



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

April 18, 2007

Holcomb Oil and Gas, Inc.  
Attn: J.B. Holcomb  
P.O. Box 2058  
Farmington, NM 87499

Mr. W. Thomas Kellahin  
Kellahin and Kellahin  
P.O.Box 2265  
Santa Fe, NM 87504-2265

*Case 13918*

**Re: Holcomb Oil and Gas Inc.  
Magnum Well #1Y  
F-27-29N-11W  
San Juan County, New Mexico**

Gentlemen:

Reference is made to Holcomb's non-standard location (NSL) application for the above well, which the Division received on April 8, 2007.

XTO Energy has protested this application; so it will be set for hearing, as Case No. 13918.

The hearing of this matter will take place before a Division Hearing Examiner on Thursday, May 24, 2007, in Porter Hall in the Wendell Chino Building, 1220 S. St. Francis Drive, in Santa Fe, New Mexico, commencing at 8:15 a.m.

A copy of the advertisement that will be published for this hearing is enclosed.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,  
Legal Examiner

**CASE 13918**: Application of Holcomb Oil and Gas, Inc. for an unorthodox well location, San Juan County, New Mexico. Applicant seeks an order authorizing the drilling and production of its Mangum Well No. 1Y (API No. 30-045-34266) at an unorthodox well location 1985 feet from the North line and 2470 feet from the West line of Section 27, Township 29 North Range 11 West, NMPM to be dedicated to a standard 320-acre spacing unit consisting of the W/2 of this section for any production for any Basin Fruitland Coal Gas Pool. This administrative case has been set for hearing upon the objection of XTO Energy Inc. an offsetting operator. This well is located approximately 3/4 of a mile southeast from Bloomfield, New Mexico.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Holcomb O&G  
 Mangum # 14  
 Case 13918*

**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  SD
  - 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.

Division Name	Signature	Title	Date
			e-mail Address



April 4, 2007

VIA FEDEX OVERNIGHT

New Mexico Oil Conservation Division  
1220 S St Francis Dr  
Santa Fe NM 87504

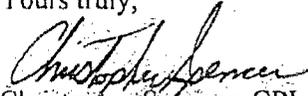
Re: Protest to Application for Administrative Approval of Unorthodox Location  
Holcomb Oil and Gas Inc.'s Magnum 1Y  
1985' FNL and 2470' FWL, Section 27, T29N, R11W  
San Juan County, New Mexico

Gentlemen:

On March 30, 2007, XTO Energy Inc. received notice postmarked March 26, 2007 of Holcomb Oil and Gas Inc.'s application for an unorthodox location for the Magnum 1Y Well. Due to the close proximity of the proposed well location XTO's Fruitland Coal rights in the E/2 of Sec. 27, please consider this notice that XTO Energy Inc. intends to protest Holcomb's unorthodox location application.

Please advise of the date that this matter will be set for hearing.

Yours truly,

  
Christopher Spencer, CPL  
Landman

/cks

cc: Mr. J. B. Holcomb – Holcomb Oil and Gas, Inc.



April 4, 2007

VIA FEDEX OVERNIGHT

New Mexico Oil Conservation Division  
1220 S St Francis Dr  
Santa Fe NM 87504

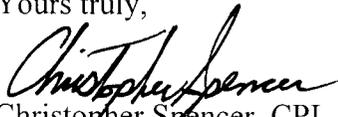
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Holcomb Oil and Gas Inc.'s Magnum 1Y  
1985' FNL and 2470' FWL, Section 27, T29N, R11W  
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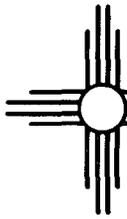
Yours truly,

  
Christopher Spencer, CPL  
Landman

/cks

cc: Mr. J. B. Holcomb – Holcomb Oil and Gas, Inc.

2007 APR 5 PM 1 37



# HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

April 5, 2007

CERTIFIED RETURN RECEIPT: 70053110000197320517

New Mexico Oil Conservation Division  
1220 S St. Francis Dr.  
Santa Fe, NM 87504

RE: Application for Administrative Approval of Unorthodox Location  
Holcomb Oil and Gas Inc.'s Mangum 1Y  
1985 FNL and 2470 FWL (NW/4)  
Section 27, T29N, R11W  
San Juan County, New Mexico  
Fruitland Coal Formation

2007 APR 8 AM 3 29

To Whom It May Concern:

Holcomb Oil and Gas Inc. on behalf of LCS Company request your concurrence with a non-standard location for the drilling of the Mangum 1Y Fruitland Coal well. This well will be located in the NW/4 Sec. 27 T29 R11W @ 1985 FNL and 2470 FWL. Attached for your reference are the following exhibits:

1. Well location plat (NMOCD Form C-102)
2. Topographic map
3. Ownership map
4. Production map showing Fruitland Coal Gas
5. Basin Natural Gas Quiet Title Suit.

This location has been selected so as not to interfere with ongoing Foutz & Bursum gravel pit operations, Giant refining operations and a park in the city of Bloomfield. All of the offset operators have been notified of this application, with the exception of Mr. F.B. Umbarger, by certified mail and copies of the letters and receipts are attached.

We have contacted your chief engineer, Mr. Richard Ezeanyim, on the week of March 26<sup>th</sup>, 2007. This conversation was concerning the estate of F. B. Umbarger, now deceased. Four years ago, LCS Company acquired Basin Natural Gas through a quiet title suit. I have enclosed a copy of the quiet title order for your information.

Mr. Umbarger was the president and owner of Basin Natural Gas. After extensive searching with the use of both private investigators and notices in numerous newspapers from New Mexico to California, no remaining heirs have been identified.

Holcomb Oil and Gas Inc. requests your administrative approval for the unorthodox location based on the above information. Should you need any additional information, please contact me at (505) 326-0550.

Yours truly,

A handwritten signature in black ink, appearing to read "JB Holcomb". The signature is written in a cursive style with a long horizontal stroke extending to the right.

JB Holcomb

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

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

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

DISTRICT IV  
1220 South 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 October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-045-34266</b>		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name <b>Basin Fruitland Coal</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>MANGUM</b>		<sup>6</sup> Well Number <b>19S</b>
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name <b>HOLCOMB OIL AND GAS INC.</b>		<sup>9</sup> Elevation <b>5509</b>

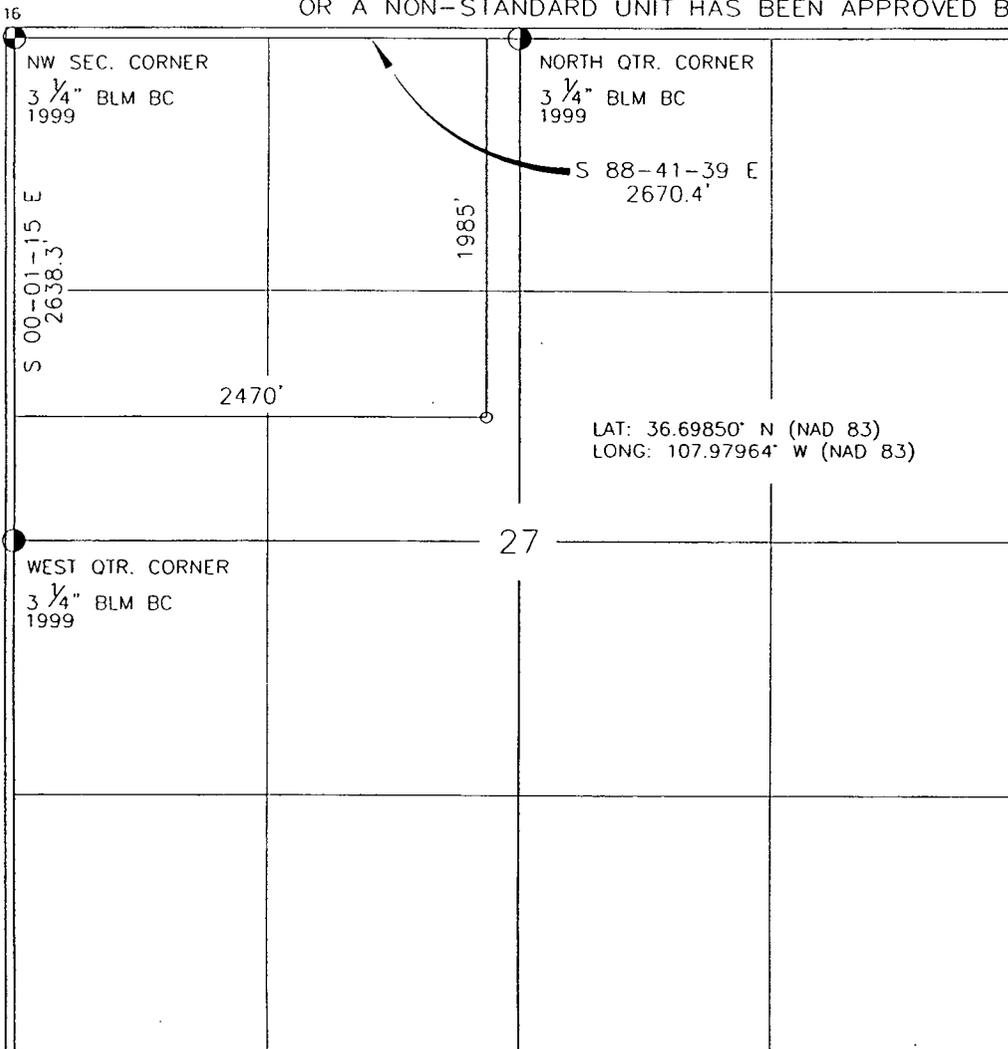
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	27	29-N	11-W		1985	NORTH	2470	WEST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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



**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.

*W. J. Holcomb* 3/21/07  
Signature Date

W. J. Holcomb  
Printed Name

**18 SURVEYOR CERTIFICATION**

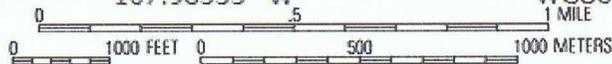
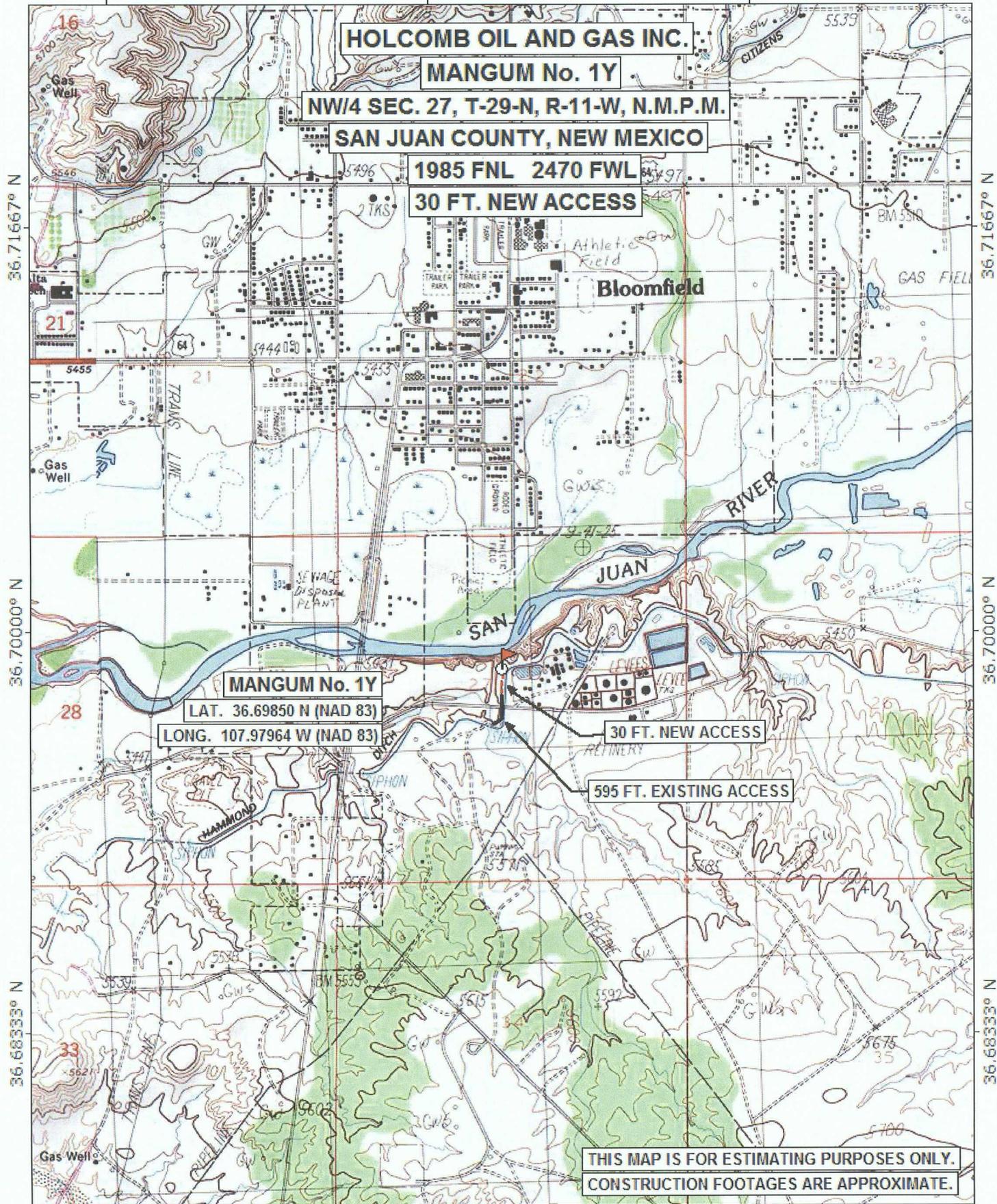
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 15 2007  
Date of Survey

*Roy A. Rusk*  
Signature on Seal of Professional Surveyor

ROY A. RUSK  
NEW MEXICO  
REGISTERED PROFESSIONAL LAND SURVEYOR  
8894

3-07  
Certificate Number



SECTION PLAT/9 SQUARE MILES

State: New Mexico  
Section: 27

County: San Juan  
Township: 29N

Prospect: NW/4  
Range: 11W

21		22	23
28	Conoco Phillips W/2	27	Holcomb Oil and Gas Inc. LCS Company
Conoco Phillips		XTO Energy F.B. Umbarger Dugan Production E/2	26
33		34	Conoco Phillips
		Conoco Phillips	35
			Conoco Phillips

Proposed Location:  
Mangum 1Y  
1985 FNL & 2470  
FWL(NW/4)



**Fruitland Coal Production Map**

**State: New Mexico**  
**Section: 27**

**County: San Juan**  
**Township: 29N**

**Prospect: NW/4**  
**Range: 11W**

21	22	23
		<p>Holcomb State BS #1 0 79.63 0 5.55 11/05-12/06 FRTL D COAL</p> <p>Holcomb Ashcroft Travis #1 0 82.03 0 5.55 11/06-12/06 FRTL D COAL</p>
28	27	26
<p>Conoco Phillips Mangum #4E 0 53.24 0 4.75 8/05-12/06 FRTL D COAL</p>	<p>Proposed Location: Mangum 1Y 1985 FNL &amp; 2470 FWL(NW/4)</p> <p>Conoco Phillips Mangum #1 0 52.13 0 .002 10/00-9/06 FRTL D COAL</p>	<p>XTO E B Sullivan 2 0 39.58 0 3.3 1/06-12/06 FRTL D COAL</p> <p>Conoco Phillips Calvin 100 0 84.33 0 1.98 3/03-12/06 FRTL D COAL</p>
33	34	35
	<p>Conoco Phillips Congress 5E 0 279.332 0 2.77 3/02-12/06 FRTL D COAL</p>	<p>Conoco Phillips Congress #4 0 950.07 0 4.904 6/93-12/06 FRTL D COAL</p> <p>Conoco Phillips Congress #3 0/0 48.42/348.3 0/0 .874/ .806 1/03-1/93-12/06:12/06 FRTL D COAL/FKPC</p>

<p><b>Operator</b></p> <p><b>Well Name</b></p> <p><b>Cum Oil    Cum Gas</b></p> <p><b>Oil Rate   Gas Rate</b></p> <p>Cum from _____ to _____</p> <p><b>Formation Name</b></p>
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# HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT:70022410000101329011

Mr. Christopher Spencer  
XTO Energy Inc.  
810 Houston Street  
Ft Worth, TX 76102

RE: Application for Administrative Approval of Unorthodox Location  
Holcomb Oil and Gas Inc.'s Mangum 1Y  
1985 FNL and 2470 FWL (NW/4)  
Section 27, T29N, R11W  
San Juan County, New Mexico  
Fruitland Coal Formation

Mr. Spencer:

Enclosed is a copy of the above mentioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you should have any questions concerning the application, please contact me at (505) 326-0550.

Yours truly,

JB Holcomb

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Address</span></p> <p>B. Received by (<i>Printed Name</i>) <span style="float: right;">C. Date of Delivery</span></p> <p style="text-align: right; font-size: 1.2em;">3/30/07</p>
<p>1. Article Addressed to:</p> <p>Mr. Christopher Spencer XTO Energy Inc. 810 Houston Street Ft. Worth, TX 76102</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes</p>
<p>2. Article Number (<i>Transfer from service label</i>)</p>	<p style="text-align: center; font-family: monospace; font-size: 1.2em;">7002 2410 0001 0132 9011</p>
<p>PS Form 3811, February 2004 <span style="margin-left: 150px;">Domestic Return Receipt</span> <span style="float: right;">102595-02-M-15</span></p>	



# HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT: 70022410000101329004

Mr. Ed Hartman  
Manana Gas Inc.  
2520 Tramway Terrace Court  
Albuquerque, NM 87122

RE: Application for Administrative Approval of Unorthodox Location  
Holcomb Oil and Gas Inc.'s Mangum 1Y  
1985 FNL and 2470 FWL (NW/4)  
Section 27, T29N, R11W  
San Juan County, New Mexico  
Fruitland Coal Formation

Mr. Hartman:

Enclosed is a copy of the above mentioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you should have any questions concerning the application, please contact me at (505) 326-0550.

Yours truly,

JB Holcomb

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Mr. Ed Hartman  
 Manana Gas Inc.  
 2520 Tramway terrace Court  
 Albuquerque, NM 87122

2. Article Number  
 (Transfer from service label) 7002 2410 0001 0132 9004

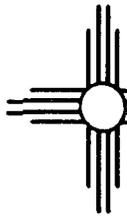
**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 Agent  
 Address  
 B. Received by (Printed Name)  
 C. Date of Delivery  
 3/20

D. Is delivery address different from item 1?  
 If YES, enter delivery address below:  
 Yes  
 No

3. Service Type  
 Certified Mail     Express Mail  
 Registered         Return Receipt for Merchandise  
 Insured Mail         C.O.D.

4. Restricted Delivery? (Extra Fee)     Yes



# HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT:7002 2410 0001 0132 8991

Mr. Frank Schilling  
Conoco Phillips  
3401 East 30<sup>th</sup> Street  
Farmington, NM 87402

RE: Application for Administrative Approval of Unorthodox Location  
Holcomb Oil and Gas Inc.'s Mangum 1Y  
1985 FNL and 2470 FWL (NW/4)  
Section 27, T29N, R11W  
San Juan County, New Mexico  
Fruitland Coal Formation

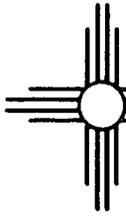
Mr. Schilling:

Enclosed is a copy of the above mentioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you should have any questions concerning the application, please contact me at (505) 326-0550.

Yours truly,

JB Holcomb





# HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

Certified Return Receipt:70022410000101328984

Mr. Skip Fraker  
Dugan Production  
PO Box 420  
Farmington, NM 87499

RE: Application for Administrative Approval of Unorthodox Location  
Holcomb Oil and Gas Inc.'s Mangum 1Y  
1985 FNL and 2470 FWL (NW/4)  
Section 27, T29N, R11W  
San Juan County, New Mexico  
Fruitland Coal Formation

Mr. Fraker:

Enclosed is a copy of the above mentioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application. If you should have any questions concerning the application, please contact me at (505) 326-0550.

Yours truly,

JB Holcomb

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Mr. Skip Fraker  
Dugan Production  
PO Box 420  
Farmington, NM 87499

MAR 2007

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*Tom Dugan*  Address  
B. Received by (Printed Name)  Date of Delivery  
*Tom Dugan* *3/28/07*  
D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

*470*

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
(Transfer from service label) 7002 2410 0001 0132 8984



# HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT:70053110000197320548

Mr. William J. Holcomb  
LCS Company  
PO Box 2058  
Farmington, NM 87499

RE: Application for Administrative Approval of Unorthodox Location  
Holcomb Oil and Gas Inc.'s Mangum 1Y  
1985 FNL and 2470 FWL (NW/4)  
Section 27, T29N, R11W  
San Juan County, New Mexico  
Fruitland Coal Formation

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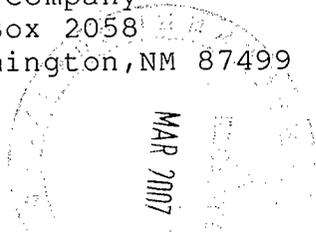
Yours truly,

JB Holcomb

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Mr. William J. Holcomb  
LCS Company  
PO Box 2058  
Farmington, NM 87499



**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 *W. J. Holcomb*  Address

B. Received by (Printed Name) *W. J. Holcomb* C. Date of Delivery *3/28/07*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No



3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Transfer from service label) **7005 3110 0001 9732 0548**



# HOLCOMB OIL AND GAS, INC.

P.O. Box 2058 • Farmington, NM 87499 • Phone: (505) 326-0550 • Fax: (505) 326-2149

March 20, 2007

CERTIFIED RETURN RECEIPT:70053110000197320531

Mr. William J. Holcomb  
Holcomb Oil and Gas, Inc.  
PO Box 2058  
Farmington, NM 87499

RE: Application for Administrative Approval of Unorthodox Location  
Holcomb Oil and Gas Inc.'s Mangum 1Y  
1985 FNL and 2470 FWL (NW/4)  
Section 27, T29N, R11W  
San Juan County, New Mexico  
Fruitland Coal Formation

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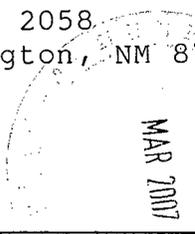
JB Holcomb

**SENDER: COMPLETE THIS SECTION**

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. William J. Holcomb  
 Holcomb Oiland Gas, INC  
 PO Box 2058  
 Farmington, NM 87499



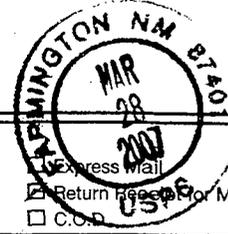
**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*W J Holcomb*  Address

B. Received by (Printed Name) *Sh Holcomb*

C. Date of Delivery *3/28/07*

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No



3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number

(Transfer from service label)

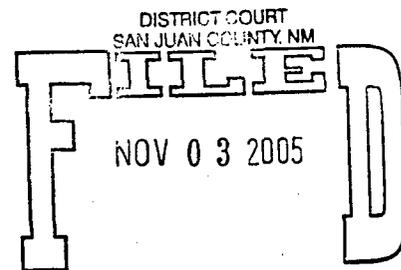
7005 3110 0001 9732 0531

STATE OF NEW MEXICO  
COUNTY OF SAN JUAN  
ELEVENTH JUDICIAL DISTRICT

LCS COMPANY, INC., a New Mexico Corporation

Plaintiff

vs



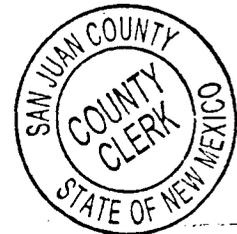
CV 2005-655-1

CLASS I

BASIN NATURAL GAS CORPORATION, a New Mexico Corporation, Incorporated March 17, 1953, as a Domestic Profit entity, presently inactive, revoked and beyond appeal period; Francis, B. Umbarger, deceased; Mary Elizabeth Umbarger (Spouse of Francis B. Umbarger), deceased; Frank H. Umbarger (Brother of Francis B. Umbarger), deceased; and Bernard Scott Umbarger (Son of Francis B. Umbarger); individually, and as Shareholders of Basin Natural Gas Corporation, a New Mexico Corporation; Francis B. Umbarger, Mary Elizabeth Umbarger, and Bernard Scott Umbarger and their respective Heirs, Assigns, Legatees, Beneficiaries, and Successors in Interest, herein referred to John Does one (1), two (2), and three (3) and Jane Does one (1), two (2) and three (3), their true names unknown, as their respective interest may be determined either individually or as Shareholders of Basin Natural Gas Corporation;

CLASS II

I.L. Canfield, deceased, individually and as an Officer, Director and/or Shareholder of Basin Natural Gas Corporation; Margery Kranovich, individually and as an Officer, Director and/or Shareholder of Basin Natural Gas Corporation; Elaine Barnes, individually and as an Officer, Director and/or Shareholder of Basin Natural Gas Corporation; L. B. Vaught, individually and as an Officer, Director and/or Shareholder of Basin Natural Gas Corporation; John Does one (1), two (2) and three (3) and Jane Does one (1), two (2) and



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San Juan County, NM Clerk FRAN HANHARDT

TS

three (3), individually and as an Officer, Director, and/or Shareholder of Basin Natural Gas Corporation, whose true names are unknown, and each and every one of the above named parties as their respective interest may be determined, including each and every one of their respective Heirs, Assigns, Legatees, Beneficiaries, and Successors in Interest.

### CLASS III

All unknown Shareholders of Basin Natural Gas Corporation herein referred to as John Doe One (1), John Doe two (2) and John Doe three (3), and Jane Doe one (1), Jane Doe two (2), and Jane Doe three (3), whose true names are unknown, as their respective interest may be determined, including their respective Heirs, Assigns, Legatees, Beneficiaries, and Successors in Interest as their respective interest may be determined.

### CLASS IV

All unknown claimants of any interest held by Basin Natural Gas Corporation not reflected in preceding three (3) classes.

Defendants

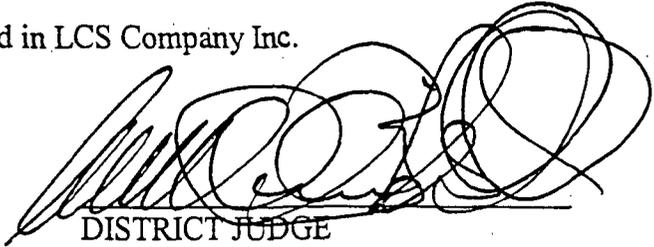
### DEFAULT JUDGMENT

THIS MATTER having come before the Court upon motion of the Plaintiff for entry of Default Judgment against the named Defendants, the named Defendants noticed by Plaintiff pursuant to the New Mexico Rules of Civil Procedure as reflected by Affidavits of Publication and named Defendants having failed to answer or otherwise appear, and being in default, the Court having reviewed the pleadings and being otherwise fully advised in the premises, finds that it has jurisdiction of the subject matter and of the parties, and that the Quiet Title Suit is filed and service by publication has occurred with no response or answer by named Defendants, and that they, each and everyone are in

  
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default, and that the Plaintiff is entitled to judgment against the named Defendants and to the relief prayed for therein.

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that Judgment is granted against the named Defendants, in favor of Plaintiff, for all right, title, and interest in the assets of Basin Natural Gas Corporation, and said right, title, and interest of named Defendants is forever quieted in LCS Company Inc.



DISTRICT JUDGE

Submitted by:

Robert Cardin, P.A.  
Attorney for Plaintiff  
232 N. Schwartz  
Farmington, NM 87401

STATE OF NEW MEXICO }  
COUNTY OF SAN JUAN } SS:

I certify that the above and foregoing

*Default Judgment*  
In Cause No. *11/08/2005-1*

is a true and perfect copy of the original on file in my said office.

*Weldon J. Jeff*  
Clerk of District Court

*[Signature]*  
DPTB

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San Juan County, NM Clerk FRAN HANHARDT