

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]

[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.

Paul C. Thompson Paul C. Thompson President 12/9/05
 Print or Type Name Signature Title Date

PAUL.C.WALSH@NMG.NM
 e-mail Address

RECEIVED
 DEC 12 2005
 OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

2040 Pacheco St.

Santa Fe, New Mexico 87505

DISTRICT I
P.O. Drawer DD, Artesia, NM 88210

DISTRICT I
1000 Rio Brazons Rd., Aztec, NM 87410

WELL API NO.
30-045-06323

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
Federal NM 002691

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
Tonkin Federal

1. Type of Well:
OIL WELL GAS WELL OTHER

8. Well No.
#1

2. Name of Operator
Thompson Engineering and Production Corp.

9. Pool name or Wildcat
Basin Fruitland Coal / West Kutz Pictured Cliffs

3. Address of Operator
c/o Walsh Engineering, 7415 East Main Street, Farmington, NM 87402

4. Well Location
Unit Letter P : 790' Feet From The South Line and 790' Feet From The East Line
Section 23 Township 27N Range 12W NMPM County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
5961' GR

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

<p>11. NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/></p> <p>OTHER: <u>Downhole 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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12. 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.

Thompson Engineering seeks administrative approval to down hole commingle the production from the Basin Fruitland Coal (71629) and West Kutz Pictured Cliffs (79680) pools. These two pools were pre-approved in Division Order R-11363. The proposed PC perforations are from 1562' - 1618'. The proposed FTC perms are from 1417' - 1465'. Based on the calculated ultimate gross reserves from the existing PC and FTC wells in the nine adjacent sections 21% of the production will be allocated to the Pictured Cliffs and 79% will be allocated to the Fruitland Coal. Commingling will not reduce the value of the total remaining production. Ownership in the two formations is common.

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

SIGNATURE Paul C. Thompson TITLE President DATE 12/09/05
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:

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

APPLICATION TYPE
Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Thompson Engineering and Production Corp. 7415 E. Main St., Farmington, NM 87402

Operator Address

Tonkin Federal #1 P 23 T27N R12W San Juan County
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 037581 Property Code API No. 30 - 045-06323 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Basin Fruitland Coal		West Kutz Pictured Cliffs
Pool Code	71629		79680
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	1417' - 1465'		1562' - 1618'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	New Zone		New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 0 % Gas 79 %	Oil % Gas %	Oil 100% Gas 21 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X No

NMOCD Reference Case No. applicable to this well: Order R-11363

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Paul C. Thompson TITLE President DATE 12/9/05

TYPE OR PRINT NAME Paul C. Thompson, P.E. TELEPHONE NO. (505) 327-4892

E-MAIL ADDRESS paul@walsheng.net

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

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 August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-06323		² Pool Code 71629		³ Pool Name BASIN FRUITLAND COAL	
⁴ Property Code		⁵ Property Name TONKIN FEDERAL			⁶ Well Number 1
⁷ OGRID No. 037581		⁸ Operator Name THOMPSON ENGINEERING & PRODUCTION CORP.			⁹ Elevation 5961' GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	27N	12W		790	SOUTH	790'	EAST	SAN JUAN

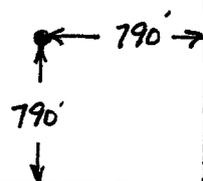
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16					<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Paul C. Thompson</i> Signature</p> <p>PAUL C. THOMPSON Printed Name</p> <p>PRESIDENT Title</p> <p>12/9/05 Date</p>
					<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 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.</p> <p>ORIGINAL ON FILE Date of Survey 1/26/61</p> <p>Signature and Seal of Professional Surveyor:</p>
					<p>Certificate Number</p>



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

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 August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-06323	² Pool Code 79680	³ Pool Name WEST KUTZ PICTURED CLIFFS
⁴ Property Code	⁵ Property Name TONKIN FEDERAL	⁶ Well Number 1
⁷ OGRID No. 037581	⁸ Operator Name THOMPSON ENGINEERING & PRODUCTION CORP.	⁹ Elevation 5961 GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	27N	12W		790	SOUTH	790'	EAST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	------------------------------------	----------------------------------	-------------------------

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

16					<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Paul C. Thompson</i> Signature</p> <p>PAUL C. THOMPSON Printed Name</p> <p>PRESIDENT Title</p> <p>12/9/05 Date</p>
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat 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.</p> <p>ORIGINAL ON FILE Date of Survey 1/26/61 Signature and Seal of Professional Surveyor:</p>
					<p>← 790' →</p> <p>790'</p> <p>↓</p>
Certificate Number					

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NM - 002691
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other
 2. Name of Operator
 Thompson Engineering & Prod. Corp.
 3a. Address
 7415 East Main St. Farmington, NM 87402
 3b. Phone No. (include area code)
 (505) 327-4892
 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 790' FSL & 790' FEL Sec. 23, T27N, R12W

8. Well Name and No.
TONKIN FEDERAL #1
9. API Well No.
30-045-06323
10. Field and Pool, or Exploratory Area
Basin Fruitland Coal and West Kutz PC
11. County or Parish, State
SAN JUAN, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	_____
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	_____

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate 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 recomplate 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.)

Thompson Engineering & Production Corp. proposes to recomplate this well in the West Kutz Pictured Cliffs and Basin Fruitland Coal pools and downhole commingle the gas production. Ownership in both pools is common. Based on the existing wells in the 9 sections surrounding the Tonkin #1 the average ultimate cummulative production from the Pictured Cliffs pool is 365,750 Mcf while the average Fruitland Coal calculated ultimate gross production is 1,362,000 MCF. Therefore, 79% of the gas production will be allocated to the Fruitland Coal and 21% will be allocated to the Pictured Cliffs.

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

Name (Printed/Typed) Paul C. Thompson, P.E.	Title President
Signature 	Date Decembe r8, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE 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 operation thereon.	Office	

Title 18 U.C.S. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

PowerTools Map

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\Little.MDB

Date: 12/9/2005
Time: 8:46 AM

	<p>15</p>	<p>MCGRADY GAS COM C 1E 15,627 mcf</p> <p>14</p> <p>HB MCGRADY A 1E 30,026 mcf</p>	<p>13</p>	
<p>27N-12W</p>	<p>22</p>	<p>23</p> <p>TOMKIN #1</p>	<p>24</p>	
	<p>27</p>	<p>CAMPBELL FEDERAL 5 86 mcf</p> <p>CAMPBELL 26 1 6,855 mcf</p> <p>CAMPBELL FEDERAL 25 14 958,531 mcf</p>	<p>CAMPBELL 25 2 24,060 mcf</p> <p>25</p>	

THOMPSON ENGINEERING
TOMKIN FEDERAL #1
BASIN FRUITLAND COAL OFFSETS

Loaded Leases

- H B MCGRADY A (1E)
- MCGRADY GAS COM C (1E)
- CAMPBELL 25 (2)
- CAMPBELL FEDERAL 25 (14)
- CAMPBELL 26 (1)
- CAMPBELL FEDERAL (5)
- CAMPBELL FEDERAL 25 (14)

FRUITLAND COAL OFFSETS.

Annual CashFlow Report

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\Little.MDB

Summary Lease Report *FRUITLAND COAL OFFSETS*

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/2005	3	0	210,337	0	168,270	0.00	6.00	1,009,618
12/2006	3	0	260,733	0	208,587	0.00	6.00	1,251,520
12/2007	3	0	231,659	0	185,327	0.00	6.00	1,111,964
12/2008	3	0	211,714	0	169,371	0.00	6.00	1,016,228
12/2009	3	0	197,021	0	157,617	0.00	6.00	945,703
12/2010	3	0	184,848	0	147,878	0.00	6.00	887,271
12/2011	2	0	174,178	0	139,343	0.00	6.00	836,055
12/2012	2	0	166,688	0	133,350	0.00	6.00	800,101
12/2013	2	0	159,770	0	127,816	0.00	6.00	766,897
12/2014	2	0	153,370	0	122,696	0.00	6.00	736,178
12/2015	2	0	147,439	0	117,951	0.00	6.00	707,708
12/2016	2	0	141,933	0	113,546	0.00	6.00	681,277
12/2017	2	0	136,812	0	109,450	0.00	6.00	656,697
12/2018	2	0	132,042	0	105,633	0.00	6.00	633,801
12/2019	2	0	127,591	0	102,073	0.00	6.00	612,438
Remainder:		0	5,192,219	0	4,153,775	0.00	6.00	24,922,652
Grand Total:		0	7,828,356	0	6,262,685	0.00	6.00	37,576,110

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10% Cash Flow (\$)
12/2005	27,000	80,164	902,454	0	902,454	902,454	866,890
12/2006	36,000	99,371	1,116,149	0	1,116,149	2,018,604	988,328
12/2007	36,000	88,290	987,675	0	987,675	3,006,278	794,841
12/2008	36,000	80,688	899,539	0	899,539	3,905,818	657,984
12/2009	36,000	75,089	834,614	0	834,614	4,740,432	554,930
12/2010	33,000	70,449	783,822	0	783,822	5,524,253	473,739
12/2011	24,000	66,383	745,672	0	745,672	6,269,926	409,676
12/2012	24,000	63,528	712,573	0	712,573	6,982,499	355,896
12/2013	24,000	60,892	682,006	0	682,006	7,664,504	309,659
12/2014	24,000	58,453	653,726	0	653,726	8,318,230	269,833
12/2015	24,000	56,192	627,516	0	627,516	8,945,746	235,465
12/2016	24,000	54,093	603,184	0	603,184	9,548,930	205,756
12/2017	24,000	52,142	580,555	0	580,555	10,129,485	180,032
12/2018	24,000	50,324	559,477	0	559,477	10,688,963	157,722
12/2019	24,000	48,628	539,811	0	539,811	11,228,773	138,342
Remainder:	1,175,000	1,978,859	21,768,794	0	21,768,794	32,997,567	1,055,598
Grand Total:	1,595,000	2,983,543	32,997,567	0	32,997,567	32,997,567	7,654,693

Discount Present Worth:

0.00 %	32,997,567
10.00 %	7,654,693
20.00 %	4,740,680
30.00 %	3,550,432
40.00 %	2,890,601
50.00 %	2,467,244
60.00 %	2,170,804
70.00 %	1,950,729
80.00 %	1,780,338
90.00 %	1,644,170
100.00 %	1,532,626

Economic Dates:

Effective Date	04/2005
Calculated Limit	03/2105
Economic Life	1200 Months
	100 Years 0 Months

Economics Information:

Net Payout Date:	04/2005
Rate of Return:	>100 %
Return on Investment:	0.00
Disc Return on Invest:	0.00

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	0	8,171,840
Historic Gross	0	433,185
Gross at Eff Date	0	343,484
Remaining Gross	0	7,828,356
Remaining Net	0	6,262,685

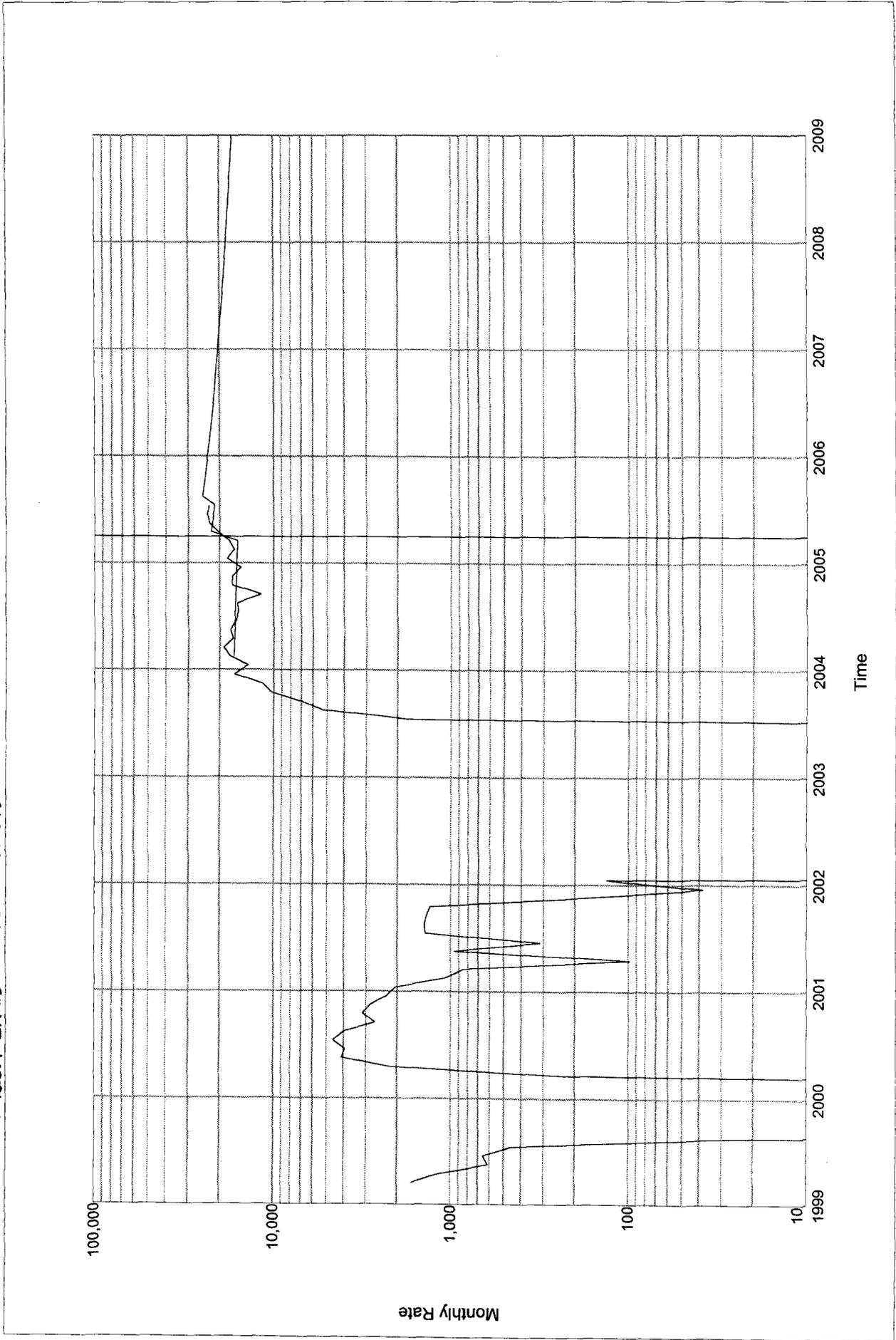
Rate/Time Graph

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\Little.MDB

Date: 12/9/2005
Time: 8:06 AM

Summary Lease Report

FRUITLAND COAL OFFSETS



Loaded Leases

- TONKIN (1X)
- TONKIN (3)
- TONKIN (3R)
- TONKIN (4)
- TONKINS (1)
- MCGRADY GAS COM C (1E)

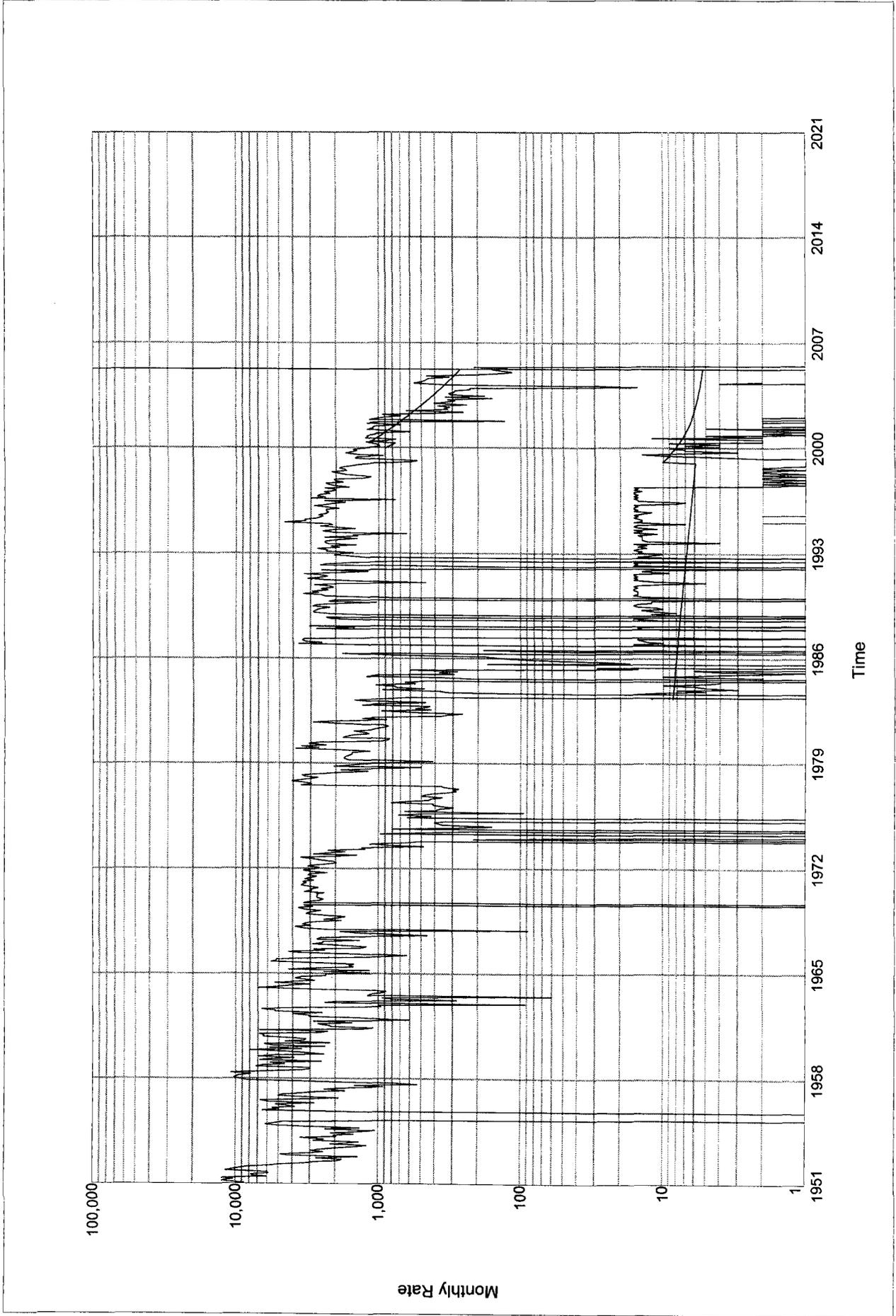
PICTURED CLIFFS OFFSETS.

Rate/Time Graph

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\Little.MDB

Date: 12/9/2005
Time: 8:04 AM

Summary Lease Report *P.C. OFFSETS.*



Annual CashFlow Report

Project: C:\Program Files\IHS Energy\PowerTools v7.0\Projects\Little.MDB

Summary Lease Report *P.C. OFFSETS.*

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
Grand Total:		0	0	0	0	0.00	0.00	0

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10% Cash Flow (\$)
Grand Total:	0	0	0	0	0	0	0

Discount Present Worth:

0.00 %	0
10.00 %	0
20.00 %	0
30.00 %	0
40.00 %	0
50.00 %	0
60.00 %	0
70.00 %	0
80.00 %	0
90.00 %	0
100.00 %	0

Economic Dates:

Effective Date	04/2005
Calculated Limit	n/a
Economic Life	0 Months
	0 Years 0 Months

Economics Information:

Net Payout Date:	n/a
Rate of Return:	n/a
Return on Investment:	0.00
Disc Return on Invest:	0.00

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	4	2,199,540
Historic Gross	4	2,199,596
Gross at Eff Date	4	2,199,540
Remaining Gross	0	0
Remaining Net	0	0