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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
2008 OIL CONSERVATION COMMISSION

**IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION FOR THE PURPOSES
OF CONSIDERING:**

CASE NO. 13812

**APPLICATION OF COLEMAN OIL AND GAS, INC.
FOR AMENDMENT OF ADMINISTRATIVE ORDER NO.
SWD-806-B, SAN JUAN COUNTY, NEW MEXICO.**

JOINT MOTION TO LIMIT THE SCOPE OF THE HEARING

Coleman Oil & Gas, Inc. ("Coleman") and the New Mexico Oil Conservation Division ("Division") jointly move to limit the scope of the hearing in the above-captioned matter. In support of this Motion, the parties state as follows:

1. Coleman filed its application to amend Administrative Order No. SWD-806-B, San Juan County, New Mexico which was heard by Examiner Catanach on November 9, 2006.
2. Administrative Order No. SWD-806-B authorized Coleman to utilize the Juniper SWD Well No. 1 (API No. 30-045-29732) located 880 feet from the North line and 730 feet from the West line (Unit D) of Section 16, Township 24 North, Range 10 West, NMPM, San Juan County, New Mexico for injection of produced water for disposal purposes into the Point Lookout member of the Mesaverde formation from 3,036 feet to 3,974 feet.
3. Administrative Order No. SWD-806-B also required certain remedial work be completed before commencing injection operations on the Monument Well No. 1 (API No. 30-045-21912) located 1650 feet from the North line and 990 feet from the East line of Section 17, Township 24 North, Range 10 West, NMPM, San Juan County, New Mexico.

4. At the Oil Conservation Division Examiner hearing conducted on November 9, 2006, Coleman sought an order deleting those provisions in the administrative order requiring Coleman to re-enter and re-plug the Monument Well No. 1. The Oil Conservation Division objected to granting Coleman's request.

5. Division Order No. R-12820 (drafted by Examiner Richard I. Ezeanyim) required Coleman to re-enter the Monument Well No. 1 and place a 200-foot cement plug from 2,836 feet to 3,036 feet "to protect fresh waters in the La Ventana and the Cliff House members of the Mesaverde formation." *Order Para. 3*. The Order also required Coleman to set an isolation packer in the Juniper SWD Well No. 1 and install a down-hole monitoring device in the well. Coleman complied with those requirements.

6. Coleman filed an Application for Hearing De Novo before the Oil Conservation Commission pursuant to N.M.S.A. 1978 § 70-2-13 to challenge that part of the Order requiring Coleman to re-enter and re-plug the Monument Well No. 1.

7. Coleman now seeks to re-enter and re-complete the Monument Well No. 1 for the disposal of produced water into the Entrada, and to be allowed to continue injection operations in the Juniper SWD Well No. 1. Coleman informed the Division of its proposal.

8. At the Division's request, Coleman provided the Division with data concerning both wells. Based on the information Coleman has provided, the Division does not oppose the proposed re-entry and deepening of the Monument Well No. 1 to dispose of produced water. The Division will request certain conditions be imposed on the well, and will request that certain conditions be imposed, including the imposition of an ongoing monitoring program, while injection continues at the Juniper site as work proceeds at the Monument site.

9. The parties expect the scope of the hearing to involve:

- a. Coleman's efforts to comply with the requirements of Order R-12820 with respect to the Juniper SWD Well No. 1. Coleman will supply updated information on the Juniper SWD Well No. 1.
- b. Details of and proposed additional requirements to its monitoring program for the Juniper SWD Well No. 1 and the bases for such additional requirements, both while awaiting the completion of the Monument Well No. 1 and thereafter..
- c. Details of Coleman's proposal to re-enter and deepen the Monument Well No. 1 as a saltwater disposal well, including the need for an additional disposal well, anticipated timing to obtain access and requisite permits for the well, proposed casing and completion, and plan to protect the Mesaverde formation.

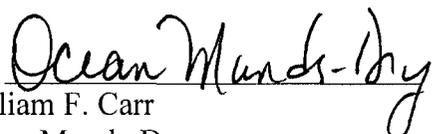
10. Given the parties positions and the relatively limited scope of issues remaining in this matter, it is no longer necessary to conduct a full *de novo* proceeding as to all original issues raised in the Application.

11. Granting this motion will significantly reduce the time needed for the hearing on this Application. Accordingly, granting this motion will serve the interests of economy and efficiency and the sound administration of justice.

WHEREFORE, Coleman and the Division respectfully request that the case be limited in scope to address those issues referenced herein, and any additional issues that are of interest to the Commission in this matter.

Respectfully submitted,

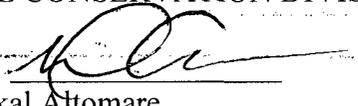
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CERTIFICATE OF SERVICE

I certify that on March 7, 2008 I served a copy of the foregoing document to the following by Hand-Delivery:

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