



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

November 29, 1999

Coleman Oil and Gas, Inc.  
c/o Walsh Engineering & Production Corporation  
7415 East Main  
Farmington, New Mexico 87402  
Attention: Paul C. Thompson

**AMENDED Administrative Order NSL-3738 (NSP)**

Dear Mr. Thompson:

Reference is made to the following: (i) your application dated November 1, 1999; and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division") including the file on Division Administrative Order NSL-3738 (NSP): all concerning your request to amend Division Administrative Order NSL-3738 (NSP), dated November 22, 1996, which order both authorized and/or recognized Thompson Engineering and Production Corp.'s existing Federal "11" Well No. 3 (API No. 30-045-23291), located 1465 feet from the South line and 1184 feet from the East line (Lot 1/Unit I) of irregular Section 11, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico: (i) as an unorthodox coal gas well location within the Basin-Fruitland Coal (Gas) Pool; (ii) a non-standard 275.36-acre gas spacing and proration unit within the Basin-Fruitland Coal (Gas) Pool comprising all of irregular Section 11; (iii) as a standard gas well location within the West Kutz-Pictured Cliffs Pool; and (iv) a previously approved non-standard 137.78-acre gas spacing and proration unit within the West Kutz-Pictured Cliffs Pool comprising Lots 1 and 2 and the S/2 SE/4 (SE/4 equivalent) of Section 11 (see Division Administrative Order NWU 3-774).

It is our understanding that the Federal "11" Well No. 3 has been plugged and abandoned and Coleman Oil and Gas, Inc., as the current operator of these two units, has recently drilled the Federal "11" Well No. 3-R (API No. 30-045-29952), located 1425 feet from the South line and 1140 feet from the East line (Lot 1/Unit I) of irregular Section 11, as its replacement.

This application to amend the previous order has been duly filed under the provisions of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended, and the applicable provisions of Division Rule 104.

By the authority granted me under the provisions of Rules 6 and 8 of the special Fruitland coal gas pool rules and the applicable provisions of Division Rule 104, the provisions of Division Administrative Order NSL-3738 (NSP) shall be amended to reflect this well change and all provisions granted thereon shall be transferred to the newly drilled Federal "11" Well No. 3-R.

Sincerely,

Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Farmington  
File: NSL-3738 (NSP)