

|                    |                     |                 |           |                |                       |
|--------------------|---------------------|-----------------|-----------|----------------|-----------------------|
| DATE IN<br>4/16/04 | SUSPENSE<br>5/18/04 | ENGINEER<br>WJD | LOGGED IN | TYPE<br>PC-247 | APP NO.<br>0413538357 |
|--------------------|---------------------|-----------------|-----------|----------------|-----------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE.

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

RECEIVED

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]  
[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

APR 16 2004

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

- [D] Other: Specify \_\_\_\_\_

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

- [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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

- [4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

PAUL THOMPSON  
Print or Type Name

Paul C. Thompson  
Signature

AGENT  
Title

4/14/04  
Date

PAUL@WALSHENG.NET  
e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**

1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Manana Gas, Inc.  
OPERATOR ADDRESS: c/o Walsh Engineering, 7415 E. Main St., Farmington, NM 87402  
APPLICATION TYPE:  
☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)  
LEASE TYPE: ☒ Fee ☐ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☐ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☐ Yes ☒ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

| (1) Pool Names and Codes    | Gravities / BTU of<br>Non-Commingled<br>Production | Calculated Gravities /<br>BTU of Commingled<br>Production |  | Calculated Value of<br>Commingled<br>Production | Volumes |
|-----------------------------|--|---|--|---|---------|
| Basin Dakota 71599          |  |   |  |   |         |
| Basin Fruitland Coal 71629  |  |   |  |   |         |
| Aztec Pictured Cliffs 71280 |  |   |  |   |         |
|                             |  |   |  |   |         |
|                             |  |   |  |   |         |

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.  
(4) Measurement type: ☒ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code. Basin Dakota 71599, Basin Fruitland Coal 71629, Aztec Pictured Cliffs 71280  
(2) Is all production from same source of supply? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Paul C. Thompson TITLE: Agent DATE: 4/13/04  
TYPE OR PRINT NAME Paul C. Thompson, P.E. TELEPHONE NO.: (505) 327-4892  
E-MAIL ADDRESS: paul@walsheng.net

OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, New Mexico 87505

WELL API NO.

30-045-32012

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS)

Type of Well:

OIL

GAS

WELL ☐

WELL ☒

OTHER

Name of Operator

Manana Gas Company

Address of Operator

c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

Well Location

Unit Letter P : 716' Feet From The South Line and 1225' Feet From The East Line

Section 14

Township 30N Range 12W NMPM

County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

5529' GR 5534' KB

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

1. NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

WELL OR ALTER CASING ☐

OTHER: Surface Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG & ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

2. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work).  
SEE RULE 1103.

Manana Gas Company seeks administrative approval to surface commingle the production from the  
Aztec PC and Basin Fruitland Coal in the Crooked Seams #1 with the Basin Dakota in the Betty Hartman #1.  
Ownership in the two wells is not common. All interest owners of both wells have been notified of this application  
by certified mail. A copy of the notification letter and a list of the interest owners is attached.  
The current El Paso meter on the Betty Hartman #1 will become the CPD meter. Both wells will be equipped with allocation meters.

The actual commercial value of the commingled production will not be less than the sum of the values of the production from each well.

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

SIGNATURE

Paul C. Thompson

TITLE Agent/Engineer

DATE 04/14/04

TYPE OR PRINT NAME

Paul C. Thompson

TELEPHONE NO. (505) 327-4892

(This space for State Use)

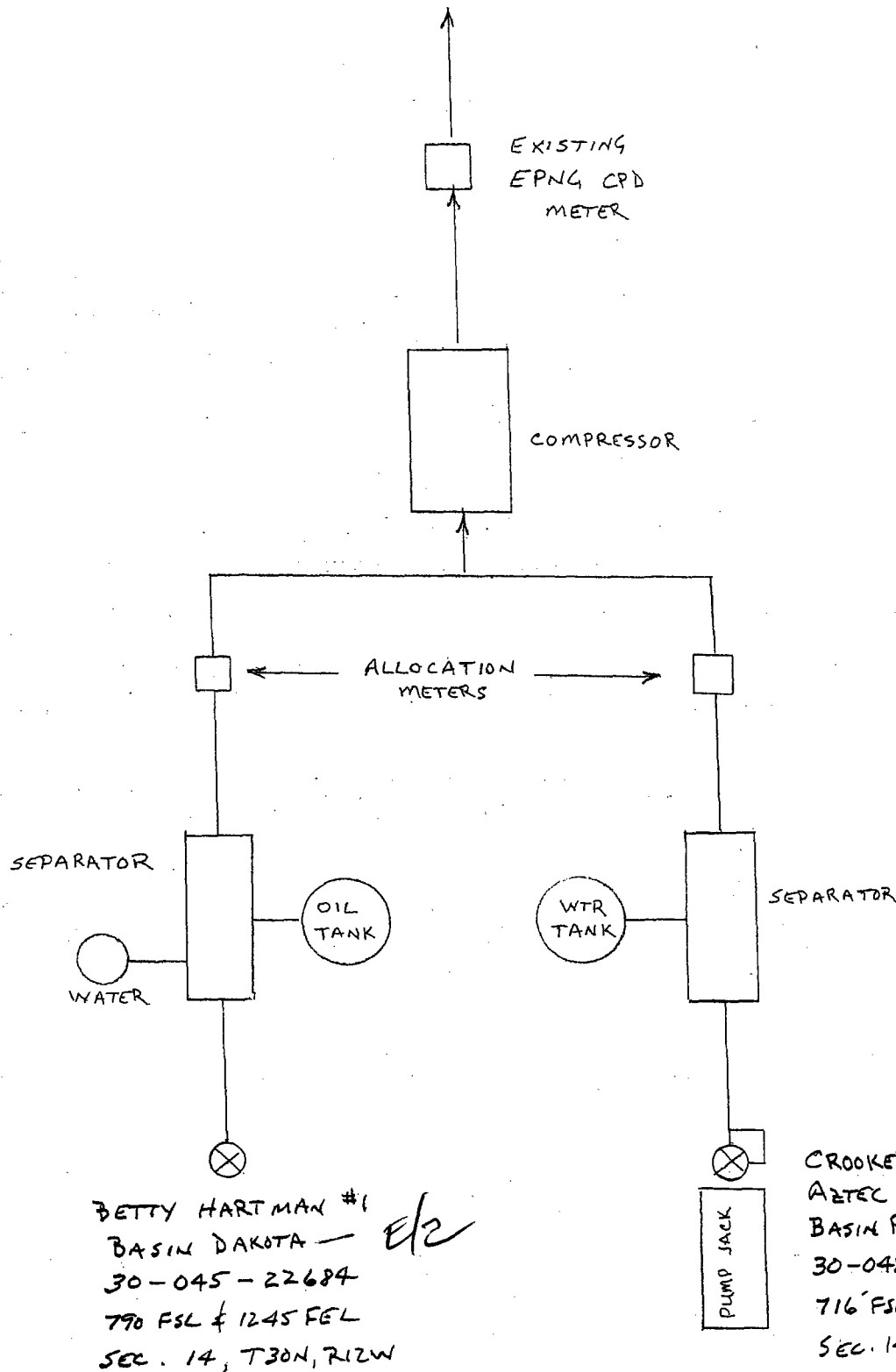
APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

SURFACE COMMINGLING  
 BETTY HARTMAN #1  
 CROOKED SEAMS #1



Betty Hartman#1 & Crooked Seams  
Interest Owners

Merriam Oil and Gas  
100 Reilly Ave.  
Farmington NM 87401

McCulliss Resources  
PO Box 3248  
Littleton CO 80161

George Vaught Jr.  
PO Box 13557  
Denver CO 80201

Manana Gas Inc  
520 Tramway Terrace Ct NE  
Albuquerque NM 87122

Diverse Group III  
PO Box 2059  
San Antonio TX 78297

The Kohl Group  
4801 Woodway Suite 330 W  
Houston TX 77056

Meresa Hankins  
405 Rutson Dr.  
Amarillo TX 79100

Mary Werner  
8508 Curt Walters NE  
Albuquerque NM 87122

ACN Investments  
1901 Medi-Park PL 1015  
Amarillo TX 79106

Walter Allison  
453 Gladstone Lane  
Amarillo TX 79121

William Bass  
RT 8 Box 24-5  
Amarillo TX 79118

Jayne Cain Beezley  
2103 Foothill Dr  
Amarillo TX 79124

Ed Hartman  
002 Tramway Lane NE  
Albuquerque NM 87122

Hartman Oil and Gas  
2520 Tramway Terrace Ct NE  
Albuquerque NM 87122

Douglas Hartman  
PO Box 928199  
San Diego CA 92192

Sybilis Hartman  
105 Calle Mar De Ballenas  
San Diego CA 92130

Harvard and Lemay Exploration  
PO Box 936  
Roswell NM 88201

Barbara Kruse  
29 Olive Rd  
Sandia Park NM 87047

Debi Kruse  
810 Round Tree Dr  
Anchorage AK 99507

Lamp Investments  
PO Box 85  
Bronte TX 76933

Sylvia Little  
PO Box 1258  
Farmington NM 87499

Sherry Rusk  
PO Box 782463  
San Antonio TX 78278

Jackie Kaiser  
PO Box 13461  
Albuquerque NM 87195

BP America Production  
PO Box 277897  
Atlanta GA 30384

Cynthia Calvin  
147 Newport St  
Denver CO 80220

Edward Calvin  
2380 Forest St.  
Denver CO 80207

Howard Henderson Living Trust  
5809 N 24th Pl  
Phoenix AZ 85016

per Investment  
565 Beechwood Court  
olorado Springs CO 80918

Barbara Rector  
2802 Cimarron Blvd #243  
Corpus Christi TX 78414

Robert Cody Rothlisberger  
2308 Santiago  
Farmington NM 87401

James Miller  
PO Box 10  
Lora Vista NM 87415

Margaret Israel McDaniel  
349 Arnold Dr  
Aztec NM 87410

MB Thomas  
249 RD 3050  
Aztec NM 87410

Paula Thompson  
138 e Avalon Dr  
Cottsdale AZ 85251

Richard Trumbull  
2602 Fox Rd  
Farmington NM 87401

Daniel Welk  
150 Kelleen Dr  
Vista CA 92083

Ellen Plapp  
112 Central  
Lemon Grove CA 92045

Robbie Whinery  
1314 O Avenue  
National City CA 92050

Bruce Wilkes Estate  
PO Box 226270  
Dallas TX 75222

Woodbine Financial Corp  
PO Box 52296  
Tulsa OK 74152

Charles Victor Flint  
4724 South Kalamath St  
Englewood CO 80110

Tina Flint  
3801 South Bannock St  
Englewood CO 80110

Lisa Flint  
4290 South Cherokee St  
Englewood CO 80110

Kevin Flint  
4760 S. Bannock St  
Englewood CO 80110

Michael Flint  
3801 1/2 S bannock St  
Englewood CO 80110

Karoline Flint  
3801 S Bannock St  
Englewood CO 80110

Estate of Arthur Clyde Trulock  
23 Rd 333  
Aztec NM 87410

Christine Buvens Living Trust  
435 Cottonwood Rd  
Silver City NM 88061

Kenneth Allen Trust  
PO Box 4140  
Farmington NM 87499

Mable C Allen Trust  
PO Box 4140  
Farmington NM 87499

Jois May Barnes  
PO Box 182  
Silverwood NM 88039

Earnest Cantwell  
3125 Southern  
Kingman AZ 86401

Casteel Living Trust  
7635 East Mesa Drive  
Cornville AZ 86325

Timothy Chapman  
3007 East Mariposa St  
Phoenix AZ 85014

Catherine Colberg  
8314 Roma Ave NE  
Albuquerque NM 87108

Virginia Collins  
25 Rd 3275  
Aztec NM 87410

Ed Dollar  
PO Box 218  
Palm Vista NM 87415

Edwina Foster  
3502 Lark St  
San Diego CA 92103

Eloise Foster  
3502 Lark St  
San Diego CA 92103

Dorothy Lea  
122 Wedgewood Dr  
Balltitan TN 37066

Sharon Hastings Trust  
PO Box 4140  
Farmington NM 87499

Cecil Henry  
263 Rd 3050  
Aztec NM 87410

Raymond Hill  
64 RD 3050  
Aztec NM 87410

George & Verda Hines  
1471 B Road  
Delta CO 81416

Walter Hunt Estate  
204 Road 3050  
Aztec NM 87410

Catherine Israel  
804 Mossman Ave  
Aztec NM 87410

Joseph Israel  
City Rd 2900 # 930  
Aztec NM 87410

Kirk Israel  
804 Mossman  
Aztec NM 87401

Robert Kirk Israel  
804 Mossman  
Aztec NM 87410

Stanley Israel  
2085 N Wedgewood Lane  
Cedar City UT 884720

William Israel  
925 CT RD 2900  
Aztec NM 87410

Robert Ray Lewis  
680 Esther  
Rogers AZ 72756

Leona Maddox  
224 Las Mananitas  
Santa Fe NM 87501

Helen Israel Minium  
8 Dellwood Lane  
Canyon TX 79015

E Organ  
503 Alcove Court  
Midland TX 79703

Pecos Valley Royalty Co  
PO Box 51387  
Midland TX 79710

Richard Pepin  
6 RD 333  
Aztec NM 87410

Veldon CM & John Julander  
Trustees  
PO Box 2773  
Littleton CO 80161

Energen Resources  
605 R. Arrington Jr. Blvd North  
Birmingham AL 35203

Union Oil Co. Of California  
PO Box 100547  
Houston Tx 77212



**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

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

April 14, 2004

Estate of Arthur Clyde Trulock  
23 Rd 333  
Aztec NM 87410Re: Surface Commingling Application  
Manana Gas, Inc.  
Betty Hartman #1  
Crooked Seams #1  
Section 14, T30N R12W  
San Juan County, NM  
Basin Dakota and Aztec Pictured Cliffs/Basin Fruitland Coal

Dear Estate of Arthur Clyde Trulock ,

Manana Gas, Inc. has applied to the New Mexico Oil Conservation Division for administrative approval to surface commingle the gas production from the two referenced wells. Commingling will allow the use of a single wellsite compressor and the existing El Paso meter. As an interest owner in one or both of these wells, you are being notified of this application pursuant to NMOC rules.

If you desire to submit remarks concerning the application, please send them to the New Mexico Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, New Mexico, within 20 days from the receipt of this notice. If you have no objection to the proposal, no action is required on your part.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.