

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

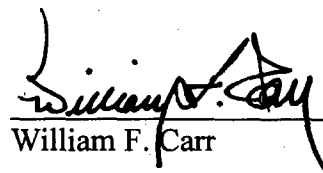
IN THE MATTER OF THE APPLICATION OF
COLEMAN OIL & GAS, INC. FOR AN EXCEPTION
TO RULE 7(d) OF THE SPECIAL POOL RULES AND
REGULATIONS FOR THE BASIN-FRUITLAND COAL
GAS POOL TO AUTHORIZE THE SIMULTANEOUS
DEDICATION OF THE W/2 OF SECTION 18,
TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM, TO
FOUR EXISTING COAL GAS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

CASE NO. _____

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Coleman Oil & Gas, Inc.,
the Applicant herein, being first duly sworn, upon oath, states that notice of the above-referenced
Application was mailed to the addresses shown on Exhibit "A" attached hereto, and that true and
correct copies of the notice letter and proof of receipt are attached hereto.

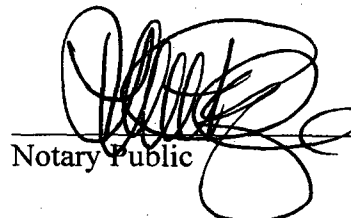


William F. Carr

SUBSCRIBED AND SWORN to before me this 25 day of May 2004 by William F. Carr.



OFFICIAL SEAL
LISAMARIE ORTIZ
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 01/14/07



Notary Public

My Commission Expires:

01/14/07

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL MAIL

44768-0002
Postage \$.60

Certified Fee 2.30

Return Receipt Fee (Endorsement Required) 1.75

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$ 4.65

SANTA FE MAY 20 2004 USPS 875

Sent To Burlington Resources Oil & Gas Co. LP
Street, Apt. No. or PO Box No. P. O. Box 51810
City, State, ZIP Midland, TX 79710-1810

PS Form 3800

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Burlington Resources Oil & Gas Co. LP
P. O. Box 51810
Midland, TX 79710-1810

2. Article Number (Copy from servi

7001 1140 0002 5602 3480

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ConocoPhillips Co.
P. O. Box 7500
Bartlesville, OK 74005

2. Article Number (Copy from se

7001 1140 0002 5602 3497

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ConocoPhillips Company
P. O. Box 2197, WL3 4066
Houston, TX 77252-2197

2. Article Number (Copy fr

7001 1140 0002 5602 3626

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
Devon Pierce 5-25-04

C. Signature
X [Signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

A. Received by (Please Print Clearly) B. Date of Delivery
[Signature] MAY 24 2004

C. Signature
X [Signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

A. Received by (Please Print Clearly) B. Date of Delivery
[Signature] MAY 24 2004

C. Signature
X [Signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

OFFICIAL

4478.0002
Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To Dominion OK TX Exploration & Production, Inc.
Street, Apt. No., or PO Box No. 14000 Quail Springs Parkway
City, State, ZIP+ Oklahoma City, OK 73134

PS Form 3800

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dominion OK TX Exploration & Production, Inc.
14000 Quail Springs Parkway, #600
Oklahoma City, OK 73134

2. Article Number (Copy from ser

7001 1140 0002 5602 3503

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dugan Production Corp.
P. O. Box 420
Farmington, NM 87499

2. Article Number (Copy fr

7001 1140 0002 5602 3459

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Energen Resources Corp.
605 Richard Arrington Jr. Blvd
Birmingham, AL 35203-2707

2. Article Number (Copy from

7001 1140 0002 5602 3510

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature X *Theresa Pearson* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature X *Connie Kaczka* ☒ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature X *Rebecca Curtis* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

OFFICIAL

4478.0002
Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To Energen Resources Corp.
Street, Apt. No. or PO Box No. 605 Richard Arrington Jr. Blvd
City, State, ZIP Birmingham, AL 35203-2707

PS Form 3800

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL

44768.0002
Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To
EPNG Co. Land Department
P. O. Box 1087
Colorado Springs, CO 80944
City, State, ZIP+ 4

PS Form 3800, July 1999

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

EPNG Co. Land Department
P. O. Box 1087
Colorado Springs, CO 80944

2. Article Number (Copy from)

7001 1140 0002 5602 3527

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Merrion Oil & Gas Corp.
610 Reilly Avenue
Farmington, NM 87401

2. Article Number (Copy from)

7001 1140 0002 5602 3541

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature X [Signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

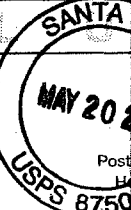
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL

44768.0002
Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To
Merrion Oil & Gas Corp.
610 Reilly Avenue
Farmington, NM 87401
City, State, ZIP

PS Form 3800

2. Article Number (Copy from)

7001 1140 0002 5602 3541

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Merrion Oil & Gas Corp.
610 Reilly Avenue
Farmington, NM 87401

2. Article Number (Copy from)

7001 1140 0002 5602 3541

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature X [Signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

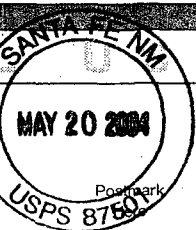
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL

44768.0002
Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To
Gregory Merrion Trust
P. O. Box 840
Farmington, NM 87499-0840
City, State, ZIP+

PS Form 3800

Mail
Returned

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

44768.0002

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

SANTA FE NM
MAY 20 2004
USPS 87501

Sent To
J & R Merrion Trust
610 Reilly Avenue
Farmington, NM 87401
City, State, ZIP+

PS Form 3800, July 1999

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

J & R Merrion Trust
610 Reilly Avenue
Farmington, NM 87401

2. Article Number (Copy from s

7001 1140 0002 5602 3534

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

P. Garcia 5-24-04

C. Signature

x P. Garcia ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

44768.0002

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

SANTA FE NM
MAY 20 2004
USPS 87501

Sent To
Prime Energy Corp.
P. O. Box 160206
San Antonio, TX 78280-2406
City, State, ZIP+

PS Form 3800, July 1999

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Pro NM Energy Inc.
460 St. Michaels Drive
Santa Fe, NM 87505

2. Article Number (Copy from

7001 1140 0002 5602 3565

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Rebecca Montoya 5-24-04

C. Signature

x Rebecca Montoya ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☒ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

44768.0002

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

SANTA FE NM
MAY 20 2004
USPS 87501

Sent To
Pro NM Energy Inc.
460 St. Michaels Drive
Santa Fe, NM 87505
City, State, ZIP+

PS Form 3800, July 1999

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

447680002
Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65

Sent To
Carol Proyect
124 E. Marcy Street
Santa Fe, NM 87501

PS Form 3800

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Carol Proyect
124 E. Marcy Street
Santa Fe, NM 87501

2. Article Number (Copy

7001 1140 0002 5602 3572

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Martin Proyect
124 E. Marcy Street
Santa Fe, NM 87501

2. Article Number (Copy fr

7001 1140 0002 5602 3589

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Redwolf Production Company
P. O. Box 1915
Farmington, NM 87499

2. Article Number (Copy fr

7001 1140 0002 5602 3619

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

C. Signature

X ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

447680002
Postage \$ 1.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65

Sent To
Martin Proyect
124 E. Marcy Street
Santa Fe, NM 87501

PS Form 3800

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

447680002
Postage \$.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65

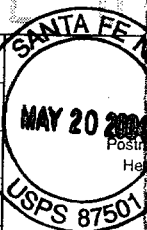
Sent To
Redwolf Production Company
P. O. Box 1915
Farmington, NM 87499

PS Form 3800

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

OFFICIAL MAIL

44768.0002
Postage \$.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To

Robert L. Bayless Prod. LLC
P. O. Box 168
Farmington, NM 87499

PS Form 3800

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Robert L. Bayless Prod. LLC
P. O. Box 168
Farmington, NM 87499

2. Article Number (Copy from:

7001 1140 0002 5602 3473

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

XTO Energy Inc.
810 Houston Street, #2000
Fort Worth, TX 76102-6298

2. Article Number (Copy from

7001 1140 0002 5602 3596

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Thomas H. Yates, Jr.
10500 N Highway 281 #100
San Antonio, TX 78216

2. Article Number (C

7001 1140 0002 5602 3602

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

Steve Williams 5/24/04

C. Signature

X Agent
Addressed

D. Is delivery address different from item 1? Yes

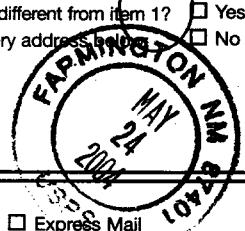
If YES, enter delivery address below: No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

OFFICIAL MAIL

44768.0002
Postage \$.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To

XTO Energy Inc.
810 Houston Street, #2000
Fort Worth, TX 76102-6298

PS Form 3800

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage)

OFFICIAL MAIL

44768.0002
Postage \$.60
Certified Fee 2.30
Return Receipt Fee (Endorsement Required) 1.75
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees \$ 4.65



Sent To

Thomas H. Yates, Jr.
10500 N Highway 281 #100
San Antonio, TX 78216

PS Form 3800

A. Received by (Please Print Clearly) B. Date of Delivery

TERRY CRUZ 5-24

C. Signature

X Agent
Addressed

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

110 North Guadalupe Suite 1 Santa Fe, NM 87501
P.O. Box 2208 Santa Fe, NM 87504-2208

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL

2001 1140 0002 5602 3558

1ST NOTICE
2ND NOTICE
RETURN

5-2-5

HOLLAND & HART

THE LAW OUT WEST

110 North Guadalupe Suite 1 Santa Fe,
P.O. Box 2208 Santa Fe, NM 87504-2208

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL

7001 1140 0002 5602 3466

Addressed Refused
Forwarding unknown
Left no forwarding
address

Prime Energy Corp.
P. O. Box 160206
San Antonio, TX 78280-2406

**RETURN RECEIPT
REQUESTED**



1ST NOTICE
AND NOTICE
RETURN

60/22/5

Gregory Merion Trust
P. O. Box 840
Farmington, NM 87499-0840

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**APPLICATION OF COLEMAN OIL & GAS, INC.
FOR 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
TO FOUR EXISTING COAL GAS WELLS
SAN JUAN COUNTY, NEW MEXICO**

EXHIBIT A

Dugan Production Corp.
P. O. Box 420
Farmington, NM 87499

Gregory Merrion Trust
P. O. Box 840
Farmington, NM 87499-0840

Robert L. Bayless Prod. LLC
P. O. Box 168
Farmington, NM 87499

Burlington Resources Oil & Gas Co. LP
P. O. Box 51810
Midland, TX 79710-1810

ConocoPhillips Co.
P. O. Box 7500
Bartlesville, OK 74005

Dominion OK TX Exploration &
Production, Inc.
14000 Quail Springs Parkway, #600
Oklahoma City, OK 73134

Energen Resources Corp.
605 Richard Arrington Jr. Blvd
Birmingham, AL 35203-2707

EPNG Co. Land Department
P. O. Box 1087
Colorado Springs, CO 80944

J & R Merrion Trust
610 Reilly Avenue
Farmington, NM 87401

Merrion Oil & Gas Corp.
610 Reilly Avenue
Farmington, NM 87401

Prime Energy Corp.
P. O. Box 160206
San Antonio, TX 78280-2406

Pro NM Energy Inc.
460 St. Michaels Drive
Santa Fe, NM 87505

Carol Proyect
124 E. Marcy Street
Santa Fe, NM 87501

Martin Proyect
124 E. Marcy Street
Santa Fe, NM 87501

XTO Energy Inc.
810 Houston Street, #2000
Fort Worth, TX 76102-6298

Thomas H. Yates, Jr.
10500 N Highway 281 #100
San Antonio, TX 78216

Redwolf Production Company
P. O. Box 1915
Farmington, NM 87499

ConocoPhillips Company
P. O. Box 2197, WL3 4066
Houston, TX 77252-2197



May 20, 2004

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS:

Re: Application of Coleman Oil & Gas, Inc. for 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, to four existing coal gas, San Juan County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Coleman Oil & Gas, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to simultaneously dedicate the W/2 of Section 18, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico to four existing coal gas wells. Coleman seeks authorization to conduct a one year production test on these wells by segregating in individual wellbores and separately producing coal gas stringers 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.

This application has been set for hearing before a Division Examiner on June 10, 2004. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a prehearing statement three days in advance of a scheduled hearing at the Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. This statement must include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

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

Enclosure

cc: Alan Emmendorfer
Coleman Oil & Gas, Inc.

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

**IN THE MATTER OF THE APPLICATION
OF COLEMAN OIL & GAS, INC. FOR 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, TO FOUR EXISTING COAL GAS
WELLS, SAN JAUN COUNTY, NEW MEXICO.**

RECEIVED

MAY 17 2004

**Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505**

CASE NO. _____

APPLICATION

COLEMAN OIL & GAS, INC. ("Coleman"), by its undersigned attorneys, Holland & Hart, LLP, 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 four existing coal gas wells. Coleman seeks authorization to conduct a one year production test on these wells by segregating in individual wellbores and separately producing coal gas stringers to determine the economic viability of producing the upper coal intervals 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. In support of its application, Coleman Oil & Gas, Inc. states:

1. Coleman is the operator of the W/2 of said Section 18, Township 26 North, Range 11 West, NMPM, on which are located the following 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 (Unit L).

2. The original wells on this standard Fruitland Coal gas spacing unit, the Ricky Well Nos. 1 and 2, are slim hole completions and produced dry gas from upper Fruitland Coal stringers at rates of 60 to 80 mcf per day.

3. The Ricky Well Nos. 1R and 2R were drilled as replacement wells and completed in lower Fruitland Coal, which is separated from the upper coal intervals by a 20 to 30 foot shale barrier. These wells are completed with 4 1/2 inch casing and 2 3/8th inch tubing. They produce, with artificial lift, at rates of 200 to 300 mcf per day.

4. Rule 7(d) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool establishes a well density for this pool of "No More than two (2) wells per standard 320-acre gas spacing Unit..."

5. In compliance with Rule 7(d) of these Special Pool Rules, Coleman has shut in the Ricky Wells No. 1 and 2.

6. Coleman seeks an exception to Rule 7(d) to authorize it to produce all four wells and to conduct a twelve-month production test on these wells. All four of the subject wells have been hydraulically stimulated and Coleman proposes to conduct this test with meters on all four wells so the gas produced from each interval can be monitored. Production data will be matched with the original decline curves from the wells to determine if there is communication between zones. Coleman will use the data obtained from this one year production test to determine if it is economically viable to complete wells in this portion of the reservoir in these upper coal gas intervals. Furthermore, the simultaneous dedication all four wells on this 320-acre spacing unit in the Basin-Fruitland Coal Gas Pool will permit Coleman to produce the gas from the individual zones without incurring the expense of completing and commingling the lower and upper coal intervals in individual wellbores.

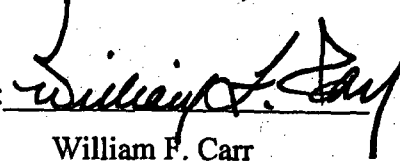
7. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Coleman Oil & Gas, Inc. requests that this application be set for hearing on June 10, 2004 before a duly appointed Examiner of the Oil Conservation Division and that after notice and hearing as required by law, the Division enter its order granting this application.

Respectfully submitted,

HOLLAND & HART, LLP

By:



William F. Carr

ATTORNEYS FOR COLEMAN OIL &
GAS, INC.

PROPOSED LEGAL ADVERTISEMENT:

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.