

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]

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

- [D] Other: Specify _____

RECEIVED

APR 30 2007

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

- [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 C. THOMPSON
Print or Type Name

Paul C. Thompson
Signature

AGENT
Title

4/23/07
Date

PAUL@WALSHENG.NET
e-mail Address

DHC-3878

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Manana Gas, Inc c/o Walsh Engineering, 7415 E. Main St., Farmington, NM 87402

Operator Address
Crooked Seams #2 A 14 T30N R12W San Juan

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 13931 Property Code 33159 API No. 30-045-33818 Lease Type: Federal State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal		Aztec Pictured Cliffs
Pool Code	71629		71280
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1937' - 1958' Proposed		1975 - 1992'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 83 %	Oil Gas % %	Oil Gas 100 % 17 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☐ No ☒
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☒ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☐

NMOCD Reference Case No. applicable to this well: R-11363

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

16	<p>FD. 3 1/4" BC. B.L.M.</p> <p>LAT: 36.81839° N. (NAD 83) LONG: 108.06244° W. (NAD 83)</p>	<p>S 89-26-34 W. 2598.9' (M)</p> <p>FD. 3 1/4" BC. B.L.M.</p>
	14	S 00-19-42 W 5313.4' (M)
		<p>FD. 3 1/4" BC. 2001 LS 6159</p>

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Paul C. Thompson

Signature

6/22/06

Date

PAUL C. THOMPSON, AGENT

Printed Name

18 SURVEYOR CERTIFICATION

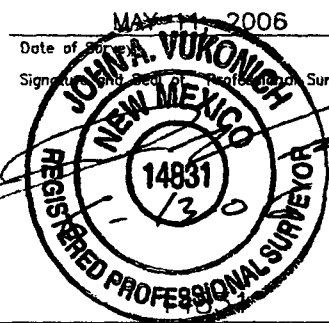
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 11 2006


Date of Survey

JOHNA VUKONICH

Signature and Seal of Professional Surveyor:



Certificate Number

16	<p>FD. 3 1/4" BC. B.L.M.</p> <p>S 89-26-34 W 2598.9' (M)</p> <p>LAT: 36.81839° N. (NAD 83) LONG: 108.06244° W. (NAD 83)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Paul C. Thompson</u> <u>6/22/06</u></p> <p>Signature Date</p> <p><u>PAUL C. THOMPSON, AGENT</u></p> <p>Printed Name</p>
	<p>FD. 3 1/4" BC. B.L.M.</p> <p>14</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p><u>MAY 11, 2006</u></p> <p>Date of Survey</p> <p><u>JOHN A. VUKONICH</u></p> <p>Signature and Seal of Professional Surveyor:</p>  <p>Certificate Number _____</p>
	<p>FD. 3 1/4" BC. 2001 LS 6159</p>	

Crooked Seams #2
Downhole Commingling Application

Allocation Formula

The Crooked Seams #2 is a new Aztec Pictured Cliffs and Basin Fruitland Coal well. Since the well has not yet been first delivered there is no production information available. However, there are several other downhole commingled Pictured Cliffs - Fruitland Coal wells in this township and these pools have been pre-approved for downhole commingling. For this reason it is reasonable to expect the bottom hole pressures to be similar and the wellbore fluids to be compatible. Neither zone is expected to make any appreciable amount of liquid hydrocarbons.

There are currently 5 Aztec Pictured Cliffs wells in the nine adjacent sections. Using current economic parameters, the 5 wells should have ultimate gross reserves of 578,444 MCF/well. The 28 current Fruitland Coal wells in the same adjacent nine sections should have 2,824,515 MCF/well of ultimate gross reserves. Please refer to the attached cash-flow forecasts that were used to calculate the ultimate gross reserves for each pool. Using the averages from the offset wells in the two proposed commingled pools, Manana Gas, Inc., **proposes to allocate 17% of the gas production to the Aztec Pictured Cliffs pool and the remaining 83% of the gas production to the Basin Fruitland Coal pool.** In the unlikely event that the well produces some liquid hydrocarbons, then 100% of the liquids production will be allocated to the Pictured Cliffs.

Annual CashFlow Report

Project: c:\program files\ihs energy\powertools v8.0\projects\crooked seams 2.mdb

Summary Lease Report *PICTURED CLIFFS.*

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/2007	5	116	107,431	93	85,945	40.00	6.00	519,386
12/2008	5	141	129,083	113	103,266	40.00	6.00	624,116
12/2009	5	127	116,000	102	92,800	40.00	6.00	560,866
12/2010	5	114	104,400	92	83,520	40.00	6.00	504,779
12/2011	5	103	93,960	82	75,168	40.00	6.00	454,301
12/2012	5	93	84,564	74	67,651	40.00	6.00	408,871
12/2013	5	83	76,107	67	60,886	40.00	6.00	367,984
12/2014	5	75	68,497	60	54,797	40.00	6.00	331,186
12/2015	5	68	61,647	54	49,318	40.00	6.00	298,067
12/2016	5	61	55,482	49	44,386	40.00	6.00	268,260
12/2017	5	55	49,934	44	39,947	40.00	6.00	241,434
12/2018	5	49	44,941	39	35,953	40.00	6.00	217,291
12/2019	5	44	40,447	35	32,357	40.00	6.00	195,562
12/2020	5	37	36,197	29	28,958	40.00	6.00	174,923
12/2021	4	0	30,443	0	24,354	0.00	6.00	146,126
Remainder:		0	171,121	0	136,897	0.00	6.00	821,382
Grand Total:		1,166	1,270,253	933	1,016,202	35.00	6.00	6,134,535

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10% Cash Flow (\$)
12/2007	45,000	41,208	433,178	0	433,178	433,178	416,666
12/2008	60,000	49,516	514,600	0	514,600	947,778	455,606
12/2009	60,000	44,498	456,368	0	456,368	1,404,146	367,306
12/2010	60,000	40,048	404,731	0	404,731	1,808,877	296,137
12/2011	60,000	36,044	358,258	0	358,258	2,167,134	238,307
12/2012	60,000	32,439	316,432	0	316,432	2,483,566	191,354
12/2013	60,000	29,195	278,789	0	278,789	2,762,355	153,267
12/2014	60,000	26,276	244,910	0	244,910	3,007,265	122,404
12/2015	60,000	23,648	214,419	0	214,419	3,221,684	97,426
12/2016	60,000	21,283	186,977	0	186,977	3,408,661	77,236
12/2017	60,000	19,155	162,279	0	162,279	3,570,941	60,943
12/2018	60,000	17,240	140,051	0	140,051	3,710,992	47,816
12/2019	60,000	15,516	120,046	0	120,046	3,831,038	37,262
12/2020	59,000	13,879	102,044	0	102,044	3,933,082	28,797
12/2021	48,000	11,602	86,524	0	86,524	4,019,606	22,197
Remainder:	417,000	65,218	339,164	0	339,164	4,358,770	62,099
Grand Total:	1,289,000	486,765	4,358,770	0	4,358,770	4,358,770	2,674,822

Discount Present Worth:

0.00 %	4,358,770
10.00 %	2,674,822
20.00 %	1,940,558
30.00 %	1,540,531
40.00 %	1,290,618
50.00 %	1,119,882
60.00 %	995,773
70.00 %	901,379
80.00 %	827,075
90.00 %	766,988
100.00 %	717,333

Economic Dates:

Effective Date	04/2007
Calculated Limit	01/2034
Economic Life	322 Months
	26 Years 10 Months

Economics Information:

Net Payout Date:	04/2007
Rate of Return:	>100 %
Return on Investment:	0.00
Disc Return on Invest:	0.00

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	2,243	2,892,222
Historic Gross	1,036	1,582,947
Gross at Eff Date	1,077	1,621,969
Remaining Gross	1,166	1,270,253
Remaining Net	933	1,016,202

2,892,222 / 5 WELLS = 578,444 MCF
WELL

Annual CashFlow Report

Project: c:\program files\ihs energy\powertools v8.0\projects\crooked seams 2.mdb

Summary Lease Report *FRUITLAND COAL*

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/2007	28	4	3,004,237	4	2,403,390	40.00	6.00	14,420,482
12/2008	28	3	3,623,717	3	2,898,973	40.00	6.00	17,393,940
12/2009	28	2	3,255,095	1	2,604,076	40.00	6.00	15,624,504
12/2010	28	1	2,936,807	1	2,349,445	40.00	6.00	14,096,695
12/2011	28	0	2,659,163	0	2,127,331	40.00	6.00	12,763,995
12/2012	28	0	2,415,794	0	1,932,635	40.00	6.00	11,595,817
12/2013	28	0	2,201,547	0	1,761,237	40.00	6.00	10,567,427
12/2014	28	0	2,012,212	0	1,609,770	40.00	6.00	9,658,619
12/2015	28	0	1,844,320	0	1,475,456	40.00	6.00	8,852,738
12/2016	28	0	1,694,988	0	1,355,991	40.00	6.00	8,135,944
12/2017	28	0	1,561,801	0	1,249,441	40.00	6.00	7,496,644
12/2018	28	0	1,442,720	0	1,154,176	40.00	6.00	6,925,055
12/2019	28	0	1,336,014	0	1,068,811	40.00	6.00	6,412,868
12/2020	27	0	1,238,705	0	990,964	40.00	6.00	5,945,783
12/2021	26	0	1,150,171	0	920,137	40.00	6.00	5,520,820
Remainder:		0	29,415,309	0	23,532,247	40.00	6.00	141,193,481
Grand Total:		11	61,792,599	8	49,434,079	40.00	6.00	296,604,813

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10% Cash Flow (\$)
12/2007	252,000	1,144,985	13,023,497	0	13,023,497	13,023,497	12,525,869
12/2008	336,000	1,381,078	15,676,862	0	15,676,862	28,700,359	13,878,498
12/2009	336,000	1,240,585	14,047,918	0	14,047,918	42,748,277	11,305,356
12/2010	336,000	1,119,277	12,641,418	0	12,641,418	55,389,695	9,248,327
12/2011	336,000	1,013,461	11,414,534	0	11,414,534	66,804,229	7,591,398
12/2012	336,000	920,708	10,339,109	0	10,339,109	77,143,339	6,250,916
12/2013	336,000	839,054	9,392,373	0	9,392,373	86,535,712	5,162,185
12/2014	336,000	766,894	8,555,724	0	8,555,724	95,091,437	4,274,775
12/2015	336,000	702,907	7,813,831	0	7,813,831	102,905,267	3,549,107
12/2016	336,000	645,994	7,153,950	0	7,153,950	110,059,217	2,953,929
12/2017	336,000	595,234	6,565,410	0	6,565,410	116,624,628	2,464,423
12/2018	336,000	549,849	6,039,206	0	6,039,206	122,663,834	2,060,786
12/2019	336,000	509,182	5,567,686	0	5,567,686	128,231,520	1,727,140
12/2020	329,000	472,095	5,144,688	0	5,144,688	133,376,208	1,450,810
12/2021	316,000	438,353	4,766,467	0	4,766,467	138,142,675	1,221,928
Remainder:	10,556,000	11,210,762	119,426,719	0	119,426,719	257,569,394	7,259,162
Grand Total:	15,485,000	23,550,419	257,569,394	0	257,569,394	257,569,394	92,924,609

Discount Present Worth:

0.00 %	257,569,394
10.00 %	92,924,609
20.00 %	62,683,396
30.00 %	48,488,685
40.00 %	40,115,799
50.00 %	34,558,716
60.00 %	30,586,942
70.00 %	27,598,861
80.00 %	25,264,366
90.00 %	23,386,840
100.00 %	21,841,712

Economic Dates:

Effective Date	04/2007
Calculated Limit	03/2107
Economic Life	1200 Months
	100 Years 0 Months

Economics Information:

Net Payout Date:	04/2007
Rate of Return:	>100 %
Return on Investment:	0.00
Disc Return on Invest:	0.00

Economics Summary:

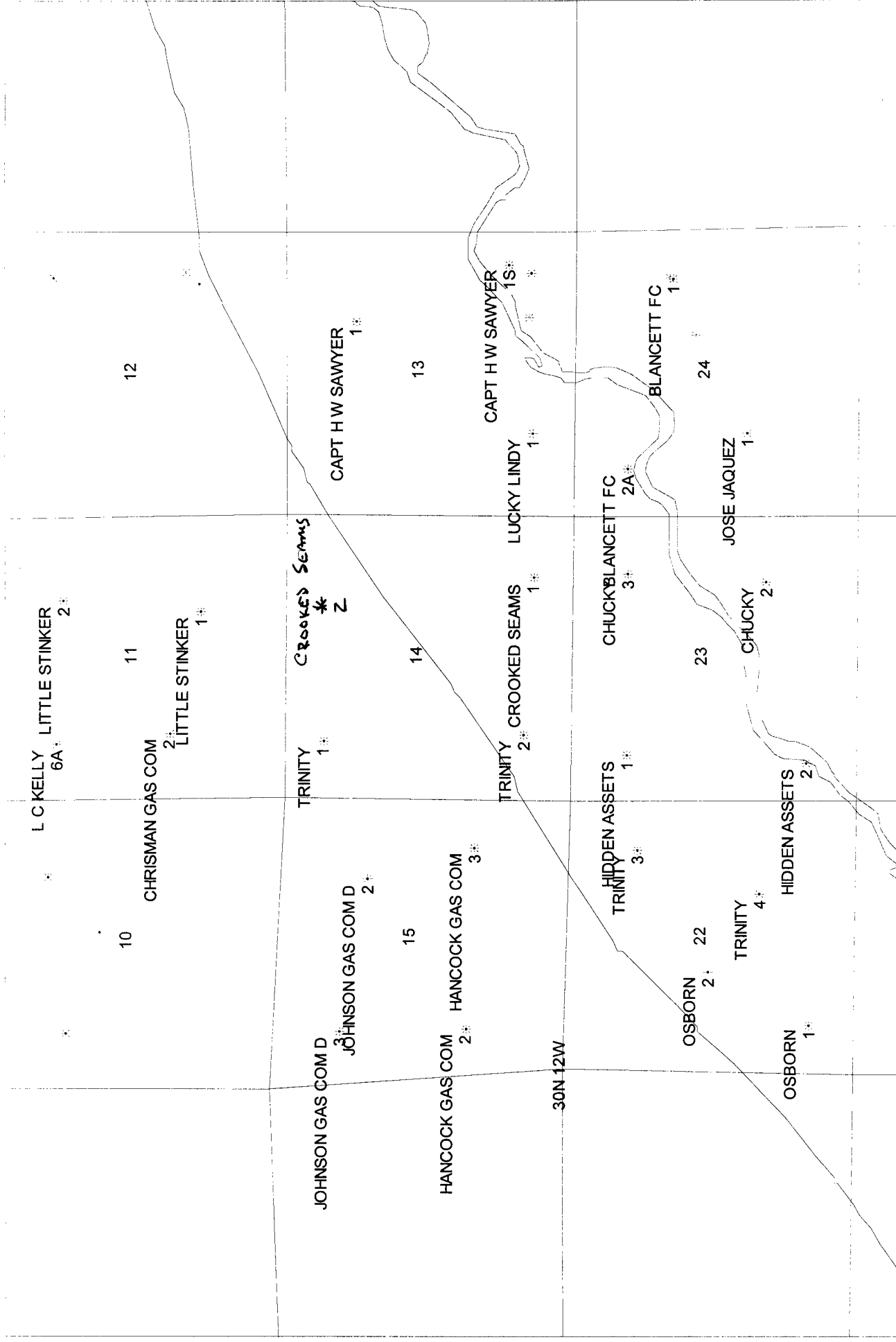
	Bbl Oil	Mcf Gas
Ultimate Gross	129	79,086,423
Historic Gross	116	16,218,107
Gross at Eff Date	118	17,293,824
Remaining Gross	11	61,792,599
Remaining Net	8	49,434,079

$$79,086,423 / 28 \text{ wells} = 2,824,515 \frac{\text{MCF}}{\text{well}}$$

PowerTools Map

Project: c:\program files\lms energy\powertools v8.0\projects\crooked seams 2.mdb

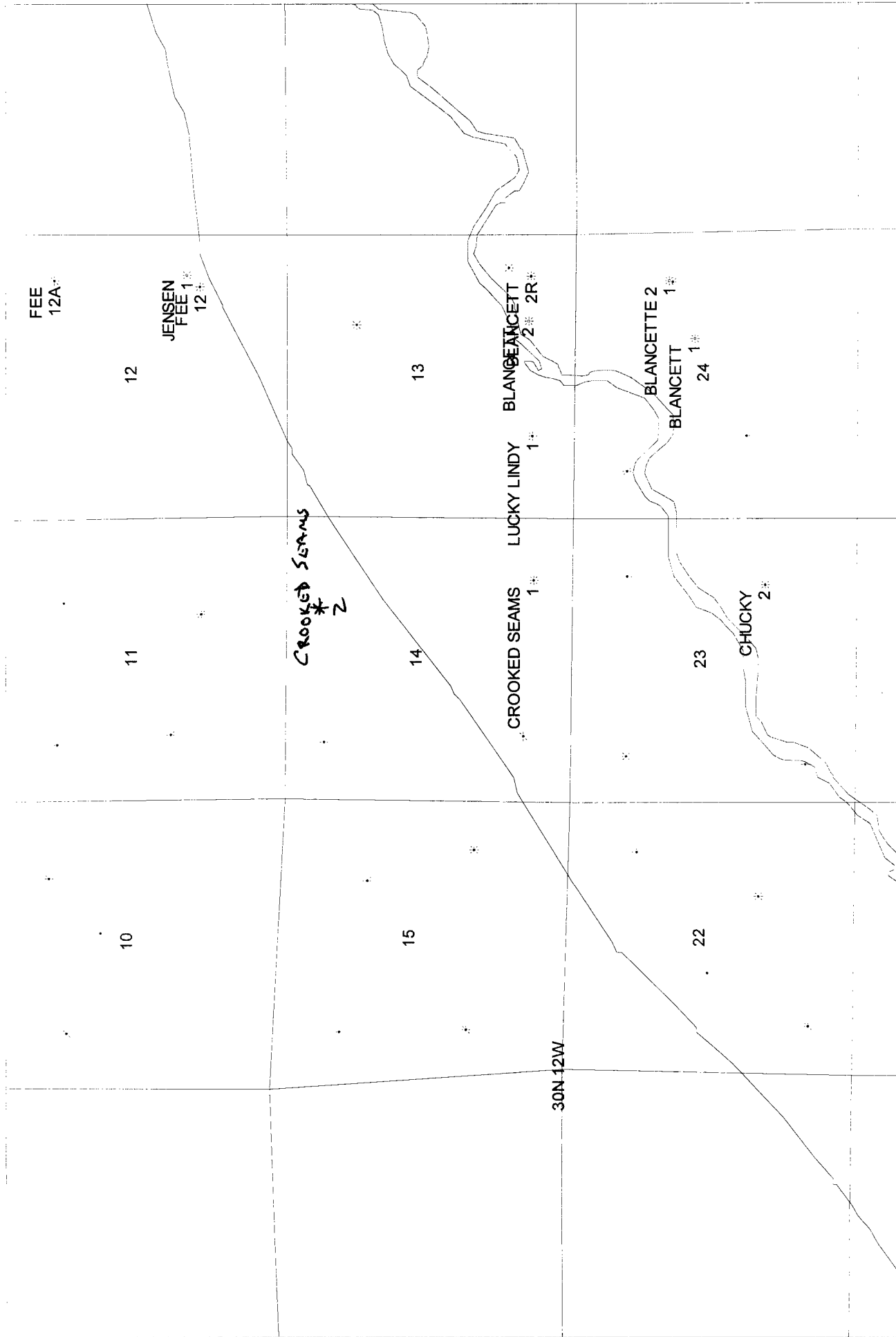
Date: 4/24/2007
Time: 1:57 PM



PowerTools Map

Project: C:\Program Files\IHS Energy\PowerTools v8.0\Projects\Crooked Seams 2.mdb

Date: 4/24/2007
Time: 2:06 PM



PICTURED CLIFFS OFFSETS

CERTIFIED- RETURN RECEIPT

April 24, 2007

SAMPLE

Re: Downhole Commingling Application
Manana Gas, Inc.
Crooked Seams #2
Section 14, T30N R12W
San Juan County, NM
Aztec Pictured Cliffs/Basin Fruitland Coal

Dear ,

Manana Gas, Inc. has applied to the New Mexico Oil Conservation Division for administrative approval to downhole commingle the gas production from the Aztec Pictured Cliffs and Basin Fruitland Coal pools in the Crooked Seams #2. Based on offset production, Manana proposes to allocate 17% of the gas production to the Pictured Cliffs and 83% to the Fruitland Coal. As an interest owner in one or both of these pools, you are being notified of this application pursuant to NMOCD 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.



ACN INVESTMENTS
1901 MEDI-PARK PLACE #1015
AMARILLO TX 79106

ACN INVESTMENTS
1901 MEDI-PARK PLACE #1015
AMARILLO TX 79106

BARBARA KRUSE
225 CLARENCE COURT
BUDA TX 78610

BARBARA KRUSE
225 CLARENCE COURT
BUDA TX 78610

BARBARA L. RECTOR
2802 CIMARRON BLVD.
#243
CORPUS CHRISTI TX 78414

BEATRICE S. VALDEZ
1432 YORK AVE
FARMINGTON NM 87401

BP AMERICA PRODUCTION COMPANY
P.O. BOX 848103
DALLAS TX 75284

CAROL'S SHARE, LLC
ATTN: CAROL P. WHITLOCK
44 C.R. 3133
AZTEC NM 87410-9535

CATHERINE A. ISRAEL
P.O. BOX 1011
BLOOMFIELD NM 87413

CATHERINE S. COLBERG
8314 ROMA AVE. NE
ALBUQUERQUE NM 87108

CECIL S. HENRY & BETTY JO HENRY JT
263 ROAD 3050
AZTEC NM 87410

CHARLES VICTOR FLINT
4724 SOUTH KALAMATH ST.
ENGLEWOOD CO 80110

CHRISTINE T. BUVENS
225 HACIENDA CT.
BOSQUE FARMS NM 87068

CYNTHIA CALVIN
747 NEWPORT STREET
DENVER CO 80220-5507

DANIEL G. WELK
150 KELLEEN DR.
VISTA CA 92083

DEBI KRUSE
6810 ROUND TREE DR.
ANCHORAGE AK 99507

DEBI KRUSE
6810 ROUND TREE DR.
ANCHORAGE AK 99507

DEBRA ISRAEL
930 COUNTY ROAD 2900
AZTEC NM 87410

DIVERSE GP III
P.O. BOX 2059
SAN ANTONIO TX 78297-2059

DIVERSE GP III
P.O. BOX 2059
SAN ANTONIO TX 78297-2059

DOROTHY J. LEA
1122 WEDGEWOOD DRIVE
GALLATIN TN 37066

DOUGLAS M. HARTMAN
P.O. BOX 928199
SAN DIEGO CA 92192-8199

DOUGLAS M. HARTMAN
P.O. BOX 928199
SAN DIEGO CA 92192-8199

EARNEST DANIEL CANTWELL
3125 SOUTHERN
KINGMAN AZ 86401

EDWARD M. CALVIN
2380 FOREST STREET
DENVER CO 80207-3261

EDWARD M. HARTMAN, TRUSTEE
EDWARD M. HARTMAN TRUST 10/13/04
1002 TRAMWAY LANE NE
ALBUQUERQUE NM 87122

EDWARD M. HARTMAN, TRUSTEE
EDWARD M. HARTMAN TRUST 10/13/04
1002 TRAMWAY LANE NE
ALBUQUERQUE NM 87122

EDWINA M. FOSTER
4598 EDGEWARE ROAD
SAN DIEGO CA 92116

ELLEN N. PLAPP
7112 CENTRAL
LEMON GROVE CA 92045

ELOISE V. FOSTER
3502 LARK ST.
SAN DIEGO CA 92103



ENERGEN RESOURCES CORPORATION
605 R ARRINGTON JR BLVD NORTH
BIRMINGHAM AL 35203-2707

EULA L. THOMPSON
6138 E. AVALON DR.
SCOTTSDALE AZ 85251

F.E. MORGAN
1503 ALCOVE COURT
MIDLAND TX 79703

GEORGE G. VAUGHT, JR.
P.O. BOX 13557
DENVER CO 80201

GEORGE G. VAUGHT, JR.
P.O. BOX 13557
DENVER CO 80201

GEORGE P. & VERDA V. HINES
14707 B. ROAD
DELTA CO 81416

HARTMAN OIL & GAS, L.L.C.
2520 TRAMWAY TERRACE CT. NE
ALBUQUERQUE NM 87122

HARTMAN OIL & GAS, L.L.C.
2520 TRAMWAY TERRACE CT. NE
ALBUQUERQUE NM 87122

HARVARD & LEMAY EXPLORATION
LTD SERIES 1976
P.O. BOX 936
ROSWELL NM 88201

HARVARD & LEMAY EXPLORATION
LTD SERIES 1976
P.O. BOX 936
ROSWELL NM 88201

HELEN ISRAEL MINIMUM
8 DELLWOOD LANE
CANYON TX 79015

HOWARD E HENDERSON LIVING TRUST
JOAN E. HENDERSON, TRUSTEE
7550 NORTH 16th STREET # 6227
PHOENIX AZ 85020

JACKIE KAISER
P.O. BOX 13461
ALBUQUERQUE NM 87192-3461

JACKIE KAISER
P.O. BOX 13461
ALBUQUERQUE NM 87192-3461

JAMES F. PIPER
42 C.R. 3133
AZTEC NM 87410-9535

JAMES P. And VERONE K. MILLER TRUST
P.O. BOX 10
FLORA VISTA NM 87415

JUDIE RUDD
P.O. BOX 1615
KIRTLAND NM 87417

KAROLINE FLINT
3801 S. BANNOCK ST.
ENGLEWOOD CO 80110

KENNETH ALLEN TRUST
THE CITIZENS BANK, TRUSTEE
P.O. BOX 4140
FARMINGTON NM 87499

KEVIN FLINT
4760 S. BANNOCK ST.
ENGLEWOOD CO 80110

KIRK F. ISRAEL
804 MOSSMAN AVE.
AZTEC NM 87410

LEONA M. MADDOX
400 CENTRAL AVE. SE
APT. 201
ALBUQUERQUE NM 87102

LISA FLINT
4290 SOUTH CHEROKEE ST
ENGLEWOOD CO 80110

LOIS MAY BARNES
2037 SORRENTO PL.
LAS CRUCES NM 88005

M. R. THOMAS
249 RD 3050
AZTEC NM 87410

MABLE C. ALLEN TRUST
THE CITIZENS BANK, TRUSTEE
P.O. BOX 4140
FARMINGTON NM 87499

MADDOX PROPERTIES, LLC
ATTN: MAXINE MADDOX MANAGING MEMBE
400 CENTRAL AVE., SE #201
ALBUQUERQUE NM 87102-3470

MANANA GAS, INC.
2520 TRAMWAY TERRACE CT NE
ALBUQUERQUE NM 87122

MANANA GAS, INC.
2520 TRAMWAY TERRACE CT NE
ALBUQUERQUE NM 87122

MANANA GAS, INC.
2520 TRAMWAY TERRACE CT NE
ALBUQUERQUE NM 87122



MANANA GAS, INC.
2520 TRAMWAY TERRACE CT NE
ALBUQUERQUE NM 87122

MARGARET ISRAEL McDANIEL TRUST
P.O. BOX 121
BLOOMFIELD NM 87413

MARY A. WERNER
7409 BLUE HOLLY CT. NE
ALBUQUERQUE NM 87113

MARY A. WERNER
7409 BLUE HOLLY CT. NE
ALBUQUERQUE NM 87113

MCCULLISS RESOURCES CO., INC.
P.O. BOX 3248
LITTLETON CO 80161-3248

MCCULLISS RESOURCES CO., INC.
P.O. BOX 3248
LITTLETON CO 80161-3248

MELVIN E AND SYLVIA P CASTEEL
600 BLACKSHAWL CIRCLE
AZTEC NM 87410

MERRION OIL & GAS CORPORATION
610 REILLY AVE.
FARMINGTON NM 87499

MERRION OIL & GAS CORPORATION
610 REILLY AVE.
FARMINGTON NM 87499

MICHAEL & JAYNE BEEZLEY
2103 FOOTHILL DRIVE
AMARILLO TX 79124

MICHAEL & JAYNE BEEZLEY
2103 FOOTHILL DRIVE
AMARILLO TX 79124

MICHAEL FLINT
3801 1/2 S. BANNOCK STREET
ENGLEWOOD CO 80110

NANCY H. HARTMAN, TRUSTEE
NANCY H. HARTMAN TRUST 10/13/04
1002 TRAMWAY LANE NE
ALBUQUERQUE NM 87122

NANCY H. HARTMAN, TRUSTEE
NANCY H. HARTMAN TRUST 10/13/04
1002 TRAMWAY LANE NE
ALBUQUERQUE NM 87122

NED DOLLAR
P.O. BOX 218
FLORA VISTA NM 87415

PATRICK WAYNE WILKES
250 EAST 30th STREET
APT. 10A
NEW YORK NY 10016

PATTI ANN LARSON
1101 OAK MIRAGE PLACE
WESTLAKE VILLAGE CA 913625622

PECOS VALLEY ROYALTY COMPANY
P.O. BOX 51387
MIDLAND TX 79710

PHYLLIS HARTMAN
4105 CALLE MAR DE BALLENAS
SAN DIEGO CA 92130

PHYLLIS HARTMAN
4105 CALLE MAR DE BALLENAS
SAN DIEGO CA 92130

PIPER INVESTMENT, LTD
42 County Road 3133
AZTEC NM 87410-9535

RAYMOND L. HILL
264 RD 3050
AZTEC NM 87410

RICHARD E. TURNBULL
2602 FOX RD
FARMINGTON NM 87402

RICHARD G. PEPIN
1301 N GLADVIEW DR.
FARMINGTON NM 87401

ROBBIE M. WHINERY
1314 O AVENUE
NATIONAL CITY CA 92050

ROBERT And KATHRYN TRUST
BOX 1357
AZTEC NM 87410

ROBERT CODY ROTHLSBERGER
2308 SANTIAGO
FARMINGTON NM 87401

ROBERT RAY LEWIS
1680 ESTHER LANE
ROGERS AR 72756

RONNIE TRUELOCK
P.O. BOX 653
HOOKER OK 73945

SHARON HASTINGS TRUST
THE CITIZENS BANK, TRUSTEE
P.O. BOX 4140
FARMINGTON NM 87499





STANLEY JACK ISRAEL
2085 N. WEDGEWOOD LANE
CEDAR CITY UT 84720

SYLVIA LITTLE
TRUSTEE UTA 5-25-90
PO BOX 1258
FARMINGTON NM 87499

SYLVIA LITTLE
TRUSTEE UTA 5-25-90
PO BOX 1258
FARMINGTON NM 87499

TERESA HANKINS
6005 HUNTER DRIVE
AMARILLO TX 79119

TERESA HANKINS
6005 HUNTER DRIVE
AMARILLO TX 79119

THE KOHL GROUP, LTD.
4801 WOODWAY
SUITE 330-W
HOUSTON TX 77056

THE KOHL GROUP, LTD.
4801 WOODWAY
SUITE 330-W
HOUSTON TX 77056

TIMOTHY CHAPMAN
7019 NORTH 11th WAY
PHOENIX AZ 85020

TINA FLINT
3801 SOUTH BANNOCK STREET
ENGLEWOOD CO 80110

UNION OIL CO. OF CALIFORNIA
ACCT# 001-008-1056
P.O. BOX 100547
HOUSTON TX 77212

VIRGINIA D. COLLINS, TTEE
LIVING TRUST DATED 9/5/95
25 RD 3275
AZTEC NM 87410

VIRGINIA P. SAMUEL
932 CACTUS CIRCLE
KILLEEN TX 76542-5034

WALOHA
3453 GLADSTONE
AMARILLO TX 79121

WALOHA
3453 GLADSTONE
AMARILLO TX 79121

WALTER R. HUNT ESTATE & WIDOW ERMA
266 ROAD 3050
AZTEC NM 87410-9546

WELDON C., ILA M. & JOHN W.
JULANDER TRUSTEES
P.O. BOX 2773
LITTLETON CO 80161

WILLIAM D. ISRAEL
926 COUNTY RD 2900
AZTEC NM 87410

WILLIAM T. BASS
RT. 8, BOX 24-5
AMARILLO TX 79118

WILLIAM T. BASS
RT. 8, BOX 24-5
AMARILLO TX 79118

WOODBINE FINANCIAL CORPORATION
P.O. BOX 52296
TULSA OK 74152-0296



Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-33818
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Crooked Seams
8. Well Number #2
9. OGRID Number 13931
10. Pool name or Wildcat Aztec Pictured Cliffs / Basin Ft Coal

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.)

1. Type of Well: Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Manana Gas Company

3. Address of Operator c/o Walsh Engineering
7415 East Main Street, Farmington, NM 87402

4. Well Location

Unit Letter A : 420 feet from the North line and 1090 feet from the East line
Section 14 Township 30N Range 12W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5681' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Downhole Commingle



OTHER:



13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Manana Gas Company seeks administrative approval to down hole commingle the production from the Basin Fruitland Coal (71629) and the Aztec Pictured Cliffs (71280) pools. The two pools were pre-approved in Division Order R-11363. The Pictured Cliffs perforations are from 1975' - 1992'. The Fruitland Coal perforations are from 1937' - 1958'. Based on the calculated ultimate gross reserves from all of the Pictured Cliffs and Fruitland Coal wells in the adjacent nine sections, 17% of the gas production and 100% of any liquid hydrocarbons will be allocated to the Pictured Cliffs and the remaining 87% of the gas production will be allocated to the Fruitland Coal formation. Commingling will not reduce the value of the total remaining production. Ownership in the two pools is not common. All of the interest owners have notified of this application by certified mail. A copy of the notification letter and a list of the interest owners is attached

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Paul C. Thompson TITLE Agent DATE 4/24/07

Type or print name Paul C. Thompson, P.E.

E-mail address: paul@walsheng.net

Telephone No. 505-327-4892

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):