



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

July 7, 2003

Coleman Oil & Gas, Inc.
P.O. Drawer 3337
Farmington, New Mexico 87499
Faxed on 7/3/2003 to (505) 327-9425

Attention: Mr. Bryan Lewis

Re: Form C-107-B
Surface Commingling
Ricky No. 1R, Ricky Com No. 2R. Meg Com No. 1, Meg No. 2

Dear Mr. Lewis:

I appreciate your prompt submittal of the additional information that I requested on June 11, 2003. Please be advised that one additional piece of information is necessary in order to continue processing your application. Your application indicates that the interest ownership between the wells/leases is not common. Pursuant to Division rules, all interest owners in the commingled wells are required to be notified by sending them a copy of your application. I cannot find a statement in your application that says these interest owners were notified. Were these owners notified of your application? If not, this will be required before your application can be approved.

Please advise me at your earliest convenience of the status of the required notification.

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach", with a long horizontal flourish extending to the right.

David Catanach
Engineer



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
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Oil Conservation Division

June 11, 2003

Coleman Oil & Gas, Inc.
P.O. Drawer 3337
Farmington, New Mexico 87499
Faxed on 6/11/2003 to (505) 327-9425

Attention: Mr. Bryan Lewis

Re: Form C-107-B
Surface Commingling
Ricky No. 1R, Ricky Com No. 2R, Meg Com No. 1, Meg No. 2


Dear Mr. Lewis:

I have received and reviewed your recent application to surface commingle gas production from the above-described wells. Please be advised that additional information is necessary in order to process the application. Your application contains conflicting information regarding the pools the wells are producing from. You state that all production is from the Basin-Fruitland Coal Gas Pool, however, the C-102's for the Ricky No. 1R and the Meg No. 2 show production from the South Gallegos Fruitland Sand-Pictured Cliffs Gas Pool. Please explain this conflicting information. In addition, please provide a more detailed description of the land status in each of the subject proration unit. For example, the Ricky Com No. 2R shows a W/2 dedication in Section 18. Is this all federal acreage, or is there state and/or fee acreage. Please list all leases, and lease numbers, within each of the subject proration units.

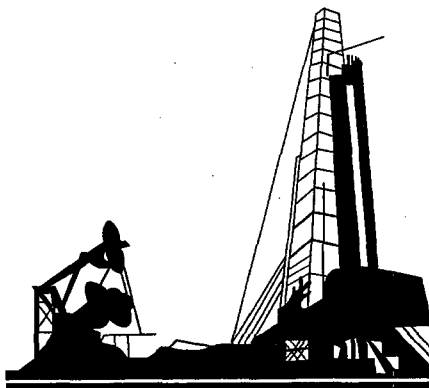
I will continue to process your application upon receipt of the requested data.

If you have any questions, please contact me at (505) 476-3466.

Sincerely,



David Catanach
Engineer



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO:

Bryan Lewis

FROM:

D. Catanach

DATE:

6/11/03

PAGES:

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SUBJECT:

C-107-B

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE
NUMBER ABOVE.