



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3285

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

Attention: Paul C. Thompson, P.E.

Hidden Assets Well No. 1
API No. 30-045-32011
Unit D, Section 23, Township 30 North, Range 12 West, NMPM,
San Juan County, New Mexico
Basin-Fruitland Coal (Gas - 71629), and
Undesignated Aztec-Pictured Cliffs (Gas - 71280) Pools

Dear Mr. Thompson:

Reference is made to your recent application on behalf of the operator for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C(1)(f), the allocated production from any prorated pool in the commingled wellbore shall not exceed the applicable allowable.

Assignment of allowable to the well and allocation of production from the well shall be as follows. These percentages shall be amended only with permission of the Aztec District Office and copied in writing to the Division office in Santa Fe.

Basin-Fruitland Coal Gas Pool	Oil-0%	Gas-80%
Undesignated Aztec-Pictured Cliffs Gas Pool	Oil-0%	Gas-20%

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 1st day of June 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", written over a horizontal line.

MARK E. FESMIRE, P.E.
Division Director

MEF/wvj

cc: Oil Conservation Division – Aztec