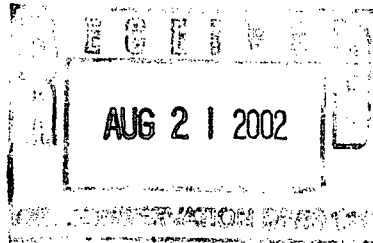




COLEMAN OIL & GAS, INC.

Bryan Lewis
e-mail: cogblewis@yahoo.com



Tuesday, August 20, 2002

Ms. Lori Wrotenbery
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505-4000

Mr. Jim Lovato
Bureau Of Land Management
1235 La Plata Highway, Suite A
Farmington, NM 87401

RE: Application for Surface Commingling

Dear Ms. Wrotenbery and Mr. Lovato :

This is a request for approval to surface commingle the gas production from the wells listed below:

Township 26 North, Range 12 West, NMPM

30-045-30296	Carrie 01	Section 26	NESE	WAW Fruitland Sand PC
30297	Chipper 01	Section 26	NWNW	WAW Fruitland Sand PC
29896	Darcy Ann 01 ¹	Section 26	SWSW	WAW Fruitland Sand PC
	Darcy Ann Com 01 ¹	Section 26	SWSW	Basin Fruitland Coal
30295	Pegasus 01	Section 26	NENE	Basin Fruitland Coal

DAC-2940

San Juan County, New Mexico

1. **Proposed System.** Surface commingling will allow production through only one compressor as opposed to a compressor for each well, thereby allowing the containment of operating costs and prolonging the economic life of the wells. The wells are commingled upstream of a CPD meter (number 99 969 01) to reduce measurement costs. All wells have an allocation meter on location. El Paso will maintain the CPD meter and the applicant, Coleman Oil & Gas, Inc. ("Coleman") will maintain the allocation meters. The gas will flow into the El Paso Natural Gas gathering system, in the SWSW of Section 26 – Twp 26 N – Rge 12 W.

¹ Darcy Ann 01 and Darcy Ann Com 01 well is a single wellbore with approved downhole commingling.

Application for Surface Commingling

Tuesday, August 20, 2002

Page 2

2. **Location Map.** Exhibit 1 is a topographic map showing the locations of the wells subject to this Application for Surface Commingling.
3. **Well, Locations and Lease Numbers.** Exhibit 2 consists of acreage dedication plats for the subject wells. The wells and acreage dedications are tabulated below.

Carrie01	Section 26	SE/4	NM NM-104610
Chipper 01	Section 26	NW/4	NM NM-104610
Darcy Ann 01	Section 26	SW/4	NOG-9811-1309
Darcy Ann Com 01	Section 26	W/2	NOG-9811-1309
			NM NM-104610
Pegasus 01	Section 26	E/2	NM NM-104610

Exhibit 3 is a list of the royalty, overriding royalty and working interest owners in the wells.

4. **Schematic Diagram.** Exhibits 5A through 5E are schematic diagrams of the proposed surface commingling facilities.
5. **Lease Use Gas.** Each well has a pumping unit that uses approximately 1.5 MCFD of lease use gas and a separator that uses approximately 0.5 MCFD of lease use gas. One 110 HP compressor serves the system using approximately 24 MCFD of lease use gas which is allocated equally between the wells subject to this Application for Surface Commingling. When and if additional equipment is added to the system lease use gas to operate such equipment will be split equally between producing wells upstream of such equipment.
6. **Mechanical Integrity.** The entire system of flow lines will be 4.0" O.D. - 0.642" wall thickness poly pipe with an API pressure rating of 267 psig. This line and all connections will be tested to 135 psig. The maximum shut-in surface wellhead pressure in this area is 90 psig. The average operating pressure of El Paso's lateral 10A is 50 psig; the maximum operating pressure is approximately 150 psig.
7. **Production – Gravity/BTU.** Production data is attached as Exhibit 4A – 4E. Gas Analysis reports are attached as Exhibit 4F – 4J. None of the wells produces liquid hydrocarbons.
8. **Allocation Formula.** All wells have an allocation meter on location. The production assigned to each well will be the integrated volume from the CPD meter less the sum of the other allocation meters plus lease use gas. As an example¹, the CPD meter indicates total production of 3,325 MCF. Other well 1 allocation meter indicates 400 MCF production. Other well 2 allocation meter indicates 350 MCF production. Other well 3 allocation meter indicates 1,200 MCF production. Other well 4

Application for Surface Commingling

Tuesday, August 20, 2002

Page 3

allocation meter indicates 275 MCF production. The sum of these other well allocation meters is 2,225 MCF. CPD meter of 3,325 MCF less the sum of other allocation meters of 2,225 MCF plus lease use gas of 2 MCF is 1,102 MCF, the calculated production of the well in question. When the sum of the allocation meters doesn't equal the CPD meter, the gas production from each well will be calculated according to the volume its allocation meter indicates was produced divided by the sum of all of the allocation meters (percent) multiplied by the CPD meter indicated production plus lease use gas. As an example², the CPD meter indicates an integrated volume of 40,000 MCF gas was produced but the sum of the allocation meters indicate that 39,000 MCF was produced. The allocation meter of the well in question indicates 10,000 MCF of production divided by the sum of the allocation meters (39,000 MCF) equals 25.64% multiplied by the CPD meter volume of 40,000 MCF equals 10,256 MCF plus lease use gas of 60 MCF totals 10,316 MCF, the calculated production of the well in question. Royalties will be paid on the volumes according to applicable MMS and State of New Mexico guidelines.

9. **Line Purging.** It is anticipated that line purging will occur infrequently. Any lost gas due to purging the system will be allocated equally to each of the wells.
10. **Purged Fluids.** Any fluids purged will be natural gas and condensed water vapor.
11. **Meter Calibration Schedule.** El Paso will calibrate the CPD meter at least once each quarter, more frequently with higher gas volumes. Coleman will calibrate the allocation meters semi annually.
12. **Gas Analysis Schedule.** El Paso Field Services will analyze the gas from the commingled stream at least twice a year, more frequently with higher gas volumes.
13. **Effective Date.** It is requested that the approval for the Surface Commingling contemplated herein be retroactive to May 27, 2001 the date the first group of wells (Chipper 01 & Pegasus 01) were first delivered. The system has been operational since May 27, 2001.

Sincerely,

COLEMAN OIL & GAS, INC.



Bryan Lewis
Landman

Application for Surface Commingling

Tuesday, August 20, 2002

Page 4

<i>Attachments:</i>	<i>Exhibit 1</i>	<i>Topographic maps</i>
	<i>Exhibit 2</i>	<i>Acreage dedication plats</i>
	<i>Exhibit 3</i>	<i>List of owners in leases</i>
	<i>Exhibit 4A – 4E</i>	<i>Production data</i>
	<i>Exhibit 4F – 4J</i>	<i>Gas Analysis reports</i>
	<i>Exhibit 5A – 5E</i>	<i>Schematic Diagrams</i>

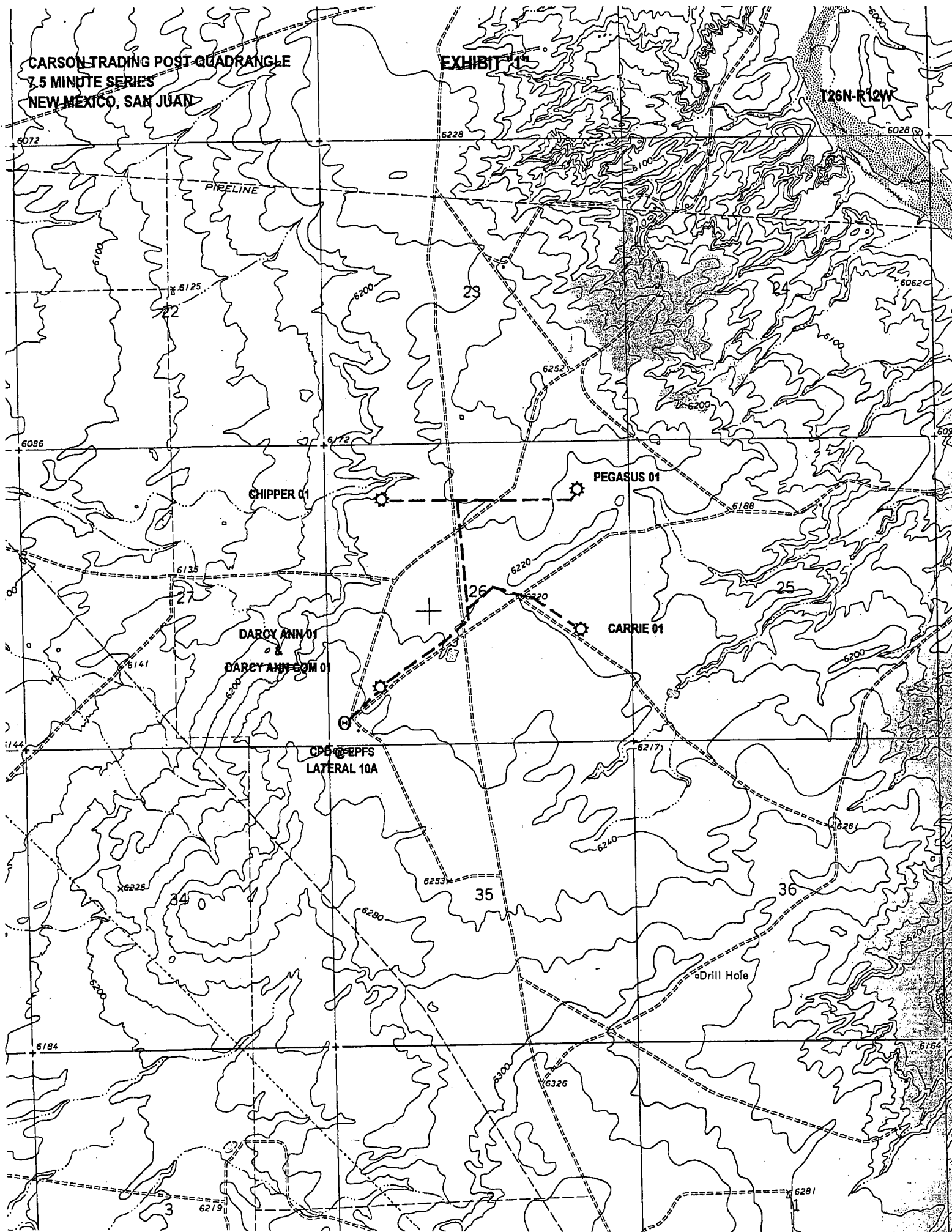
cc:

Mr. Frank Chavez, Supervisor District 3
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

CARSON TRADING POST QUADRANGLE
7.5 MINUTE SERIES
NEW MEXICO, SAN JUAN

EXHIBIT 1

T26N-R12W



District I
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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 87190	*Pool Name WAW FRUITLAND SAND PICTURED CLIFFS
*Property Code	*Property Name CARRIE		*Well Number 1
*OGRID No. 004838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6213'

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	26	26N	12W		1850	SOUTH	790	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
¹² Dedicated Acres 160		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

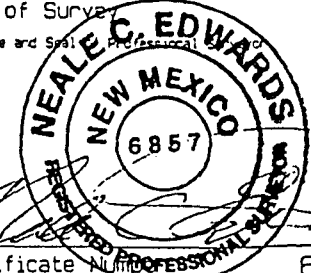
5280.00'	5276.04'	5280.00'	790'	1850'	5277.36'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 6/28/00 Date
	¹⁸ SURVEYOR CERTIFICATION 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. MAY 25, 2000 Date of Survey Signature and Seal  Certificate No. 6857					

Exhibit 2
Page 1

District I
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

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070 FARMINGTON, NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 87190	Pool Name WAW FRUITLAND SAND PICTURED CLIFFS	
Property Code	Property Name CHIPPER		Well Number 1	
OGRIID No. 004838	Operator Name COLEMAN OIL & GAS, INC.		Elevation 6194'	

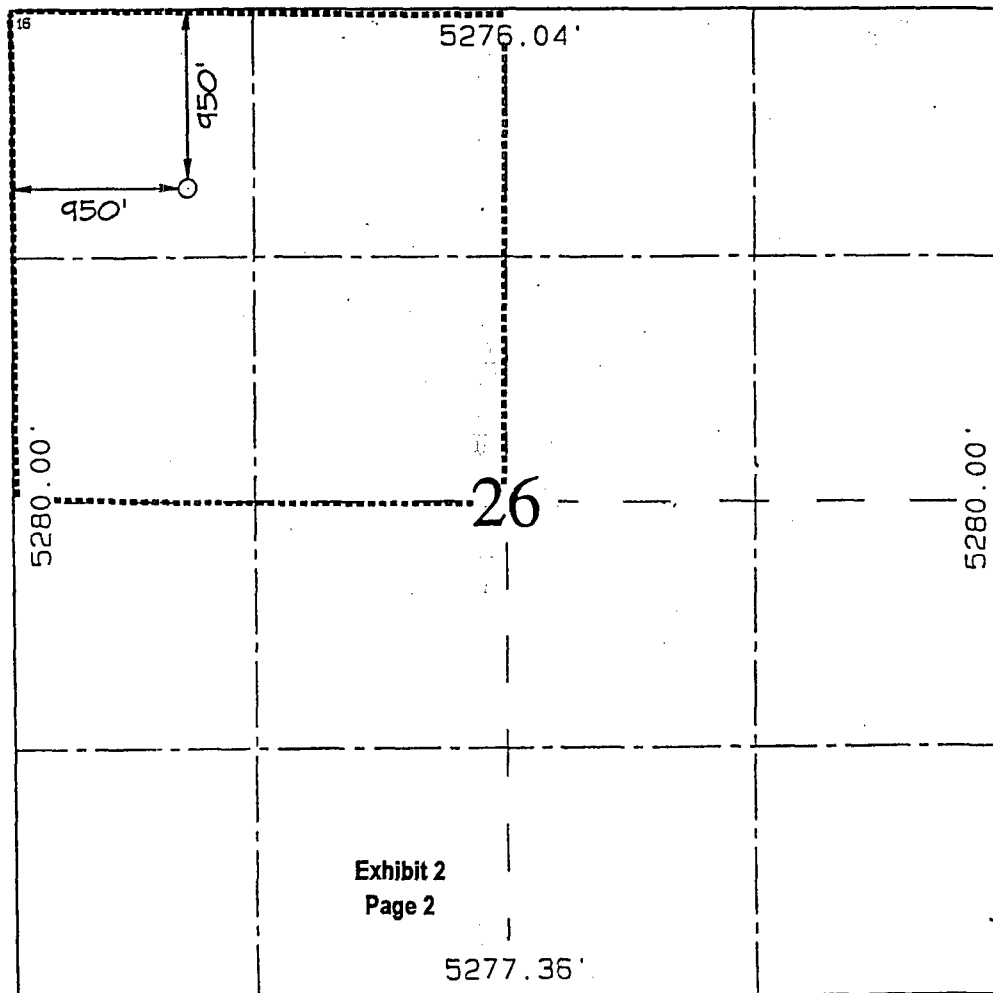
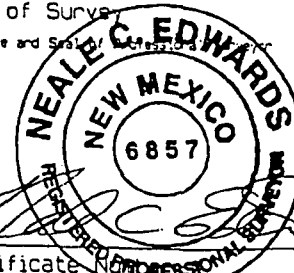
10 Surface Location

UL or lot no. 0	Section 26	Township 26N	Range 12W	Lot Idn	Feet from the 950	North/South line NORTH	Feet from the 950	East/West line WEST	County SAN JUAN
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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 160		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. <i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 6/28/00 Date	
Exhibit 2 Page 2		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. MAY 26, 2000 Date of Survey Signature and Seal of Surveyor  Certificate No. 6857	

District I
PO Box 1980, Hobbs, NM 88241-1980

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

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1000 Rio Brazos Rd., Aztec, NM 87410

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PO Box 2088, Santa Fe, NM 87504-2088

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WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 87190	*Pool Name WAW FRUITLAND SAND - PICTURED CLIFFS
*Property Code	*Property Name DARCY ANN		*Well Number 1
*GRID No. 004838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6231'

¹⁰ Surface Location

UL or lot no. M	Section 26	Township 26N	Range 12W	Lot Idn	Feet from the 1005	North/South line SOUTH	Feet from the 920	East/West line WEST	County SAN JUAN
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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
¹² Dedicated Acres 160		¹³ Joint or Infill N		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

¹⁵ 5276.04' 5280.00' 920' 1005' 26 5277.36'	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 4/5/99 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. DECEMBER 21, 1998 Date of Survey Signature and Seal of Professional Surveyor Certificate No. 6857

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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

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PO Box 2088, Santa Fe, NM 87504-2088

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FIGURE 3A

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-045-29896		Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 24807	Property Name DARCY ANN		Well Number 1
OGRIID No. 004838	Operator Name COLEMAN OIL & GAS, INC.		Elevation 6231'

10 Surface Location

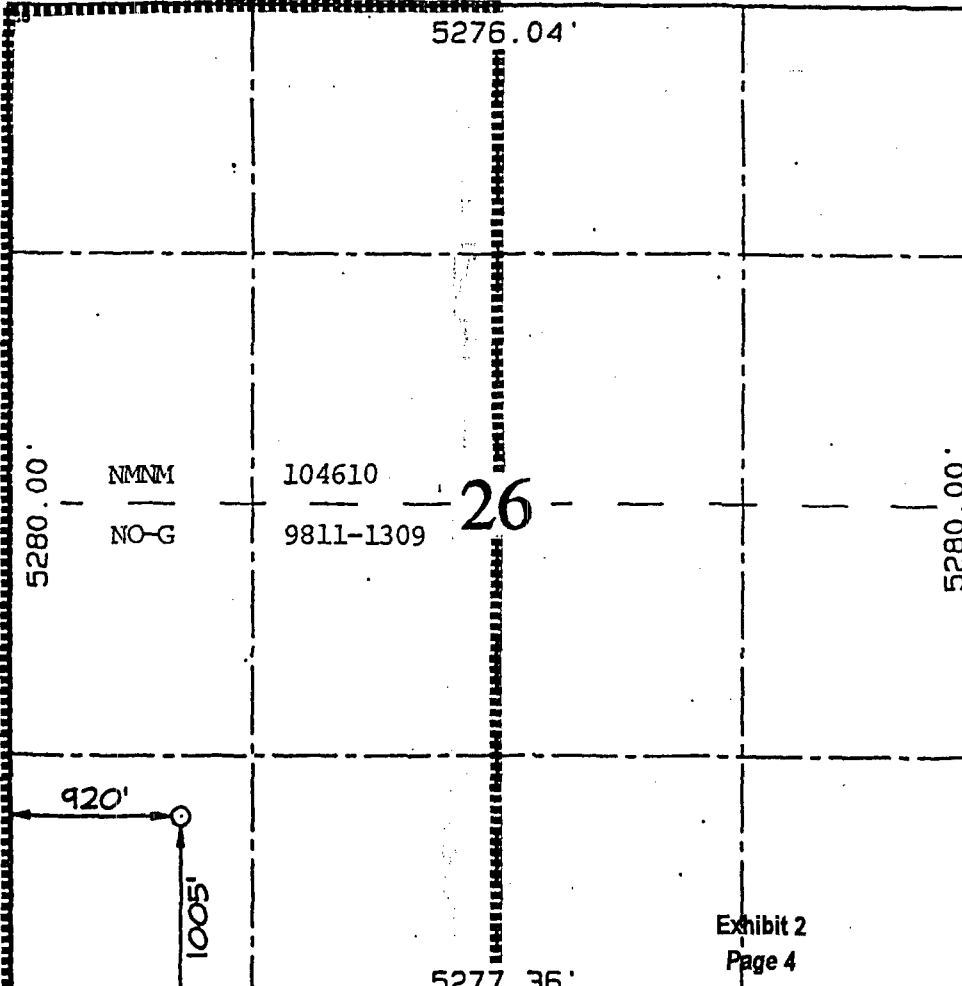
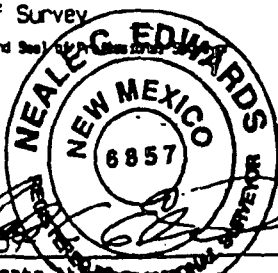
UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
M	26	26N	12W		1005	SOUTH	920	WEST	SAN JUAN

11 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

Dedicated Acres 320	Joint or Infill Y	Consolidation Code C	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
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		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Paul C. Thompson</i> Signature Paul C. Thompson Printed Name Agent Title 6/5/00 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. DECEMBER 21, 1998 Date of Survey Signature and Seal of Surveyor  Certificate Number
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District I
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
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State of New Mexico
Energy, Minerals & Natural Resources Department

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WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 71629	*Pool Name BASIN FRUITLAND COAL
*Property Code	*Property Name PEGASUS		*Well Number 1
*GRID No. 004838	*Operator Name COLEMAN OIL & GAS, INC.		*Elevation 6210

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
A	26	26N	12W		790	NORTH	790	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
¹² Dedicated Acres 320		¹³ Joint or Infill Y		¹⁴ Consolidation Code		¹⁵ Order No.			

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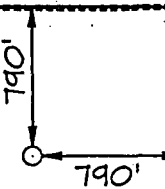
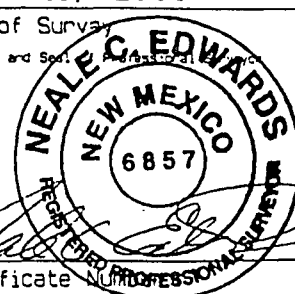
5280.00'	5276.04'	5280.00'		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
	<i>Paul C. Thompson</i> Signature			
	Paul C. Thompson Printed Name Agent Title 6/29/00 Date			
5280.00'	26	5277.36'		¹⁸ SURVEYOR 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.
	MAY 26, 2000 Date of Survey			
	Signature and Seal of Surveyor			

Exhibit 2
Page 5

Certificate Number 6857

EXHIBIT "3"
LIST OF OWNERS

	<u>Carrie 01</u> NM NM-104610	<u>Chipper 01</u> NM NM-104610	<u>Darcy Ann 01</u> NOG 9811-1309	<u>Darcy Ann Com 01</u> NOG 9811-1309 NM NM-104610	<u>Pegasus 01</u> NM NM-104610
Royalty Owners					
DOI - MMS	0.12500000	0.12500000	0.12500000	0.06250000	0.12500000
DOI - MMS for BIA	0.00000000	0.00000000	0.00000000	0.06250000	0.00000000
Working Interest Owners					
Coleman Oil & Gas, Inc. etal	0.87500000	0.87500000	0.87500000	0.87500000	0.87500000
Total Revenue Interests	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000

Carrie 01

Well: CARRIE No.: 1
 Operator: COLEMAN OIL & GAS INC
 Township: 26N Range: 12W
 Section: 26 Unit: I
 Land Type: F County: San Juan

Cumulative:
 Oil: 0 Gas: 42967
 Water: 28455 Days On: 314

Year: 2001
 Pool Name: WAW FRUITLAND SAND PC (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	0	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	0	0	0	0
May	0	0	0	0	0	0
June	0	0	0	0	0	0
July	0	2753	4340	31	0	2753
August	0	3258	3160	31	0	6011
September	0	2977	1650	24	0	8988
October	0	4037	2175	31	0	13025
November	0	2741	1520	22	0	15766
December	0	3851	3720	31	0	19617
Total	0	19617	16565	170		

Year: 2002
 Pool Name: WAW FRUITLAND SAND PC (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	5192	3720	31	0	24809
February	0	4657	2240	28	0	29466
March	0	5028	2480	31	0	34494
April	0	4272	2000	25	0	38766
May	0	4201	1450	29	0	42967
Total	0	23350	11890	144		

Chipper 01

Well: CHIPPER **No.:** 1
Operator: COLEMAN OIL & GAS INC
Township: 26N **Range:** 12W
Section: 26 **Unit:** D
Land Type: F **County:** San Juan

Cumulative:
Oil: 0 **Gas:** 30359
Water: 17329 **Days On:** 340

Year: 2001

Pool Name: WAW FRUITLAND SAND PC (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	0	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	0	0	0	0
May	0	2795	1998	12	0	2795
June	0	1813	3750	18	0	4608
July	0	2549	2900	25	0	7157
August	0	2623	2460	26	0	9780
September	0	2242	1650	24	0	12022
October	0	3204	775	31	0	15226
November	0	2701	600	30	0	17927
December	0	2582	620	31	0	20509
Total	0	20509	14753	197		

Year: 2002

Pool Name: WAW FRUITLAND SAND PC (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	2552	620	31	0	23061
February	0	2088	560	28	0	25149
March	0	1694	560	31	0	26843
April	0	1628	500	25	0	28471
May	0	1888	336	28	0	30359
Total	0	9850	2576	143		

Darcy Ann 01 and Com 01

Well: DARCY ANN **No.:** 1
Operator: COLEMAN OIL & GAS INC
Township: 26N **Range:** 12W
Section: 26 **Unit:** M
Land Type: F **County:** San Juan

Cumulative:
Oil: 0 **Gas:** 150708
Water: 70055 **Days On:** 1155

Year: 1999
Pool Name: WAW FRUITLAND SAND PC (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	0	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	0	0	0	0
May	0	0	0	0	0	0
June	0	0	0	0	0	0
July	0	0	0	0	0	0
August	0	0	0	0	0	0
September	0	0	0	0	0	0
October	0	749	2588	20	0	749
November	0	2107	3134	30	0	2856
December	0	1555	1560	31	0	4411
Total	0	4411	7282	81		

Year: 2000
Pool Name: WAW FRUITLAND SAND PC (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	1733	1518	31	0	6144
February	0	1176	862	22	0	7320
March	0	0	0	0	0	7320
April	0	436	918	8	0	7756
May	0	2403	912	30	0	10159
June	0	1141	837	20	0	11300
July	0	3817	2173	30	0	15117
August	0	5747	2514	31	0	20864
September	0	7531	2428	30	0	28395
October	0	8216	2586	31	0	36611
November	0	6720	648	30	0	43331
December	0	4149	460	31	0	47480
Total	0	43069	15856	294		

Darcy Ann 01 and Com 01

Well: DARCY ANN **No.:** 1
Operator: COLEMAN OIL & GAS INC
Township: 26N **Range:** 12W
Section: 26 **Unit:** M
Land Type: F **County:** San Juan

Cumulative:
Oil: 0 **Gas:** 150708
Water: 70055 **Days On:** 1155

Year: 2001

Pool Name: BASIN FRUITLAND COAL (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	0	0	0	0	47480
February	0	0	0	0	0	47480
March	0	0	0	0	0	47480
April	0	0	0	0	0	47480
May	0	0	0	0	0	47480
June	0	0	0	0	0	47480
July	0	2679	2062	31	0	50159
August	0	813	408	26	0	50972
September	0	1831	641	17	0	52803
October	0	3320	2092	31	0	56123
November	0	3862	2553	30	0	59985
December	0	3680	2455	31	0	63665
Total	0	16185	10211	166		

Pool Name: WAW FRUITLAND SAND PC (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	5598	1590	31	0	69263
February	0	4999	973	28	0	74262
March	0	4941	2249	30	0	79203
April	0	8860	3705	30	0	88063
May	0	5230	3938	31	0	93293
June	0	2294	1750	6	0	95587
July	0	4962	3829	31	0	100549
August	0	4808	2727	26	0	105357
September	0	4440	1569	17	0	109797
October	0	5170	3273	31	0	114967
November	0	4579	2997	30	0	119546
December	0	4565	3125	31	0	124111
Total	0	60446	31725	322		

Darcy Ann 01 and Com 01

Well: Darcy ANN **No.:** 1
Operator: COLEMAN OIL & GAS INC
Township: 26N **Range:** 12W
Section: 26 **Unit:** M
Land Type: F **County:** San Juan

Cumulative:
Oil: 0 **Gas:** 150708
Water: 70055 **Days On:** 1155

Year: 2002

Pool Name: BASIN FRUITLAND COAL (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	2728	566	31	0	126839
February	0	779	0	28	0	127618
March	0	378	0	31	0	127996
April	0	988	0	26	0	128984
May	0	1194	656	30	0	130178
June	0	0	0	0	0	130178
July	0	0	0	0	0	130178
August	0	0	0	0	0	130178
September	0	0	0	0	0	130178
October	0	0	0	0	0	130178
November	0	0	0	0	0	130178
December	0	0	0	0	0	130178
Total	0	6067	1222	146		

Pool Name: WAW FRUITLAND SAND PC (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	4617	964	31	0	134795
February	0	4642	0	28	0	139437
March	0	4496	0	31	0	143933
April	0	2169	0	26	0	146102
May	0	4606	2795	30	0	150708
Total	0	20530	3759	146		

Pegasus 01

Well: PEGASUS **No.:** 1
Operator: COLEMAN OIL & GAS INC
Township: 26N **Range:** 12W
Section: 26 **Unit:** A
Land Type: F **County:** San Juan

Cumulative:
Oil: 0 **Gas:** 65784
Water: 32223 **Days On:** 354

Year: 2001

Pool Name: BASIN FRUITLAND COAL (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	0	0	0	0	0
February	0	0	0	0	0	0
March	0	0	0	0	0	0
April	0	0	0	0	0	0
May	0	3134	3248	19	0	3134
June	0	2378	5100	17	0	5512
July	0	4762	5270	27	0	10274
August	0	5557	4520	31	0	15831
September	0	5029	1650	24	0	20860
October	0	6579	1740	31	0	27439
November	0	5267	1430	29	0	32706
December	0	6570	2015	31	0	39276
Total	0	39276	24973	209		

Year: 2002

Pool Name: BASIN FRUITLAND COAL (GAS)

Month	Oil	Gas	Water	Days On	Cum Oil	Cum Gas
January	0	5930	1550	31	0	45206
February	0	5287	1400	28	0	50493
March	0	5861	1500	30	0	56354
April	0	4675	1250	25	0	61029
May	0	4755	1550	31	0	65784
Total	0	26508	7250	145		



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CO220003
CUST. NO. 18200 - 10080

WELL/LEASE INFORMATION

CUSTOMER NAME	COLEMAN OIL AND GAS INC.	SOURCE	WELL RUN
WELL NAME	CARRIE 1	PRESSURE	20 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	3/10/02
FORMATION	PICTURED CLIFFS	SAMPLED BY	SUSAN SULLIVAN
CUST.STN.NO.	3345	FOREMAN/ENGR.	

REMARKS PRESSURED WITH HELIUM TO 30#
UNNORMALIZED MOLE PERCENT = 43.778%

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.128	0.0000	0.00	0.0012
CO2	2.757	0.0000	0.00	0.0419
METHANE	94.761	0.0000	959.27	0.5249
ETHANE	2.354	0.6297	41.75	0.0244
PROPANE	0.000	0.0000	0.00	0.0000
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.000	0.0000	0.00	0.0000
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.000	0.0000	0.00	0.0000
TOTAL	100.000	0.6297	1,001.02	0.5925

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

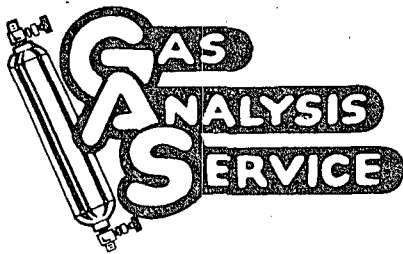
** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/Z)	1.0022
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,003.2
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	985.8
REAL SPECIFIC GRAVITY		0.5937

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	997.8
DRY BTU @ 14.696	1,000.9
DRY BTU @ 14.730	1,003.2
DRY BTU @ 15.025	1,023.3

CYLINDER #	109
CYLINDER PRESSURE	27 PSIG
DATE RUN	3/13/02
ANALYSIS RUN BY	DAWN BLASSINGAME



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CO220004
CUST. NO. 18200 - 10050

WELL/LEASE INFORMATION

CUSTOMER NAME	COLEMAN OIL AND GAS INC.	SOURCE	WELL RUN
WELL NAME	CHIPPER #1	PRESSURE	20 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	3/10/02
FORMATION	PICTURED CLIFFS	SAMPLED BY	SUSAN SULLIVAN
CUST.STN.NO.	8327	FOREMAN/ENGR.	

REMARKS

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.246	0.0000	0.00	0.0024
CO2	2.310	0.0000	0.00	0.0351
METHANE	95.588	0.0000	967.64	0.5295
ETHANE	1.856	0.4965	32.92	0.0193
PROPANE	0.000	0.0000	0.00	0.0000
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.000	0.0000	0.00	0.0000
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.000	0.0000	0.00	0.0000
TOTAL	100.000	0.4965	1,000.56	0.5862

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/Z)	1.0021
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,002.7
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	985.2
REAL SPECIFIC GRAVITY		0.5875

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	997.2	CYLINDER #	100
DRY BTU @ 14.696	1,000.3	CYLINDER PRESSURE	3 PSIG
DRY BTU @ 14.730	1,002.7	DATE RUN	3/13/02
DRY BTU @ 15.025	1,022.7	ANALYSIS RUN BY	DAWN BLASSINGAME

EP FIELD SERVICES--SAN JUAN
 Preparer Code: 837495894
 Statement Title: Monthly Summary Statement
 Contact: JUAN
 Statement Type: Original

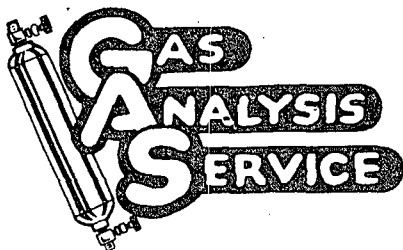
Accounting/Production Period 05/2001
 Reporting Basis - MCF @ 14.730
 Report Date/Time: 06/14/2001 07:38

COLEMAN OIL & GAS INC
 Recipient Code: 0

DESAN (832)676-7958

Analysis Id: 99926 JEFF #1
 Device: (No spec equip)
 GPA Version: GPAEP97

Effective Date	Type	Sample Date	Dry BTU	Wet BTU	Gravity													
05/01/2001 07:00 UNKNOWN		04/18/2001	1000	983	0.5720													
						Methane	Ethane	Propane	Butane	Iso Butane	Pentane	Hexane	Heptane	Octane	H2S	CO2	Nitrogen	Total



2030 AFTON PLACE
FARMINGTON, N.M. 87401
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ANALYSIS NO. CO220006
CUST. NO. 18200 - 10085

WELL/LEASE INFORMATION

CUSTOMER NAME	COLEMAN OIL AND GAS INC.	SOURCE	WELL RUN
WELL NAME	DARCY ANN 1	PRESSURE	20 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	3/10/02
FORMATION	PC & FC	SAMPLED BY	SUSAN SULLIVAN
CUST.STN.NO.	891	FOREMAN/ENGR.	

REMARKS PRESSURED WITH HELIUM TO 30#
UNNORMALIZED MOLE PERCENT = 41.257%

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.148	0.0000	0.00	0.0014
CO2	2.844	0.0000	0.00	0.0432
METHANE	94.686	0.0000	958.51	0.5245
ETHANE	2.322	0.6211	41.19	0.0241
PROPANE	0.000	0.0000	0.00	0.0000
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.000	0.0000	0.00	0.0000
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.000	0.0000	0.00	0.0000
TOTAL	100.000	0.6211	999.70	0.5932

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR	(1/Z)	1.0022
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,001.9
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	984.5
REAL SPECIFIC GRAVITY		0.5945

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	996.4	CYLINDER #	211
DRY BTU @ 14.696	999.6	CYLINDER PRESSURE	27 PSIG
DRY BTU @ 14.730	1,001.9	DATE RUN	3/13/02
DRY BTU @ 15.025	1,022.0	ANALYSIS RUN BY	DAWN BLASSINGAME



2030 AFTON PLACE
FARMINGTON, N.M. 87401
(505) 325-6622

ANALYSIS NO. CO220015
CUST. NO. 18200 - 10060

WELL/LEASE INFORMATION

CUSTOMER NAME	COLEMAN OIL AND GAS INC.	SOURCE	WELL RUN
WELL NAME	PEGASUS #1	PRESSURE	20 PSIG
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	3/10/02
FORMATION	BASIN FRUITLAND COAL	SAMPLED BY	SUSAN SULLIVAN
CUST.STN.NO.	595	FOREMAN/ENGR.	

REMARKS PRESSURED WITH HELIUM TO 30#
UNNORMALIZED MOLE PERCENT = 43.836%

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.527	0.0000	0.00	0.0051
CO2	1.986	0.0000	0.00	0.0302
METHANE	95.798	0.0000	989.76	0.5306
ETHANE	1.689	0.4518	29.98	0.0175
PROPANE	0.000	0.0000	0.00	0.0000
I-BUTANE	0.000	0.0000	0.00	0.0000
N-BUTANE	0.000	0.0000	0.00	0.0000
I-PENTANE	0.000	0.0000	0.00	0.0000
N-PENTANE	0.000	0.0000	0.00	0.0000
HEXANE PLUS	0.000	0.0000	0.00	0.0000
TOTAL	100.000	0.4518	999.72	0.5835

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 PSIA & 60 DEG. F.

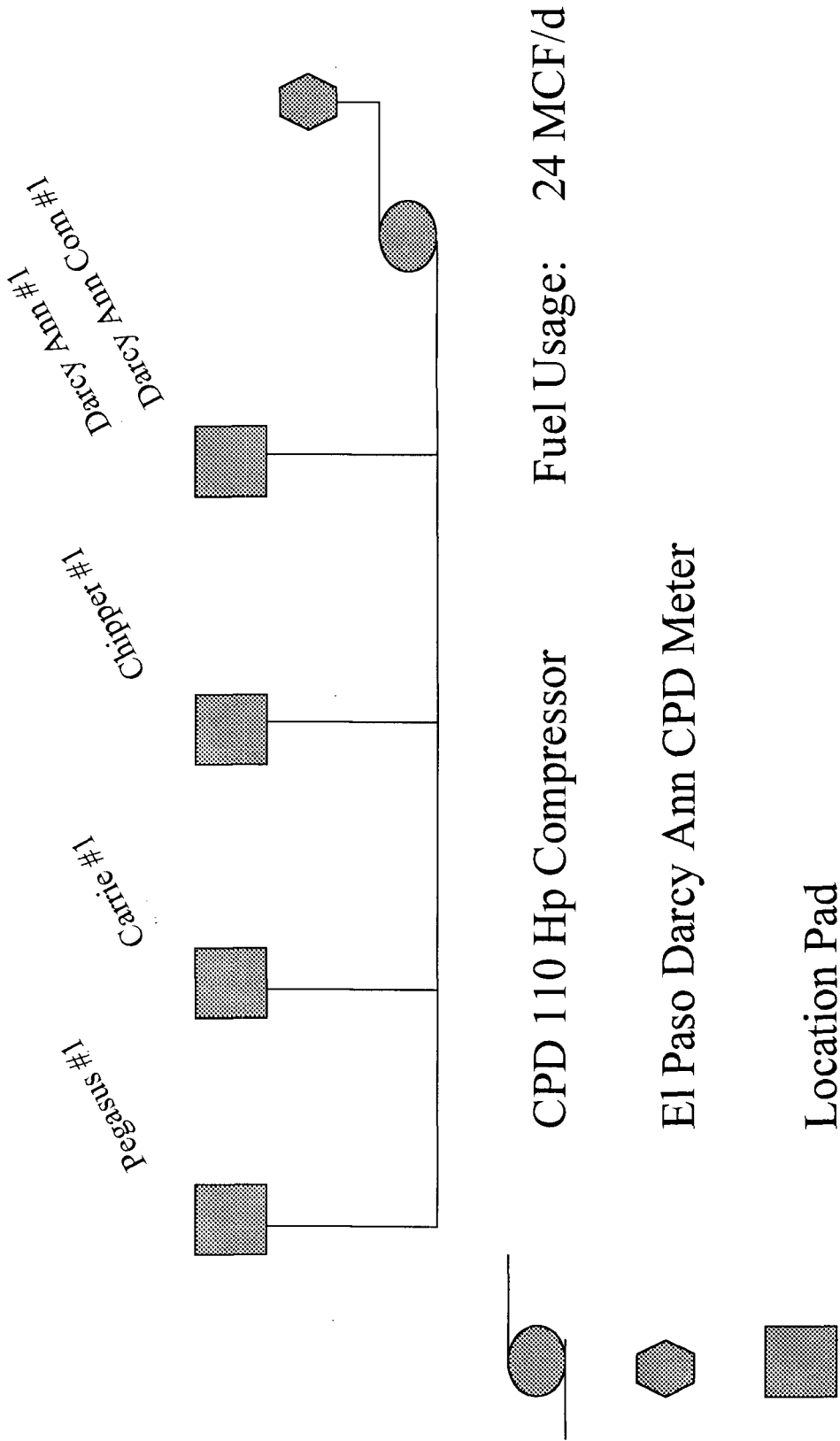
COMPRESSIBILITY FACTOR	(1/Z)	1.0021
BTU/CU.FT (DRY) CORRECTED FOR	(1/Z)	1,001.8
BTU/CU.FT (WET) CORRECTED FOR	(1/Z)	984.4
REAL SPECIFIC GRAVITY		0.5846

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

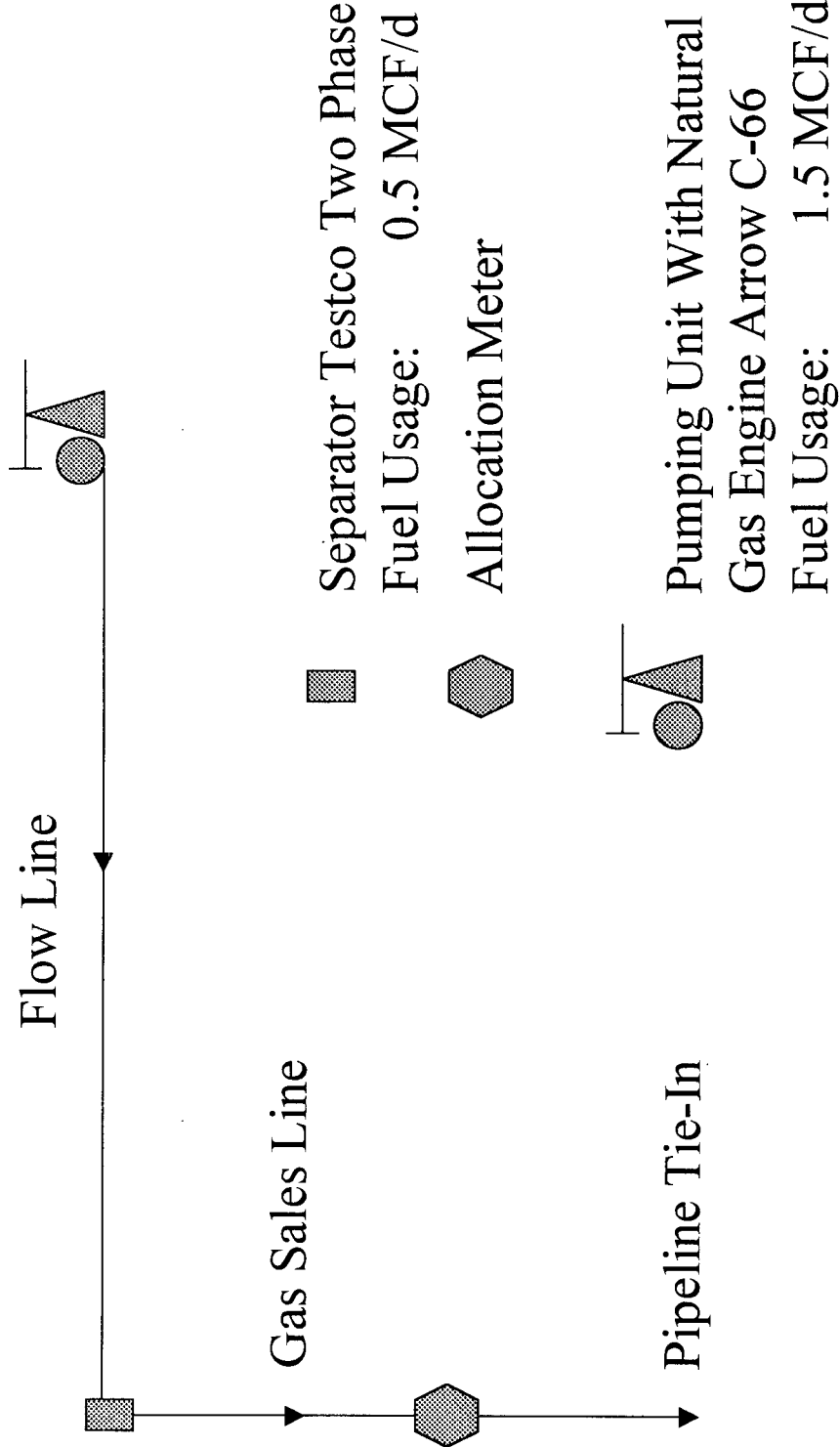
DRY BTU @ 14.650	996.4
DRY BTU @ 14.696	999.5
DRY BTU @ 14.730	1,001.8
DRY BTU @ 15.025	1,021.9

CYLINDER #	204
CYLINDER PRESSURE	27 PSIG
DATE RUN	3/13/02
ANALYSIS RUN BY	DAWN BLASSINGAME

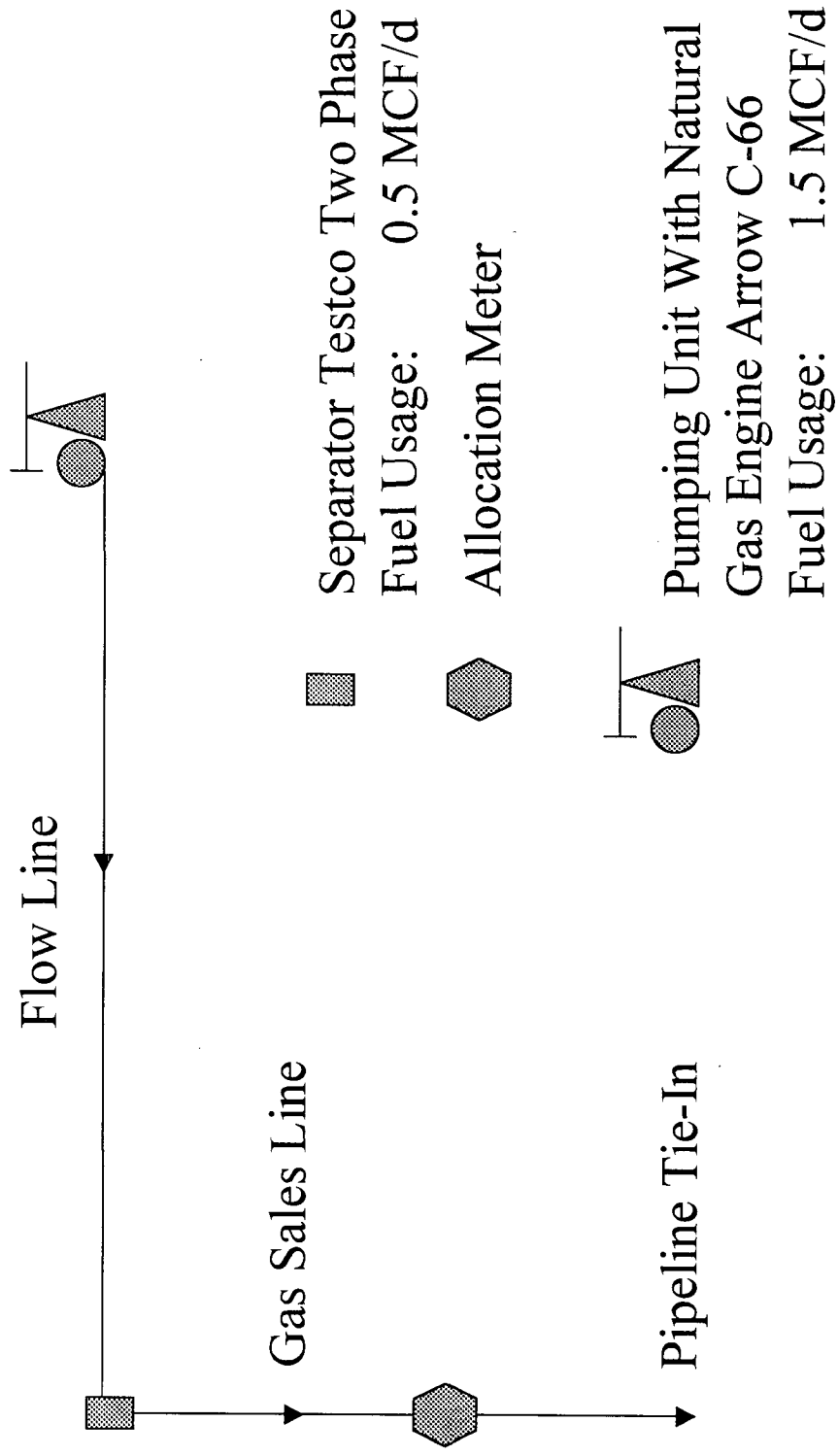
Darcy Ann CPD Surface Commingle



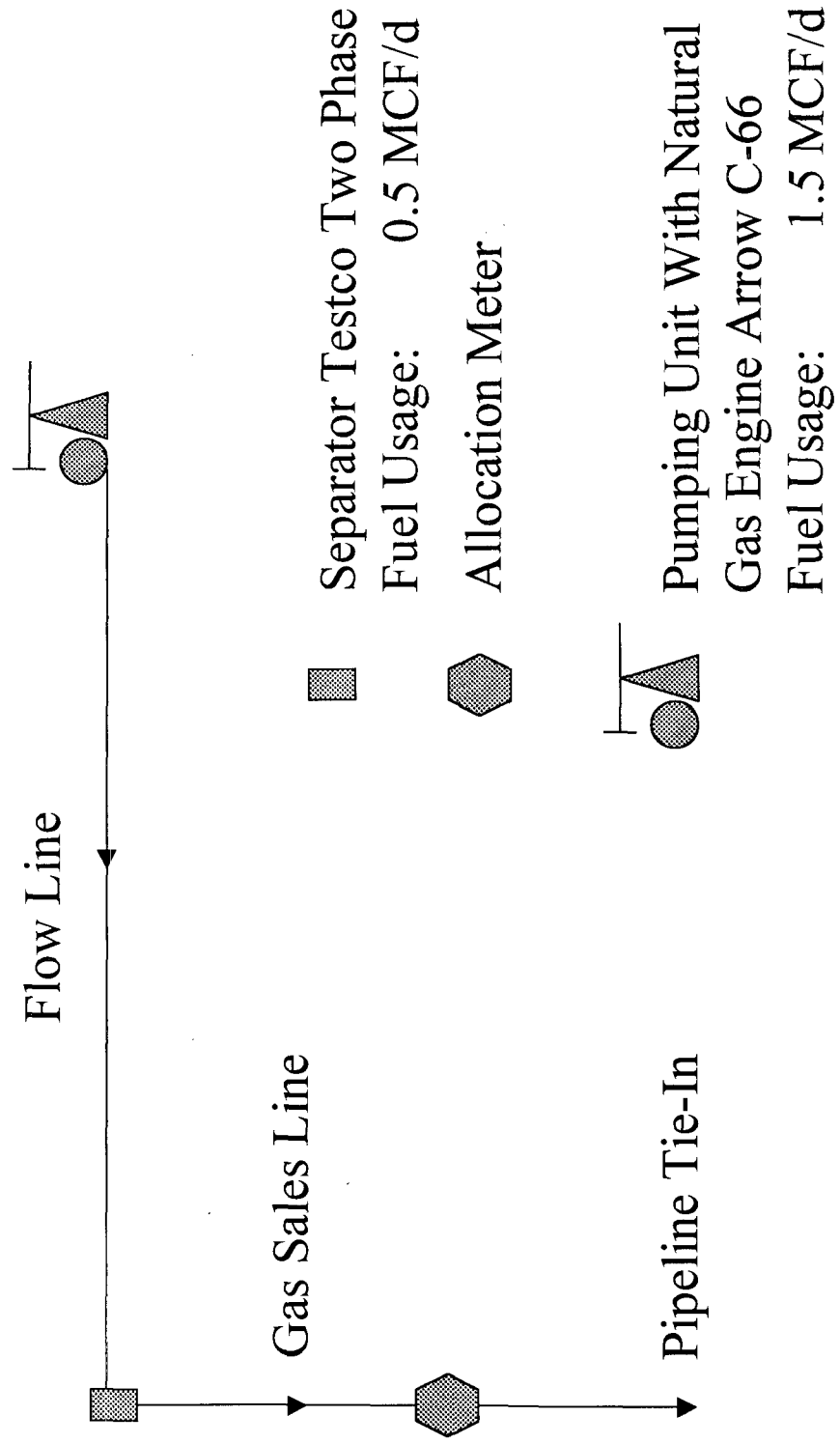
Darcy Ann #1 Surface Facility



Pegasus #1 Surface Facility



Carrie #1 Surface Facility



Chipper #1 Surface Facility

