

11/4/99 11/24/99 MS NV NSL(NSP)

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
[DD-Directional Drilling] [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 - Directional Drilling

☒ NSL ☒ NSP ☐ DD ☐ SD

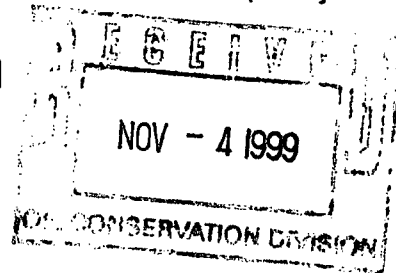
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Paul C. Thompson  
Print or Type Name

Paul C. Thompson  
Signature

Agent  
Title

11/2/99  
Date

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

November 1, 1999

Ms. Lori Wrotenbery  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Re: Application for Non-Standard Location  
and Downhole Commingling  
Coleman Oil and Gas  
Federal 11 #3R  
1425' FSL, 1140' FEL  
Section 11, T28N R13W  
San Juan County, New Mexico  
Basin Fruitland Coal and W. Kutz Pictured Cliffs

Dear Ms. Wrotenbery,

This is a request for administrative approval for a non-standard location for a completion in the Basin Fruitland Coal formation. This is also a request for administrative approval to downhole commingling of the production from the Basin Fruitland Coal and West Kutz Pictured Cliffs pools.

The Federal 11 #3R is a replacement for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R is located 40' south and 44' east of the Federal 11 #3. The downhole commingling of the production from the Basin Fruitland Coal and West Kutz Pictured Cliffs pool for the Federal 11 #3 was approved in Administrative Order DHC-1426. The non-standard Fruitland Coal location and non-standard proration unit for the Federal 11 #3 was approved by Administrative Order NSL-3738 (NSP).

All of Section 11 is dedicated to the Basin Fruitland Coal formation. Due to a variation in the legal subdivision of the U.S. Public Land Surveys the entire section is only 275.36 acres. The well does meet the set back requirements for a Fruitland Coal well.



The basal coal thins dramatically in the western half of this section. A Fruitland Coal completion in a standard location in the southwest quarter would not, in our opinion, result in an economic well. Please refer to Exhibit 1 which contains copies of the open hole logs for the Federal #2E (SW 11) and the Federal 11 #3 (SE 11).


The location for the replacement Federal 11 #3R was selected by the surface owner, Bolack Land and Cattle Company, to reduce the surface disturbance and utilize the existing pad, access road and pipeline.

I have attached for your review, C-102's for each pool, an acreage plat outlining the dedicated acreage, offset wells and offset operators. I have also included a proposed allocation formula. The allocation formula is based on the cumulative production from the offset wells since there is insufficient production data. Production curves from the Federal 11 #3 are attached to show that the production from both zones is marginal. Water and gas analysis from the Federal 11 #3 are attached to show that the fluids are similar and that no damage will occur due to the commingling.

The offset Fruitland Coal operators (Burlington and Amoco) and the interest owners of the Federal 11 #3R are being notified of this application by certified return receipt mail. Copies of these letters are enclosed.

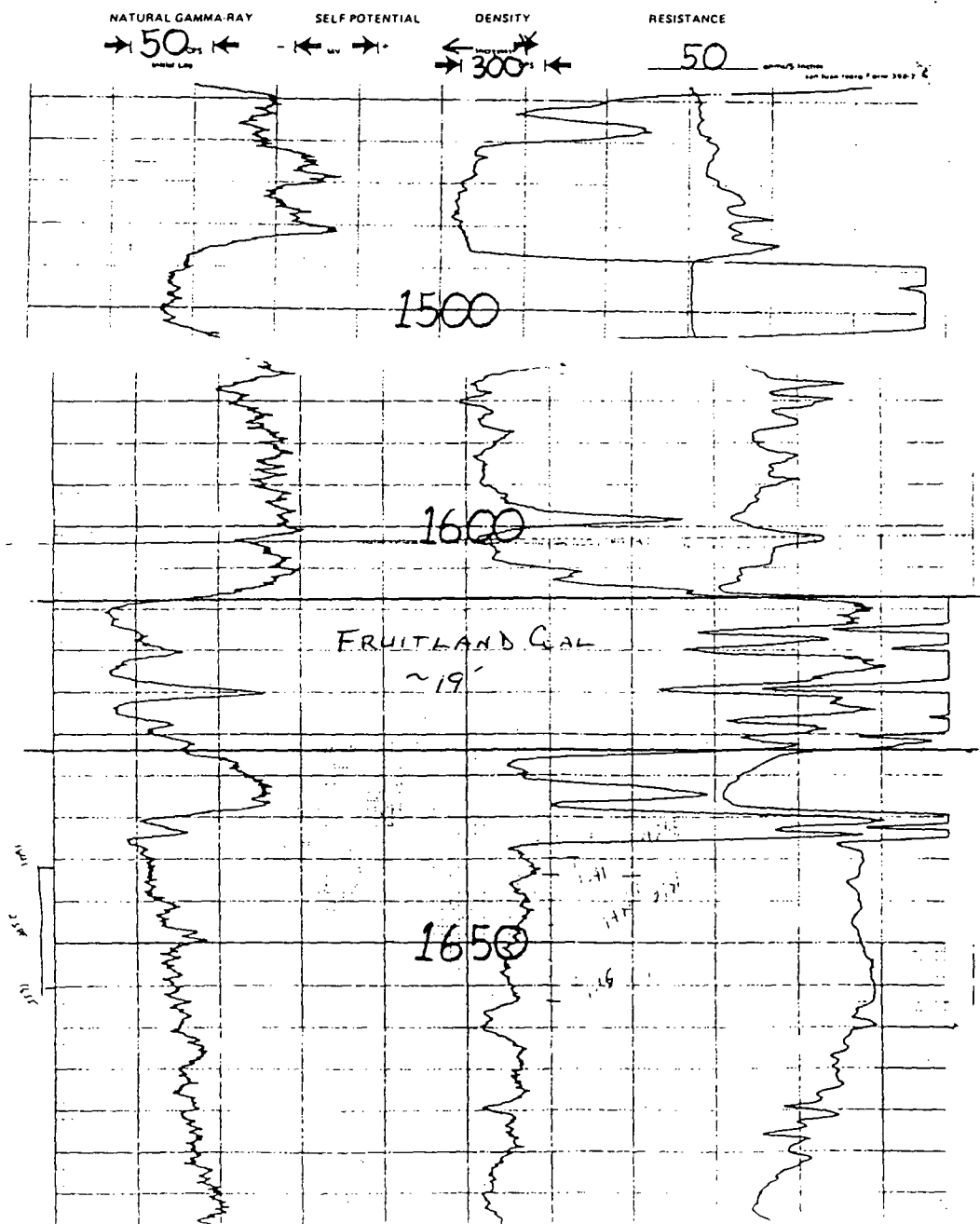
Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

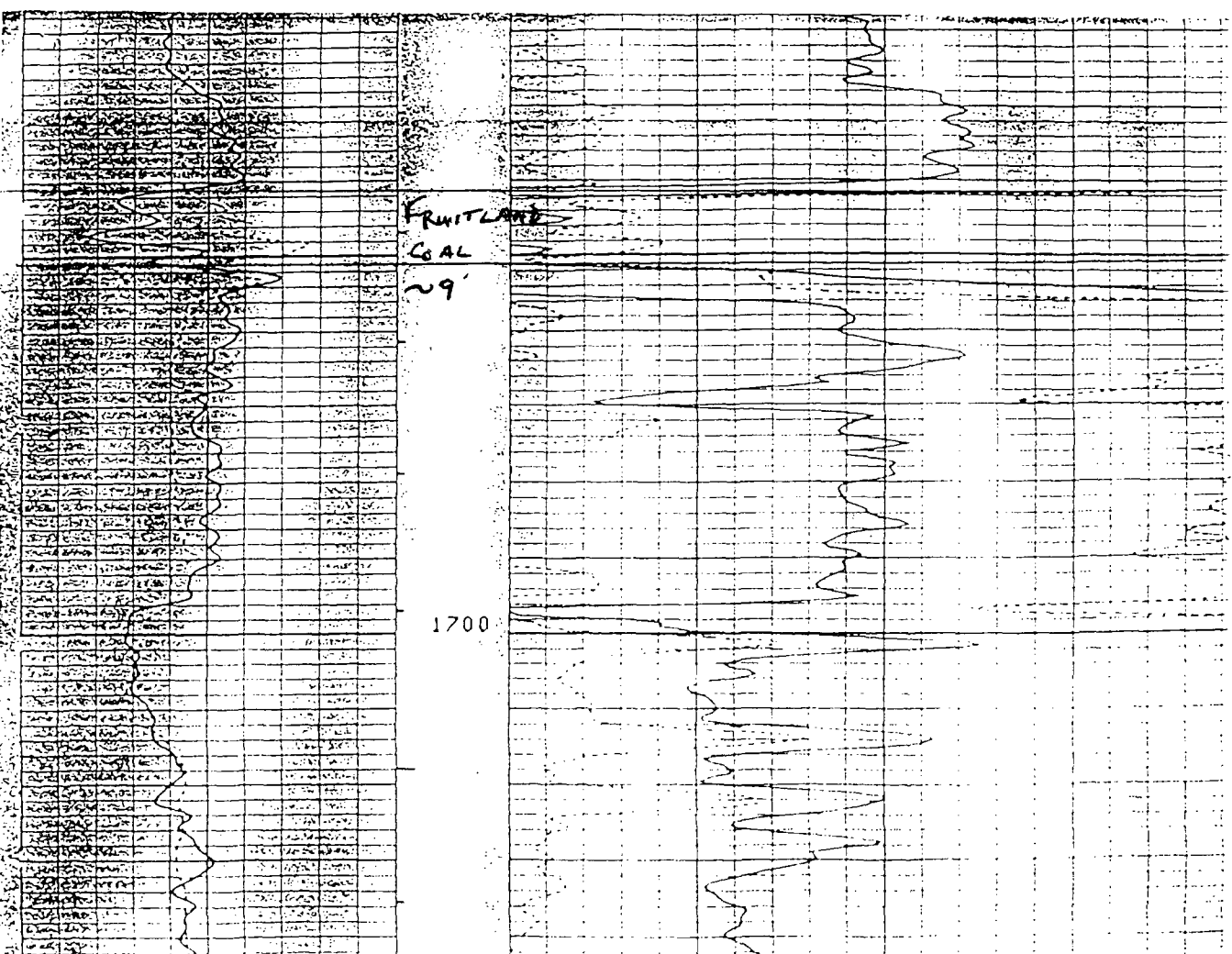
  
Paul C. Thompson, P.E.  
Agent

cc: Chris Coleman, COG  
NMOCD Aztec NM  
BLM Farmington NM

<b>Surveys</b>		Date <b>4-27-79</b>		U.D. <b>1826</b>		Drill No. <b>43/e - 2 - 10.D.</b>	
Company <b>Ralph Abbott</b>		Drill No. <b>3-11</b>		Mud <b>Mud</b>		Unit No. <b>115</b>	
Project <b>West Kute Picture Cliffs Core Project</b>		Location <b>San Juan N. Mex.</b>		Operator <b>Mr. Abbott</b>		Location <b>Farmington</b>	
Section <b>11</b>		Trough <b>28N</b>		Range <b>13W</b>		Operator <b>J. Hennie</b>	
INITIAL LOG		NATURAL GAMMA RAY		Density		Density	
TO LOGGED <b>1809</b>		TC <b>50</b>		TC <b>1000</b>		TC <b>300</b>	
True Constant <b>50</b>		Logging Scale <b>50</b>		Logging Scale <b>1000</b>		Logging Scale <b>300</b>	
Gamma Calibration - Probe Date <b>2-20-79</b>		TC <b>50</b>		TC <b>1000</b>		TC <b>300</b>	
Source No. <b>19</b>		Source Value <b>11/16</b>		Source No. <b>129</b>		Source Value <b>125mc</b>	
Detector <b>Scin.</b>		Tube & Size <b>1x4</b>		Probe No. <b>19</b>		Probe No. <b>7/11/16</b>	
Cable Type <b>10</b>		Cable Length <b>1</b>		Cable Type <b>Scin.</b>		Cable Length <b>3/4x1</b>	
Resistance <b>10</b>		Resistance <b>1</b>		Resistance <b>10</b>		Resistance <b>1</b>	



# SIMULTANEOUS COMPENSATED NEUTRON FORMATION DENSITY

[illegible]

PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Dept

Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

District II  
PO Drawer 00, Artesia, NM 88211-0715

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		71629	BASIN FRUITLAND COAL
Property Code	Property Name		Well Number
	FEDERAL 11		3R
OGRID No.	Operator Name		Elevation
004838	COLEMAN OIL & GAS, INC.		5900'

## 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	11	28N	13W		1425	SOUTH	1140	EAST	SAN JUAN

## 11 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
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
275.36		Y							

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

Signature  
Paul C. Thompson  
Printed Name  
Agent  
Title  
7-15-99  
Date

## 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.

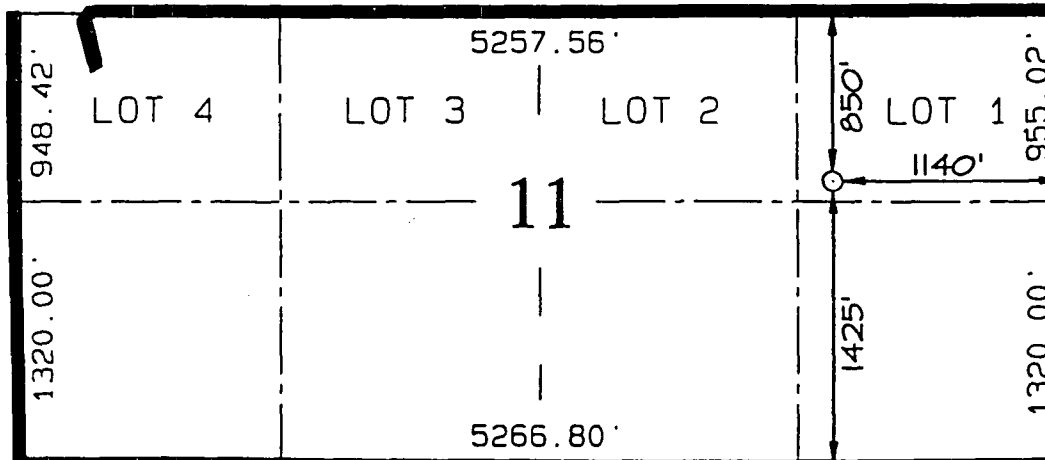
JULY 2, 1999  
Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number

6857



District II  
PO Drawer 00, Artesia, NM 88211-071

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals & Natural Resources of

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Revised February 21, 1993  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 79680	Pool Name WEST KUTZ PICTURED CLIFFS	
Property Code	Property Name FEDERAL 11		Well Number 3R	
GRID No. 004838	Operator Name COLEMAN OIL & GAS, INC.		Elevation 5900'	

<sup>10</sup> Surface Location

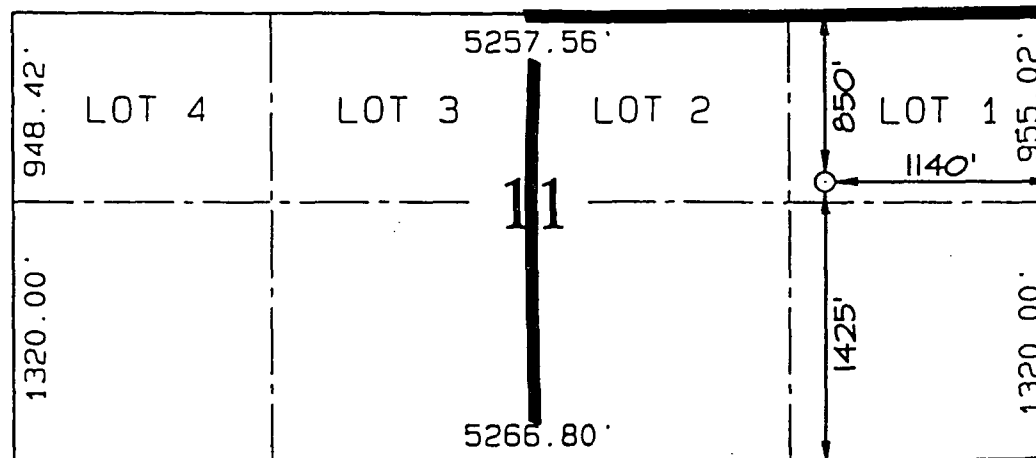
UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
I	11	28N	13W		1425	SOUTH	1140	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 137.78	<sup>13</sup> Joint or Infill Y	<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



<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

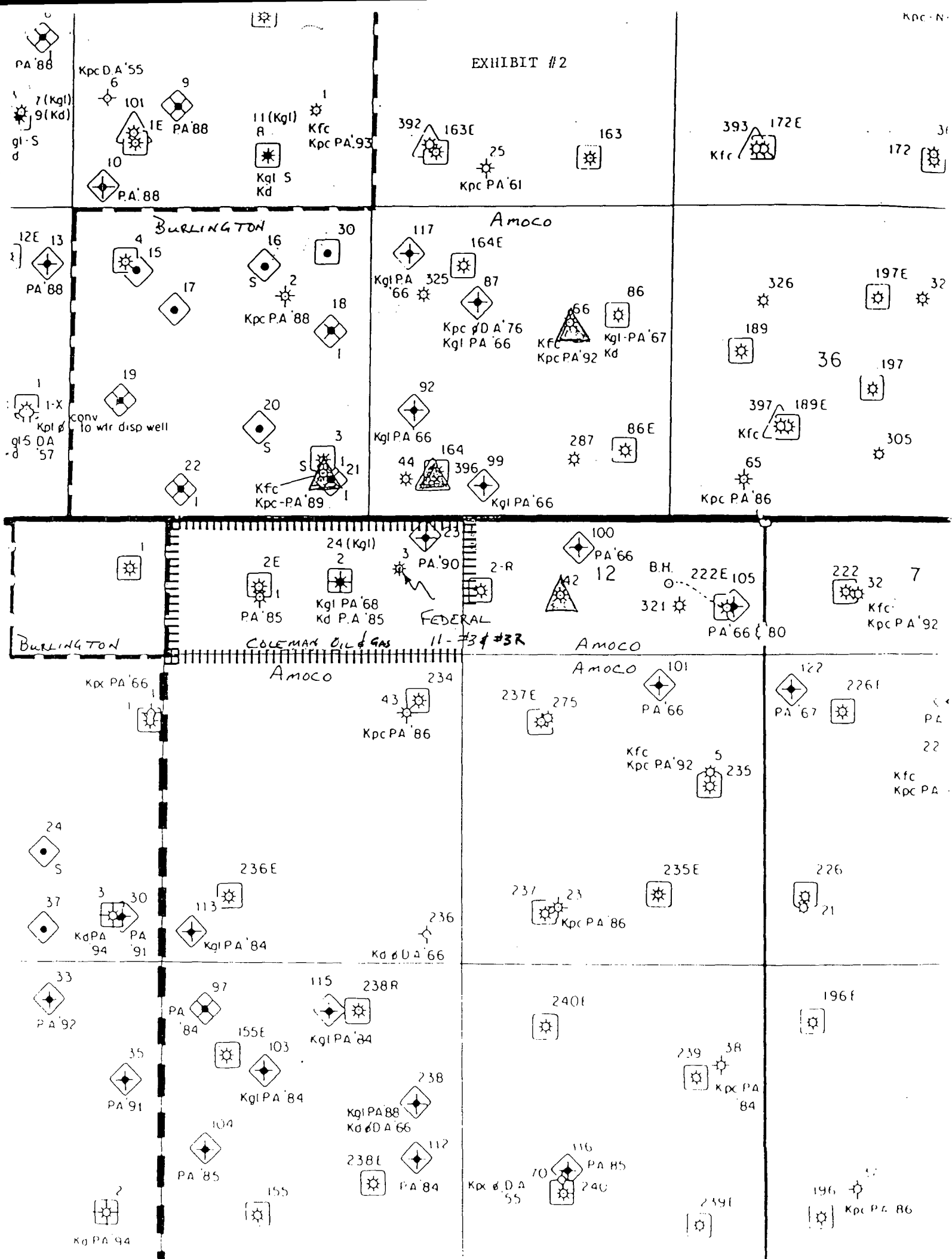
*Paul C. Thompson*  
Signature  
Paul C. Thompson  
Printed Name  
Agent  
Title  
7-15-99  
Date

<sup>18</sup> 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.

JULY 2, 1999  
Date of Survey  
*NEALE C. EDWARDS*  
Signature and Seal of Professional Surveyor  
NEW MEXICO  
6857  
Certificate Number 6857

## EXHIBIT #2





Federal 11 #3R  
Commingling Application

Allocation Formula

The Federal 11 #3R is a replacement for the Federal 11 #3 well which was plugged due to mechanical problems. The Federal 11 #3R is 40' south and 44' east of the old Federal 11 #3 well. The Federal 11#3 was approved as a non-standard Fruitland Coal location and for downhole commingling.

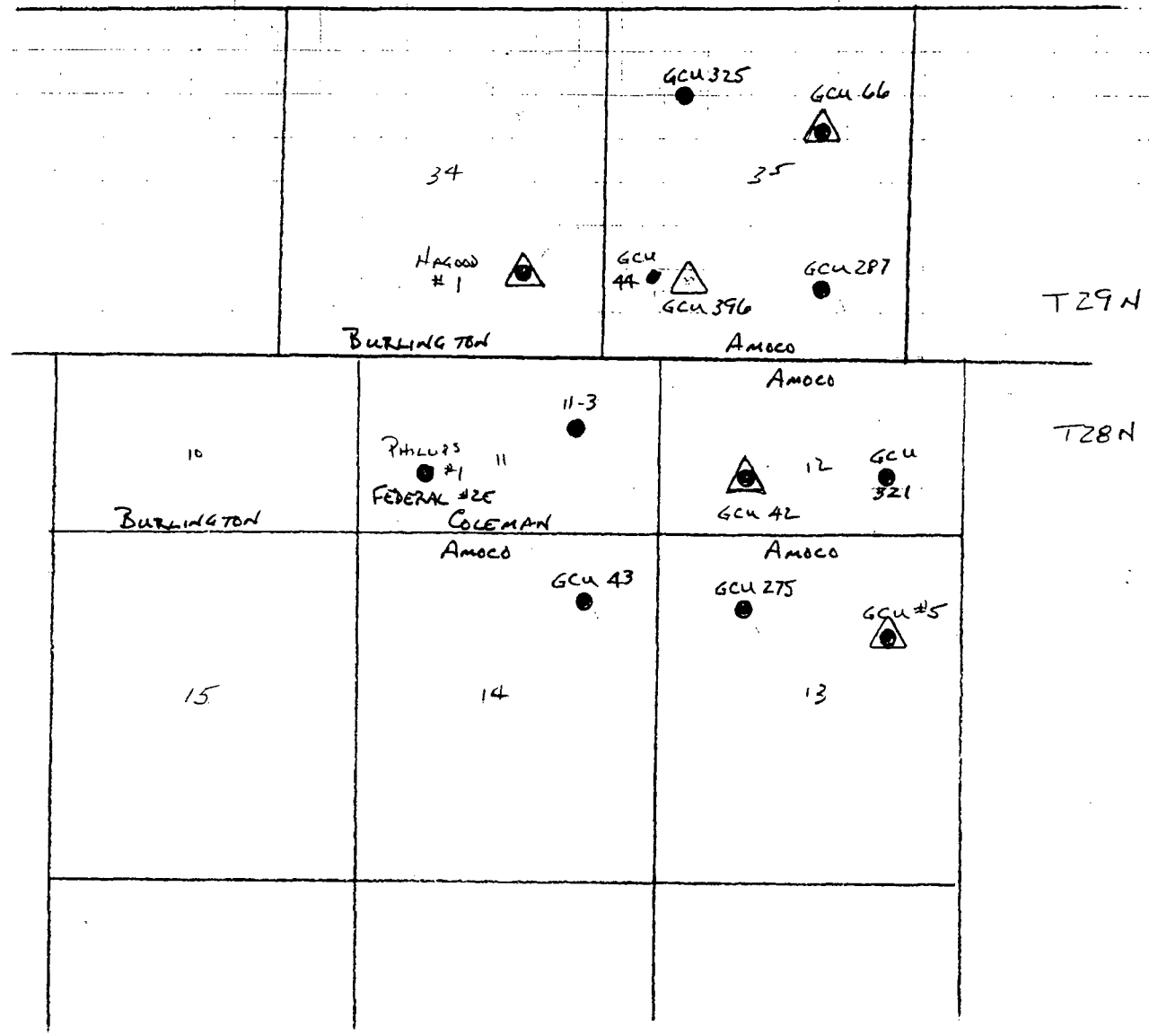
West Kutz Pictured Cliffs in the Federal 11 #3 was completed on May 15, 1979. Due to water production and pump problems the Pictured Cliffs was produced erratically until Coleman purchased the well in January 1996. The Fruitland Coal was completed in 1997 and commingled with the Pictured Cliffs production. Both decline curves are attached.

Since both zones appear to only be capable of marginal production, Coleman Oil and Gas proposes to downhole commingle the production.

Both zones have very similar bottom hole pressures (approximately 180 psig from the Pictured Cliffs and 175 psig from the Fruitland Coal) so cross flow will not be a factor. Both zones produce the same amount of water. Copies of water and gas analysis from the Federal 11 #3 are attached. Neither zone is fluid sensitive and the fluids from the two zones are compatible.

The Federal 11 #3R has not been completed, so no production data is available. Since neither zone has any data to prepare a reliable production forecast, Coleman Oil and Gas proposes to allocate the production based on a ratio of the expected reserves. Average cumulative production from Pictured Cliffs wells in this area is 774,786 Mcf of gas while Fruitland Coal wells average 678,508 Mcf. **The proposed allocation is therefore 53.3% to the Pictured Cliffs and 46.7% to the Fruitland Coal.**

R B W



THOMPSON ENGINEERING  
FEDERAL 11 #3 OFFSETS

- PICTURED CLIFFS
- △ FRUITLAND COAL

**OFFSETS TO FEDERAL 11 #3R  
SECTION 11, T28N, R13W**

**PICTURED CLIFFS WELLS**

WELL NAME	CUMULATIVE PRODUCTION MCF
Gallegos Canyon Unit #287	243,160
Gallegos Canyon Unit #44	895,532
Gallegos Canyon Unit #66	828,168
Gallegos Canyon Unit #275	911,367
Gallegos Canyon Unit #5	1,939,508
Gallegos Canyon Unit #43	358,228
Gallegos Canyon Unit #321	498,256
Gallegos Canyon Unit #42	1,167,923
Phillips #1 and Federal #2E	341,815
Hagood #1	563,903
<b>AVERAGE</b>	<hr/> 774,786
<b>% of TOTAL PC PLUS FTC</b>	53.3

**FRUITLAND COAL WELLS**

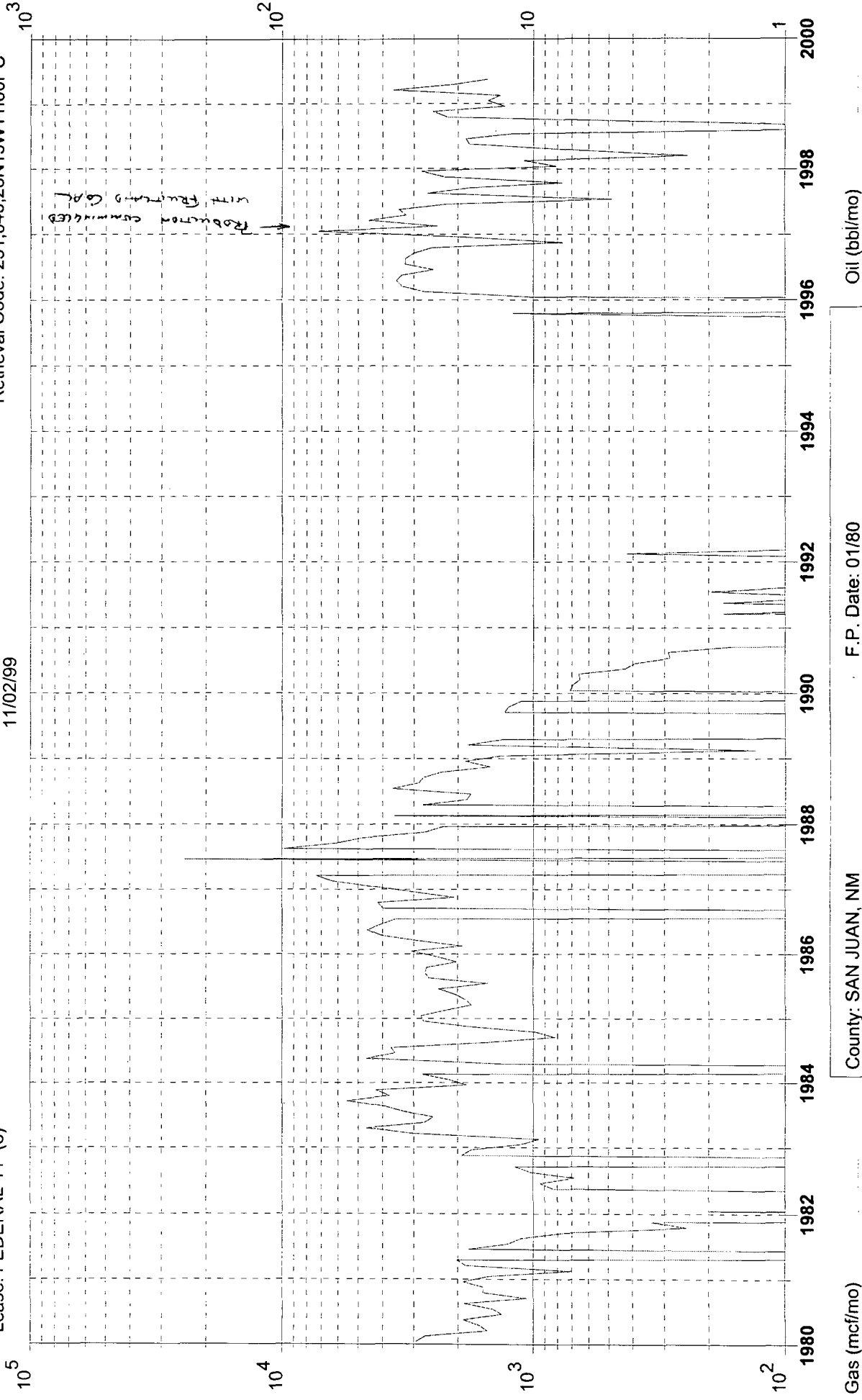
WELL NAME	CUMULATIVE PRODUCTION MCF
Gallegos Canyon Unit #396	557,542
Gallegos Canyon Unit #5	1,098,831
Gallegos Canyon Unit #42	444,349
Gallegos Canyon Unit #66	613,309
<b>AVERAGE</b>	<hr/> 678,508
<b>% of TOTAL PC PLUS FTC</b>	46.7

# Dwights

Lease: FEDERAL 11 (3)

11/02/99

Retrieval Code: 251,045,28N13W1100PC



Gas (mcf/mo)

Oil (bbl/mo)

F.P. Date: 01/80

County: SAN JUAN, NM

Field: KUTZ WEST (PICTURED CLIFFS) PC

Oil Cum: 0 bbl

Reservoir: PICTURED CLIFFS

Gas Cum: 366.2 mmcf

Operator: COLEMAN OIL & GAS INC

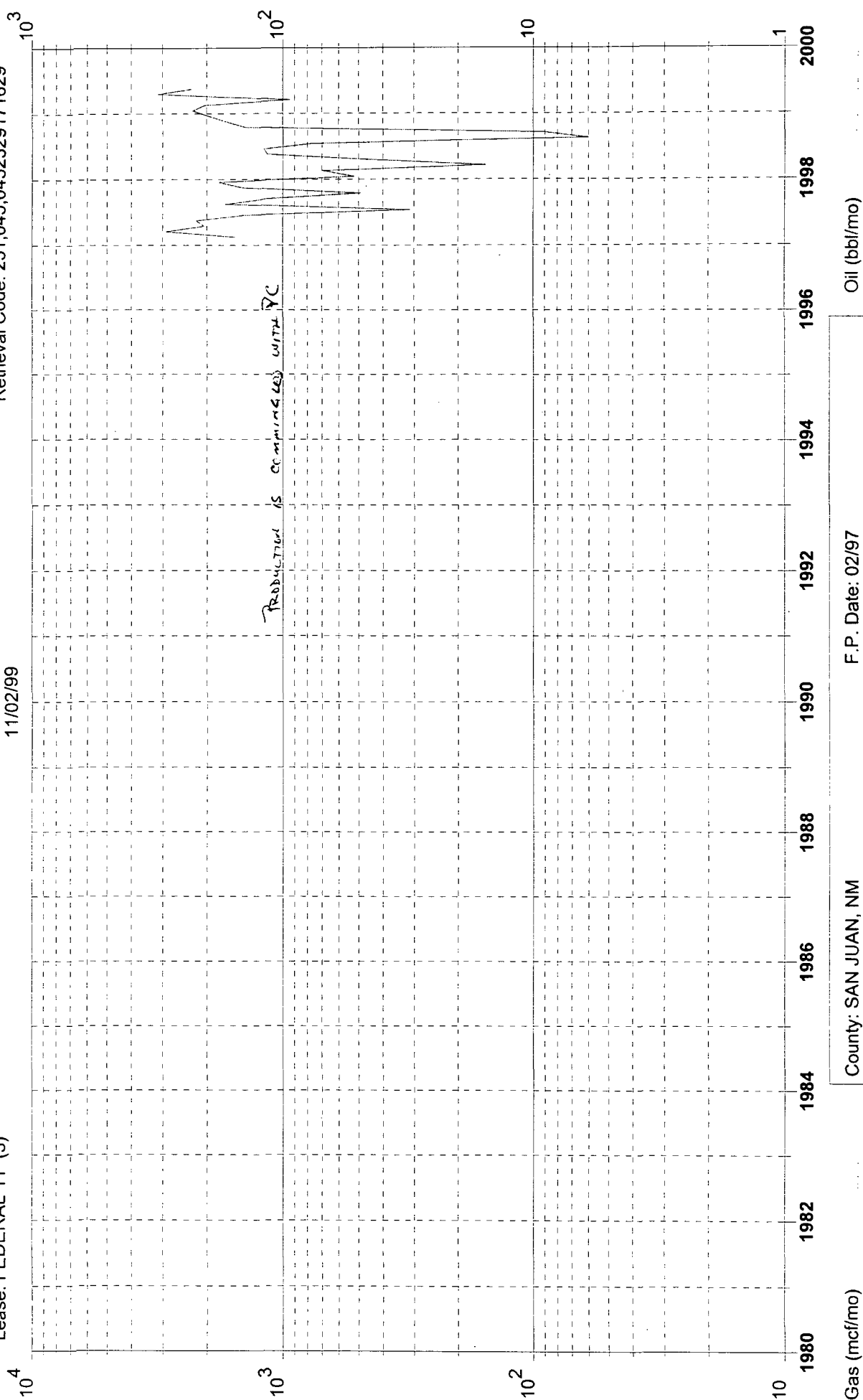
Location: 111 28N 13W

# Dwights

Lease: FEDERAL 11 (3)

11/02/99

Retrieval Code: 251,045,0452329171629



County: SAN JUAN, NM	F.P. Date: 02/97
Field: BASIN (FRUITLAND COAL) FT	Oil Cum: 0 bbl
Reservoir: FRUITLAND COAL	Gas Cum: 37.71 mmcf
Operator: COLEMAN OIL & GAS INC	Location: 11 28N 13W

FARMINGTON LAB

DEPTH:  
DATE SAMPLED:  
DATE RECEIVED: 10/17/96  
COUNTY: STATE: NM  
FORMATION: PICTURED CLIFFS

SAMPLE FOR ANALYSIS

SPECIFIC GRAVITY:	1.040	@ 78°F	PH:	7.27
RESISTIVITY (MEASURED ):	0.100	ohms @ 75°F		
IRON (FE++) :	3 ppm	SULFATE:		0 ppm
CALCIUM:	1,232 ppm	TOTAL HARDNESS		3,791 ppm
MAGNESIUM:	173 ppm	BICARBONATE:		798 ppm
CHLORIDE:	35,112 ppm	SODIUM CHLORIDE (Calc)		57,759 ppm
SODIUM+POTASS:	21,324 ppm	TOT. DISSOLVED SOLIDS:		61,025 ppm
H2S: NO TRACE		POTASSIUM PPM:		73

## REMARKS

ANALYST *D. Shepherd*  
D. SHEPHERD

**BJ SERVICES COMPANY**

WATER ANALYSIS #FW01W076

FARMINGTON LAB

**GENERAL INFORMATION**

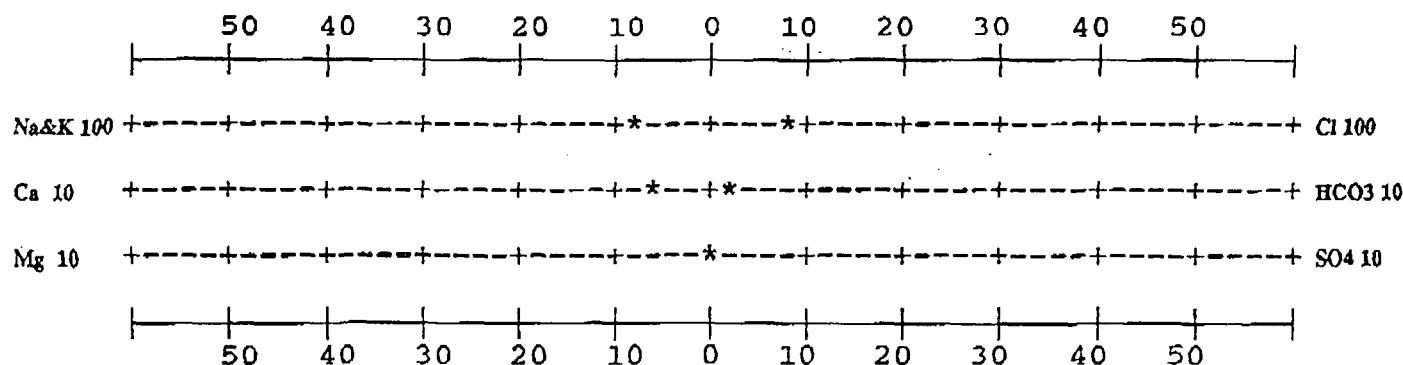
OPERATOR:	THOMPSON ENG.	DEPTH:	
WELL:	FEDERAL 11 #3	DATE SAMPLED:	12/02/96
FIELD:		DATE RECEIVED:	12/02/96
SUBMITTED BY:		COUNTY:	STATE:
WORKED BY	:MIKE KHACHATRIAN	FORMATION:	FRUITLAND COAL
PHONE NUMBER:			

**SAMPLE DESCRIPTION**

SAMPLE FOR ANALYSIS

**PHYSICAL AND CHEMICAL DETERMINATIONS**

SPECIFIC GRAVITY:	1.040	@ 64°F	PH:	6.80
RESISTIVITY (MEASURED ):	0.100	ohms @ 64°F		
IRON (FE++) :	3	ppm	SULFATE:	5 ppm
CALCIUM:	1,174	ppm	TOTAL HARDNESS	3,194 ppm
MAGNESIUM:	63	ppm	BICARBONATE:	1,642 ppm
CHLORIDE:	30,169	ppm	SODIUM CHLORIDE(Calc)	49,628 ppm
SODIUM+POTASS:	18,714	ppm	TOT. DISSOLVED SOLIDS:	53,725 ppm
H2S: NO TRACE			POTASSIUM PPM:	75

**REMARKS****STIFF TYPE PLOT (IN MEQ/L)**

ANALYST

MIKE KHACHATRIAN

RUTH - W / WALSH ENG.

505 327 4892

Report Date: 12/03/96  
Report Time: 12:18:24

REPORT NO: CGME747 -01  
Page No: 2

E L P A S O N A T U R A L G A S C O M P A N Y

Volume Calculation & Distribution Department

Monthly Volume and Analysis for December, 1995 thru December, 1995

Meter: 90624 - FEDERAL 11 #3 PICTURED CLIFF.

Oper : 0523 - THOMPSON ENGINEERING & PROD

Reporting party: - \*\*\* No Reporting Party \*\*\*

Mole % / GPM

Effective 12/01/95

CO2 0.000

H2S 0.000

N2 0.000

C1 0.000

C2 0.000

C3 0.000

IC4 0.000

NC4 0.000

IC5 0.000

NC5 0.000

C6P 0.000

BTU 0.000

Spec Grav 0.000

GPM 0.000





1115 Farmington Avenue  
Farmington, N.M. 87401  
(505) 325-6622

Analysis No. TOG60004  
Cust. No. 77000-10035

## WELL/LEASE INFORMATION

Company	: THOMPSON ENG & PROD	Source	:
Well Name	: FEDERAL 11 #3	Pressure	: 55 PSIG
County	: SAN JUAN	Sample Temp.	: 47 DEG.F
State	: NM	Well Flowing	: YES
Location	: 11-28N-13W	Date Sampled	: 11/29/96
Fld/Formation	: FRUITLAND COAL	Sampled By	: PAUL THOMPSON
Cust.Stn.No.	:	Foreman/Engr	:

Remarks:

## ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR.*
NITROGEN	2.466	0.0000	0.00	0.0239
CO2	0.606	0.0000	0.00	0.0092
METHANE	91.658	0.0000	927.85	0.5077
ETHANE	3.127	0.8365	55.46	0.0325
PROPANE	1.189	0.3277	29.99	0.0181
I-BUTANE	0.237	0.0775	7.72	0.0048
N-BUTANE	0.292	0.0921	9.55	0.0059
I-PENTANE	0.119	0.0435	4.77	0.0030
N-PENTANE	0.073	0.0264	2.93	0.0018
HEXANES	0.233	0.1016	11.98	0.0075
TOTAL	100.000	1.5053	1050.26	0.6144

\* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

\*\* @ 14.730 & 60 DEG. F

COMPRESSIBILITY FACTOR	(1/Z)	1.0023
BTU/CU.FT. (DRY) CORRECTED FOR	(1/Z)	1052.7
BTU/CU.FT. (WET) CORRECTED FOR	(1/Z)	1034.4
REAL SPECIFIC GRAVITY		0.6156

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

CYLINDER #	: 026
CYLINDER PRESSURE	: 42 PSIG
DATE RUN	: 12/02/96
ANALYSIS RUN BY	: CHELLE DURBIN

Coleman Oil and Gas  
**Federal 11 #3R**  
1425'FSL & 1140'FEL  
Sec. 11, T28N, R13W  
San Juan County, New Mexico

The following offset Fruitland Coal Operators and interest owners have received written notice of the non-standard Fruitland Coal location and downhole commingling application for the West Kutz Pictured Cliffs and Basin Fruitland Coal.

Mr. T. Greg Merrion  
Merrion Oil and Gas  
P.O. Box 840  
Farmington, NM 87499

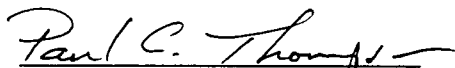
Mr. James Strickler  
Burlington Resources  
3535 E. 30<sup>th</sup> Street  
Farmington, NM 87401

Land Manager  
AMOCO Production Company  
200 AMOCO Court  
Farmington, NM 87401

Mr. George Coleman  
Coleman Oil and Gas  
P.O. Drawer 3337  
Farmington, NM 87499

U.S. Government  
Bureau of Land Management  
Mr. Ruben Sanchez  
1235 La Plata Highway  
Farmington, NM 87401

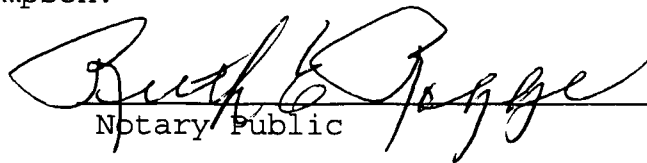
I certify that copies of the Application for a non-standard Fruitland Coal well and downhole commingling have been mailed to the above Operators and Interest owners.

  
Paul C. Thompson

San Juan County            )  
                                  ) ss  
State of New Mexico        )

The following instrument was acknowledged before me this 21st day  
of January 1998 by Paul C. Thompson.

My Commission Expires:  
July 31, 2001

  
Notary Public

**Federal 11 #3R  
Commingling Application**

**Working, Overriding, and Royalty Interests**

**Pictured Cliffs**

<b>Owner</b>	<b>Working Interest</b>	<b>Net Revenue Interest</b>
U.S. Government		0.12500
Coleman Oil and Gas	0.90000	0.74700
Paul Thompson	0.10000	0.08300
Merrion Oil and Gas		0.01000
George E. Coleman		0.03500
	<hr/> 1.00000	<hr/> 1.00000

**Fruitland Coal**

<b>Owner</b>	<b>Working Interest</b>	<b>Net Revenue Interest</b>
U.S. Government		0.12500
Coleman Oil and Gas	0.90000	0.74324
Paul Thompson	0.10000	0.08258
Merrion Oil and Gas		0.01418
George E. Coleman		0.03500
	<hr/> 1.00000	<hr/> 1.00000

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

Mr. George E. Coleman  
c/o Coleman Oil and Gas  
P.O. Drawer 3337  
Farmington, NM 87499

Re: Application for Non-standard Fruitland Coal  
Location and Downhole Commingling  
Coleman Oil and Gas Company  
Federal 11 #3R  
1425' FSL and 1140' FEL, Section 11, T28N, R13W  
San Juan County, New Mexico  
Basin Fruitland Coal and  
West Kutz Pictured Cliffs

Dear Mr. Coleman,

As a working interest owner in the Federal 11 #3R, you are being notified of the application to the NMOCDD to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Paul C. Thompson".

Paul C. Thompson, P. E.  
Agent  
Coleman Oil and Gas

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

Mr. James Strickler  
Burlington Resources  
3535 E. 30<sup>th</sup> Street  
Farmington, NM 87401

Re: Application for Non-standard Fruitland Coal  
Location and Downhole Commingling  
Coleman Oil and Gas Company  
Federal 11 #3R  
1425' FSL and 1140' FEL, Section 11, T28N, R13W  
San Juan County, New Mexico  
Basin Fruitland Coal and  
West Kutz Pictured Cliffs

Dear Mr. Strickler,

As an offset Fruitland Coal operator to the Federal 11 #3R, you are being notified of the application to the NMOCDC to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson".

Paul C. Thompson, P. E.  
Agent  
Coleman Oil and Gas



**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

Land Manager  
AMOCO Production Company  
200 AMOCO Court  
Farmington, NM 87401

Re: Application for Non-standard Fruitland Coal  
Location and Downhole Commingling  
Coleman Oil and Gas Company  
Federal 11 #3R  
1425' FSL and 1140' FEL, Section 11, T28N, R13W  
San Juan County, New Mexico  
Basin Fruitland Coal and  
West Kutz Pictured Cliffs

Dear Land Manager,

As an offset operator to the Federal 11 #3R, you are being notified of the application to the NMOCDC to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson" followed by a horizontal flourish.

Paul C. Thompson, P. E.  
Agent  
Coleman Oil and Gas

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

Mr. T. Greg Merrion  
Merrion Oil and Gas  
610 Reilly Avenue  
Farmington, NM 87401

Re: Application for Non-standard Fruitland Coal  
Location and Downhole Commingling  
Coleman Oil and Gas Company  
Federal 11 #3R  
1425' FSL and 1140' FEL, Section 11, T28N, R13W  
San Juan County, New Mexico  
Basin Fruitland Coal and  
West Kutz Pictured Cliffs

Dear Mr. Merrion,

As an interest owner in the Federal 11 #3R, you are being notified of the application to the NMOCD to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Paul C. Thompson", followed by a horizontal flourish line.

Paul C. Thompson, P. E.  
Agent  
Coleman Oil and Gas

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED - RETURN RECEIPT

November 2, 1999

U. S. Government  
Bureau of Land Management  
Attn. Mr. Ruben Sanchez  
1235 La Plata Highway  
Farmington, NM 87401

Re: Application for Non-standard Fruitland Coal  
Location and Downhole Commingling  
Coleman Oil and Gas Company  
Federal 11 #3R  
1425' FSL and 1140' FEL, Section 11, T28N, R13W  
San Juan County, New Mexico  
Basin Fruitland Coal and  
West Kutz Pictured Cliffs

Dear Mr. Sanchez,

As an interest owner in the Federal 11 #3R, you are being notified of the application to the NMOCD to administratively approve the request for a non-standard location in the Fruitland Coal formation. The operator is also requesting administrative approval to commingle the production from the West Kutz Pictured Cliffs pool with the Basin Fruitland Coal pool.

The Federal 11 #3R is a replacement well for the Federal 11 #3 which was plugged due to mechanical problems. The Federal 11 #3R location is approximately 55' from the Federal 11 #3. The Federal 11 #3 was previously approved as a non-standard location in the Fruitland Coal and for downhole commingling.

If you wish to submit remarks concerning this application, please send them to Ms. Lori Wrotenbery, Director, New Mexico Oil and Gas Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. A copy of any comments to the undersigned would be appreciated.



Please do not hesitate to call upon me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Paul C. Thompson".

Paul C. Thompson, P. E.  
Agent  
Coleman Oil and Gas

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED  
BLM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1.

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

COLEMAN OIL &amp; GAS, INC.

3a. Address

P. O. DRAWER 3337, FARMINGTON, NM 87499-3337

3b. Phone No. (include area code)

505 327-0356

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1425' FSL &amp; 1140' FEL, SEC 11, T28S, R13E

5. Lease Serial No.

NM-0338690

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

FEDERAL #11-3R

9. API Well No.

30-045-29952

10. Field and Pool, or Exploratory Area

BASIN FR COAL/W. KUTZ PC

11. County or Parish, State

SAN JUAN, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SEE BELOW
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SPUD WELL OCTOBER 15, 1999 @ 8:00 AM. DRILLED 8 3/4" HOLE TO 140' GL. RAN 3 JTS. 7", 20#, J-55, ST&C NEW CASING. RAN TOTAL FOOTAGE OF 120.65' AND LANDED @ 121.65' GL. CEMENTED W/50 SXS CLASS B W/2% CALCIUM CHLORIDE + 1/4# PER SX CELOFLAKE. CIRC 4 BBLS CEMENT TO RESERVE PIT. NU BOP & MANIFOLD, PRESSURE TEST BOP, MANIFOLD @ CASING TO 1000# FOR 30 MINUTES, HELD OK. DRILLED 6 1/4" HOLE TO T.D. @ 1840' GL @ 11:30 PM 10-21-99. RAN TOTAL OF 42 JTS, 4 1/2", 10.5#, ST&C, NEW CASING, LANDED @ 1840'. CEMENTED W/155 SXS CLASS B W/2% METOSILICATE, 1/4# PER SX CELOFLAKE. TAILED W/50 SXS CLASS B W/1/4# PER SX CELOFLAKE + 2% CALCIUM CHLORIDE. CIRC 9 BBLS CEMENT TO SURFACE.

RAN SCHLUMBERGER OPEN HOLE LOGS: TLD-CNL &amp; AITH DATED OCTOBER 21, 1999.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Michael T. Hanson

Title

Engineer

Signature

Date

October 27, 1999

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NOV 05 1999

NMOCD

FARMINGTON FIELD OFFICE  
BY 

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		3. LEASE DESIGNATION AND SERIAL NO. NM-0338690	
1b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME 8	
2. NAME OF OPERATOR Coleman Oil and Gas		7. UNIT AGREEMENT NAME 24004	
3. ADDRESS OF OPERATOR c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 327-4892		8. FARM OR LEASE NAME, WELL NO. Federal 11 #3R	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At Surface 1425' FSL and 1140' FEL (NESE) At proposed Prod. Zone Same		9. API WELL NO. 30-045-29952	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 miles south of Farmington, NM		10. FIELD AND POOL OR WILDCAT Basin FR Coal/ W. Kutz PC	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 850'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 11, T28N, R13W	
16. NO. OF ACRES IN LEASE 275.36		12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL ALL 276.36 FTC, 137.78 PC		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 30'		19. PROPOSED DEPTH 1840'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5900' GR	
22. APPROX. DATE WORK WILL START* August 1999			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	20#	120'	30sx (36 cu.ft.) to surface
6-1/4"	4-1/2"	10.5#	1840'	59 cu.ft. CI "B" and 319 CU.ft. CI "B"
This casing is subject to technical and procedural review pursuant to 43 CFR 3163.3 and appeal pursuant to 43 CFR 3163.4.				with 2% metasilicate

Coleman Oil and Gas proposes to drill a vertical well to develop the Pictured Cliffs and Fruitland Coal formations at the above described location in accordance with the attached drilling and surface use plans. If this well is successful, the Federal 11#3 will be plugged and abandoned.

No new road or pipeline ROW will be required for this well.

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Paul Thompson TITLE Paul Thompson, Agent DATE 7/21/99

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY WAYNE TOWNSEND TITLE A.T.L. DATE SEP 21 1999

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COAL NSL @

NMCOO



PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised February 21, 1992

District II  
PO Drawer 00, Artesia, NM 88211-0719

# OIL CONSERVATION DIVISION

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

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

PO Box 2088  
Santa Fe, NM 87504-2088

RECEIVED  
BLM

☐ AMENDED REPORT

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

99 JUL 19 PM 12:47

## WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number' 30-045-29952	'Pool Code' 71629	'Pool Name' BASIN FRUITLAND COAL
'Property Code' 24004	'Property Name' FEDERAL 11	'Well Number' 3R
'OGRID No.' 037581	'Operator Name' COLEMAN OIL & GAS, INC.	'Elevation' 5900'

### 10 Surface Location

UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
I	11	28N	13W		1425	SOUTH	1140	EAST	SAN JUAN

### 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 275.36		13 Joint or Infill Y		14 Consolidation Code		15 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

RECEIVED  
SEP 27 1999

OIL CON. DIV.  
DIST. 3

### 17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

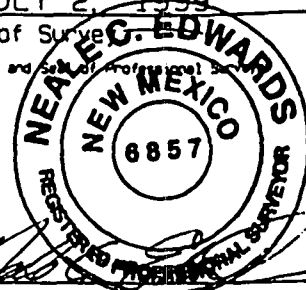
*Paul C. Thompson*  
Signature  
Paul C. Thompson  
Printed Name  
Agent  
Title  
7-15-99  
Date

### 18 SURVEYOR CERTIFICATION

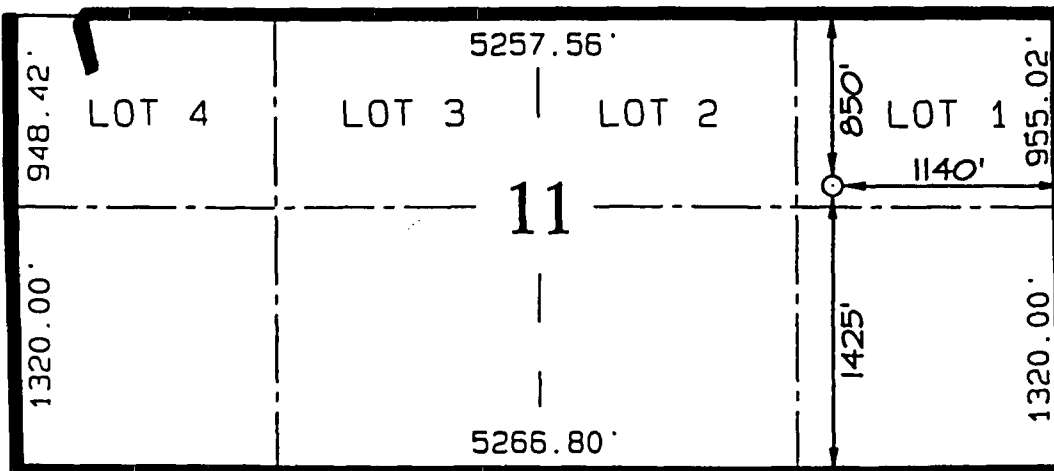
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

JULY 2, 1999  
Date of Survey

Signature and Seal of Professional Surveyor



Certificate Number 6857



PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer 00, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

Energy, Minerals & Natural Resources Div

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Revised February 21, 199  
Instructions on bac  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-29952		Pool Code 79680	Pool Name WEST KUTZ PICTURED CLIFFS
Property Code 24004	Property Name FEDERAL 11		Well Number 3R
OGRID No. 037581	Operator Name COLEMAN OIL & GAS, INC.		Elevation 5900'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	11	28N	13W		1425	SOUTH	1140	EAST	SAN JUAN

11 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

Dedicated Acres 137.78	Joint or Infill Y	Consolidation Code	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

*Paul C. Thompson*  
Signature

Paul C. Thompson

Printed Name

Agent

Title

7-15-99

Date

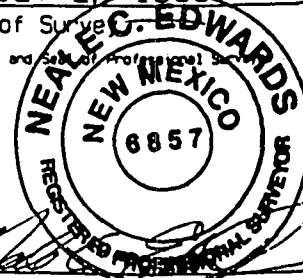
18 SURVEYOR CERTIFICATION

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.

JULY 2, 1999

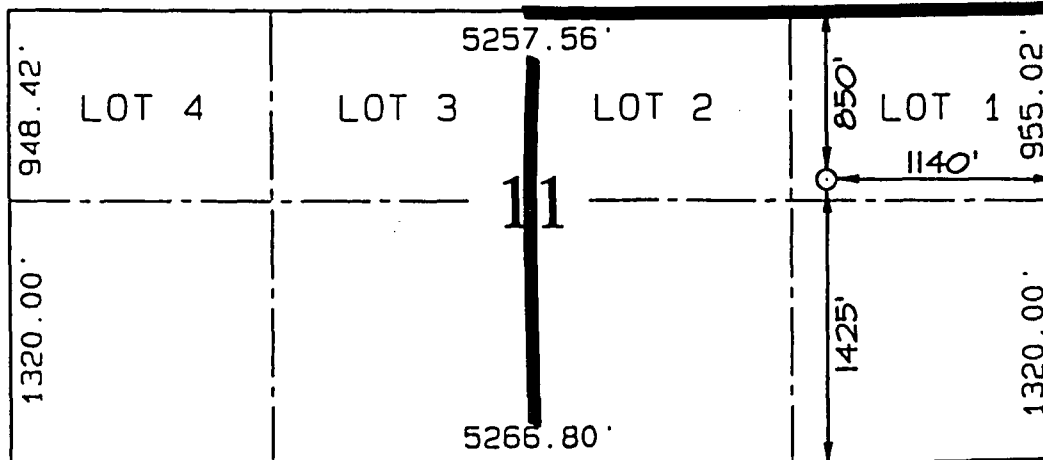
Date of Survey

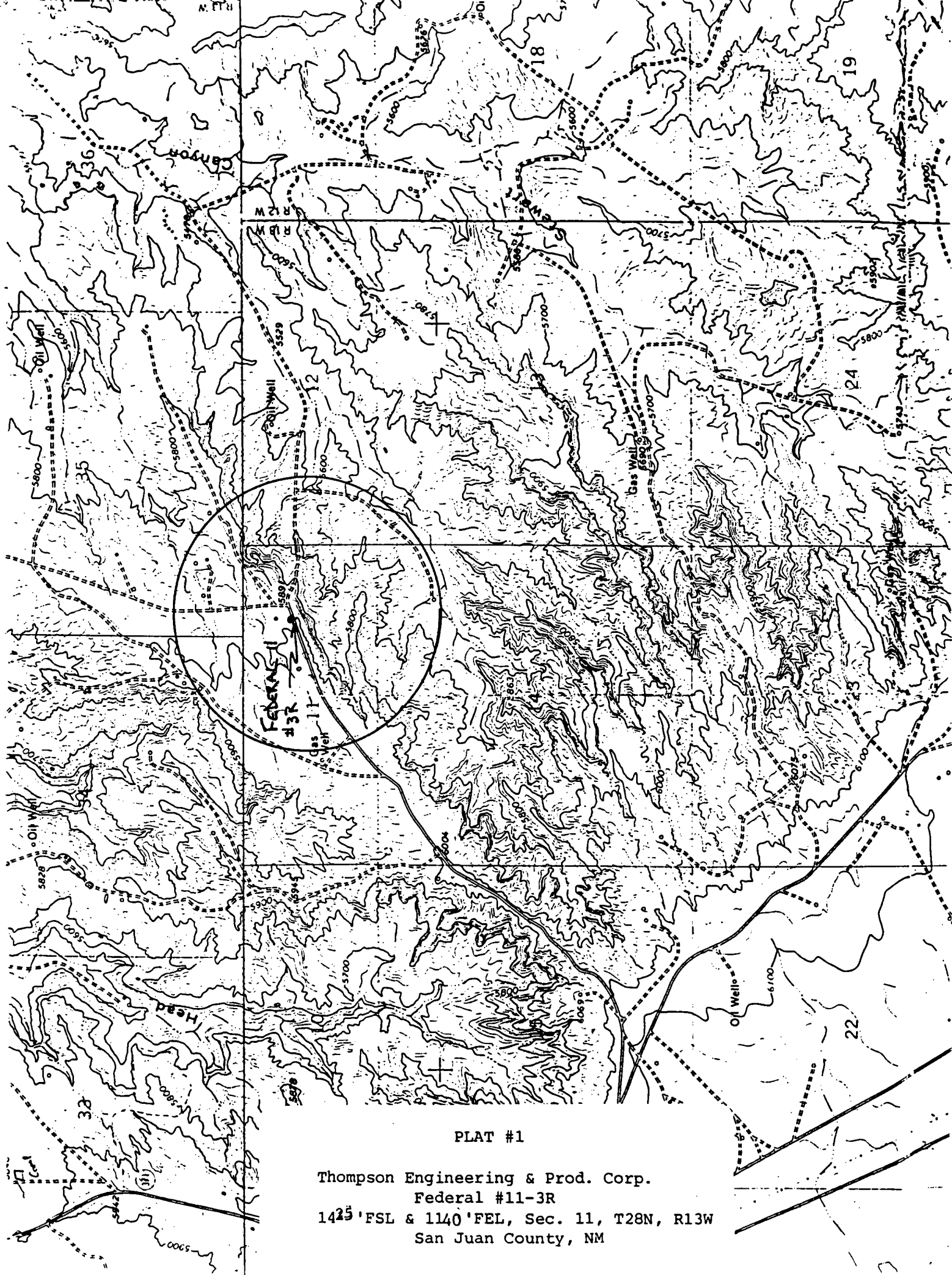
Signature and Seal of Professional Surveyor



Certificate Number

6857





PLAT #1

Thompson Engineering & Prod. Corp.  
Federal #11-3R  
1425' FSL & 1140' FEL, Sec. 11, T28N, R13W  
San Juan County, NM

## **Mike Stogner**

---

**From:** Ernie Busch  
**To:** Mike Stogner  
**Subject:** WALSH FEDERAL 11 #3 (NSL)  
**Date:** Friday, November 22, 1996 10:47AM  
**Priority:** High

FEDERAL 11 #3  
1645' FSL;1184' FEL  
I-11-28N-13W  
RECOMMEND: APPROVAL AFTER A C-102 IS ADDED TO APPLICATION



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE



GARY E. JOHNSON  
GOVERNOR

JENNIFER A. SALISBURY  
CABINET SECRETARY

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178 FAX: (505) 334-6170

FAX TRANSMITTAL SHEET AND INVOICE

DATE: 11-21-96

TO: MIKE STOGNER  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FROM: Ernie Busch  
\_\_\_\_\_

COMMENTS: THANK FOR THE RESPONSE ON  
RICHARDSON  
\_\_\_\_\_  
\_\_\_\_\_

NUMBER OF PAGES INCLUDING COVER: 2 CHARGES: 0

PLEASE REMIT TO LETTERHEAD ADDRESS WHEN THERE IS A CHARGE



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

December 11, 1978

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-8170

NWU 3- 774

Fast Enterprises  
Box 1200  
Farmington, NM

SUBJECT: NON-STANDARD GAS PRORATION UNIT CONSISTING OF 137.78  
ACRES IN THE West Kutz Pictured Cliffs GAS  
POOL DESCRIBED AS FOLLOWS:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM

SECTION: 11 SE/4

By authority granted me by Rule 5(B) of Order R-1670, as amended, the above-described acreage has been approved as a non-standard gas proration unit to be dedicated to the Fast Federal 11  
well no. 3, located 1465/S; 1184/E of said  
Section 11.

  
Supervisor, District #3

xc: Oil Conservation Commission  
Santa Fe, New Mexico

## **Mike Stogner**

---

**From:** Mike Stogner  
**To:** Ernie Busch  
**Subject:** RE: Order No. R-10656  
**Date:** Wednesday, November 20, 1996 8:21AM

Sorry I'm late with a response - I was at the dentist yesterday.  
There is no request for an extension from Richardson or their attorney.

ALSO:

Could you fax a copy of an old NWU Order for the Fast Enterprises' (now operated by Thompson Engineering) Federal "11" Well No. 3 (API NO. 30-045-23291), located 1465'FSL-1184'FEL (Lot 1/Unit I) 11-T28N-R13W, San Juan County. Thanks.

-----  
**From:** Ernie Busch  
**To:** Mike Stogner  
**Subject:** RE: Order No. R-10656  
**Date:** Monday, November 18, 1996 1:30PM  
**Priority:** High

I TAKE IT THAT RICHARDSON HASN'T REQUESTED AN EXTENSION?

-----  
**From:** Mike Stogner  
**Sent:** Monday, November 18, 1996 12:37 PM  
**To:** Ernie Busch  
**Cc:** Frank Chavez  
**Subject:** Order No. R-10656

Per your question concerning the subject order, Decretory Paragraph No. (1) on page 7 details the provisions of this order. Should the subject well not be drilled (commenced) by November 15, 1996 the subject order becomes void, unless: (a) the operator has been granted a time extension from the Director, or (2) all owners of unleased mineral interest have agreed to pool their interest.