

DATE IN 4/16/04	SUSPENSE 5/8/04	ENGINEER WJD	LOGGED IN	TYPE PC-247	APP NO. PWTJ 0413538357
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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]

RECEIVED

APR 16 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
SURFACE Commingling

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] 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
- [A] 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
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [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.

<u>Paul Thompson</u> Print or Type Name	<u>Paul C. Thompson</u> Signature	<u>AGENT</u> Title	<u>4/14/04</u> Date
<u>PAUL@WALSHENG.NET</u> e-mail Address			

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rjo Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Manana Gas, Inc.
OPERATOR ADDRESS: c/o Walsh Engineering, 7415 E. Main St., Farmington, NM 87402
APPLICATION TYPE:

- Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Basin Dakota 71599				
Basin Fruitland Coal 71629				
Aztec Pictured Cliffs 71280				

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code. Basin Dakota 71599, Basin Fruitland Coal 71629, Aztec Pictured Cliffs 71280
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Paul C. Thompson TITLE: Agent DATE: 4/13/04
TYPE OR PRINT NAME Paul C. Thompson, P.E. TELEPHONE NO.: (505) 327-4892
E-MAIL ADDRESS: paul@walsheng.net

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, New Mexico 87505

WELL API NO. <p style="text-align: center;">30-045-32012</p>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

STRICTLY
D. Box 1980, Hobbs, NM 88240

STRICTLY
D. Drawer DD, Artesia, NM 88210

STRICTLY
00 Rio Brazons Rd., Aztec, NM 87410

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

7. Lease Name or Unit Agreement Name <p style="text-align: center;"><i>Crooked Seams</i></p>

Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
Manana Gas Company

8. Well No. <p style="text-align: center;">#1</p>
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Address of Operator
c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

9. Pool name or Wildcat <p style="text-align: center;"><i>Basin Fruitland Coal / Aztec Pictured Cliffs</i></p>

Well Location
Unit Letter P : 716' Feet From The South Line and 1225' Feet From The East Line
Section 14 Township 30N Range 12W NMPM County

10. Elevation (Show whether DF, RKB, RT, GR, etc.) <p style="text-align: center;"><i>5529' GR 5534' KB</i></p>

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

<p>1. NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/></p> <p>WELL OR ALTER CASING <input type="checkbox"/></p> <p>OTHER: <u>Surface Commingle</u> <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>PLUG AND ABANDON <input type="checkbox"/></p> <p>CHANGE PLANS <input type="checkbox"/></p> <p>ALTERING CASING <input type="checkbox"/></p> <p>PLUG & ABANDONMENT <input type="checkbox"/></p>
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2. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work). SEE RULE 1103.

Manana Gas Company seeks administrative approval to surface commingle the production from the Aztec PC and Basin Fruitland Coal in the Crooked Seams #1 with the Basin Dakota in the Betty Hartman #1. Ownership in the two wells is not common. All interest owners of both wells have been notified of this application by certified mail. A copy of the notification letter and a list of the interest owners is attached. The current El Paso meter on the Betty Hartman #1 will become the CPD meter. Both wells will be equipped with allocation meters.

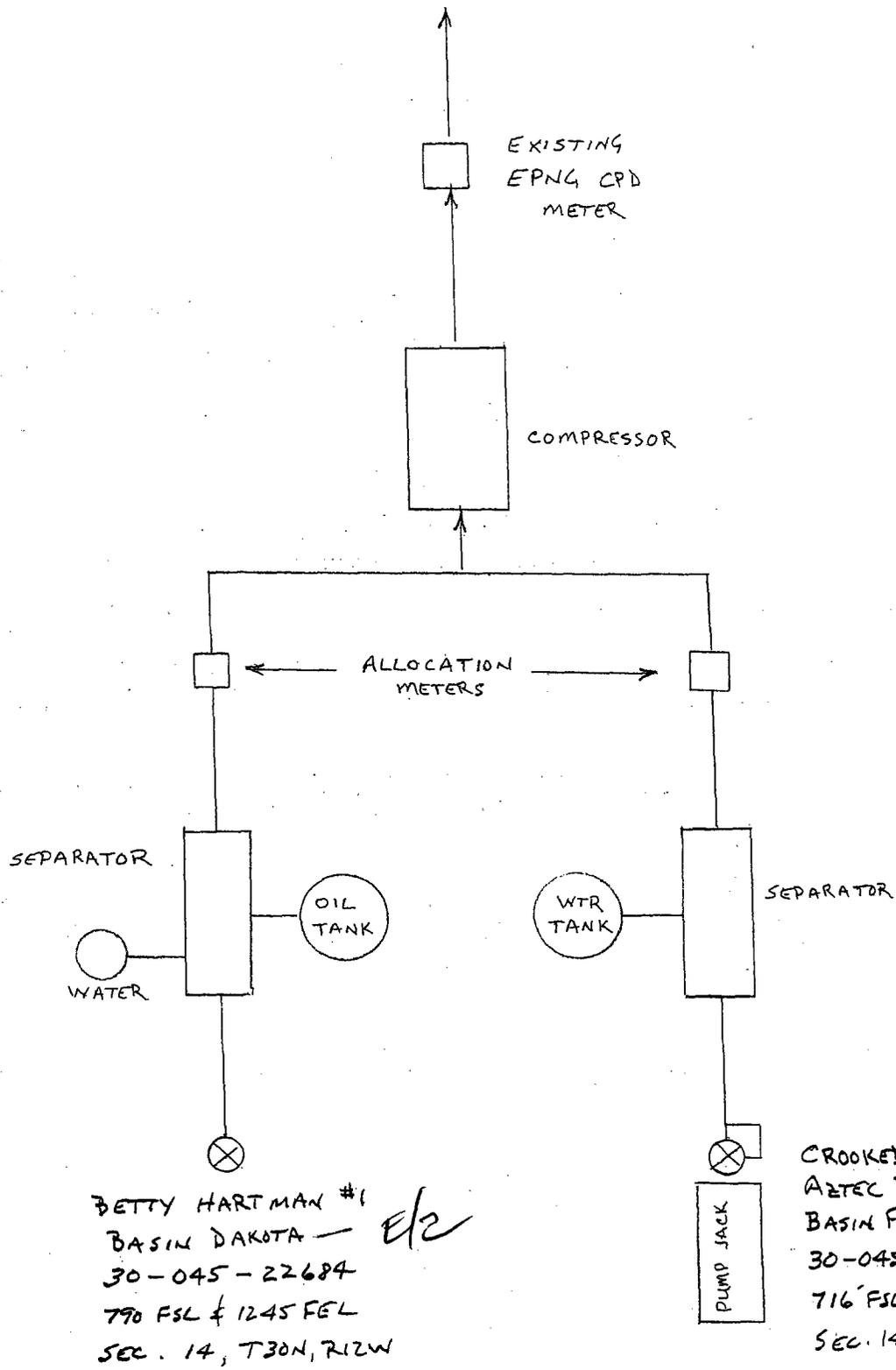
The actual commercial value of the commingled production will not be less than the sum of the values of the production from each well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Paul C. Thompson* TITLE Agent/Engineer DATE 04/14/04
 TYPE OR PRINT NAME Paul C. Thompson TELEPHONE NO. (505) 327-4892

(This space for State Use)
 APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY: _____

SURFACE COMMINGLING
 BETTY HARTMAN #1
 CROOKED SEAMS #1



42-989 200 RECYCLED WHITE SQUARE
 MADE IN U.S.A.

Betty Hartman#1 & Crooked Seams
Interest Owners

Merriam Oil and Gas
100 Reilly Ave.
Farmington NM 87401

McCulliss Resources
PO Box 3248
Littleton CO 80161

George Vaught Jr.
PO Box 13557
Denver CO 80201

Manana Gas Inc
520 Tramway Terrace Ct NE
Albuquerque NM 87122

Diverse Group III
PO Box 2059
San Antonio TX 78297

The Kohl Group
4801 Woodway Suite 330 W
Houston TX 77056

Meresa Hankins
405 Rutson Dr.
Amarillo TX 79100

Mary Werner
8508 Curt Walters NE
Albuquerque NM 87122

ACN Investments
1901 Medi-Park PL 1015
Amarillo TX 79106

Walter Allison
453 Gladstone Lane
Amarillo TX 79121

William Bass
RT 8 Box 24-5
Amarillo TX 79118

Jayne Cain Beezley
2103 Foothill Dr
Amarillo TX 79124

Ed Hartman
002 Tramway Lane NE
Albuquerque NM 87122

Hartman Oil and Gas
2520 Tramway Terrace Ct NE
Albuquerque NM 87122

Douglas Hartman
PO Box 928199
San Diego CA 92192

Phyllis Hartman
105 Calle Mar De Ballenas
San Diego CA 92130

Harvard and Lemay Exploration
PO Box 936
Roswell NM 88201

Barbara Kruse
29 Olive Rd
Sandia Park NM 87047

Debi Kruse
810 Round Tree Dr
Anchorage AK 99507

Lamp Investments
PO Box 85
Bronte TX 76933

Sylvia Little
PO Box 1258
Farmington NM 87499

Sherry Rusk
PO Box 782463
San Antonio TX 78278

Jackie Kaiser
Po Box 13461
Albuquerque NM 87195

BP America Production
PO Box 277897
Atlanta GA 30384

Cynthia Calvin
147 Newport St
Denver CO 80220

Edward Calvin
2380 Forest St.
Denver CO 80207

Howard Henderson Living Trust
5809 N 24th Pl
Phoenix AZ 85016

per Investment
565 Beechwood Court
olorado Springs CO 80918

Barbara Rector
2802 Cimarron Blvd #243
Corpus Christi TX 78414

Robert Cody Rothlisberger
2308 Santiago
Farmington NM 87401

James Miller
PO Box 10
Lora Vista NM 87415

Margaret Israel McDaniel
349 Arnold Dr
Aztec NM 87410

MB Thomas
249 RD 3050
Aztec NM 87410

Julia Thompson
138 e Avalon Dr
cottsdale AZ 85251

Richard Trumbull
2602 Fox Rd
Farmington NM 87401

Daniel Welk
150 Kelleen Dr
Vista CA 92083

Ellen Plapp
112 Central
Lemon Grove CA 92045

Robbie Whinery
1314 O Avenue
National City CA 92050

Bruce Wilkes Estate
PO Box 226270
Dallas TX 75222

Woodbine Financial Corp
PO Box 52296
Tulsa OK 74152

Charles Victor Flint
4724 South Kalamath St
Englewood CO 80110

Tina Flint
3801 South Bannock St
Englewood CO 80110

Lisa Flint
4290 South Cherokee St
Englewood CO 80110

Kevin Flint
4760 S. Bannock St
Englewood CO 80110

Michael Flint
3801 1/2 S bannock St
Englewood CO 80110

Karoline Flint
3801 S Bannock St
Englewood CO 80110

Estate of Arthur Clyde Trulock
23 Rd 333
Aztec NM 87410

Hristine Buvens Living Trust
435 Cottonwood Rd
Liver City NM 88061

Kenneth Allen Trust
PO Box 4140
Farmington NM 87499

Mable C Allen Trust
PO Box 4140
Farmington NM 87499

ois May Barnes
C 61 Box 182
lenwood NM 88039

Earnest Cantwell
3125 Southern
Kingman AZ 86401

Casteel Living Trust
7635 East Mesa Drive
Cornville AZ 86325

imothy Chapman
307 East Mariposa St
hoenix AZ 85014

Catherine Colberg
8314 Roma Ave NE
Albuquerque NM 87108

Virginia Collins
25 Rd 3275
Aztec NM 87410

fed Dollar
O Box 218
lora Vista NM 87415

Edwina Foster
3502 Lark St
San Diego CA 92103

Eloise Foster
3502 Lark St
san Diego CA 92103

roothy Lea
122 Wedgewood Dr
hallitan TN 37066

Sharon Hastings Trust
PO Box 4140
Farmington NM 87499

Cecil Henry
263 Rd 3050
Aztec NM 87410

aymond Hill
64 RD 3050
aztec NM 87410

George & Verda Hines
1471 B Road
Delta CO 81416

Walter Hunt Estate
204 Road 3050
Aztec NM 87410

Catherine Israel
304 Mossman Ave
Aztec NM 87410

Joseph Israel
City Rd 2900 # 930
Aztec NM 87410

Kirk Israel
804 Mossman
Aztec NM 87401

Robert Kirk Israel
304 Mossman
Aztec NM 87410

Stanley Israel
2085 N Wedgewood Lane
Cedar City UT 884720

William Israel
925 CT RD 2900
Aztec NM 87410

Robert Ray Lewis
680 Esther
ogers AZ 72756

Leona Maddox
224 Las Mananitas
Santa Fe NM 87501

Helen Israel Minium
8 Dellwood Lane
Canyon TX 79015

E Organ
503 Alcove Court
Midland TX 79703

Pecos Valley Royalty Co
PO Box 51387
Midlan TX 79710

Richard Pepin
6 RD 333
Aztec NM 87410

Veldon CM & John Julander
Trustees
PO Box 2773
Littleton CO 80161

Energen Resources
605 R. Arrington Jr. Blvd North
Birmingham AL 35203

Union Oil Co. Of California
PO Box 100547
Houston Tx 77212



CERTIFIED- RETURN RECEIPT

EXAMPLE

April 14, 2004

Estate of Arthur Clyde Trulock
23 Rd 333
Aztec NM 87410

Re: Surface Commingling Application
Manana Gas, Inc.
Betty Hartman #1
Crooked Seams #1
Section 14, T30N R12W
San Juan County, NM
Basin Dakota and Aztec Pictured Cliffs/Basin Fruitland Coal

Dear Estate of Arthur Clyde Trulock ,

Manana Gas, Inc. has applied to the New Mexico Oil Conservation Division for administrative approval to surface commingle the gas production from the two referenced wells. Commingling will allow the use of a single wellsite compressor and the existing El Paso meter. As an interest owner in one or both of these wells, 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,

Paul C. Thompson, P.E.