



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Surface Commingling Order No. PLC-295

Manana Gas Inc.
C/O Walsh Engineering
7415 East Main
Farmington, New Mexico 87402

Attention: Paul C. Thompson

The above-named company is hereby authorized to surface commingle gas production from the following Pools:

Basin Dakota Prorated Gas Pool (71599)
Otero Chacra Gas Pool (82329)
Basin Fruitland Coal Gas Pool (71629)
Aztec-Fruitland Sand Gas Pool (71200)

and from the following six, mostly diversely owned, wells located on fee leases in San Juan County, New Mexico:

Cook Well No. 1 (API 30-045-07940)
Unit N, Section 22, Township 29 North, Range 11 West, NMPM
E/2 of Section 22 dedication within the Basin Dakota Prorated Gas Pool

Cook Well No. 2 (API 30-045-13089)
Unit N, Section 22, Township 29 North, Range 11 West, NMPM
SW/4 of Section 22 dedication within the Aztec Fruitland Sand Gas Pool

Mary Jane Well No. 1 (API 30-045-26731)
Unit N, Section 22, Township 29 North, Range 11 West, NMPM
SW/4 of Section 22 dedication within the Otero Chacra Gas Pool

Royal Flush Well No. 1 (API 30-045-34312)
Unit N, Section 22, Township 29 North, Range 11 West, NMPM
E/2 of Section 22 dedication within the Basin Fruitland Coal Gas Pool

Lauren Kelly Well No. 1 (API 30-045-27361)
Unit F, Section 27, Township 29 North, Range 11 West, NMPM
NW/4 of Section 27 dedication within the Aztec Fruitland Sand Gas Pool

Marian S Well No. 1 (API 30-045-27365)
Unit F, Section 27, Township 29 North, Range 11 West, NMPM
NW/4 of Section 27 dedication within the Otero Chacra Gas Pool

Each of the subject wells except (optionally) the Marian S Well No. 1 shall be equipped with an allocation meter that will continuously meter production prior to commingling. Gas production from each of the subject wells shall be determined by ratio utilizing allocation meter volumes and sales meter volumes. Compressor fuel usage shall be allocated based upon each well's production.

The Marian S Well No. 1 production shall be either metered separately or based on subtraction of measured production from gas produced by the Lauren Kelly Well No. 1 from the EPFS metered gas. The Mary Jane Well No. 1 shall be equipped with its own Fisher (or equivalent) gas meter as per the request of David and Georgie Mohler.

The CDP for all of these wells is located within Unit N of Section 22, Township 29 North, Range 11 West, NMPM. Liquids shall not be commingled.

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 December 11, 2007


MARK E. FESMIRE, P.E.,
Division Director

MEF/wvjj

cc: Oil Conservation Division – Aztec