

Submit One Copy To Appropriate District

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-103

Revised November 3, 2011

WELL API NO.

30-045-11457

5. Indicate Type of Lease

STATE ☐FEE ☒

6. State Oil & Gas Lease No.

FEE, NMSF078699

7. Lease Name or Unit Agreement Name

Heizer, CA NMNM 140080012394

8. Well Number

1

9. OGRID Number

4838

10. Pool name or Wildcat

Blanco Mesaverde

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coleman Oil and Gas, Inc.

3. Address of Operator

P.O. Drawer 3337, Farmington NM 87499

4. Well Location

Unit Letter B : 1190 feet from the North line and 1450 feet from the East lineSection 15 Township 32N Range 10W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

5917 GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐☒ Location is ready for OCD inspection after P&A

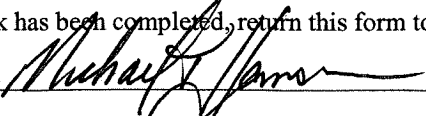
- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- ☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- ☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☒ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
- ☒ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE



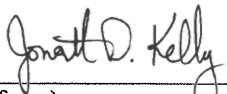
TITLE: Operations Engineer

DATE January 25, 2021

TYPE OR PRINT NAME: Michael T. Hanson E-MAIL: mhanson@cog-fmn.com PHONE: (505) 566-1996

For State Use Only

APPROVED BY:



TITLE Compliance Officer

DATE 4/23/2021

Conditions of Approval (if any):

SENT VIA US MAIL 

QUITCLAIM DEED AND BILL OF SALE

This Quitclaim Deed and Bill of Sale ("**Bill of Sale**") is made and entered into this 23rd day of January, 2020, by and between **Coleman Oil and Gas, Inc.**, a New Mexico corporation whose mailing address is P.O. Box 3337, Farmington, New Mexico 87499 ("**Grantor**") and **J&R Holding, LLC**, a Delaware limited liability company whose address is 2611 Arroyo Drive, Durango, CO 81301 ("**Grantee**"). Grantor and Grantee are each a "**Party**," and collectively, the "**Parties**."

Recitals

- A. Grantor utilizes a structure and appurtenant equipment to support a pipeline that crosses the Animas River in Section 15, Township 32 North, Range 10 West, San Juan County, New Mexico (collectively, the "**Crossing Structure**").
- B. The Crossing Structure was used in connection with the Heizer #1 well (API #3004511457), a gas well that Grantor has plugged and abandoned.
- C. Grantee owns the surface estate on both sides of the Animas River where the Crossing Structure is located.
- D. Grantor desires to sell, and Grantee desires to buy, the Crossing Structure.

Agreements

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

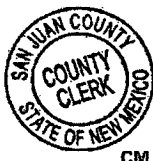
- 1. **Sale of Crossing Structure.** Grantor hereby quitclaims and assigns to Grantee, all of its right, title and interest, if any, in and to the Crossing Structure.
- 2. **Fixtures in Real Property.** To the extent that the Crossing Structure is considered a fixture under New Mexico real property law, Grantor hereby quitclaims to Grantee, all of its right, title and interest, if any, in and to the Crossing Structure.
- 3. **Removal of Pipeline.** Grantee has had the opportunity to inspect the pipeline supported by the Crossing Structure. Grantee covenants that it shall, at its sole cost and risk, remove the pipeline from the Crossing Structure within three weeks of being notified in writing that the pipeline has been purged and disconnected from the Heizer #1 well. Grantee may retain any salvage value of the pipe it removes.
- 4. **Repairs and Removal of the Crossing Structure.** Without limiting the generality or applicability of Sections 3, 5, 6 and 7 of this Bill of Sale, if, after the date of this Bill of Sale, a governmental authority requires Grantee to remove or modify the Crossing Structure, Grantee shall do so at its sole expense and risk.



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San Juan County, NM TANYA SHELBY



CM

4674596.5

5. **Disclaimer.** GRANTOR EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES OR COVENANTS, EXPRESS OR IMPLIED, STATUTORY OR COMMON LAW, WITH RESPECT TO THE CROSSING STRUCTURE. GRANTEE ACCEPTS GRANTOR'S DISCLAIMER AND ACCEPTS THE CROSSING STRUCTURE "AS IS / WHERE IS" WITH ALL FAULTS AND DEFECTS, LATENT OR PATENT. GRANTEE ACKNOWLEDGES THAT IT RELIED SOLELY UPON ITS INDEPENDENT ANALYSIS, EVALUATION AND JUDGMENT OF THE CROSSING STRUCTURE AND ITS CONDITION AND VALUE. GRANTEE ACKNOWLEDGES THAT GRANTOR HAS NOT MADE, AND WILL NOT MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE CROSSING STRUCTURE, INCLUDING, BUT NOT LIMITED TO, THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, EQUIPMENT DESIGN, OPERATION, FITNESS FOR USE OR SUITABILITY OF THE CROSSING STRUCTURE IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF GRANTEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, AND GRANTOR SHALL NOT BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES OF OR TO GRANTEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE CROSSING STRUCTURE AND ITS OPERATION OR MAINTENANCE.

GRANTEE ACKNOWLEDGES AND UNDERSTANDS THAT THE CROSSING STRUCTURE WILL NOT BE INSURED BY GRANTOR AS OF THE EXECUTION OF THIS BILL OF SALE. GRANTEE ALSO ACKNOWLEDGES AND UNDERSTANDS THAT THE CROSSING STRUCTURE MAY BEAR OR CONTAIN HAZARDOUS CHEMICALS OR OTHER HAZARDOUS MATERIALS, INCLUDING BUT NOT LIMITED TO PETROLEUM BYPRODUCTS, CHEMICAL PRODUCTS, NATURALLY OCCURRING RADIOACTIVE MATERIALS, WHICH MAY BE OR MAY BECOME (BY CHEMICAL REACTION, TOXICITY, FLAMMABILITY, EXPLOSIVENESS OR OTHERWISE) HAZARDOUS TO LIFE, HEALTH OR PROPERTY AT ANY TIME AFTER THE CROSSING STRUCTURE LEAVE THE POSSESSION AND CONTROL OF GRANTOR, INCLUDING, BUT NOT LIMITED TO, DURING USE, HANDLING, CLEANING, RECONDITIONING OR DISPOSAL.

6. **Release.** TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, GRANTEE HEREBY RELEASES GRANTOR, ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES (THE "**GRANTOR GROUP**") FROM ANY AND ALL LIABILITY AND WAIVES ANY CLAIM IT MAY NOW HAVE OR WHICH IT MAY HAVE IN THE FUTURE AGAINST THEM ARISING OUT OF OR RESULTING FROM GRANTEE'S ACCEPTANCE, USE OR POSSESSION OF THE CROSSING STRUCTURE AND THE REMOVAL OF THE PIPELINE THEREFROM.
7. **Indemnification.** TO THE FULLEST EXTENT PERMITTED BY LAW, GRANTEE SHALL RELEASE AND INDEMNIFY, DEFEND AND HOLD GRANTOR GROUP HARMLESS FROM AND AGAINST ANY AND ALL DIRECT OR INDIRECT,



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San Juan County, NM TANYA SHELBY

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DEMANDS, CLAIMS, NOTICES OF VIOLATIONS, FILINGS, INVESTIGATIONS, ADMINISTRATIVE PROCEEDINGS, ACTIONS, CAUSES OF ACTION, SUITS, OTHER LEGAL PROCEEDINGS, JUDGMENTS, ASSESSMENTS, DAMAGES, DEFICIENCIES, TAXES, PENALTIES, FINES, OBLIGATIONS, LIABILITIES, PAYMENTS, CHARGES, LOSSES, COSTS, AND EXPENSES OF ANY KIND OR CHARACTER (WHETHER KNOWN OR UNKNOWN, FIXED OR UNFIXED, CONDITIONAL OR UNCONDITIONAL, BASED ON NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, LIQUIDATED OR UNLIQUIDATED, SECURED OR UNSECURED, ACCRUED, CONTINGENT, OR OTHER LEGAL THEORY), INCLUDING PENALTIES AND INTEREST ON ANY AMOUNT PAYABLE AS A RESULT OF ANY OF THE FOREGOING, ANY LEGAL OR OTHER COSTS AND EXPENSES INCURRED IN CONNECTION WITH INVESTIGATING OR DEFENDING ANY OF THE FOREGOING, AND ALL AMOUNTS PAID IN SETTLEMENT OF ANY OF THE FOREGOING, RELATING TO THE CROSSING STRUCTURE, SPECIFICALLY INCLUDING, BUT NOT LIMITED TO, THE REMOVAL OF THE PIPELINE THEREFROM. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE GRANTEE SHALL RELEASE AND INDEMNIFY, DEFEND AND HOLD GRANTOR GROUP HARMLESS FROM AND AGAINST ANY AND ALL DAMAGES, LOSSES, OR EXPENSES, INCLUDING ATTORNEYS' FEES, FROM ANY CLAIMS OR DAMAGES ARISING FROM, ATTRIBUTABLE TO, OR INCURRED IN CONNECTION WITH (A) ANY LOSS OR DAMAGE TO PROPERTY, INJURY TO, SICKNESS, DISEASE OR DEATH OF PERSONS OR ENTITIES, AND OTHER TORTIOUS INJURY, AND (B) VIOLATIONS OF APPLICABLE LAWS, INCLUDING ENVIRONMENTAL LAWS, AND ANY OTHER LEGAL RIGHT OR DUTY IN CONNECTION WITH THE CROSSING STRUCTURE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, GRANTEE SHALL INDEMNIFY, DEFEND AND HOLD GRANTOR AND ITS AFFILIATES HARMLESS EVEN IF SUCH LOSSES ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER SOLE, JOINT, OR CONCURRENT), STRICT LIABILITY, OR OTHER LEGAL FAULT OF GRANTOR GROUP.

8. **Conspicuousness.** THE PARTIES HEREBY STIPULATE AND AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW, THE DISCLAIMERS, RELEASE AND INDEMNITIES CONTAINED IN THIS BILL OF SALE ARE "CONSPICUOUS" FOR THE PURPOSES OF SUCH APPLICABLE LAW.
9. **Governing Law.** This Bill of Sale shall be governed by the laws of the State of New Mexico without regard to conflicts of laws principles.
10. **Successors and Assigns.** This Bill of Sale binds and inures to the benefit of Grantor and Grantee and their respective successors and assigns.
11. **Counterparts.** This Bill of Sale may be executed in several counterparts and all of such counterparts shall constitute one and the same instrument.

[Remainder of page intentionally blank; signature page follows]




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San Juan County, NM TANYA SHELBY

IN WITNESS WHEREOF, the Parties have caused this Bill of Sale to be duly executed on the date and year first above written.

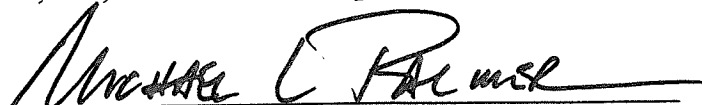
GRANTOR
COLEMAN OIL AND GAS, INC.

By: 
G. Chris Coleman, President

Acknowledgements

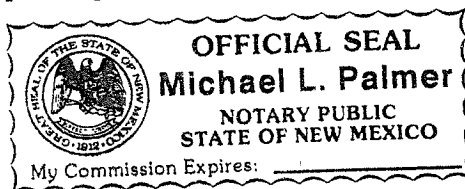
STATE OF NEW MEXICO)
)ss.
COUNTY OF SAN JUAN)


This instrument was acknowledged before me this 23rd day of January, 2020, by G. Chris Coleman, as President of Coleman Oil and Gas, Inc., a New Mexico corporation, on behalf of the corporation.


Notary Public

My Commission Expires: 11.28.2023

[SEAL]




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San Juan County, NM TANYA SHELBY

IN WITNESS WHEREOF, the Parties have caused this Bill of Sale to be duly executed on the date and year first above written.


GRANTEE
J&R HOLDING, LLC

By: 
Robert Holmes, President

Acknowledgement

STATE OF NEW MEXICO)
)ss.
COUNTY OF SAN JUAN)

This instrument was acknowledged before me this 28 day of January, 2020, by Robert Holmes, as President of J&R Holding, LLC, a Delaware limited liability company, on behalf of the company.


Notary Public

My Commission Expires: 11.28.2023



202000966 01/29/2020 09:10 AM
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San Juan County, NM TANYA SHELBY

From: Mike Hanson
Sent: Friday, August 14, 2020 8:13 AM
To: Robert Holmes; Bruce Taylor
Subject: RE: Heizer #1

Okay great Thanks Robert. I received your video and have been sharing, impressive. Good luck with venture, good time to have RV park.

Bruce, take a look at PSA items and check list, verify and take pictures for well file. Let me know if ready to file FAN with NMOCD.

MH

Sent from Mail for Windows 10

From: Robert Holmes
Sent: Friday, August 14, 2020 7:31 AM
To: Mike Hanson
Subject: Re: Heizer #1

Hey Mike,

I believe that we are good to go...

Thank you,

Robert Holmes
970-946-7549
acmrobert@outlook.com

From: Mike Hanson <mhanson@cog-fmn.com>
Sent: Thursday, August 13, 2020 2:05 PM
To: Bruce Taylor <brucetaylor@cog-fmn.com>; Robert Holmes <acmrobert@outlook.com>
Subject: Heizer #1

Bruce, Would you get with Robert Holmes or project foreman and review the attached check list prior to Coleman submitting Final Abandonment Notice and request for OCD inspection after P&A, see the attachment. I attached the PSA for river crossing structure for reference to the pipeline crossing apparatus. Take pictures of well pad for well file.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 22463

CONDITIONS OF APPROVAL

Operator:	COLEMAN OIL & GAS INC	P.O. Drawer 3337	Farmington, NM87499	OGRID:	4838	Action Number:	22463	Action Type:	C-103P
OCD Reviewer	Condition								
ahvermersch	None								