

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: 1/7/15

Well information:

frmWellFilterSub													
API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-35540-00-00	PGA UNIT 34	003	THOMPSON ENGR & PROD CORP	G	N	San Juan	F	M	34	24	N	11	W

Application Type:

- ☐ P&A    ☐ Drilling/Casing Change    ☐ Location Change  
☐ Recomplete/DHC (For hydraulic fracturing operations review EPA Underground injection control Guidance #84)  
☒ Other: Casing report

Conditions of Approval:

Amend sundry to include top of cement and pressure test info for production casing or include the information in the completion sundry.

A handwritten signature in black ink, appearing to read "David R. Catanach", is written over a horizontal line.

NMOCD Approved by Signature

2-4-15  
Date

RECEIVED

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

JAN 26 2015

## SUNDRY NOTICES AND REPORTS ON WELLS

JAN 12 2015

Do not use this form for proposals to drill or reenter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

DISTRICT III

SUBMIT IN TRIPLICATE - Other instructions on reverse side

## 1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

## 2. Name of Operator

Thompson Engineering and Production Corp.

## 3a. Address

7415 E. Main, Farmington, NM, 87402

## 3b. Phone No. (include area code)

505-327-4892

## 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL &amp; 660' FWL, Section 34, T24N, R11W

## 5. Lease Serial No.

NMNM 109407

## 6. If Indian, Allottee or Tribe Name

## 7. If Unit or CA/Agreement, Name and/or No.

PGA Unit

## 8. Well Name and No.

PGA Unit 34 #3

## 9. API Well No.

30-045-35540

## 10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

## 11. County or Parish, State

San Juan

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Spud & Casing Report
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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.)

12/30/14 Spud 12-1/4" surface hole. Drilled to 140'. Ran 6 jts (129.66') of 8-5/8", 24#, J-55, ST&C new casing and set at 135' KB, Cmt. with 58 sx (94.5 cu.ft.) of CI "B" with 25% Fly Ash. Circulated 4 bbls of cement to surface. 12/31/14 NU BOP and pressure tested the BOP and choke manifold to 250 psi low and 1,000 psi high for 30 min. - held OK. SD until after New Years Day holiday. 1/6/15 TD 7-7/8" production hole at 830' KB. Ran 31 jts (816.07') of 5-1/2", 15.5 & 17.0#, J-55, LT&C new casing and set it at 820.77' KB with the insert float at 805' KB. A Plus cemented with 80 sx (165 cu.ft.) of CI "B" cement with 2% SMS and 1/4 pps celloflake and 75 sx (89 cu.ft.) of CI "B" cement with 1/4 pps celloflake. Bumped the plug to 1,000 psi. Float held OK. 1/7/15 Nipped down the BOP and set the casing slips. Rig Released at 1200 hrs 1/7/15.

ACCEPTED FOR RECORD

JAN 22 2015

FARMINGTON FIELD OFFICE

BY: William Tambekou

## 14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

President

Signature

Paul C. Thompson

Date

January 7, 2015

## 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 which would entitle the applicant to conduct operations thereon.

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

NMOCDA

# WALSH ENGINEERING & PRODUCTION CORP.

## DAILY DRILLING REPORT

Operator:		Thompson Engineering & Production Corp.											
Well Name:		PGA Unit 34 #3				Contractor:		Rpt #		Time		Date	
Location:		Sec.34, T24N, R11W, San Juan, NM				MOTE Rig #208		5		6:00:00 AM		1/8/2015	
Present Operation:		Depth		Footage		Formation		Last Casing		Est TD			
Rig Released		830				Pictured Cliffs		5-1/2" - 820' KB					
Bit No.	Size	Make	Type	Jets	Depth In	Depth Out		Hrs.	RPM	Wt. M	Condition		
Mud Wt.	Vis	WL	PV/YP	Gels	PH	SND	% Oil	Solids % In/Out		FCI/32		Other	
Pump	Size	Stroke		SPM	GPM		PSI	Annular Vel DP & DC				Other	
BHA:													
Time Breakdown													
MOL & RU				Cementing:				Surveys:				Deviation Surveys	
Drilling:				Trips:				Logging:				Depth	Degree
Circulation:				Run Casing:				WOC:					
NU and ND:		4.00		Rig Serv./Sty Mig:				Drill Cement:					
Drill Rat/Mouse:				Drill Cement:				Wash/Ream:					
BOP Test				Rig Repair:				Mix mud:					
Costs													
Daily Costs:		Daily		Cum				Daily		Cum			
Permits,Rd,Loc,Fence				\$19,844		Well Head				\$2,371			
Rig Plus move in & out		\$5,700		\$35,690		Bits				\$0			
Casing				\$10,078		Coring				\$0			
Cement				\$7,986		Supervision		\$995		\$4,975			
Water				\$408		Trucking				\$1,314			
Fuel				\$0		Solids Disposal:				\$0			
Mud				\$0		Rentals				\$4,390			
Air pack				\$0		BOP Test				\$1,381			
Casing Crew				\$0		Total		\$6,695		\$88,437			
<b>Details</b> Nipple down BOP. Pull up on the casing and set the slips. Installed the tubinghead. Cleaned up the location. Rigged down and released MOTE Drilling at 1200 hrs 1/7/15. FINAL REPORT													

# WALSH ENGINEERING & PRODUCTION CORP.

## DAILY DRILLING REPORT

Operator:		Thompson Engineering & Production Corp.											
Well Name:		PGA Unit 34 #3				Contractor:		Rpt #		Time		Date	
Location:		Sec.34, T24N, R11W, San Juan, NM				MOTE Rig #208		4		6:00:00 AM		1/7/2015	
Present Operation		Depth		Footage		Formation		Last Casing		Est TD			
ND BOP		830		190		Pictured Cliffs		8-5/8" - 135' KB		5-1/2" - 825'			
Bit No.	Size	Make	Type	Jets	Depth In	Depth Out		Hrs	RPM	Wt. M	Condition		
2	7-7/8"		PDC	8 - 1/2"	140	830	690	5.75	90	3 - 4			
Mud Wt.	Vis	WL	PV/YP	Gels	PH	SND	% Oil	Solids 1/4 In/Out		FC/32	Other		
Air/Mist	2150 SCF												
Pump	Size	Stroke		SPM	GPM		PSI	Annular Vel. DP & DC		Other			
1							200						
BHA:													
Time Breakdown													
MOL & RU:				Cementing:		1.00		Surveys:		0.25		Deviation Surveys	
Drilling:		2.00		Trips:		1.00		Logging:				Depth	Degree
Circulation:		2.00		Run Casing		2.50		WOC:				830	1.00
NU and ND:		1.00		Rig Serv./Shy Mtg:				Drill Cement:					
Drill Rat/Mouse:				Drill Cement:				Wash/Ream:					
BOP Test				Rig Repair:				Mix mud:					
Costs													
Daily Costs:		Daily		Cum				Daily		Cum			
Permits, Rd, Loc, Fence				\$19,844		Well Head		\$1,272		\$2,371			
Rig Plus move in & out		\$8,165		\$29,990		Bits				\$0			
Casing		\$8,036		\$10,078		Coring				\$0			
Cement		\$7,986		\$7,986		Supervision		\$995		\$3,980			
Water		\$408		\$408		Trucking		\$911		\$1,314			
Fuel				\$0		Solids Disposal				\$0			
Mud				\$0		Rentals		\$590		\$4,390			
Air pack				\$0		BOP Test		\$0		\$1,381			
Casing Crew				\$0		Total		\$28,363		\$81,742			
Details													
<p>TIH to 640'. The hole was clean and dry. Drilled coals from 640' to 660' with air but the well never started to dust. Drilled to 690' with air but without complete dust. Switched to air/mist at 10 gal/min. water. Cleaned the hole and continued drilling to TD at 830' KB. Circulated the hole for 30 min. with air only but it did not completely dry up. TOH and laid down the bit. Rigged up and ran 31 jts (816.07') of 5-1/2", 15.5# and 17#, J-55 LT&amp;C new casing. Set the casing at 820.77' KB with the float at 805.17 and the top of the marker joint is at 409.61' KB. Loaded the hole with produced water and circulated for 30 minutes while rigging up A Plus. Cemented with 80 sx (165 cu.ft.) of Cl "B" with 2% SMS and 1/4 pps celloflake and 75 sx (89 cu.ft.) of Cl "B" with 1/4 pps celloflake. Reciprocated the pipe until midway through the tail slurry. Cleaned out the pumps and lines then displaced the plug with 19 bbls of water. Bumped the plug to 1,000 psi. The float held OK. Plan to nipple down and set the casing slips tomorrow. SDON.</p>													

# WALSH ENGINEERING & PRODUCTION CORP.

## PIPE RECORD

Operator: Thompson Engineering

Lease: PGA Unit 34

Well No. 3

Date: 1/6/15

Pipe Tally - Show every piece of equipment going into the hole in the order run.

Column 1		Column2		Column 3		Column 4		Column 5		Column 6		Column 7		Column 8		
Grade	Wt	Grade	Wt	Grade	Wt	Grade	Wt	Grade	Wt	Grade	Wt	Grade	Wt	Grade	Wt	
	0.75		14.85		27.33		28.15		21.90							
				c	29.00	Out	31.05	T	21.52							
					31.93	Out	29.80		21.66							
				c	32.10	Out	31.60		21.26							
					32.00				21.23							
				c	31.03			T	21.53							
					31.77				21.80							
				c	30.95				21.67							
					26.17				21.52							
				c	27.05											
					15.23											
					31.42											
					26.88											
				T	31.93											
					28.46											
					30.00											
					29.95											
				T	27.68											
					30.00											
					27.35											
	0.75		14.85		578.23		120.60		194.09		0.00		0.00		0.00	
Jts. on rack before running 34						Jts. on rack after running 3						No. Jts. run 31				
Column no.	ITEM					JTS.	OD.	WT.	GRADE	THREAD	MAKE					
1	Shoe						5-1/2"		J-55	ST&C	Weatherford 0.75					
2	Shoe Joint					1	5-1/2"	15.5	J-55	LT&C LS	USA 14.85					
3	Casing					20	5-1/2"	17	J-55	LT&C LS	USA 578.23					
						4	5-1/2"	17	J-55	LT&C LS	USA 120.60					
						9	5-1/2"	15.5	J-55	LT&C LS	USA 194.09					
											0.00					
											0.00					
											0.00					
REMARKS										TOTAL					908.52	
Float at 804.97' KB										JTS NOT RUN (-)					3 92.45	
Top of marker Joint at 409.41' KB										CUT OFF (-)						
										TOTAL					816.07	
C-Centralizer										Top of Casinhead flange to KB					4.70	
T-Turbolizer										SET AT KB					820.77	
										CO. REP.					Paul Thompson	

# WALSH ENGINEERING & PRODUCTION CORP.

## DAILY DRILLING REPORT

Operator:		Thompson Engineering & Production Corp.											
Well Name:		PGA Unit 34 #3				Contractor		Rpt #		Time		Date	
Location:		Sec. 34, T24N, R11W, San Juan, NM				MOTE Rig #208		3		6:00:00 AM		1/6/2015	
Present Operation		Depth		Footage		Formation		Last Casing		Est TD			
Drilling		640		500		Fruitland		8-5/8" - 135' KB		5-1/2" - 825'			
Bit No.	Size	Make	Type	Jets	Depth In	Depth Out	Ft.	Hrs	RPM	Wt. M	Condition		
2	7-7/8"		PDC	8 - 1/2"	140	Inc	500	3.75	90	3 - 4			
Mud Wt.	Vis	WL	PV/YP	Gels	PH	SND	% Oil	Solids % In/Out		FC/32	Other		
Air	2150 SCF												
Pump	Size	Stroke		SPM	GPM		PSI	Annular Vel DP & DC		Other			
1							150						
BHA:													
Time Breakdown													
MOL & RU:				Cementing:				Surveys:		0.25		Deviation Surveys	
Drilling:		3.75		Trips:				Logging:				Depth Degree	
Circulation:				Run Casing:				WOC:		452		0.50	
NU and ND:				Rig Serv./Sfty Mtg:				Drill Cement:		1.50			
Drill Rat/Mouse:				Drill Cement:				Wash/Ream:					
BOP Test				Rig Repair:				Mix mud:					
Costs													
Daily Costs:		Daily		Cum				Daily		Cum			
Permits, Rd, Loc, Fence				\$19,844		Well Head				\$1,099			
Rig Plus move in & out		\$12,025		\$21,825		Blts				\$0			
Casing				\$2,042		Coring				\$0			
Cement				\$0		Supervision		\$995		\$2,985			
Water				\$0		Trucking				\$403			
Fuel				\$0		Solids Disposal				\$0			
Mud				\$0		Rentals		\$50		\$3,800			
Air pack				\$0		BOP Test		\$0		\$1,381			
Casing Crew				\$0		Total		\$13,070		\$53,379			

### Details

Crew on location at 8 am. Picked up bit #2 (7-7/8" PDC with 8 open jets) on drill pipe. TIH and tagged cement top at 115' KB. Unloaded the hole and drilled the plug. TOH. Picked up two 6" DC (total BHA = 38'). TIH and continued drilling cement with air. Well was dusting good below 140' KB. Drilled to 452' and took a survey (1/2 degree). Continued drilling with air to 640' KB (estimate to be within 20' of the Fruitland Coal). Hole is still dry. Blow the hole clean. POH with 2 jts (40'). SI the well and SDON.

# WALSH ENGINEERING & PRODUCTION CORP.

## DAILY DRILLING REPORT

Operator:		Thompson Engineering & Production Corp.											
Well Name:		PGA Unit 34 #3				Contractor:		Rpt #		Time		Date	
Location:		Sec.34, T24N, R11W, San Juan, NM				MOTE Rig #208		2		6:00:00 AM		1/1/2015	
Present Operation		Depth		Footage		Formation		Last Casing		Est TD			
SD for Holiday		140		0		Kirtland		8-5/8" - 135' KB		5-1/2" - 825'			
Bit No	Size	Make	Type	Jets	Depth In	Depth Out	Ft	Hrs	RPM	Wt. M	Condition		
Mud Wt.	Vis	WL	PV/YP	Gels	PH	SND	% Oil	Solids % In/Out		FC/32	Other		
Pump	Size	Stroke		SPM	GPM		PSI	Annular Vel DP & DC			Other		
1	5"	10"											
2	5"	10"											
BHA:													
Time Breakdown													
MOL & RU:				Cementing:				Surveys:				Deviation Surveys	
Drilling:				Trips:				Logging:				Depth	Degree
Circulation:				Run Casing:				WOC:					
NU and ND:		2.50		Rig Serv./Sfty Mtg:				Drill Cement:					
Drill Rat/Mouse:				Drill Cement:				Wash/Ream:					
BOP Test		4.50		Rig Repair:				Mix mud:					
Costs													
Daily Costs:		Daily		Cum				Daily		Cum			
Permits,Rd,Loc,Fence				\$19,844		Well Head				\$1,099			
Rig Plus move in & out		\$275		\$9,800		Bits				\$0			
Casing				\$2,042		Coring				\$0			
Cement				\$0		Supervision		\$995		\$1,990			
Water				\$0		Trucking				\$403			
Fuel				\$0		Solids Disposal				\$0			
Mud				\$0		Rentals		\$3,400		\$3,750			
Air pack				\$0		BOP Test		\$1,381		\$1,381			
Casing Crew				\$0		Total		\$6,051		\$40,309			
Details													
Installed the bradenhead and nipped up the BOP. Pressure tested the blind rams, casing, and choke manifold to 250 psi (low) and 1,000 psi (high) for 30 minutes each. Held OK. Installed a valve below the swivel. Picked up one joint of drill pipe. Closed the pipe rams and tested the pipe rams, kelly, casing, and choke manifold to 250 psi (low) and 1,000 psi (high) for 30 minutes each. Held OK. SI the well and prepared the rig to start drilling on 1/5/15.													

**WALSH** ENGINEERING & PRODUCTION CORP.**DAILY DRILLING REPORT**

Operator:		Thompson Engineering & Production Corp.													
Well Name:		PGA Unit 34 #3				Contractor			Rpt #		Time		Date		
Location:		Sec.34, T24N, R11W, San Juan, NM				MOTE Rig #208			1		6:00:00 AM		12/31/2014		
Present Operation:		Depth		Footage		Formation			Last Casing			Est TD			
WOC		140		140		Kirtland			8-5/8" - 135' KB			5-1/2" - 825'			
Bit No.	Size	Make	Type	Jets	Depth In	Depth Out	Ft.	Hrs	RPM	Wt. M	Condition				
1	12-1/4"	PDC			0	140	140	1.75	80	All					
Mud Wt.	Vis	WL	PV/YP	Gels	PH	SND	% Oil	Solids % In/Out			FC/32		Other		
Air															
Pump	Size	Stroke		SPM	GPM		PSI	Annular Vel DP & DC			Other				
1	5"	10"													
2	5"	10"													
BHA:		Bit, bit sub, one 8" DC & 6 4" DC													
Time Breakdown															
MOL & RU:		1.50		Cementing:		1.00		Surveys:		0.10		Deviation Surveys			
Drilling:		1.75		Trips		0.25		Logging:				Depth		Degree	
Circulation:		0.10		Run Casing:		0.75		WOC:		15.00		120'		1.00	
NU and ND:				Rig Serv./Sfty Mtg:				Drill Cement:							
Drill Rat/Mouse:				Drill Cement:				Wash/Ream:							
Transfer Mud:				Rig Repair:				Mix mud:							
Costs															
Daily Costs:		Daily		Cum				Daily		Cum					
Permits,Rd,Loc,Fence		\$19,844		\$19,844		Well Head		\$1,099		\$1,099					
Rig Plus move in & out		\$9,525		\$9,525		Bits				\$0					
Casing		\$2,042		\$2,042		Coring				\$0					
Cement				\$0		Supervision		\$995		\$995					
Water				\$0		Trucking		\$403		\$403					
Fuel				\$0		Solids Disposal				\$0					
Mud				\$0		Rentals		\$350		\$350					
Air pack				\$0		Core Analysis				\$0					
Casing Crew				\$0		Total		\$34,258		\$34,258					
<b>Details</b> Move on location and rig up MOTE Drilling Rig #208. Spud a 12-1/4" surface hole at 1100 hrs 12/30/14 with bit #1 (12-1/4", PDC). Drilling with air. TD surface hole at 140' KB. Circulated the hole clean and took a survey. TOH and lay down bit #1. Ran 6 jts (129.66') of 8-5/8", 24#, J-55, ST&C new casing and set at 135.36' KB. Established circulation with water. Cemented with 58 sx (94.5 cu.ft.) of Cl "B" cement with 25% Fly Ash. Displaced the cement with 6.5 bbls of water. Job completed at 1515 hrs 12/30/14. Circulated 4 bbls of good cement to the surface - hole was standing full. SI the well and SDON.															



## PIPE RECORD

Date: 12/30/14

**Pipe Tally - Show every piece of equipment going into the hole in the order run.**

[illegible]