

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

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 13279

APPLICATION OF COLEMAN OIL & GAS, INC. FOR
AN EXCEPTION TO RULE 7(d) OF THE SPECIAL
POOL RULES AND REGULATIONS FOR BASIN-
FRUITLAND COAL GAS POOL TO AUTHORIZE
THE SIMULTANEOUS DEDICATION OF THE W/2
OF SECTION 18, TOWNSHIP 26 NORTH, RANGE 11
WEST, NMPM, TO FOUR EXISTING COAL GAS
WELLS, SAN JUAN COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil
Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Coleman Oil & Gas, Inc.
Attn: Alan Emmendorfer
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Denver, CO 80202
(303) 623-2401

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
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(505) 988-4421

OTHER PARTIES

PRO New Mexico
Martin and Carolyn Proyect

ATTORNEY

W. T. Kellahin, Esq.
Post Office Box 2265
Santa Fe, NM 87504-2265
(505) 982-4285

STATEMENT OF CASE

Application of Coleman Oil & Gas, Inc. for an exception to Rule 7(d) of the Special Pool
Rules and Regulations for Basin-Fruitland Coal Gas Pool to authorize the simultaneous

dedication of the W/2 of Section 18, Township 26 North, Range 11 West, NMPM, to four existing coal gas wells, San Juan County, New Mexico. Applicant seeks an exception to Rule 7(d) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool, to authorize the simultaneous dedication of the W/2 of Section 18, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico to the following four existing coal gas wells:

- Ricky Well No. 1 (API No. 30-045-25976) located 790 feet from the North line and 875 feet from the West line (Unit D);
- Ricky Well No. 1R (API No. 30-045-31165) located 765 feet from the North line and 830 feet from the West line (Unit D);
- Ricky Well No. 2 (API No. 30-045-25977) located 1850 feet from the South line and 790 feet from the West line (Unit L); and
- Ricky Well No. 2R (API No. 30-045-31166) located 1845 feet from the South line and 745 feet from the West line.

Applicant seeks authorization to conduct a one year production test on these wells by segregating in individual wellbores and separately producing coal gas stringers in these wells to determine the economic viability of producing the upper coals interval in this portion of the pool and to determine the feasibility of producing these intervals in these existing coal gas wells without completing and commingling the production from all stringers in individual wellbores.

Said spacing unit is located approximately 30 miles southeast of Farmington, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

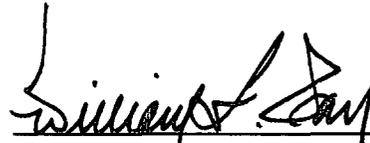
Alan Emmendorfer

Approx. 15 min.

Approx. 6

PROCEDURAL MATTERS

Coleman Oil & Gas, Inc., has none at this time.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr
Attorney for Coleman Oil & Gas, Inc.

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**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:**

**APPLICATION OF COLEMAN OIL & GAS, INC.
FOR AN EXCEPTION TO RULE 7(d) OF THE SPECIAL
RULES AND REUGLATIONS FOR BASIN-FRUTLAND COAL
GAS POOL TO AUTHORIZE THE SIMULTANEOUS DEDICATION
OF THE W/2 OF SECTION 18, T26N, R11W TO FOUR EXISTING
COAL GAS WELLS, SAN JUAN COUNTY, NEW MEXICO**

CASE 13279

PRE-HEARING STATEMENT

**Pro NM Energy Inc. and Martin and Caroline Proyect submit their pre-hearing
statement as required by the New Mexico Oil Conservation Division.**

APPEARENCES OF THE PARTIES

APPLICANT

Coleman Oil & Gas, Inc.

ATTORNEY

William F. Carr, Esq.

OPPOSITION

**Pro NM Energy, Inc.
Martin & Caroline Proyect
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505-983-6686**

ATTORNEY

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Fax 505-982-2047**

STATEMENT OF THE CASE

OPPONENT:

Pro NM Energy, Inc. and Martin and Caroline Proyect request that the Division deny Coleman's application. Coleman has drilled and now produces 2 replacement coal-gas well in the W/2 of Section 18, T26N, R11W but has failed to plug and abandon the 2 parent coal-gas wells. Rather than comply with letters from the BLM and the OCD requiring Coleman to plug this 2 parent wells, Coleman attempts to avoid that requirement by seeking approval for a 12-month production test.

There is no justification for Coleman not to comply with the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EST. EXHIBITS

Anticipate none at this time

PROCEDURAL MATTERS

None anticipated

KELLAHIN & KELLAHIN

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CERTIFICATE OF SERVICE

I certify that on June 22, 2004, I served a copy of the foregoing documents by:

- US Mail, postage prepaid
- Hand Delivery
- Facsimile

to the following:

William F. Carr, Esq.


W. Thomas Kellahin