

P.O. DRAWER 3337  
FARMINGTON, NM 87499

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OFFICE: 505-327-0356  
FAX: 505-327-9425

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OIL CONSERVATION  
DIVISION  
COLEMAN OIL & GAS, INC.

Bryan Lewis  
e-mail: cogblewis@yahoo.com

Thursday, July 24, 2003

Mr. David Catanach  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87505-4000

Mr. Jim Lovato  
Bureau Of Land Management  
1235 La Plata Highway, Suite A  
Farmington, NM 87401

**RE: Application for Surface Commingling**

Dear Messrs. Catanach and Lovato:

By letter dated May 19, 2003 Coleman Oil & Gas, Inc. made application to the NMOCD and the BLM for approval of surface commingling production from the wells mentioned below.

**Township 26 North, Range 11 West, NMPM**

Ricky #1R	Section 18	NWNW	Basin Fruitland Coal	30-045-31165
Ricky Com #2R	Section 18	NWSW	Basin Fruitland Coal	30-045-31166
Meg Com #1	Section 19	SWNE	Basin Fruitland Coal	30-045-30999
Meg #2	Section 19	NWNW	Basin Fruitland Coal	30-045-30998

San Juan County, New Mexico

Numbered paragraph 8 of said application letter outlined the allocation formula for allocating gas production and sales. Since the proposed commingling action involves Navajo Allotted leases the formula used for allocating gas production and sales must be changed to conform with Allotted CDP guidelines. For this commingling action, Coleman Oil & Gas, Inc. will allocate the gas production and sales according to the Guidelines for Surface Commingling and / or Off-lease Sales, Storage, Usage and Measurement for Navajo Allotted Leases.

The original application letter dated May 19, 2003 is hereby amended to incorporate these changes.

**Application for Surface Commingling**

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Enclosed is the schematic Mr. Lovato requested showing the wells, leases and communitization agreements.

Sincerely,

COLEMAN OIL & GAS, INC.

A handwritten signature in black ink, appearing to read "Bryan Lewis". The signature is fluid and cursive, with the first name "Bryan" and last name "Lewis" clearly distinguishable.

Bryan Lewis  
Landman

cc:

*Mr. Frank Chavez, Supervisor District 3  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, NM 87410*

