

P.W.W.D. 413559017  
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NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



APR 15 2004

OIL CONSERVATION  
DIVISION

**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 *SURFACE COMMINGLING*

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

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

[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.

<u>Paul Thompson</u> Print or Type Name	<u>Paul C. Thompson</u> Signature	<u>AGENT</u> Title	<u>4/13/04</u> Date
			<u>PAUL C WALSHEG.NET</u> 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 Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Otero Chacra 82329				
Basin Fruitland Coal 71629				

- (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.  
(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

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT I  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT I  
1000 Rio Brazons Rd., Aztec, NM 87410

WELL API NO. <p style="text-align: center;">30-045-32163</p>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
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)

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 N : 857' Feet From The South Line and 1546' Feet From The West Line  
Section 30 Township 30N Range 11W NMPM County

7. Lease Name or Unit Agreement Name  

*Rainbows End*

8. Well No.  

#1

9. Pool name or Wildcat  

*Basin Fruitland Coal / Aztec Pictured Cliffs*

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

*5443' GL & 5448' KB*

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
11. NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG & ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Surface Commingle</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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 Basin Fruitland Coal in the Rainbows End #1 with the Bloomfield Chacra in the Phyllis 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 Phyllis 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 04/13/04  
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:

DISTRICT II  
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-37163		<sup>2</sup> Pool Code 71629	<sup>3</sup> Pool Name BASIN FRUITLAND COAL
<sup>4</sup> Property Code 33546	<sup>5</sup> Property Name RAINBOWS END		<sup>6</sup> Well Number 1
<sup>7</sup> GRID No. 13931	<sup>8</sup> Operator Name MANANA GAS, INC.		<sup>9</sup> Elevation 5442.98

<sup>10</sup> Surface Location

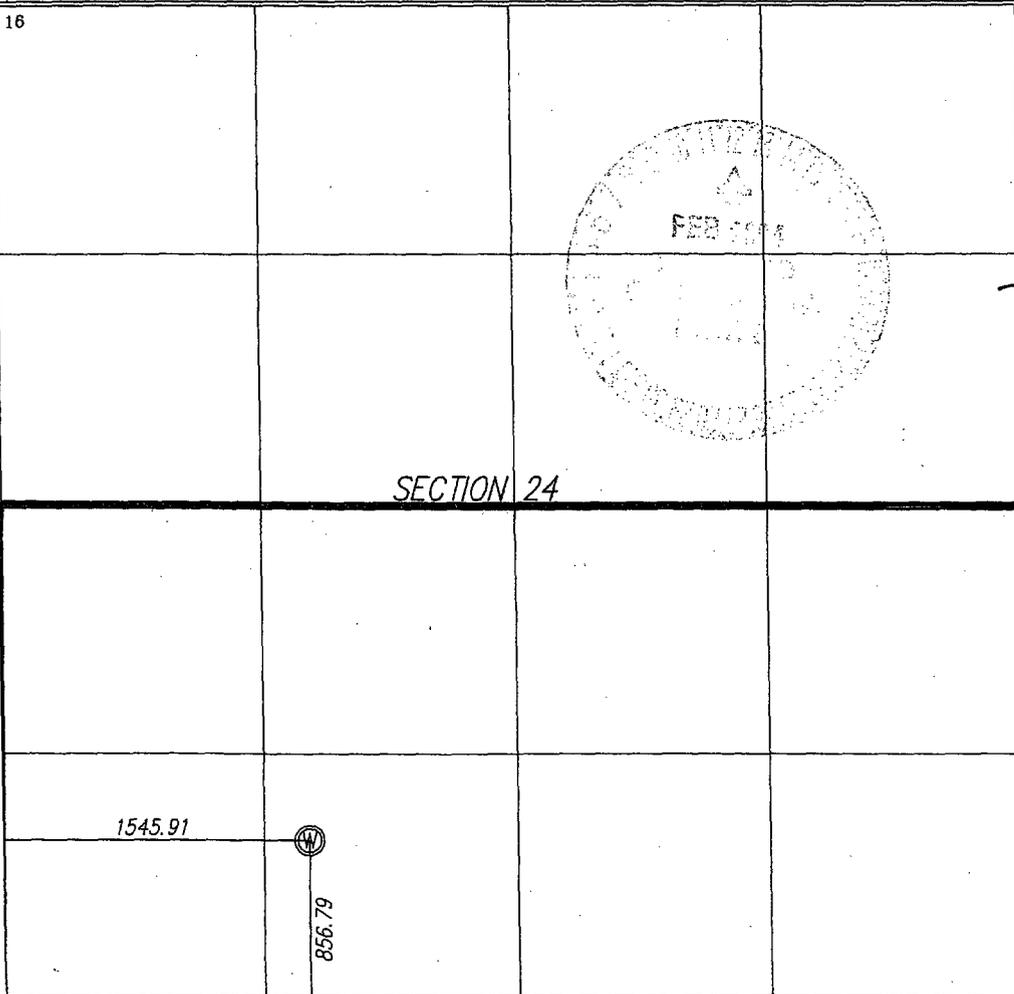
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	24	29N	11W		856.79	SOUTH	1545.91	WEST	SAN JUAN

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320 5/2	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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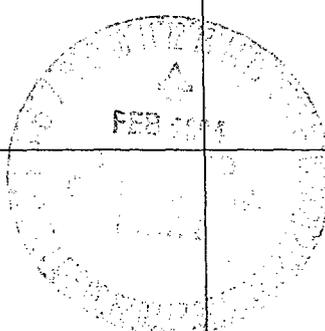
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<sup>17</sup> OPERATOR CERTIFICATION

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

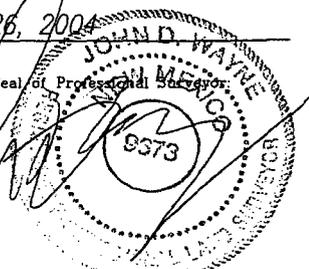
*Paul C. Thompson*  
 Signature  
 PAUL C. THOMPSON  
 Printed Name  
 AGENT  
 Title  
 2/12/04  
 Date



<sup>18</sup> 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.

JANUARY 26, 2004  
 Date of Survey  
 Signature and Seal of Professional Surveyor  
 JOHN D. WAYNE  
 9373  
 Certificate Number N.M. PLS #9673



All distances must be from the outer boundaries of the Section.

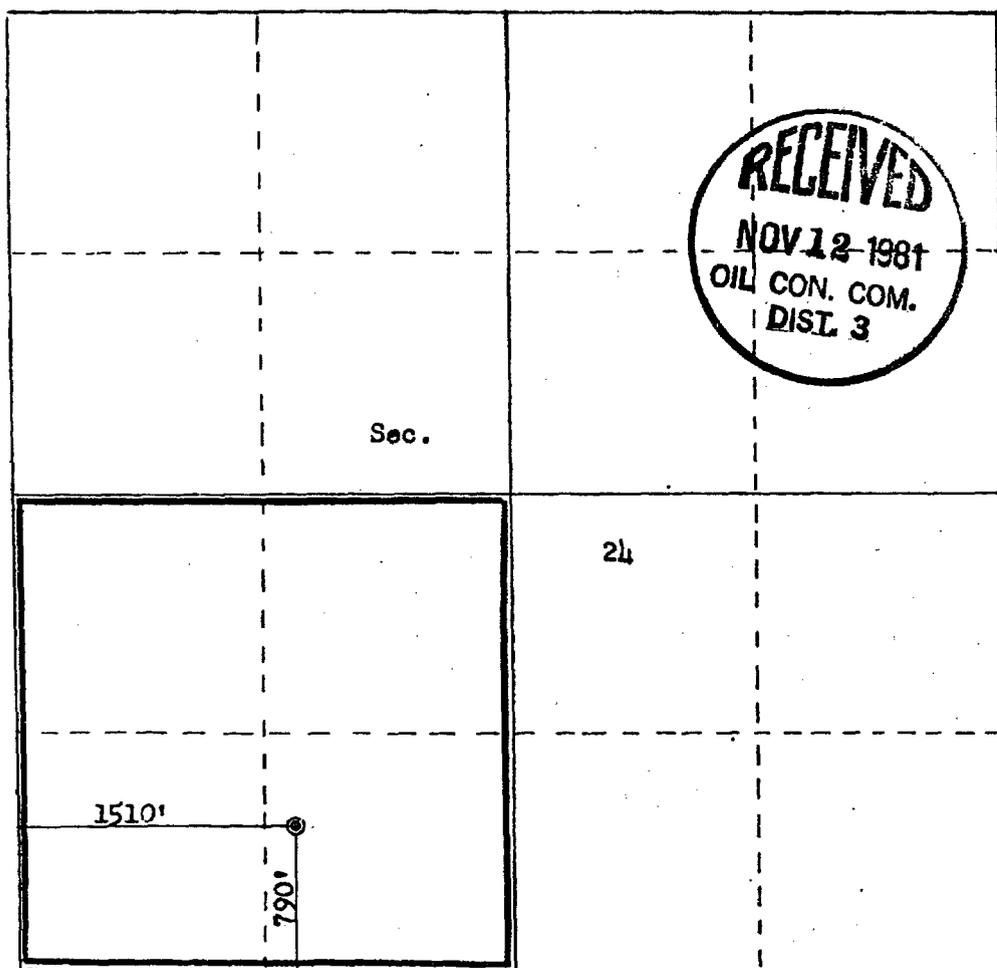
Operator <b>MANANA GAS, INCORPORATED</b>			Lease <b>PHYLLIS HARTMAN</b>		Well No. <b>1</b>
Unit Letter <b>N</b>	Section <b>24</b>	Township <b>29N</b>	Range <b>11W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>790</b> feet from the <b>South</b> line and <b>1510</b> feet from the <b>West</b> line					
Ground Level Elev: <b>5442</b>	Producing Formation <b>Chacra</b>	Pool <b>Bloomfield-Chacra</b>		Dedicated Acreage: <b>160</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



Scale: 1"=1000'

**CERTIFICATION**

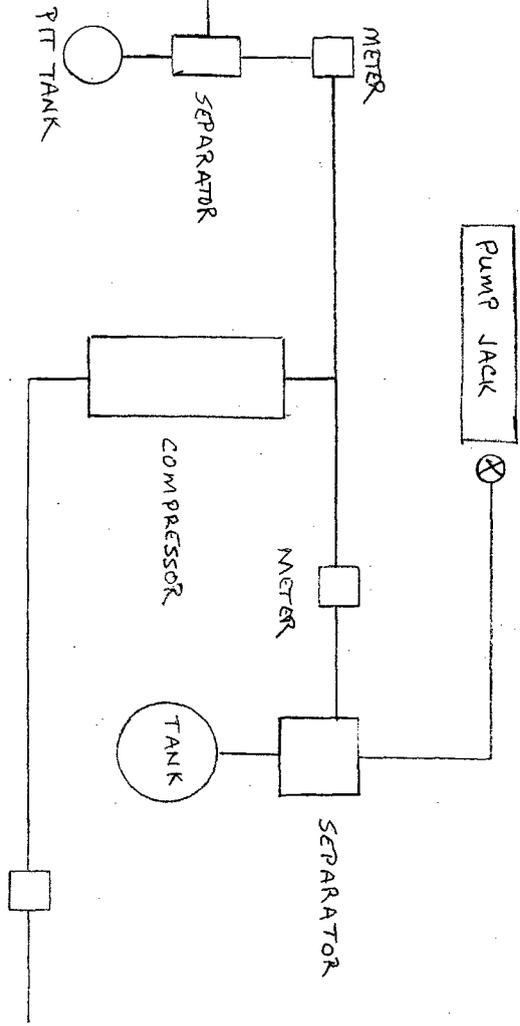
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name  
*Carl Kendrick*  
 Position  
**Vice President**  
 Company  
**Manana Gas, Inc.**  
 Date  
**November 12, 1981**

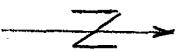
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**June 8, 1981**  
 Registered Professional Engineer and Land Surveyor  
*Fred B. Kern Jr.*  
 Certificate No.  
**3950**

PHYLIS HARTMAN #1  
 SW/4-OTERA CHOCORA  
 790 FSL & 1510 FWL  
 SECTION 24, T29N, R11W  
 30-045-25241



RAINBOWS ENDS #1  
 BASIN FRUITLAND COR- S/R  
 857 FSL & 1546 FWL  
 SECTION 24, T29N, R11W  
 30-045-32163



13-782 500 SHEETS, FILLER, 5 SQUARE  
 42-381 50 SHEETS, FILLER, 5 SQUARE  
 42-382 50 SHEETS, FILLER, 5 SQUARE  
 42-383 100 SHEETS, FILLER, 5 SQUARE  
 42-384 100 SHEETS, FILLER, 5 SQUARE  
 42-385 100 SHEETS, FILLER, 5 SQUARE  
 42-386 100 SHEETS, FILLER, 5 SQUARE  
 42-387 100 SHEETS, FILLER, 5 SQUARE  
 42-388 100 SHEETS, FILLER, 5 SQUARE  
 42-389 100 SHEETS, FILLER, 5 SQUARE  
 42-390 100 SHEETS, FILLER, 5 SQUARE  
 42-391 100 SHEETS, FILLER, 5 SQUARE  
 42-392 100 SHEETS, FILLER, 5 SQUARE  
 42-393 100 SHEETS, FILLER, 5 SQUARE  
 42-394 100 SHEETS, FILLER, 5 SQUARE  
 42-395 100 SHEETS, FILLER, 5 SQUARE  
 42-396 100 SHEETS, FILLER, 5 SQUARE  
 42-397 100 SHEETS, FILLER, 5 SQUARE  
 42-398 100 SHEETS, FILLER, 5 SQUARE  
 42-399 100 SHEETS, FILLER, 5 SQUARE  
 42-400 100 SHEETS, FILLER, 5 SQUARE  
 Made in U.S.A.





**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892 • Fax: (505) 327-9834

CERTIFIED- RETURN RECEIPT

April 13, 2004

EXAMPLE

Mr. Ed Hartman  
1002 Tramway Lane NE  
Albuquerque NM 87122

Re: Surface Commingling Application  
Manana Gas, Inc.  
Phyllis Hartman #1  
Rainbows End #1  
Section 24, T29N R11W  
San Juan County, NM  
Otero Chacra and Basin Fruitland Coal

Dear Mr. Hartman,

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 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.

Phyllis Hartman #1 & Rainbows End #1  
Interest Owners

Mr. Ed Hartman  
1002 Tramway Lane NE  
Albuquerque NM 87122

Mrs. Betty Hartman  
QTIP Trust  
1002 Tramway Lane NE  
Albuquerque NM 87122

Koch Exploration Company  
PO Box 225  
Wichita KS 67201

Basin Production Company  
PO Box 214430  
Dallas TX 75221

Pioneer Natural Resources USA  
PO Box 910051  
Dallas TX 75391

El Pamco Inc  
PO Box 14738  
Albuquerque NM 87191

Phyllis A Reynolds Trust  
C/O Kelli D Lovelace Trustee  
#6 Pebblebrook Circle  
Richardson TX 75080

Burlington Resources Oil & Gas  
Company  
801 Cherry St Ste 200  
Fort Worth TX 76102

Manana Gas Inc.  
2520 Tramway Terrace Ct NE  
Albuquerque NM 87122

David G McLane Oil & Gas  
PO Box 214430  
Dallas TX 75221

Ray & Mildred Bullock  
535 N 19th St  
Grand Junction CO 81501

Cowan Family Trust  
5049 Little Springs Lane  
Broad Run VA 20137

R.D. Bowman or C Davie TC  
575 Hunter Parkway  
Fallon NV 89406

Ms. Marilyn Elliott  
7124 Ticonderoga NE  
Albuquerque NM 87109

Mr. Roland Flash  
3950 Koval LN #1107  
Las Vegas NV 89109

Mr. Jack Graham  
#284 CR 4990  
Bloomfield NM 87413

Mrs. Alice Hickman  
321 So Church St.  
Aztec NM 87410

Ms. Celia Judkins  
PO Box 276  
Green Valley AZ 85622

LCS Company Inc  
PO Box 2058  
Farmington NM 87499

McKay Oil & Gas LLC  
PO Box 14738  
Albuquerque NM 87191

Tom Dugan Family Ltd Partnership  
PO Box 207  
Farmington NM 87499

Mrs. Phyllis Reynolds  
3347 C West 114th Circle  
Westminster CO 80030

Lela Cook Sparks Revocable Trust  
PO Box 576707  
Modesto CA 95357

R Bruce & Opal Sullivan  
PO Box 400  
Bloomfield NM 87413

Dorothy C Sullivan Trustee  
PO Box 392  
Bloomfield NM 87413

Mr. Arthur Webb  
C/O First National Bank  
1200 Broadway  
Bloomfield NM 87413

Mr. Eddie White  
5405 Camino Montano NE  
Albuquerque NM 87111

Mrs. Betty White  
2493 Lake Park Ct #A  
Grand Junction CO 81505

CD Williams Exec.  
1842 Viking  
Houston TX 77018

Bruce or Doral Sullivan  
PO Box 55  
Bloomfield NM 87413