District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

AMENDED REPORT

Submit to appropriate District Office

1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Thompson Engineering and Production Corp.
c/o Walsh Engineering & Prod. Corp. 7415 E. Main St., Farmington, NM 87402 (505) 327-4892 Property Name Thomas Property Code 20579 10 Proposed Pool 2 9 Proposed Pool 1 BASIN FRUITLAND COAL Surface Location UL or lot no. Feet from the North/South line Feet from the East/West line Section Township Range County I. 30 29N нw SOUTH 985 نعون WEST SAN JUAN ⁸ Proposed Bottom Hole Location If Different From Surface Feet from the North/South line UL or lot no Section Township Feet from the East/West line County Additional Well Information Well Type Code 13 Cable/Rotary 11 Work Type Code 15 Ground Level Elevation Lease Type Code 5374 Ν Multiple ⁸ Formation 20 Spud Date Proposed Depth 19 Contractor N 1650 PICTURED CLIFFS CHIHUAHUA SEPTEMBER 20, 2006 Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Annrox 8)
Pit: Liner: Synthetic ימחמו Approx 100' 12 mils thick Clay Pit Volume: 1400 bbls Drilling Method: Fresh Water 56 Brine Diesel/Oil-based Gas/Air D Closed-Loop System Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC 7" 8-3/4" 20# 120' 50 sx **SURFACE** 6-1/4" 4-1/2" 10.5# 1650' 125 sx & 75 sx SURFACE ²² 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. Thompson Engineering and Production Corp. proposes to drill a vertical well at the above listed location and test the Fruitland Coal Formation. 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 50 sx (59 cu. ftl) of Type 5 with 3% CaCl₂ and ½#/sk CF. A 2000# rated double ram or annular 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. 1650'. 4-1/2", 10.5# casing will be set and cemented to surface with 125 sx (258 cu. ft.) of Type 5 with 2% SMS, 5 #/sk gilsonite and \(\psi #/sk CF followed by 75 sx (89 cu.ft.) of Type 5 with 5 #/sk gilsonite and \(\psi #/sk CF. Open hole DIL and FDC/CNL/GR/SP logs will be run. Deviation surveys will be run every 500'. The W/2 of Section 30 (315.2 acres) is dedicated to this well. Formation Tops: OA - 1243, Kirtland - 1296', FTC - 1400', PC - 1446'. ²³ I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or Approved by: an (attached) alternative OCD-approved plan ... GAS INSPECTOR, DIST. 43: Printed name: Expiration Date: CFP E-mail Address: PAUL C LACKLENG. Conditions of Approval Attached We Su hurade Aits or Tanks Date: Phone: 327-4892

District I PO Box 1980, Hobbs, NM 88241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV PO Box 2088, Santa Fe, NM 87504-2088

315.20 Acres - W/2

'API Number

^{to} Dedicated Acres

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Form C-102 Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*Pool Name

| 30-049-33931 | | 33/ | 71629 | | BASIN FRUITLAND COAL . | | | | | |
|--|----------|--|-------|--------------------|------------------------|------------------|---------------|---------------------------------------|----------------|--|
| Property Code | | | W | Well Number 100 | | | | | | |
| 0519 '06810 № 37581 | | THOMAS *Operator Name THOMPSON ENGINEERING & PRODUCTION CORPORATION | | | | | | · · · · · · · · · · · · · · · · · · · | Elevation 5374 | |
| ¹º Surface Location | | | | | | | | | | |
| UL or lot no. | Sect ion | Township | Range | Lot 7th | Feet from the | North/South line | Feet from the | East/Mest line | County | |
| , L | 30 | 29N | 11W | (3) | 1980 | SOUTH | 985 | WEST | SAN JUAN | |
| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | | |
| UL, or 10t no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

^{til}Joint or Infill

¹⁴ Consolidation Code

Com

| OH A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION | | | | | | | | |
|--|----------|-------------------------------------|--------------------------------|---|--|--|--|--|
| 16 | | 2568.72 | 2618.88 | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete | | | | |
| 5.38 | LOT 1 | | | contained herein is true and complete to the best of my knowledge and belief Signature Printed Name | | | | |
| 2635 | L0T 2 | | | Tritle 9/0/06 Date | | | | |
| | LOT 3 | LAT: 36.69519 N | $30 \frac{1}{1} - \frac{1}{1}$ | notes of actual surveys made by me or under my supervision, and that the same is true and correct to the bast of my belief. Survey Date: SEPTEMBER 6, 2006 | | | | |
| 2608.98 | 1045' |) LONG: 108.03814 W DATUM: NAD83 | | SECH C. EDWARD BY SECH MEXICO | | | | |
| 260 | LOT 4 | 1960 | | FG (15269) E | | | | |
| 1 | 285.02 | 1311.09 | 2622.18 | Certificate Number 15269 | | | | |

1980/5 985/W THOMPSON ENGINEERING & PRODUCTION THOMAS #100 1960' FSL & 1045' FWL, SECTION 30, T29N, R11W, NMPM SAN JUAN COUNTY, NEW MEXICO GROUND ELEVATION: 5374' ONGITUDE: 108.03814° DATUM: NADI983 UNIMPROVED ROADWAY В -o- **⑤** ⊚ _{C2} 2:1 Slopes Reserve Pit 8 8' DEEP ã SIO°M LAYDOWN <u>0</u> Wellhead to front Melihead to back -o- **4** (1) CI 75' 75 FI Wellhead to side 15 OWNER Ē PLAT NOTE: Ē SURFACE Clayton B' C, 2 0 *-0-* ③ 0 IMPROVED ROADWAY MONITOR WELL A-A' 5385' 53751 53651 B-B' 5385' 53751 5365' C-C' 53851 53751 5365'

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

THOMPSON ENGINEERING & PRODUCTION THOMAS #100 1960' FSL & 1045' FWL, SECTION 30, T29N, RIIW, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO Racetrack 30 SPHON 36 R 12 W