



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director

Oil Conservation Division

Administrative Commingling Order PLC-248

Manana Gas, Inc.
C/o Walsh Engineering
7415 E. Main St.
Farmington, New Mexico 87402

Attention: Paul C. Thompson, P.E.

The above named company is hereby authorized to commingle production from existing and future wells within the following-described pools and associated areas, all located in San Juan County, New Mexico.

Aztec-Pictured Cliffs (Gas 71280)

Township 30 North, Range 12 West, NMPM
Section 13: SW/4

Basin-Fruitland Coal (Gas 71629)

Township 30 North, Range 12 West, NMPM
Section 13: W/2

Basin-Dakota (Prorated Gas 71599)

Township 30 North, Range 12 West, NMPM
Section 13: W/2

Currently these areas contain or will soon contain the following wells.

Annie "B" Well No. 1 (API No. 30-045-22683)
Basin-Dakota Prorated Gas Pool

Lucky Lindy Well No. 1 (API No. 30-045-32010)
Basin-Fruitland Coal Gas Pool
Aztec-Pictured Cliffs Gas Pool (DHC-3277)

This permit shall be amended if additional pool(s) are to be added within these areas as described above or these areas as described above are to be extended.

Production shall be allocated by separately and continuously metering the production from each well or group of wells with identical ownership within this gathering system. Gas production shall then be commingled and transported to a gas sales meter located on this lease in the SW/4 of Section 13,

Manana Gas, Inc.
Commingling Order PLC-248
May 14, 2004
Page 2 of 2

Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

NOTE: It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on this 14th day of May 2004.



JOANNA PRUKOP,
Acting Division Director

JP/wvjj

cc: Oil Conservation Division – Aztec