Examiner Hearing - August 17, 2006 Docket No. 27-06 Page 4 of 9

CASE NO. 13761: Application of Manana Gas, Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks to drill and complete its proposed Crooked Seams Well No. 2 (API No. 30-045-33818) in the: (i) Pictured Cliffs formation within either the Undesignated Aztec-Pictured Cliffs Pool (71280) or the Undesignated Fulcher Kutz-Pictured Cliffs Pool (77200); and (ii) Basin-Fruitland Coal (Gas) Pool (71629) at an unorthodox gas well location in both intervals 420 feet from the North line and 1090 feet from the East line (Unit A) of Section 14, Township 30 North, Range 12 West. This well is to be: (i) an infill coal gas well in the Basin-Fruitland Coal (Gas) Pool within an existing standard 320-acre stand-up spacing unit in the E/2 of Section 14, which is currently dedicated to applicant's existing Crooked Seams Well No. 1 (API No. 30-045-32012) located at a standard coal gas well location 716 feet from the South line and 1225 feet from the East line (Unit P) of Section 14; and (ii) the initial Pictured Cliffs gas well within a standard 160-acre unit comprising the NE/4 of Section 14. The proposed well site is located approximately 1.5 miles Northeast of Flora Vista, New Mexico.

CASE NO. 13650: Continued from July 20, 2006, Examiner Hearing

Application of Ridgeway Arizona Oil Corporation for Approval of a Unit Agreement, Catron County, New Mexico. Applicant seeks approval of the Cottonwood Canyon Carbon Dioxide Gas Unit Area, comprising 89,574.12 acres of federal, state, and fee lands described as follows:

Township 2 North, Range 20 West, N.M.P.M.

Sections 30-32: All

Township 2 North, Range 21 West, N.M.P.M.

Section 9:

All

Sections 14-16: All

Sections 21-28: All

Sections 33-36: All

Township 1 North, Range 20 West, N.M.P.M.

Sections 4-9:

All

Sections 16-21: All

Section 26:

S/2

Section 27:

S/2

Sections 28-35: All

Township 1 North, Range 21 West, N.M.P.M.

Sections 1-4:

All

Sections 9-16:

All

Sections 21-28: All

Sections 33-36: All

Township 1 South, Range 20 West, N.M.P.M.

Sections 2-10:

All

Sections 16-21: All

Sections 28-33: All

Township 1 South, Range 21 West, N.M.P.M.

Sections 1-4:

All

Sections 9-16:

All

Sections 21-28:

All

Sections 33-36: All

Township 2 South, Range 20 West, N.M.P.M.

Sections 5-8:

All

Sections 18-19: All

Township 2 South, Range 21 West, N.M.P.M.

Sections 1-4:

All

Sections 9-16:

All