RECEIVED	12	/27	/17

REVIEWER:

## - Geological & Engineering Bureau -



2011 DEC 27 (522) 390 th St. Francis Drive	e, Santa Fe, NM 8/505
	PLICATION CHECKLIST VE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND ING AT THE DIVISION LEVEL IN SANTA FE
Applicant: Coleman Oil & Gas, Inc.	OGRID Number: 4838
Well Name: Taliaferro FC 1H	API: 30-045-
Pool: Basin Fruitland Coal (Gas)	Pool Code: 71629
	dication
B. Check one only for [1] or [1]  [1] Commingling – Storage – Measuremer  DHC CTB PLC PC  [11] Injection – Disposal – Pressure Increase  WFX PMX SWD IPI	: OLS OLM
2) NOTIFICATION REQUIRED TO: Check those whice A. Offset operators or lease holders  B. Royalty, overriding royalty owners, revection and proving published notice D. Notification and/or concurrent approving Notification and/or concurrent approving Surface owner  G. Surface owner  G. No notice required	al by SLO al by BLM
3) CERTIFICATION: I hereby certify that the informal administrative approval is accurate and complete understand that no action will be taken on this notifications are submitted to the Division.	ete to the best of my knowledge. I also
Note: Statement must be completed by an indiv	ridual with managerial and/or supervisory capacity.
	12-22-17 Date
Brian Wood	
Print or Type Name	505 466-8120
13- Word	Phone Number
V	brian@permitswest.com
Signature	e-mail Address



REQUEST FOR ADMINISTRATIVE APPROVAL NONSTANDARD LOCATION COLEMAN OIL & GAS, INC.
TALIAFERRO FC 1H

SHL & FTP: 181' FNL & 1226' FEL
LATERAL 1 BHL & LTP: 660' FSL & 660' FEL
LATERAL 2 BHL & LTP: 660' FSL & 1831' FEL
SECTION 30, T. 31 N., R. 12 W., SAN JUAN COUNTY, NM

I. This proposed Basin Fruitland Coal (Gas) (71629) dual lateral horizontal gas well is on BLM surface and 2,004.96 acre BLM oil and gas lease NMSF-078244 (Exhibit A). Dedication is the 308.59 acres comprising SENE, E2SE4, and Lots 5, 6, 11, 12, & 17 of Section 30, T. 31 N., R. 12 W. The SHL is the FTP and it is 181' from the closest dedication boundary (Exhibit B). The FTP is  $\geq 2801$ ' from the closest lease line (Exhibit A).

Coleman plans to initially drill an  $8.75" \approx 2,500'$  TVD pilot hole, case it, and cement it to surface. (Exhibit B illustrates the well bores and coal seams.) Based on its results, Coleman will then:

- 1. Install a whipstock in 7" casing, drill (lower) Lateral 1 at  $\approx$ 1790', and drill SSE to a TVD of 2206' (MD = 6641') in Coal Seam 4.
- 2. Install a  $2^{nd}$  whipstock and drill (upper) Lateral 2 will at  $\approx 1723$ ' and drill SSW to a TVD of 2152' (MD = 6569') in Coal Seam 3.
- 3. Install rod pump in the pilot hole sump to efficiently rod pump and dewater both coal seams.
- 4. If needed, perforate and matrix stimulate upper and/or lower coal seams to aid in de-watering the cola. No fracture treatment is planned.

Coleman requests a nonstandard location due to its goal of maximizing recovery and due to land uses.

Coleman does not believe it is cost effective to drill one or two cased standard location vertical or horizontal wellbores. Coleman does believe it is cost effective to drill a multi-lateral nonstandard location.

Two well bores producing from one pad will reduce the project footprint and minimize environmental impacts in an area (The Glade) with lots of recreation use. An on-site inspection has been conducted with Farmington BLM.

A standard location must be at least 660' from the dedication boundary. The FTP is 181' from the north dedication boundary (see C-102 as EXHIBIT B).

The FTP is 479' too far north. North is toward the interior of the same BLM lease.

- II. Form C-102 showing the well and 308.59 acre dedication (Lots 5, 6, 11, 12, & 17, SENE, & E2SE4 30-31n-12w) is attached as EXHIBIT C.
- III. BLM oil and gas lease boundary is marked as a solid line on EXHIBIT A. Encroachment (to the north) is part of the same BLM lease. Fruitland Coal Gas dedications are north (Enervest), southeast (XTO), southwest (Hilcorp), and west (Enervest) of Coleman's proposed dedication (EXHIBIT D). There are no existing Fruitland Coal Gas dedications to the northeast, east, or south. This information is current and correct.
- IV. See Exhibit D for the proposed well, dedications, and wells. Coleman does not believe moving the well to a standard location is cost effective.
- V. Land use constraints are the project's location in the Glade recreation area.
- VI. Archaeology is not an issue.
- VII. I hereby attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (EXHIBIT E) by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in lands that most directly border the nonstandard portions of the wellbores of the 308.59 acre spacing unit. Said notice was sent to Aventine Investment, BLM, Burlington Resources, C & C Partners, Carolina Resource, Deborah Cass, Chevron Midcontinent, Consolidated Operating, Energen Resources, Enervest Operating, Epic Energy, Espernza Energy, Headington Canada, John Hill, J. A. Humphrey & Trust, Layton Humphrey, Ross Lea, L H Armour Junior 89 Trust, Noble Energy, Joanne Nor, Shannon Mineral, and Southland Royalty. This information is current and correct.



Blow		
Brian Wood Consu	ıltar	nt .

/2-20-17

STATE OF NEW MEXICO	)
	) SS
COUNTY OF SANTA FE	)

The foregoing instrument was acknowledged before me this 20th day of December, 2017 by Brian Wood. Witness my hand and official seal.

Notary Public

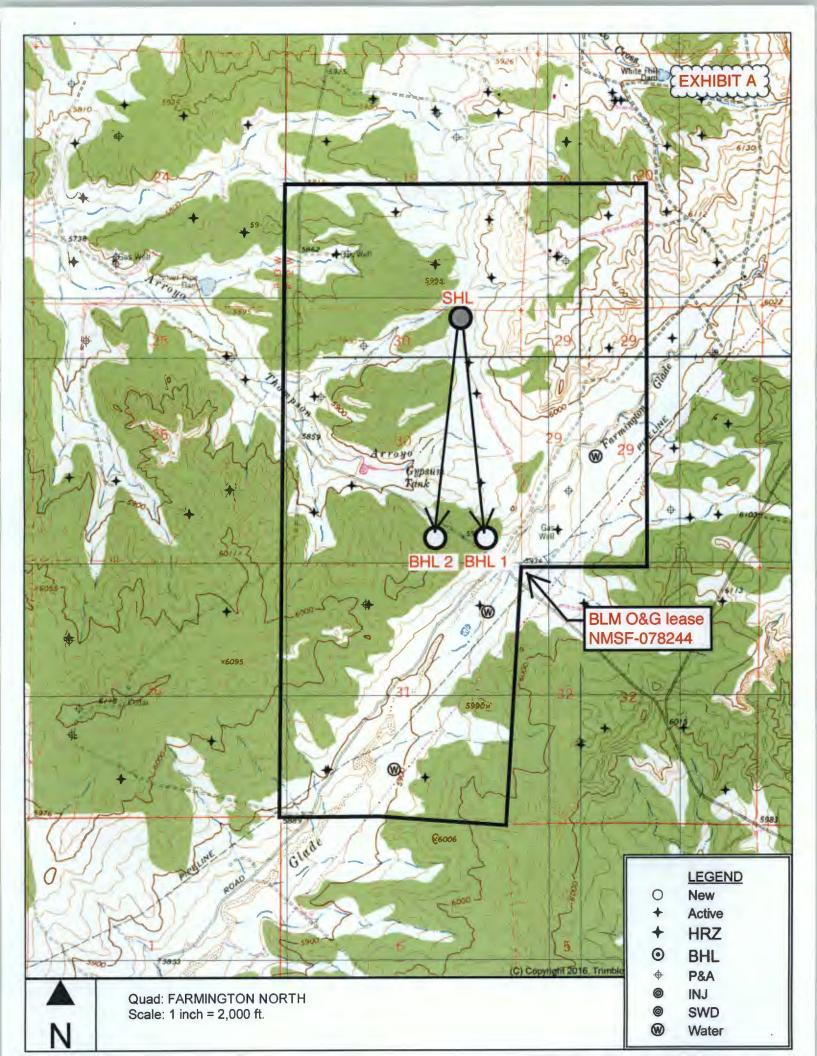
My Commission Expires:

Business Address:



cc: Hanson, OCD (Santa Fe)





# Taliaferro FC #1H, Silver Creek Project



South East

Coleman Oil & Gas Taliaferro FC 1H Proposed Lateral Wellbore Schematic

North West

12 %" Hole Size 9 5/8" Casing Shoe Set @ 394' Cemented to Surface

= 6 1/8" Hole Size 4 1/2" Uncemented, Pre-Perforated Liner.

8 %" Cased Slant Pilot Hole (Pilot Hole Will Not Be Vertically Stimulated)

7" Casing Shoe Set 100 Feet Below Base Basal Fruitland Coal

7" Casing Cemented to Surface

Lat. #1

Lat. #2

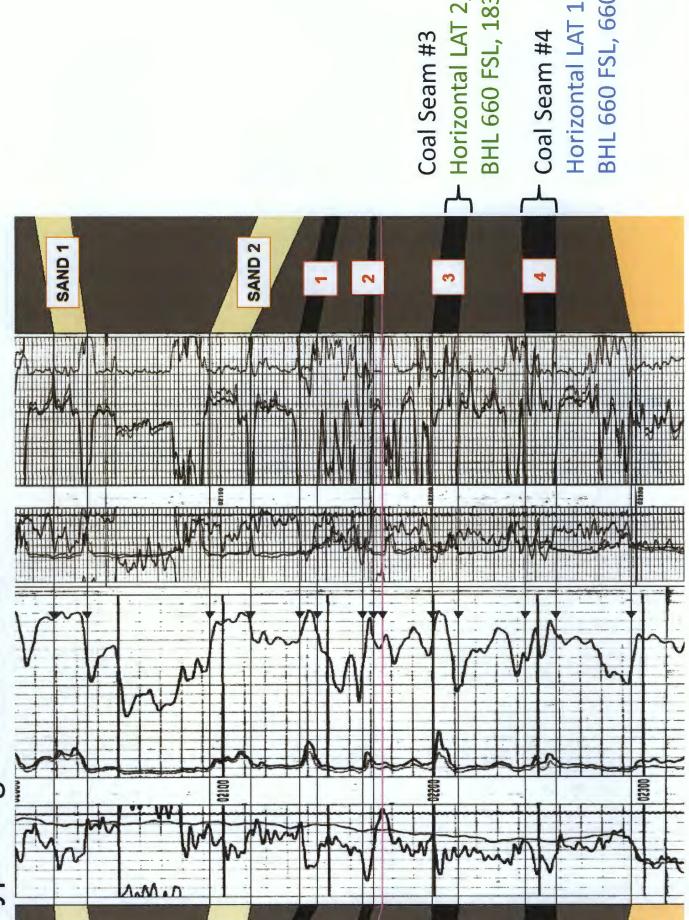
Notes	Cased Hole Logs	Top Production LP	Top Production LP
BHA Sec - 30 T31N R12W NAMPH	182' FNI. & 1226' FEL Cased Hole Lags	660' FSI, & 660' FRI. Top Production LP	660' FSL & 1831' FEL Top Production LP
Top of Production Sec - 30 T31N R12W RMPM	121' FM. & 1226 FEL	568' FINL & 935' FEL	560' FNL & 1544' FEL
BUM Doc#	Pho	Plan	(No.
Proposed API Ext.	0000	1900	7000
Turget Zone Name	Basin Fruidland Coal	4641 2206 1795 5636 Basin Fruidand Casl	6569 2152 1717 6564 Basin Fruitland Canl
P L D		9699	2989
Fop Liner Lines (MD)		1795	1717
t g		2206	2222
P (OW)		19861	8959
KOP METHOD		Whipstock	Whipstock
XOP (OVE)		1790	1773
KOP		1790	1773
Bridge Plug (MD)		1885	1741
Base of Window (MD)		1794	1223
Top of Window (MD)		1786	1719
Planned Drill Order	=	2	m
Letteral Nome	Pilor	Lateral #1	Lateral #2



# Taliaferro FC #1H, Silver Creek Project

Type Log: Taliaferro #6





BHL 660 FSL, 1831 FEL BHL 660 FSL, 660 FEL Horizontal LAT 1, - Coal Seam #4



DISTRICT\_I 1625 N. French Dr., Hobbs, N.M. 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, N.M. 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

<u>DISTRICT III</u> 1000 Rio Brazos Rd., Aztec, N.M. 67410 Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, N.M. 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, N.M. 87505

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

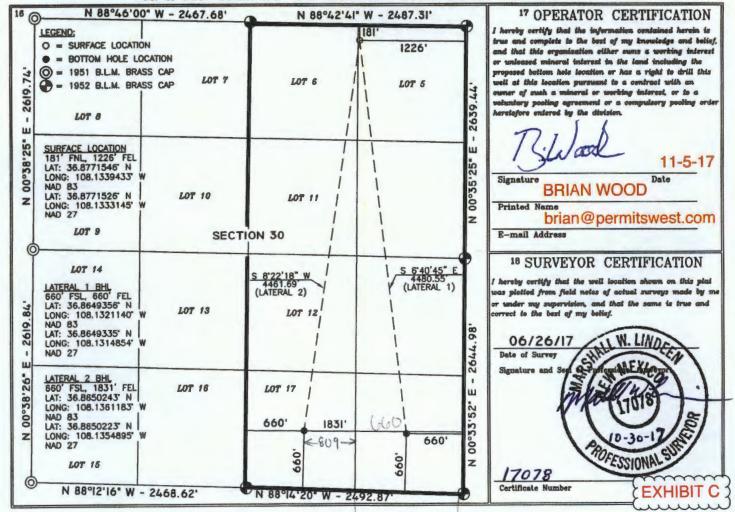
☐ AMENDED REPORT

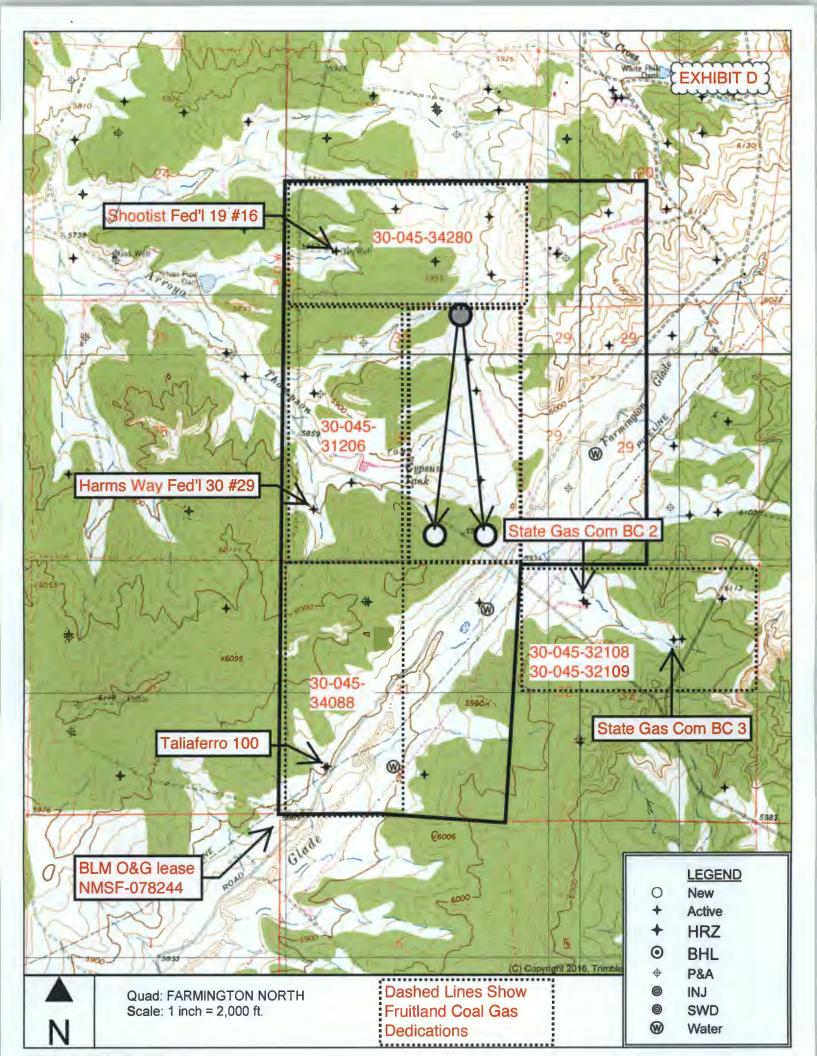
### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-045-	*Pool Code 71629	BASIN FRUITLAND COAL (GAS)	
*Property Code	'Property Name TALIAFERRO FC		Well Number
FOGRID No. 4838	*Operator Name COLEMAN OIL & GAS, INC.		Elevation 5970
	10 Surfac	e Location	
UL or lot no.   Section   Township	Range Lot Idn Feet from the	North/South line   Feet from the   East/We	est line County

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Α	30	31 N	12 W	LOT 5	181	NORTH	1226	EAST	SAN JUAN
			11 Bott	om Hole	Location If	Different Fro	m Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	31 N	12 W		660	SOUTH	660	EAST	SAN JUAN
0	30	31 N	12 W	LOT 17	660	SOUTH	1831	EAST	SAN JUAN
Dedicated Acre	08.59	18 Joint or h	nfill 14 Co	nsolidation Co	de Morder 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







December 20, 2017

Enervest Operating L.L.C. 1001 Fannin St., Suite 800 Houston TX 77002

### TYPICAL LETTER

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Coleman Oil & Gas, Inc. is applying to drill its Taliaferro FC 1H gas well at a nonstandard location. The minimum State distance for gas well take points is 660' from a dedication line. The first take point (FTP) is 479' further north than is standard (see attached application). Thus, it is a nonstandard location. The NSL is due to geology.

Well Name: Taliaferro FC 1H

MD: 6481' - 6691'

TVD: 2142' - 2201"

Proposed NSL Zone: Basin Fruitland Coal (Gas)

NSL Acreage Dedication: 308.59 acres (Lots 5, 6, 11, 12, & 17 and SENE & E2SE4 Section 30)

SHL: 181' FNL & 1226' FEL Sec. 30, T. 31 N., R. 12 W., San Juan County, NM

on BLM lease NMSF-078244 (FTP is 2801' from lease boundary)

Approximate Location: \$4 air miles southeast of LaPlata, NM

Applicant Name: Coleman Oil & Gas, Inc. (505) 327-0356

Applicant's Address: PO Drawer 3337, Farmington NM 87499

<u>Submittal Information:</u> Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

U.S. Postal Service

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EXHIBITE



37 Verano Loop, Santa Fe, New Mexico 87508

December 20, 2017

Enervest Operating L.L.C. 1001 Fannin St., Suite 800 Houston TX 77002

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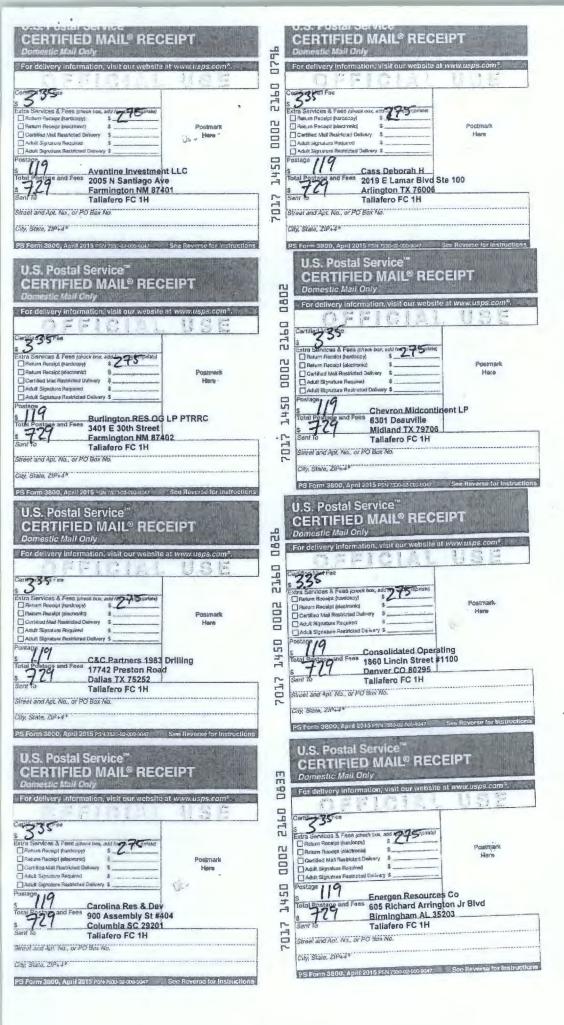
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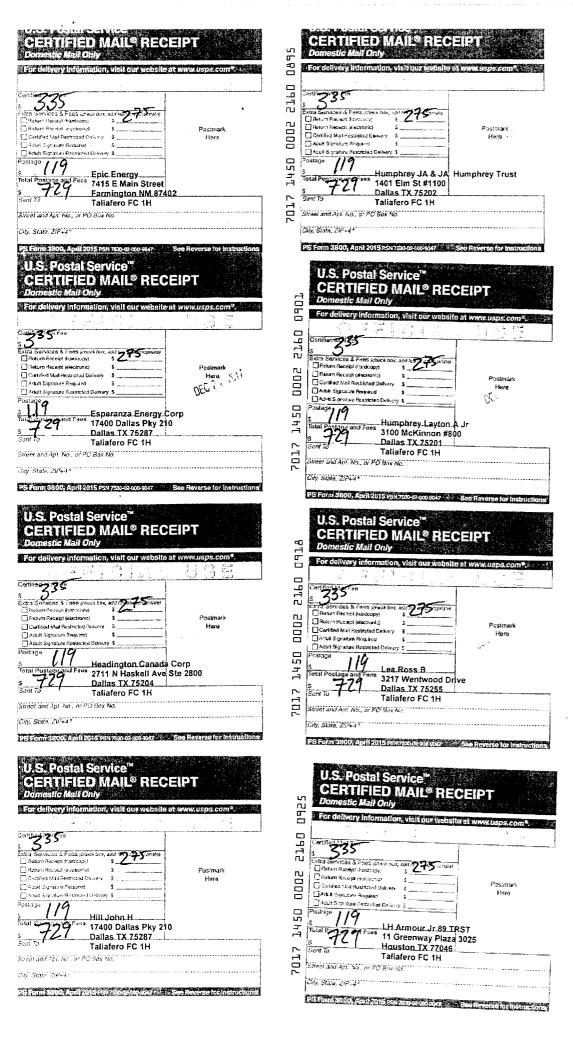
Sincerely,

Brian Wood

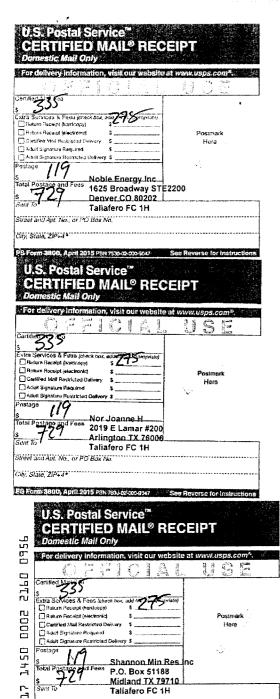
U.S. Postal Service 0840 2760 리미 Certified Mali Restricted Del Envervest Operating L.L.C. 2 1001 Fannin Street Suite 800 Houston TX 77002 Taliafero FC 1H City, State, ZIP+4











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~	Sent To Taliafero FC 1H	
<b>√</b> 17.0	Street and Apr. No., or PO Box No.	
_	City, Sizie, 219-119 Lest pure April 2012 Est 152,000-954	See Revokse for Instructions

Shannon Min Res. Inc Midland TX 79710

PS Form \$800, April 2015 PSN 7536-02-000-9047 See Reverse for Instruction

Street and Apt. No., or PO Box No. City, State, ZIP+4\*

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7117	Serving Tallafero FC 1H	)2
l	City, State, ZIF; 4* PS Form 3800, April 2015 PBN 755642-0001641 4	See Reverse for Instructions

