Form 3 160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVE

FORM APPROVED OMB No. 1004-0135 Expires Jnovember 30, 2000

NOV 15 2012

5. Lease Serial No.

NMNM 109404

| SUNDRY NOTICES AND REPORTS ON WELLS | | 1414114141 103404 |
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| Do not use this form for proposals to drill or reenter and ton Field Officabandoned well. Use Form 3160-3 (APD) for such proposals Land Managen | ; 6. | If Indian, Allottee or Tribe Name |
| abandoned well. Use Form 3160-3 (APD) for such proposals Land Managen | e. | RCVD NOV 19'12 |

19'12 7. If Unit or CA/Agreement, Name and/or No. **OIL CONS. DIV.** SUBMIT IN TRIPLICATE - Other instructions on reverse side PGA Unit DIST. 3 Type of Well Oil Well X Gas Well Other 8. Well Name and No. PGA Unit 3 #1 Name of Operator Thompson Engineering & Production Corp. 9. API Well No. Address 30-045-35410 Phone No. (include area code) 7415 E. Main St., Farmington, NM 87402 505-327-4892 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Basin Fruitland Coal 900' FNL & 1900' FEL Section 3, T23N, R11W 11. County or Parish, State San Juan County, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Production (Start/Resume) Water Shut-Off Acidize Deepen Alter Casing Fracture Treat Reclamation Well Integrity X Other Spud and X Subsequent Report Casing Repair New Construction Recomplete Casing Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Water Disposal Convert to Injection Plug Back 13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days Following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) 11/5/12 Spud 12-1/4" surface hole. Drilled to 135'. Ran 3 jts (125.65') of 8-5/8", 24#, J-55, ST&C new casing and set at 131' KB. Cmt. with 113 sx (133.3 cu.ft.) of Cl "B" with 2% CaCl2 and 1/4 pps polyflake. Circulated 5 bbls of cement to surface. NU BOP and pressure tested the BOP and choke manifold to 250 psi low and 1,000 psi high for 30 min. - held OK. 11/10/12 TD 7-7/8" hole at 885'. Ran 23 jts (876.24') of 5-1/2", 15.5#, J-55, LT&C casing and set at 881' KB. Float collar is at 860' KB. Cement with 110 sx (226.6 cu.ft.) of CI "B" with 2% SMS and 1/4 pps celloflake and 75 sx (88.5 cu.ft.) of CI "B" with 1/4 pps celloflake. Bumped the plug to 1,500 psi - held OK. Floats held OK. Circulated out 25 bbls of cement to surface. Nippled down the BOP and set the casing slips. Cored the main coal from 682' to 701' and recovered 11' of coal, Took four 1' samples for analysis. #Report 51/2 in csg pressure test on next subsequent Report. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title President Paul C. Thompson, P.E. Date Signature November 12, 2012 THIS SPACE FOR FEDERAL OR STATE USE Approved by Title Date Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease

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FARMINGTON FIELD OFFICE

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any

which would entitle the applicant to conduct operations thereon.

false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.