



SUSPENSE

8/28/11

ENGINEER

DB

LOGGED IN

7/15/11

TYPE

NSL

APP NO

PWT 1119632 989

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

Coleman OSG

Stacey #25

6438

ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**[A] Location - Spacing Unit - Simultaneous Dedication**☒ NSL ☐ NSP ☐ SDColeman's
Stacey 2 S
30-045-35035

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM**[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR**[D] Other: Specify _____****[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or _ Does Not Apply**☒ **[A] Working, Royalty or Overriding Royalty Interest Owners**☒ **[B] Offset Operators, Leaseholders or Surface Owner**☐ **[C] Application is One Which Requires Published Legal Notice**☒ **[D] Notification and/or Concurrent Approval by BLM or SLO**

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

☒ **[E] For all of the above, Proof of Notification or Publication is Attached, and/or,**☐ **[F] Waivers are Attached****[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.****[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

BRIAN WOOD
(505) 466-8120
FAX 466-9682

Signature

Title

CONSULTANT

Date

7-14-11

e-mail Address

brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
COLEMAN OIL & GAS, INC.
STACEY 2 S
30-045-35035
1042' FSL & 405' FEL
SECTION 6, T. 26 N., R. 12 W.
SAN JUAN COUNTY, NM**

I. The proposed Basin Fruitland Coal (Gas) well is on Navajo allotted oil and gas lease NO-G-9602-1300 and Navajo allotted surface. The well is 405' from the closest lease line and 1,926' from the closest Basin Fruitland Coal (Gas) well (Coleman's Leslie 2; 30-045-30552). The APD cover sheet is EXHIBIT A.

The well was initially planned to be staked at 1250 FSL & 660 FEL. However, that was too close to a house and power line. The well was then staked at 1020 FSL & 660 FEL to comply with BIA's 500' offset policy from houses.

However, that location at 1020 FSL & 660 was forced to move because of the discovery of San Juan milkweed and an archaeology site (LA 43213). San Juan milkweed is a Federal and State Species of Concern. The Navajo Nation Natural Heritage Program places it in Group 4 and recommends avoidance by 50' to 200' depending on the Tribal biologist.

The well was next staked at 845 FSL & 959 FEL. However, the Navajo allottees rejected that because it was too close to a corral.

The well was finally staked at 1042' FSL & 405' FEL. The well is nonstandard to the east. It is 255' too far east. Acreage dedication will be a 319.43 acre east half stand up. Form C-102 is attached as EXHIBIT B.

Coleman requests a nonstandard location due to land use (houses, corrals, overhead 345 kV power line, single phase power line, pipelines (NTUA water and Enterprise gas), NAPI canal and siphon, roads, archaeology, and San Juan milkweed.

The communitized (NMNM-099331) 319.43 acres comprises two allotted leases in the east half of Section 6. A standard Basin Fruitland Coal (Gas) location must be at least 660' from the outer boundary of the spacing unit according to Case 12888 Order R-8768-C.

No standard location could be found that satisfied the allottees, complied with BIA 500' offsets from houses, avoided 9 known archaeology

sites, avoided San Juan milkweed, avoided a 100' wide right-of-way for a 345 kV power line which crosses the center of the quarter section, avoided a NAPI canal and siphon, and avoided gas and drinking water pipelines.

II. EXHIBIT B (Form C-102) shows the proposed well location, spacing unit, and the two Navajo allotted leases within the spacing unit.

III. EXHIBIT C shows existing Basin Fruitland Coal (Gas) wells and spacing units based on NMOCD on line records as of July 11, 2011. Well details are:

<u>Operator</u>	<u>Well</u>	<u>API</u> <u>30-045-</u>	<u>Location</u>	<u>Distance from</u> <u>Stacey 2-S</u>
Coleman	Leslie 2	-29554	790 FN & 1000 FE 7-26n-12w	1,926'
Coleman	Stacey 2	-29473	2045 FN & 790 FE 6-26n-12w	2,226'
SG Interests	W. Bisti 26-12-5 2	-29151	2306 FS & 1815 FW 5-26n-12w	2,555'
XTO Energy	Gallegos Fed. 26 12 6 2	-28898	886 FS & 1457 FW 6-26n-12w	3,421'
XTO Energy	Gallegos Fed. 26 12 7 1T	-31652	950 FN & 1915 FW 7-26n-12w	3,567'
XTO Energy	Gallegos Fed. 26 12 6 6 (P & A)	-31716	2015 FN & 690 FW 6-26n-12w	4,738'
Redwolf	Sandy 1	-32347	670 FS & 1045 FE 32-27n-12w	4,949'
SG Interests	W. Bisti 26-12-5 1	-29040	1214 FN & 1503 FE 5-26n-12w	5,161'
XTO Energy	Gallegos Fed. 26 12 7 1	-28899	2482 FS & 1413 FW 7-26n-12w	5,170'
Running Horse	Ram 2	-28598	995 FN & 800 FE 8-26n-12w	5,293'
Running Horse	Tenneco Fed. 1	-22788	800 FS & 800 FW 8-26n-12w	5,651'

<u>Operator</u>	<u>Well</u>	<u>API</u> <u>30-045-</u>	<u>Location</u>	<u>Distance from</u> <u>Stacey 2-S</u>
Redwolf	Sandy 2	-32348	1070 FS & 1145 FW 32-27n-12w	6,487'
D J Simmons	Morgan 7 (will convert to Fruit. coal)	-29972	1585 FS & 1670 FE 31-27n-12w	8,760'
D J Simmons	Morgan 6	-29690	865 FS & 859 FW 31-27n-12w	10,604'

Two quarter sections (NW4 5-26n-12w and NW4 8-26n-12) that border the Stacey 2 S spacing unit do not have any approved, existing, or plugged Basin Fruitland Coal (Gas) wells.

The west quarter corner of Section 5 is 1,648' distant from the Stacey 2 S. The southwest corner of the drilling window in the northwest quarter of Section 5 is 2,030' distant.

The northwest corner of Section 8 is 1,117' distant from the Stacey 2 S. The northwest corner of the drilling window in the northwest quarter of Section 8 is 2,008' distant.

IV. EXHIBIT D shows the proposed well, proration unit, drilling window, and only existing well (Stacey 1) within the drilling window. Coleman's Stacey 1 is a WAW Fruitland Sand PC gas well. It is ≈600' northeast of 2 houses and ≈900' southwest of 3 houses. Coleman does not believe it is feasible to drill the Stacey 2 S from the Stacey 1 pad due to its proximity to homes and possible communication between zones.

V. EXHIBIT E shows the approximate locations of a 345 kV power line, single phase power line, houses, corrals, NTUA water line, Enterprise gas line, NAPI canal and siphon, and slopes (≈80' of relief inside the drilling window). EXHIBIT EE is a picture of a San Juan milkweed which forced a move.

VI. Nine archaeology sites (H-26- 56, 57, 58, 59, 61, 62, 63, 64, and 212) have been found to date wholly in the southeast quarter. One other site (-55) overlaps the southeast quarter. The sites range in size from 1 to 10 acres. The proposed location is close enough to archaeology site H-26-57 (= LA 43213) that an archaeologist will install a protective fence as required by the BIA.

VII. Four separate wells were staked by United Field Services over a nine month period in 2008-2009 in order to find a safe and suitable location for stake holders (e. g., allottees, right-of-way holders, archaeologist, botanist).

VIII. Coleman does not believe directional drilling to a standard location is cost effective given current gas prices.

IX. I hereby certify that Coleman Oil & Gas, Inc. and its communitized interests have 100% of the Basin Fruitland Coal (Gas) working interest in the communitized area which comprises the proposed 319.43 acre spacing unit and that the information is current and correct.

I hereby attest that I, on or before the date that the application was submitted to the Division, sent notification to the affected persons per 19.15.4.12 A. (2) and 19.15.15.13 C. NMAC by certified mail, return receipt requested (see EXHIBIT F), advising them that if they have an objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in half sections which border the 319.43 acre spacing unit. Said notice was sent to:

Federal Indian Minerals Office
Bureau of Land Management
D. J. Simmons Inc.
Redwolf Production Inc.
Running Horse Production Co.
SG Interests I Ltd.
XTO Energy Inc.
SG Interests III Ltd.
Robert L. Bayless Producer LLC
Consolidated Oil & Gas Inc.
Energen Resources Corp.
Maralex Resources Inc.
Merrion Oil & Gas Corp. & Merrion Trust
Pendragon Resources
Pendragon Resources II LP
Vallecito Gas LLC

Brian Wood

Brian Wood, Consultant

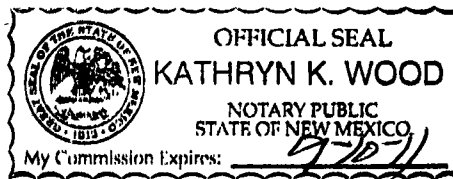
7-14-11

Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 14th day of July, 2011 by Brian Wood. Witness my hand and official seal.

Kathryn K. Wood
Notary Public



My Commission Expires: 9-16-11

Business Address: 37 Verano Lp, Santa Fe, NM 87508

cc: Hanson, OCD (Aztec & Santa Fe)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCT 16 2009

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NO-G-9662-1300
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name NAVAJO ALLOTMENT 11691
2. Name of Operator COLEMAN OIL & GAS, INC.		7. If Unit or CA Agreement, Name and No NMM99331
3a. Address P. O. DRAWER 3337 FARMINGTON, NM 87499	3b. Phone No. (include area code) (505) 327-0356	8. Lease Name and Well No. STACEY 2 S
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1042' FSL & 405' FEL At proposed prod. zone SAME		9. API Well No. 30-045-35035
10. Field and Pool, or Exploratory BASIN FRUITLAND COAL GAS		11. Sec., T R M. or Blk and Survey or Area 6-26N-12W NMPM
12. Distance in miles and direction from nearest town or post office* 14 AIR MILES SOUTH-SOUTHEAST OF FARMINGTON, NM		12. County or Parish SAN JUAN
13. State NM		
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any) 405'	16. No. of acres in lease 160	17. Spacing Unit dedicated to this well Lots 1 & 2, S2NE4, & SE4 (= 319.43 acres)
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1,613' (STACEY #1)	19. Proposed Depth 1,300'	20. BLM/BIA Bond No on file BIA 08510607
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,872' GL	22. Approximate date work will start* 12/31/2009	23. Estimated duration 2 WEEKS

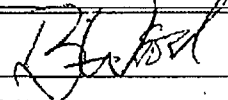
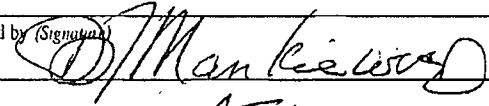
24. Attachments

RCVD FEB 12 '10
OIL CONS. DIV.

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form

- Well plat certified by a registered surveyor
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

DIST. 3

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 10/10/2009
Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
Approved by (Signature) 	Name (Printed/Typed) D. Man Kiew	Date 2/9/2010
Title AFM	Office PFO	

Application approval 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.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 page 2)

HOLD C104 FOR NSL

NMCCD

NOTIFY AZTEC OCD 24 HRS
PRIOR TO CASING & CEMENT

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

FEB 25 2010

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

GRANTING OF THIS ACTION AUTHORIZED ARE
SUBJECT EXHIBIT A WITH ATTACHED
GENERAL REQUIREMENTS

DISTRICT I
1025 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-35035		Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 24011	Property Name STACEY		Well Number 2S
OGRIID No. 4838	Operator Name COLEMAN OIL & GAS, INC.		Elevation 5872

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
P	6	26 N	12 W		104.2	SOUTH	405	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 319.43	Joint or Infill	Consolidation Code C	Order No.
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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


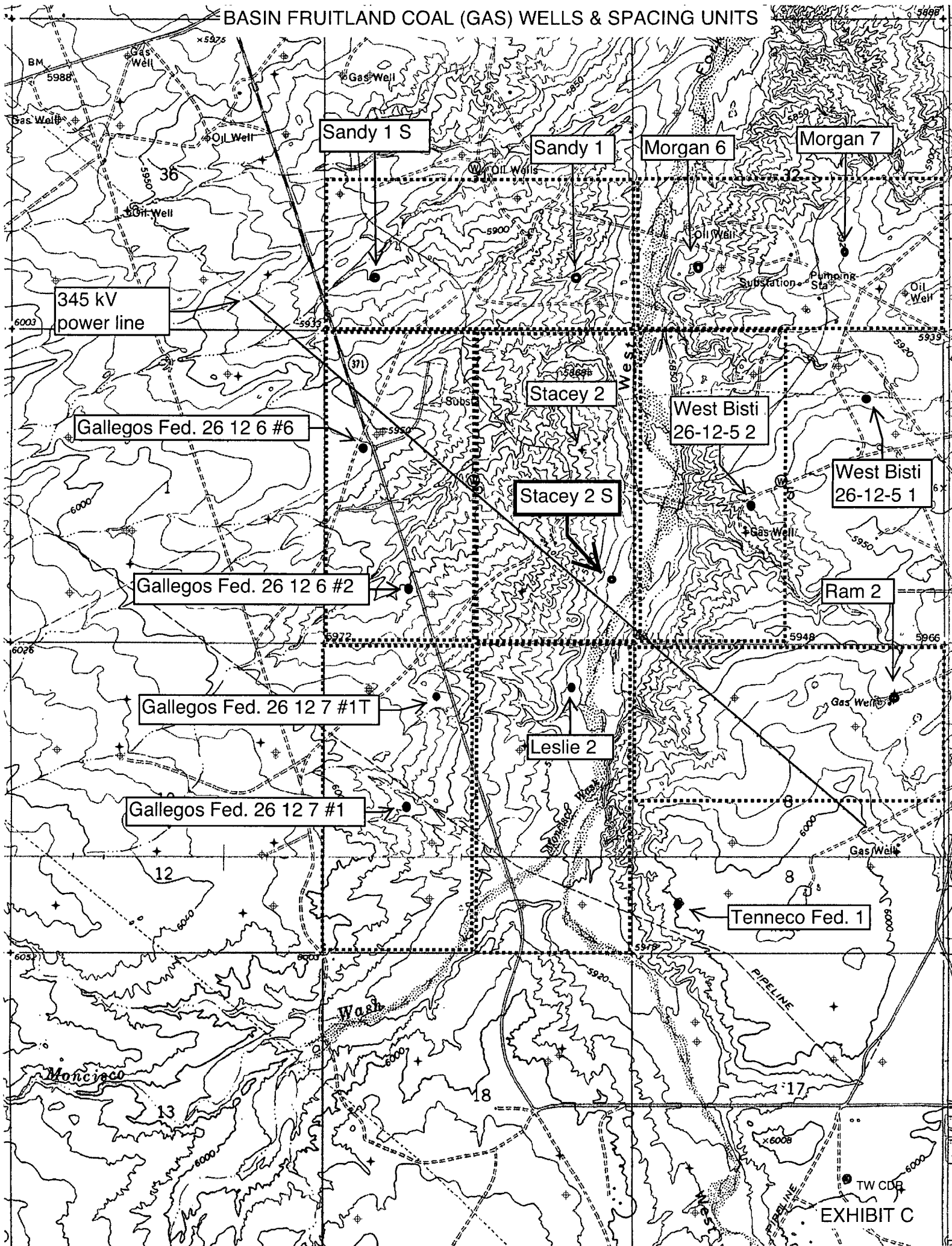
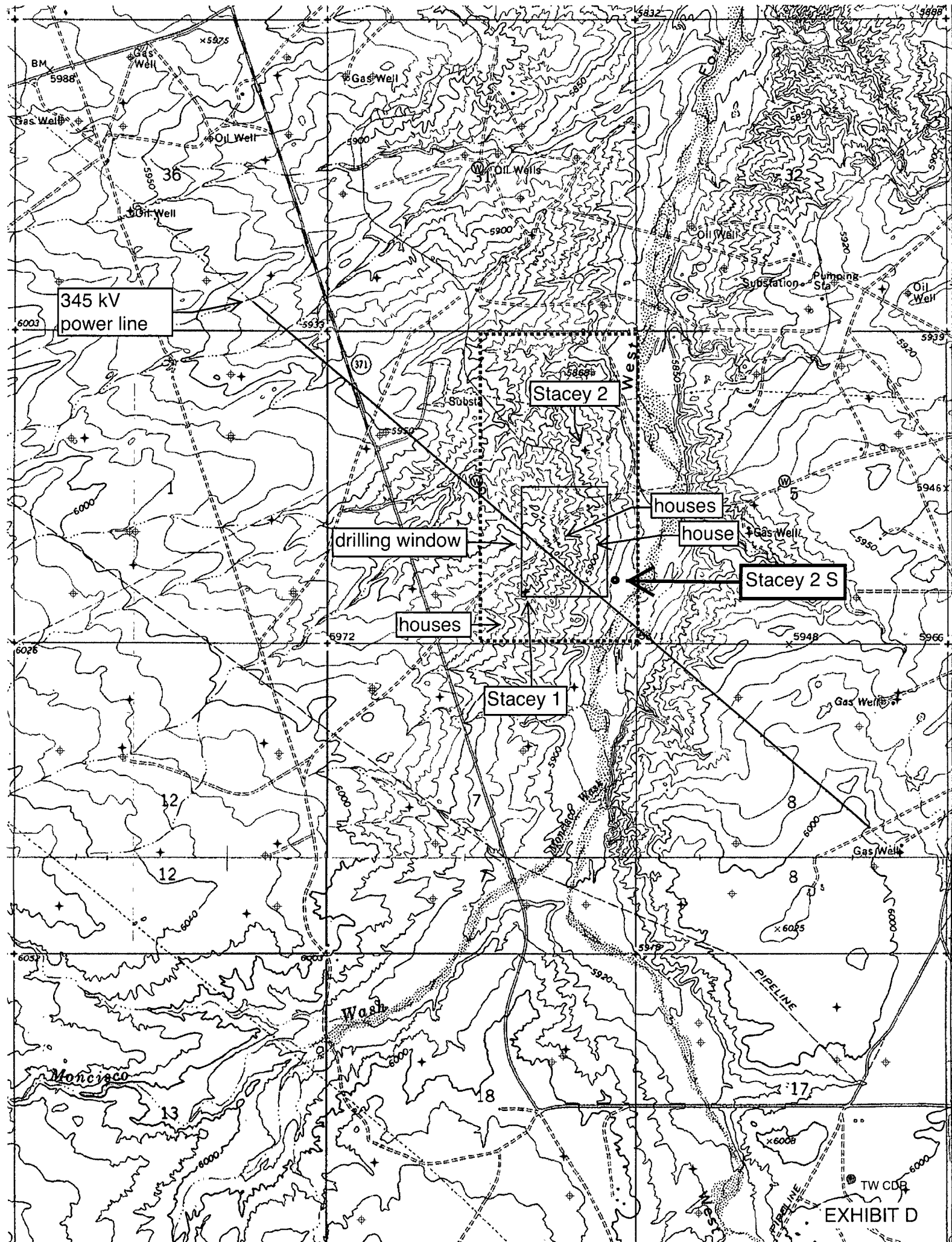
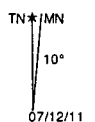
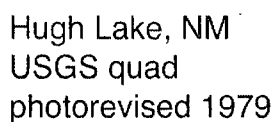
18 S 89°41'59" E 2640.66' N 0°11'52" E 2640.46' N 0°13'01" E	LOT 4 (37.11)	LOT 3 (39.87)	LOT 2 (39.78)	LOT 1 (39.67)	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Brian Wood</i> 10-10-09 Signature BRIAN WOOD Date Printed Name
	SECTION 6 Lease NO-G-9602-1302				
	LOT 5 (37.40)				
	LOT 6 (37.84)	Lease NO-G-9602-1300			
LOT 7 (37.88)	NAD 83 LAT: N 36.5128550° LONG: W 108.1452122° 5215.63'			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. 5/27/09 Date of Survey Signature and Seal of Professional Surveyor  17078 Certificate Number	


EXHIBIT B

BASIN FRUITLAND COAL (GAS) WELLS & SPACING UNITS







A photograph of a San Juan milkweed plant growing in a sandy, arid environment. The plant has dark green, wavy-edged leaves and a cluster of small, light purple flowers. A white survey marker with a red band is placed vertically in the sand to the right of the plant. The ground is composed of fine, light brown sand with some sparse, dry vegetation in the background.

San Juan milkweed
found at 1020 FSL
& 660 FEL

EXHIBIT EE

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Veirano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

July 13, 2011

Federal Indian Minerals Office
1235 LaPlata Highway
Farmington, NM 87401

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Coleman Oil & Gas, Inc. is applying to drill its Stacey 2 S gas well. The minimum state distance for such a gas well is 660' from the exterior of the half section spacing unit. The well is 255' further east than is standard (see attached C-102 form). Thus, it is a nonstandard location. The NSL is due to land use (houses, power lines, pipelines, archaeology, sensitive plant).

Well Name: Stacey 2 S ID: 1,300'

Proposed NSL Zone: Basin Fruitland Coal (Gas)

NSL Acreage Dedication: 319.43 acres (Lots 1 & 2, S2NE4, & SE4 Section 6)

Location: 1042' FSL & 405' FEL Sec. 6, T. 26 N., R.12 W., San Juan County, NM
on Navajo allotted lease NO-G-9602-1300

Approximate Location: ~14 air miles south-southeast of Farmington, NM

Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356

Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

2011 0470 0004 1514 4385

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
FARMINGTON NM 87401	
Postage	\$0.64
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.79
07/13/2011	
Sent To: BLM + FIM	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Bureau of Land Management
1235 LaPlata Highway
Farmington, NM 87401

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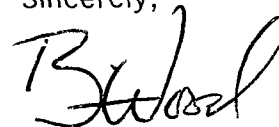
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Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
FARMINGTON NM 87401	
Postage	\$0.64
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.79
07/13/2011	
Sent To: BLM + FMO	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

D. J. Simmons Inc.
P. O. Box 1469
Farmington, NM 87499

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

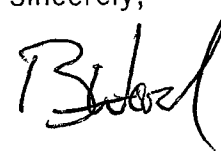
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Please call me if you have any questions.

Sincerely,



Brian Wood

7011 0470 0001 1514 4521

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
FARMINGTON NM 87499	
Postage	\$ 0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.59
07/13/2011	
Sent To: DJ	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Dana Delventhal
Redwolf Production Inc.
P. O. Box 5382
Farmington, NM 87499

Dear Dana,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Coleman Oil & Gas, Inc. is applying to drill its Stacey 2 S gas well. The minimum state distance for such a gas well is 660' from the exterior of the half section spacing unit. The well is 255' further east than is standard (see attached C-102 form). Thus, it is a nonstandard location. The NSL is due to land use (houses, power lines, pipelines, archaeology, sensitive plant).

Well Name: Stacey 2 S TD: 1,300'

Proposed NSL Zone: Basin Fruitland Coal (Gas)

NSL Acreage Dedication: 319.43 acres (Lots 1 & 2, S2NE4, & SE4 Section 6)

Location: 1042' FSL & 405' FEL Sec. 6, T. 26 N., R.12 W., San Juan County, NM
on Navajo allotted lease NO-G-9602-1300

Approximate Location: ≈14 air miles south-southeast of Farmington, NM

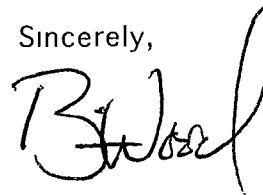
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356

Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
FARMINGTON NM 87499	
OFFICIAL USE	
Postage	\$ 0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.59
Sent To: <i>Redwolf</i>	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

Postmark Here: JUL 13 2011

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Running Horse Production Co.
P. O. Box 369
Ignacio, CO 81137

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Coleman Oil & Gas, Inc. is applying to drill its Stacey 2 S gas well. The minimum state distance for such a gas well is 660' from the exterior of the half section spacing unit. The well is 255' further east than is standard (see attached C-102 form). Thus, it is a nonstandard location. The NSL is due to land use (houses, power lines, pipelines, archaeology, sensitive plant).

Well Name: Stacey 2 S ID: 1,300'
Proposed NSL Zone: Basin Frutland Coal (Gas)
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on Navajo allotted lease NO-G-9602-1300
Approximate Location: ~14 air miles south-southeast of Farmington, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

IGNACIO CO 81137

Postage	\$0.44
Certified Fee	\$2.65
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.59

07/13/2011

Sent To: Run Horse
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, April 2009

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

SG Interests I Ltd.
P. O. Box 2677
Durango, CO 81302

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

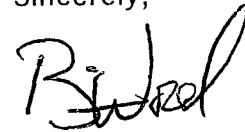
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on Navajo allotted lease NO-G-9602-1300
Approximate Location: ~14 air miles south-southeast of Farmington, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

7011 0470 0001 1514 4408

U.S. Postal Service™	
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For delivery information visit our website at www.usps.com	
DURANGO, CO 81302	
Postage	\$0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.59

07/13/2011

Sent To **SG I**

Street, Apt. No., or PO Box No.

City, State, ZIP+4

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Malia Villers
XTO Energy Inc.
382 Road 3100
Aztec, NM 87410

Dear Malia,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Coleman Oil & Gas, Inc. is applying to drill its Stacey 2 S gas well. The minimum state distance for such a gas well is 660' from the exterior of the half section spacing unit. The well is 255' further east than is standard (see attached C-102 form). Thus, it is a nonstandard location. The NSL is due to land use (houses, power lines, pipelines, archaeology, sensitive plant).

Well Name: Stacey 2 S TD: 1,300'

Proposed NSL Zone: Basin Fruitland Coal (Gas)

NSL Acreage Dedication: 319.43 acres (Lots 1 & 2, S2NE4, & SE4 Section 6)

Location: 1042' FSL & 405' FEL Sec. 6, T. 26 N., R.12 W., San Juan County, NM
on Navajo allotted lease NO-G-9602-1300

Approximate Location: ≈14 air miles south-southeast of Farmington, NM

Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356

Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

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For delivery information, visit our website at www.usps.com

OFFICIAL USE	
Postage	\$ 0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 45.59

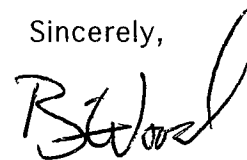
07/13/2011

Sent To XTO

Street, Apt. No. or PO Box No.

City, State, ZIP+4

Sincerely,



Brian Wood

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

SG Interests III Ltd.
100 Waugh Dr., #400
Houston, TX 77007-5962

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

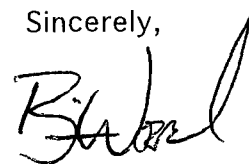
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on Navajo allotted lease NO-G-9602-1300
Approximate Location: ≈14 air miles south-southeast of Farmington, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

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Please call me if you have any questions.

Sincerely,



Brian Wood

7011 0470 0001 1514 4460

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CERTIFIED MAIL™ RECEIPT	
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For delivery information visit our website at www.usps.com	
HOUSTON, TX 77007	
Postage	\$0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.59
07/13/2011	
Sent To SG III	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

OFFICIAL USE

Postmark Here

EXHIBIT F

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Veiano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Robert L. Bayless Producer LLC
P. O. Box 168
Farmington, NM 87499

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

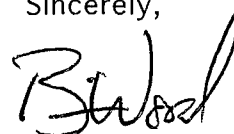
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Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

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Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
FARMINGTON NM 87499	
Postage	\$0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.59
07/13/2011	
Sent To <i>Bayless</i>	
Street, Apt No., or PO Box No.	
City, State, ZIP+4	

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Consolidated Oil & Gas Inc.
P. O. Box 414
Farmington, NM 87401

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

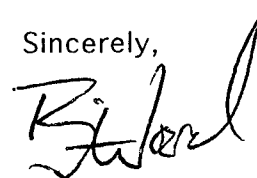
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on Navajo allotted lease NO-G-9602-1300
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Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

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Please call me if you have any questions.

Sincerely,



Brian Wood

7011 0470 0001 1514 4477

U.S. Postal Service™	
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(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
FARMINGTON, NM 87499	
Postage	\$0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.59

07/13/2011

Sent To: Consolidated

Street, Apt. No. or PO Box No.

City, State, ZIP+4

RS Form 3800S August 2006

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Energen Resources Corp.
3300 North A Street, Building 4 #100
Midland, TX 79705

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

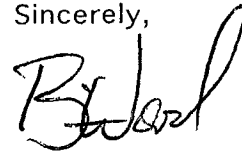
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Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

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Please call me if you have any questions.

Sincerely,



Brian Wood

7011 0470 0001 1514 4453

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at www.usps.com	
MIDLAND, TX 79705	
OFFICIAL USE	
Postage	\$0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.59

Sent To: Energen

Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Maralex Resources Inc.
621 17th St., #1125
Denver, CO 80293

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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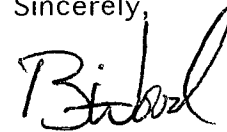
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356

Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

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Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service™
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OFFICIAL USE

Postage	\$0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$5.59

Sent To: Maralex
Street, Apt. No. or PO Box No.: _____
City, State, ZIP+4: _____

PS Form 3800, April 2008

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Philana Thompson
Merrion Oil & Gas Corp. and Merrion Trust
610 Reilly Ave.
Farmington, NM 87401

Dear Philana,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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on Navajo allotted lease NO-G-9602-1300

Approximate Location: ≈14 air miles south-southeast of Farmington, NM

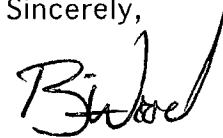
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356

Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

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Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE
FARMINGTON NM 87401

Postage	\$ 0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.59

07/13/2011

Postmark Here
JUL 13 2011
BERNARDILLO NM 87004

Sent To Merrion
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Pendragon Resources
1600 Broadway, #1950
Denver, CO 80202

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on Navajo allotted lease NO-G-9602-1300

Approximate Location: ~14 air miles south-southeast of Farmington, NM


Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356

Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

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EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Pendragon Resources II LP
621 17th St., Suite 750
Denver, CO 80293

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

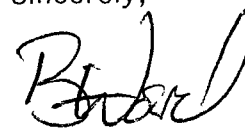
Coleman Oil & Gas, Inc. is applying to drill its Stacey 2 S gas well. The minimum state distance for such a gas well is 660' from the exterior of the half section spacing unit. The well is 255' further east than is standard (see attached C-102 form). Thus, it is a nonstandard location. The NSL is due to land use (houses, power lines, pipelines, archaeology, sensitive plant).

Well Name: Stacey 2 S ID: 1,300'
Proposed NSL Zone: Basin Fruitland Coal (Gas)
NSL Acreage Dedication: 319.43 acres (Lots 1 & 2, S2NE4, & SE4 Section 6)
Location: 1042' FSL & 405' FEL Sec. 6, T. 26 N., R.12 W., San Juan County, NM
on Navajo allotted lease NO-G-9602-1300
Approximate Location: ≈14 air miles south-southeast of Farmington, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

5644 4439
7011 0470 0003 1514 4439

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Total Postage & Fees	\$5.59
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07/13/2011	
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Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

IPS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 13, 2011

Vallecito Gas LLC
1318 Summerwood Lane
Richardson, TX 75081

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

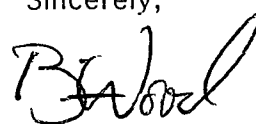
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on Navajo allotted lease NO-G-9602-1300
Approximate Location: ~14 air miles south-southeast of Farmington, NM
Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356
Applicant's Address: P. O. Drawer 3337, Farmington, NM 87499

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



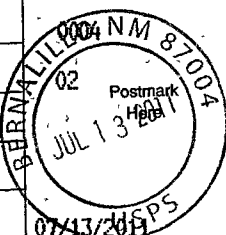
Brian Wood

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.59



Sent To

Vallecito

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

EXHIBIT F