHONE NO. (505) 327 - 0356

E-MAIL ADDRESS cogmhanson@sprynet.com

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals, & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
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 | Pool Name |
| 30-045-30296 | 71629 | Basin Fruitland Coal |
| Property Code | Property Name | Well Number |
| | Carrie | #1 |
| OGRID No. | Operator Name | Elevation |
| 4838 | Coleman Oil & Gas, Inc. | 6213' |

Surface Location

| UL or Lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | North/South line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|------------------|----------|
| I | 26 | 26N | 12W | | 1850 | South | 790 | East | San Juan |

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 | North/South line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|------------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
| 320.00 (E/2) | Y | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTILL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|---|
| <div style="text-align: center;"> <p>5276.04'</p> <p>790'</p> <p>Pegasus #1 API Number 30-045-30295</p> <p>790'</p> <p>Lease No. NMNM 104610</p> <p>26</p> <p>Carrie #1 Lease Number NMNM 104610</p> <p>790'</p> <p>1850'</p> <p>5277.36'</p> </div> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Michael T. Hanson</i></p> <p>Signature</p> <p>Michael T. Hanson</p> <p>Printed Name</p> <p>Engineer</p> <p>Title</p> <p>July 8, 2003</p> <p>Date</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>_____</p> <p>Date of Survey</p> <p>_____</p> <p>Certificate Number</p> |

District I
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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994

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 87190 | Pool Name WAW FRUITLAND SAND PICTURED CLIFFS |
| Property Code | Property Name CARRIE | | Well Number 1 |
| OGRID No. 004838 | Operator Name COLEMAN OIL & GAS, INC. | | Elevation 6213' |

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 | 26 | 26N | 12W | | 1850 | SOUTH | 790 | 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 |
|------------------------|---------|----------------------|-------|--------------------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 160 | | 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

| | | |
|---------------|----------|--|
| ¹⁶ | 5276.04' | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 6/28/00 Date |
| | 5277.36' | |
| 5280.00' | 26 | 5280.00' |
| | | 790' |
| | | 1850' |

Exhibit 2
Page 1