

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

July 12, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Governor

Joanna Prukop

Cabinet Secretary

Manana Gas, Inc.

Paul C. Thompson

Walsh Engineering & Production Corp.

7415 East Main

Farmington, New Mexico 87402

Case 13761

Re: Administrative application (Division reference No. pTDS0-618853284) filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 7, 2006 on behalf of the operator, Manana Gas, Inc., to drill and complete its proposed Crooked Seams Well No. 2 (API No. 30-045-33818) in the Pictured Cliffs formation and Basin-Fruitland Coal (Gas) Pool at an unorthodox gas well location 420 feet from the North line and 1090 feet from the East line (Unit A) of Section 14, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

Dear Mr. Thompson:

On Monday, July 10, 2006 the Division received a timely objection from XTO Energy, Inc. to the subject application, see copy of letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for August 17, 2006. In order to expatiate this matter I have prepared the following advertisement in this matter:

"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 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."

Should you have any questions concerning this matter, please contact your legal counsel or the Division's Chief Engineer, Mr. Richard Ezeanyim in Santa Fe at (505) 476-3467. Thank you.

Sincerely,

Michael E. Stogner

Engineering Assistant to the Director

cc: New Mexico Oil Conservation Division - Aztec

Mr. Christopher Spencer, XTO Energy, Inc. - Fort Worth, Texas

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 Phone: (505) 476-3440 * Fax (505) 476-3462 * http://www.emnrd.state.nm.us



July 6, 2006

2006 JUL 10 AM 9 51 VIA FEDEX OVERNIGHT

Mr. Mark Fesmire, P. E. New Mexico Oil Conservation Division 1220 S St Francis Dr Santa Fe NM 87504

Case 13761

Re:

Protest to Application for Administrative Approval of Unorthodox Location

Manana Gas, Inc. - Crooked Seams No. 2

420' FNL and 1,090' FEL, Section 14, T30N, R12W

San Juan County, New Mexico

Dear Mr. Stogner:

On this date, XTO Energy Inc. received notice of application by Manana Gas, Inc. for an unorthodox location for the Crooked Seams No. 2 Well. Due to the close proximity of the proposed well location to an existing XTO Fruitland Coal unit and the apparent availability of a location south of Highway 550, please consider this notice that XTO Energy Inc. intends to protest Manana's unorthodox location application.

Please advise of the date that this matter will be set for hearing.

Yours truly,

Christopher Spencer, CPL

Landman

/cks

cc: Mr. Paul Thompson, P. E., Agent for Manana Gas, Inc.

LOGGED IN 7/7/06

YPE NSL

APP NO 07050618853284

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



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] TYPE OF APPLICATION - Check Those Which Apply for [A] [1] [A] Location - Spacing Unit - Simultaneous Dedication ☑ NSL ☐ NSP ☐ SD Check One Only for [B] or [C] Commingling - Storage - Measurement ☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM [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 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 [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. Print or Type Name Signature Title Date

e-mail Address



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

June 30, 2006

Mr. Mark Fesmire, P.E. New Mexico Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87504

30-045-33818

Re: Non-Standard Location Application Manana Gas, Inc.

Crooked Seams #2

420' FNL & 1090' FEL, Section 14, T30N R12W

San Juan County, New Mexico

Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Mr. Fesmire,

This is a request for administrative approval for a non-standard location in the Basin Fruitland Coal and Aztec Pictured Cliffs pools. The Crooked Seams #2 will be drilled and completed as a downhole commingled Fruitland Coal and Pictured Cliffs well. The proposed location is on a bench approximately 60' above a level area between the well pad and Highway 516 that is to be developed as a trailer park. The offset property owner requested that the well not be placed in the trailer park for aesthetic and safety reasons. Mr. Hartman, the owner of Manana Gas Company, purchased a four acre tract of land in this residential area for this well location. The proposed location is as far south as possible while still staying on the upper bench. Please refer to the attached topo map and cross section.

I have attached for your review, a C-102 for the Fruitland Coal and Pictured Cliffs formations, outlining the dedicated acreage. I have also prepared a plat identifying the existing Fruitland Coal and Pictured Cliffs wells in the area and the offset operators.



The offset operators of the Basin Fruitland Coal and Aztec Pictured Cliffs pools are being notified of this application by certified return receipt mail. Copies of these letters are enclosed.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson, P.E.

Agent for

Manana Gas, Inc.

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II 1301 W. Grand Ave., Artesia, N.M. 88210

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

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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00-19-42 5313.4' (M) rinted Name SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by S me or under my supervision, and that the same is true and correct to the best of my belief. Manana Gas Inc. Crocked Seams #1 30-045 32012 716 FSC-1225 LEL Azter PE / Basin Fraisland FD. 3 1/4" BC. Coal Bas Completion 2001 LS 6159 Certificate Number

Svandard 640-aus Section

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II 1301 W. Grand Ave., Artesia, N.M. 88210

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

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

☐ AMENDED REPORT

Fee Lease - 3 Copies

DISTRICT IV 1220 South St. Fr	ancis Dr., S	anta Fe, NM 8] AME	NDED REPOR
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Certificate Number

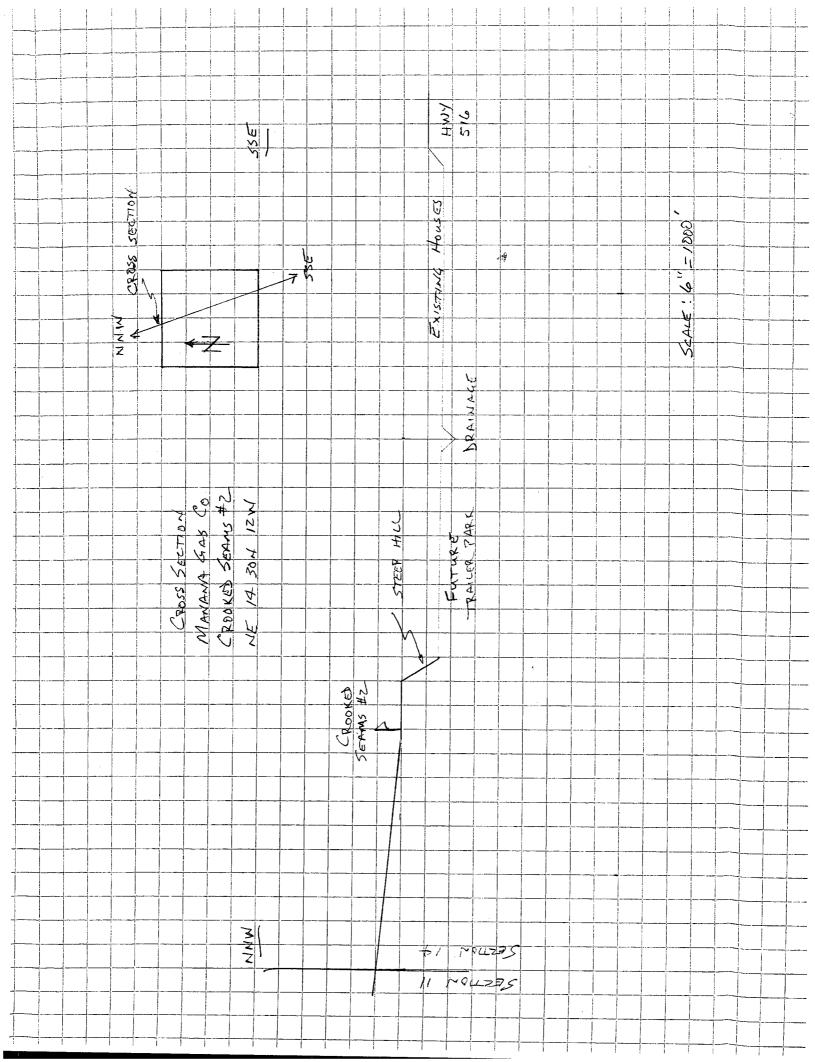
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PICTURED CLIFFS OFFSETS





WALSHI

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

June 28, 2006

Mr. Chris Spencer XTO Energy 810 Houston Street Fort Worth, TX 76102-6298

Re: Non-Standard Location Application
Manana Gas, Inc.
Crooked Seams #2
420' FNL & 1090' FEL
Section 14, T30N R12W
San Juan County, NM
Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Mr. Chris Spencer,

Manana Gas, Inc. has applied to the New Mexico Oil Conservation Division for administrative approval to drill and produce the referenced well in a non-standard location. The non-standard location is the result of topography and an attempt to conform to current land uses. As an offset operator in the Basin Fruitland Coal and/or the Aztec Pictured Cliffs pools, 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,



WALSHI

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

June 28, 2006

Mr. Tucker Bayless R.L. Bayless Producer 368 Hwy. 170 Farmington, NM 87401

Re: Non-Standard Location Application
Manana Gas, Inc.
Crooked Seams #2
420' FNL & 1090' FEL
Section 14, T30N R12W
San Juan County, NM
Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Mr. Tucker Bayless,

Manana Gas, Inc. has applied to the New Mexico Oil Conservation Division for administrative approval to drill and produce the referenced well in a non-standard location. The non-standard location is the result of topography and an attempt to conform to current land uses. As an offset operator in the Basin Fruitland Coal and/or the Aztec Pictured Cliffs pools, you are being notified of this application pursuant to NMOCD rules.

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Sincerely,



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

June 28, 2006

Mr. T. Greg Merrion Merrion Oil and Gas 610 Reilly Ave. Farmington, NM 87401

Re: Non-Standard Location Application Manana Gas, Inc. Crooked Seams #2 420' FNL & 1090' FEL Section 14, T30N R12W San Juan County, NM Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Mr. T. Greg Merrion,

Manana Gas, Inc. has applied to the New Mexico Conservation Division for administrative approval to drill and produce the referenced well in a non-standard location. The nonstandard location is the result of topography and an attempt to conform to current land uses. As an offset operator in the Basin Fruitland Coal and/or the Aztec Pictured Cliffs pools, you are being notified of this application pursuant to NMOCD rules.

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Sincerely,



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

June 28, 2006

Mr. A.M. O'Hare P.O. Box 338 Ignacio, CO 81137

Re: Non-Standard Location Application Manana Gas, Inc.

Crooked Seams #2
420' FNL & 1090' FEL
Section 14, T30N R12W
San Juan County, NM

Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Mr. A.M. O'Hare,

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Sincerely,



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

June 28, 2006

Ms. Dorothy A. Brelih Four Star Oil and Gas 11111 South Wilcrest Houston, TX 77099

Re: Non-Standard Location Application
Manana Gas, Inc.
Crooked Seams #2
420' FNL & 1090' FEL
Section 14, T30N R12W
San Juan County, NM
Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Ms. Dorothy A. Brelih,

Manana Gas, Inc. has applied to the New Mexico Oil Conservation Division for administrative approval to drill and produce the referenced well in a non-standard location. The non-standard location is the result of topography and an attempt to conform to current land uses. As an offset operator in the Basin Fruitland Coal and/or the Aztec Pictured Cliffs pools, you are being notified of this application pursuant to NMOCD rules.

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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. Thomps

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PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE (FER IT | FILE)

5985	5985	U.S. Postal Service CERTIFIED MAIL (Domestic Mail Only; No Insurance Coverage Provided) For delivery information visit our website at www.usps.com
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1350 0002	1350 0002	Certified Fee 2.30 Return Reciept Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees \$ 4.68
4007	4007	Sent TO Mr. Chris Spencer Street, Apt. No.; or PO Box No. 810 Houston Street City, State, ZIP+4 Fort Worth, TX 76102-624 PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DEL	IVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature	☐ Agent ☐ Addresse
so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)	C. Date of Deliver
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XTO Energy 810 Houston Street Fort Worth, TX	3, Service Type Certified Mall Registered Insured Mail C.O.D.	ill elpt for Merchandisc
XTO Energy 810 Houston Street Fort Worth, TX 7602-6298	Certified Mall	•

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT

OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

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		City, State, 21944 Formington, 10M 87401
		PS Form 3800, June 2002 See Reverse for Instruction

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DEL	IVERY		
■ Complete items 1, 2, and 3. Also complete	A. Signature	☐ Agent		
item 4 if Restricted Delivery is desired. Print your name and address on the reverse	X	☐ Addressee		
so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)	C. Date of Delivery		
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Mr. Tucker Bayless	If YES, enter delivery address belo	w: 🚨 No		
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308 Hwy 170. Farmington, NM 87401	3. Service Type			
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0 01901	4. Restricted Delivery? (Extra Fee)	☐ Yes		
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PS Form 3811, February 2004 Domestic Ret	urn Receipt	102595-02-M-1540		

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		PS Form 3800, June 200	2	See Reverse for Instructions:

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DEL	IVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A. Signature	☐ Agent ☐ Addresse
so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)	C. Date of Deliver
1. Article Addressed to: Mr. T. Greg Merrion Merrion Oil and Gas 1010 Roilly Ave.	D. Is delivery address different from ite. If YES, enter delivery address belo	
610 Reilly Ave. [Farmington, NM	3. Service Type Contified Mail Registered Insured Mail Co.D.	ail eipt for Merchandis
	4. Restricted Delivery? (Extra Fee)	☐ Yes
2. Article Number (Transfer from service label) 7004 13	50 0002 0320 6036	
PS Form 3811, February 2004 Domestic Ret	urn Receipt	102595-02-M-154

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

BERNINGTED WALL

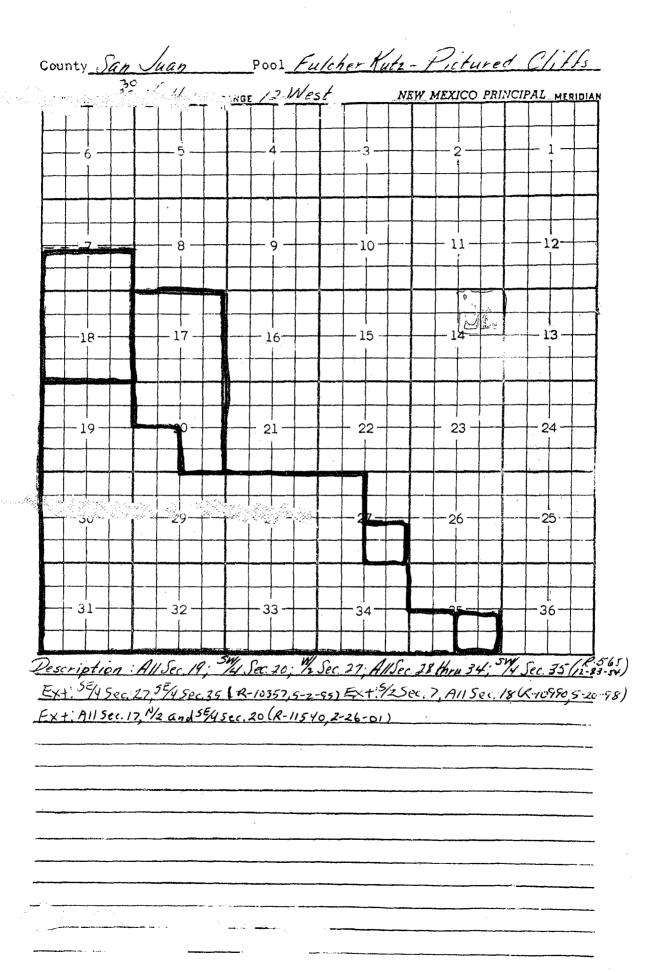
20 6005	200 8005	(Domestic Mail O	MAIL REC	Coverage Provided) at www.usps.com _ର
		Postage	\$.63	
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		Return Reciept Fee (Endorsement Required)	1,75	Postinark Hele
20	20	Restricted Delivery Fee (Endorsement Required)		Mar 120 06
H	<u>1</u>	Total Postage & Fees	\$ 4.68	Postmark Hote U 30 Ob
4006	4007	Sent To MS. Street, Apt. No.; or PO Box No. City, State, ZIP+4 PS Form 3800, June 200	thy A B 1 South M.TX 7	relih Wilcrest 7099 See Reverse for Instructions

.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse	A. Signature X ☐ Agent ☐ Addressee
so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to: Ms. Dorothy A. Brelih	D. Is delivery address different from item 1? If YES, enter delivery address below: No
Four Star Oil and Gas 11111 South Wilcrest	3. Service Type
Houston, TX 77099	Certified Mail
	4. Restricted Delivery? (Extra Fee) Yes
2. Article Number (Transfer from service label) 7004 135	0 0002 0320 6005
PS Form 3811, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540

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District I 1625 N. French Dr., Hobbs, NM 882

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

District II
1301 W. Grand Avenue, Artesia AIM 88210 MM 2008
District III

Submit to appropriate District Office

				INECOVE ML COVS. 17505 MST. 3		1220 Son Santa	uth St. Fe, NI					☐ AM	IENDED REPORT
			FÖR	PERMIT	AQ		ENTE	R, DI	EEPEN	, PLUGBA	CK,	OR AD	D A ZONE
				Operator Name	J. 10-20					13931		RID Number	
		Mar 741	ana G 5 E. N	as, Inc. c/o 1ain St., Farn	Walsh E nington, P					30 - DXG	<u>) -^</u>	PINumber 328	18
	1159					Property Crooked S	Name Seams					Wel	1 No. 7 • • • • • • • • • • • • • • • • • •
_				roposed Pool 1 Fruitland Coa	.1					10 Propo Aztec Pi			% · · · · · · · · · · · · · · · · · · ·
				Surface Lo			لسبي	<u></u>		1			
UL or lot no.	Section	Town		Range	Lot	1			outh line	Feet from the	Eas	st/West line	County
Α	14	30	N	12W	1	42			orth C	1090'	<u> </u>	East	San Juan
UL or lot no.	Section	Town	ohin T	Range	sed Botte	om Hole Loca			outh line	Feet from the	Fac	st/West line	County
OL OF ROL HO.	Section	iowi	-sup	verific									
11 was	Type Code	т		12 Well Type Cod		ditional We	e/Rotary	ormati		Lease Type Code		15 C	and Level Elevation
	N			G			R			P			5681'
	ultiple Y			¹⁷ Proposed Dep 2160'	th	1	nnation ed Cliffs			19 Contractor			²⁰ Spud Date
Depth to Grou		50'			Distanc	e from nearest fre		_	0'	Distance from	m near	rest surface w	vater >1000'
<u>Pit:</u> Liner	Synthetic	X	_121	mils thick Cla	y Di	Volume:1250	bbk		Drilli	ng <u>Method:</u>			-) 200
Close	d-Loop Sys	tem [<u> </u>							🔀 Brine 🗌 Di	esel/O	il-based 🔲	Gas/Air 🔲
				21	Propos	sed Casing a	and Ce	ment	Progran	n			
Hole S	ize		Casir	ng Size	Casin	g weight/foot	S	Setting Depth Sacks of Cement Estimated TOC					Estimated TOC
8-3/				7"		20.0#	ļ	120'		30 sx (36			
6-1/4	<u>"</u>	1	4	1/2"		10.5#	 	2160	·	215sx & 1	100sx	00sx Surface	
							\vdash					 	
Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Manana Gas, Inc. proposes to drill a vertical well at the above listed location and test the Fruitland Coal and Pictured Cliffs formations. An 8-3/4" surface hole will be drilled to approx. 120' with spud mud. 7", 20# casing will be set and cemented to surface with 30 sx (36 cu.ft.) of Cl "B" with 3% CaCl ₂ and 1/4#/sk celloflake. A double ram, 2000 psi rated BOP will be installed and pressure tested to 600 psi. A 6-1/4" hole will be drilled using a fresh water - polymer mud system to approx. 2160'. 4-1/2", 10.5# casing will be set and cemented to surface with 215 sx (443 cu.ft.) of Cl "B" cement with 2% SMS, ½ #/sk. celloflake and 5 #/sk gilsonite followed by 100 sx (118 cu.ft.) of Cl "B" with 2% CaCl2, ½ #/sk celloflake and 5 #/sk gilsonite. Open hole DIL and FDC/CNL/GR/SP logs will be run. Surveys will be run every 500'. The E/2 of Section 14 (320 acres) is dedicated to the													
Fruitland and the NE/4 is dedicated to the Pictured Cliffs. Formation tops: Ojo Alamo – 555', Kirtland – 630', FT -1630', FT Coal – 1925, PC – 1970'.													
best of my kn	²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .								OIL CONSERVATION DIVISION Approved by:				
Printed name	: Paul C. T	homps	on, P.F	211	71.		Title:	- 1 - 1	ALL ON LAND				
Title: Agent				- Jessey C .	1 70		1	val Date	IIIN O	3 2006	Ca.	DIST. Attion Date:	
E-mail Addre	ss: paul@v	valsher	ıg.net						4 <u>717</u> &	C CARA 1 .			
Date: 6/22/06	Date: 6/22/06 Phone: (505) 327-4892							Conditions of Approval Attached					

DISTRICT 1 1625 N. French Dr., Hobbs, N.M. 88240

. . . .

DISTRICT II 1301 W. Grand Ave., Artesia, N.M. 88210

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

State of New Mexico Energy, Minerals & Notural Resources Department

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT IV 1220 South St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT

30-0	Number	- 228		1629		BASIN	FRUI	LTWWD	COAL		
⁴ Property Coo	de		 	·	*Propert	ty Name				• W	ell Number
3315	9			l	2						
OGRID No.					•	or Name					Elevation
13931 MANANA GAS INC.											5681
					10 Surfac	e Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	1	ne Fee	t from the	East/West		County
Α	14	30-N	12-W		420	NORTH		1090	EAST	· · · · · ·	SAN JUAN
UL or lot no.	T 6-44	1 +		om Hole		n If Different			I = 1 6#-1	**	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South I	ine Fee	t from the	East/West	line	County
¹² Dedicated Acres		<u> 1 </u>	¹³ Joint or In	fili	14 Consolidation	n Code	19 Cr	der No.	<u> </u>		.ـــــــــــــــــــــــــــــــــــــ
E/Z 320	ACRES	5	Y								
NO ALLOW	ABLE \					TION UNTIL A				EN C	ONSOLIDATE
		LA [∙]	1/4" BC. B.L.M.		-26-34 W 98.9' (M) AD 83) AD 83)	FD. 3 1/4" B.		i hereby is true as belief, and interest of including right to contract interest, compulsor division. Signature Printed 18 C i hereby cert was plotted me or under	certify that the aid complete to a that this arga runlessed mine the proposed be init this well at with an owner of ar to a voluntary pooling order	information the best of mization element interestation had the this location such as y pooling heretofore. R CEI location of achieve and that and that	location or has a on pursuant to a on pursuant to a mineral or working agreement or a metered by the location of the location of the location of the location of this plat surveys made by the same is true
			÷			FD. 3 1/ 2001 LS	4" BC.	Date of Signature	14831 14831 14831	ON THE STATE OF TH	a Surveyor:

DISTRICT 1
1625 N. French Dr., Hobbs, N.M. 88240

94 + 1 J

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State of New Mexico Energy, Minerals & Natural Resources Department

Revised October 12, 2005 Submit to Appropriate District Office

DISTRICT II 1301 W. Grand Ave., Artesia, N.M. 88210

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

State Lease — 4 Copies
Fee Lease — 3 Copies

Form C-102

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

☐ AMENDED REPORT

DISTRICT IV 1220 South St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

30, O	Number 15-3	3818		Pool Code		AZTEC Pic-	Pool Name	e IFFS			
*Property Co	de				^a Property N	lome			Well Number		
3315	9				CROOKED S	SEAMS			2 .		
7 OGRID No		***************************************			Operator I	Name				Elevation	
13931	ļ			MANANA GAS INC.						5681	
	<u></u>				¹⁰ Surface	Location					
JL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	t line	County	
Α	14	30-N	12-W		420	NORTH	1090	EAS	T	SAN JUAN	
			"Botte	om Hole	Location	lf Different Fr	om Surface				
UL or lot no.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	East/Wes	t line	County	
² Dedicated Acres 1 ¹³ Joint or Infill					14 Consolidation C	ode	¹⁵ Order No.				
NE/4	160 AcF	ل ت	Y								
NO ALLOV	VABLE W	ILL BE	SSIGNE	TO TH	S COMPLETI	ON UNTIL ALL	INTERESTS I	HAVE BE	EN C	ONSOLIDATE	

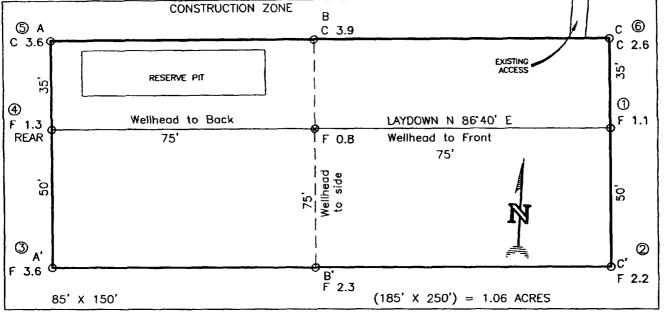
	OR A NON-STAN	DARD UNIT HAS	BEEN APPROVED BY	THE DIVISION
16	FD. 3 1/4" BC. B.L.M. LAT: 36.81839 LONG: 108.06244	S 89-26-34 W 2598.9' (M) 3' N. (NAD 83) 1' W. (NAD 83)	1090' FD. 3 1/4" BC. B.L.M.	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this arganization either owns a working interest or unleased mineral interest in the land including the proposed bottom hade location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
	12	1	S 00-19-42 W 5313.4' (M)	Signature Date Printed Name 18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plot 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. 2006 Date of Market Surveyor: 14831
			FD. 3 1/4" BC. 2001 LS 6159	Certificate Number

MANANA GAS INC.
CROOKED SEAMS No. 2, 420 FNL 1090 FEL
SECTION 14, T30N, R12W, N.M.P.M., SAN JUAN COUNTY, N.M.
GROUND ELEVATION: 5681' DATE: MAY 11, 2006

CONSTRUCTION ZONE

B
C 3.9

NAD 83 LAT. = 36.81839° N LONG. = 108.06244° W



RESERVE PIT DIKE: TO BE 8' ABOVE DEEP SIDE (OVERFLOW - 3' WIDE AND 1' ABOVE SHALLOW SIDE). BLOW PIT: OVERFLOW PIPE HALFWAY BETWEEN TOP AND BOTTOM AND TO EXTEND OVER PLASTIC LINER AND INTO BLOW PIT.

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION. NOTE: ELEV. A-A C/L 5690 5680 5670 <u>566</u>0 ELEV. B-B' C/l 5690 5680 Daggett Enterprises, inc.
Surveying and Oil Field Services
P. 0. Box 15068 · Farmington, NM 87401
Phone (505) 326-1772 · Fox (505) 326-6019
NEW MEXICO L.S. No. 14831
CHARLE MGIOOT_PLB 5670 5660 ELEV. C-C C/L 5690 5680 5670 <u>5660</u>

NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.