

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

## ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

### Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [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 - Directional Drilling  
☒ NSL ☐ NSP ☐ DD ☐ 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

### [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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity

Paul C. Thompson  
 Print or Type Name

*Paul C. Thompson*  
 Signature

President  
 Title

8/20/97  
 Date

## DISTRICT I

P.O. Box 1880, Hobbs, NM 88241-1880

## DISTRICT II

811 South First St., Artesia, NM 88210-2628

## DISTRICT III

1000 Rio Brazos Rd. Artesia, NM 87410-1892

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429Form C-107-A  
New 3-12-96

## APPROVAL PROCESS:

\_\_\_ Administrative \_\_\_ Hearing

## EXISTING WELLBORE

\_\_\_ YES \_\_\_ NO

## APPLICATION FOR DOWNHOLE COMMINGLING

Operator Thompson Engineering &amp; Production Corp. 7415 E. Main, Farmington, New Mexico 87402

Blancett 2R P 13 30N 12W San Juan  
Lease Well No. Unit Ltr. - Sec. - Twp. - Rge. CountyOGRID NO. 037581 Property Code 17560 API NO. 30-045-29281 Spacing Unit Lease Types: (check 1 or more)  
Federal \_\_\_ State \_\_\_ Landmark Fee ☒

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal		Aztec Pictured Cliffs
2. Top and Bottom of Pay Section (Perforations)	1784 - 1802		1804 - 1852
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current)  b. (Original) EST. 350	a.  b.	a.  b. 350
6. Oil Gravity (°API) or Gas BTU Content			1127
7. Producing or Shut-In?			
Production Marginal? (yes or no)			Yes
* If Shut-In, give 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:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: 4/97 Rates: 50 MCF/D 5BWPD
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No ☐  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No ☐11. Will cross-flow occur? \_\_\_ Yes ☒ No \_\_\_ If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. \_\_\_ Yes \_\_\_ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes \_\_\_ No13. Will the value of production be decreased by commingling? \_\_\_ Yes ☒ No \_\_\_ (If Yes, attach explanation)

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

15. NMOC Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) \_\_\_\_\_

## 16. 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 all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

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 8/19/97TYPE OR PRINT NAME Paul C. Thompson TELEPHONE NO. ( 505 ) 327-4892



---

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

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August 1, 1997

Mr. William J. LeMay  
New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, NM 87504-2088

Re: Non-Standard Spacing Unit  
Downhole Commingling Application  
Thompson Engineering  
Blancett #2R  
790' FSL, 830' FEL  
Section 13, T30N R12W  
San Juan County, NM

Dear Mr. LeMay,

This is a request for administrative approval for a Non-Standard Spacing Location in the Basin Fruitland Coal pool, and for downhole commingling of the production from the Pictured Cliffs and Fruitland Coal, for the referenced well.

The Blancett #2R is currently producing from the Aztec Pictured Cliffs pool. The well is only capable of marginal production, despite our efforts to produce the well with a compressor and pump jack. A Fruitland Coal completion, subsequent downhole commingling with the Pictured Cliffs in this wellbore, will allow us to produce our Fruitland Coal gas without the expense of drilling additional wells. Besides the economic benefits of utilizing the existing wellbore, we will reduce the surface disturbance since the pad and pipeline facilities are already in place. The surface is owned by Richard Blancett.

Exhibit 1 is a copy of Form C-102 for each formation. Attached is a plat indicating the offset Fruitland Coal and Pictured Cliffs operators and existing wells (Exhibit 2) and a list of offset operators and their addresses (Exhibit 3).

The offset Fruitland Coal and Pictured Cliffs operators are being notified of this application by certified return receipt mail. Copies of these letters are enclosed as Exhibit 4.



Exhibit 5 is a list of the working, royalty, and overriding royalty interest owners in the proposed commingled well. All of these parties were notified of this application by certified mail. Copies of these letters are also included in Exhibit 5.

Exhibit 6 describes the proposed allocation formula. Exhibit 7 is a rate vs. time curve for the Pictured Cliffs formation and a list of the monthly production. Also included in Exhibit #7 is a gas analysis from the Pictured Cliffs formation.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

A handwritten signature in black ink, reading 'Paul C. Thompson'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Paul C. Thompson, P.E.

President, Thompson Engineering

cc: Chris Coleman  
NMOCD Aztec NM

## LIST OF EXHIBITS

Form C-102 .....	Exhibit 1
Plat of Offset Operators .....	Exhibit 2
List of Offset Operators .....	Exhibit 3
Notification Letters to Offset Operators .....	Exhibit 4
List of Working, Royalty and ORR Owners and Notification Letters .....	Exhibit 5
Allocation Formula .....	Exhibit 6
Rate vs. Time Curve and Gas Analysis From Pictures Cliffs .....	Exhibit 7



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

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

API Number		Pool Code	Pool Name
		71280	Aztec Pictured Cliffs
Property Code	Property Name		Well Number
17560	Blancett		2R
OCRID No.	Operator Name		Elevation
037581	Thompson Engineering Corp.		5531'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	13	30 N	12 W		790	South	830	East	SJ

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			
160		N							

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

<div style="position: relative; height: 400px;"> <div style="position: absolute; left: 0; top: 0; width: 100px; height: 100px; border: 1px solid black; text-align: center; line-height: 100px;">16</div> <div style="position: absolute; left: 100px; top: 0; width: 400px; height: 100px; border: 1px solid black; text-align: center; line-height: 100px;">5190.24'</div> <div style="position: absolute; left: 0; bottom: 0; width: 100px; height: 100px; border: 1px solid black; text-align: center; line-height: 100px;">5268.45'</div> <div style="position: absolute; left: 100px; bottom: 0; width: 400px; height: 100px; border: 1px solid black; text-align: center; line-height: 100px;">5243.86'</div> <div style="position: absolute; left: 200px; top: 200px; width: 200px; height: 200px; border: 1px solid black; text-align: center; line-height: 200px; font-size: 40px;">13</div> </div>	<p><sup>17</sup> 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></p> <p>Signature Paul C. Thompson, President</p> <p>Printed Name President</p> <p>Title 9/1/95</p> <p>Date</p>	
	<p><sup>18</sup> 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>8-29-95</p> <p>Date of Survey</p> <p>Signature and Professional Seal</p>	
	<p>830'</p> <p>790'</p>	
	<p>5266.80'</p> <p>8857</p> <p>6852</p> <p>Certificate Number</p>	

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

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

API Number		Pool Code 71629	Pool Name Basin Fruitland Coal
Property Code 17560	Property Name Blancett		Well Number 2R
OCRID No. 037581	Operator Name Thompson Engineering Corp.		Elevation 5531'

<sup>10</sup> Surface Location

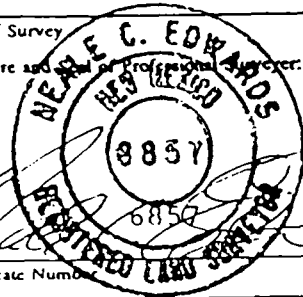
UL or lot no. P	Section 13	Township 30 N	Range 12 W	Lot Ids	Feet from the 790	North/South line South	Feet from the 830	East/West line East	County SJ
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
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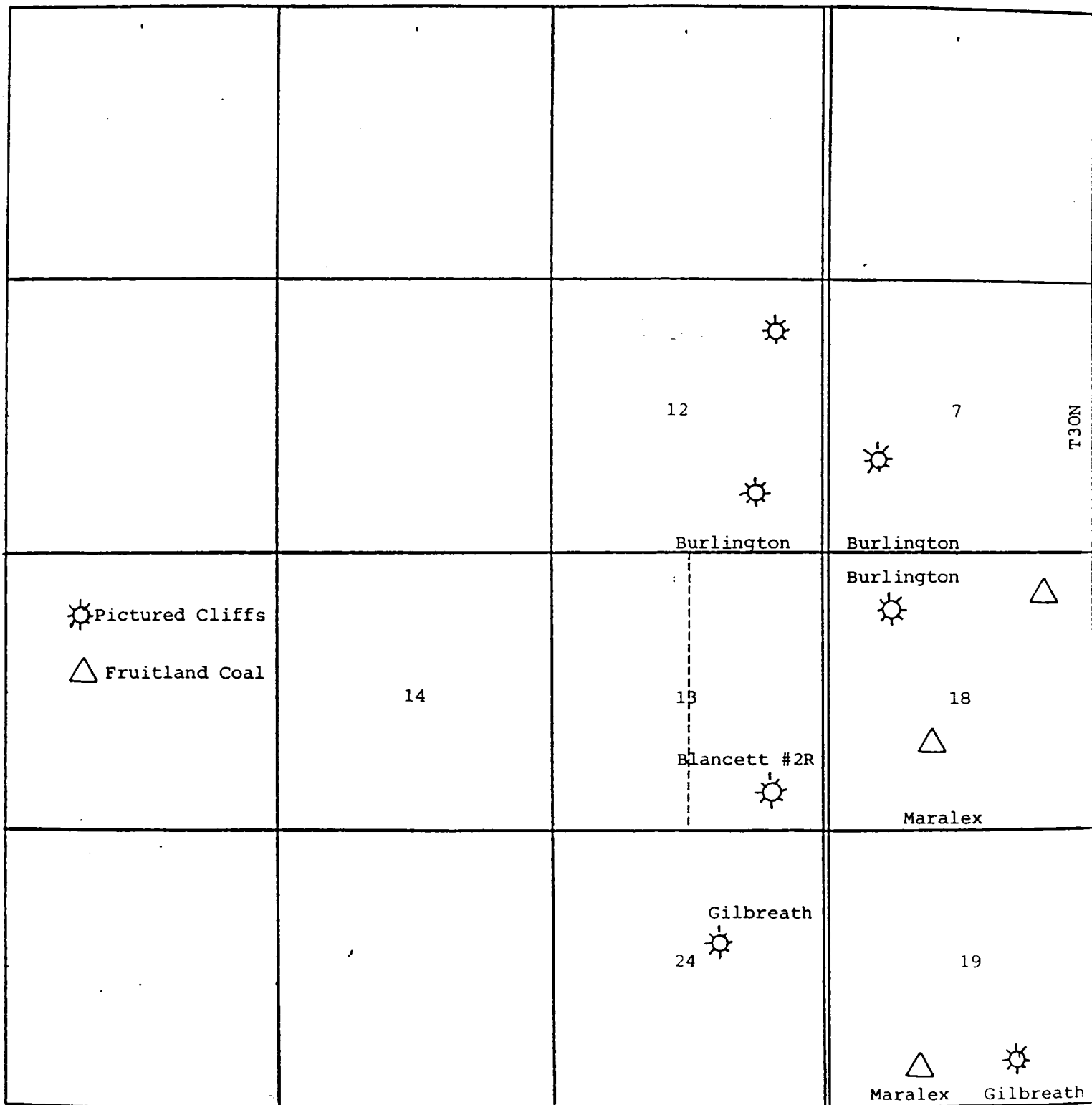
<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	------------------------------------	----------------------------------	-------------------------

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 5268.45' 5190.24' 13 5243.86'	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  <i>Paul C. Thompson</i> Signature Paul C. Thompson, President Printed Name President Title 9/1/95 Date	
	<sup>18</sup> 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. 8-29-95 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number	
	830' 790'	







R12W

R11W



THOMPSON ENGINEERING & PRODUCTION CORP.

Blancett #2R

790' FSL & 830' FEL

Sec. 13, T30N, R12W

San Juan County, New Mexico

The following property owners have received written notice of the proposed Non-Standard Spacing and Downhole Commingling Application.

Mr. Mickey O'Hare  
Maralex Resources  
P.O. Box 338  
Ignacio, CO 81137

Mr. Norman Gilbreath  
P.O. Box 208  
Aztec, NM 87410

Mr. James Strickler  
Burlington Resources, Inc.  
3535 E. 30th Street  
Farmington, NM 87402

I certify that this letter has been mailed to the above property owner.

  
Paul C. Thompson

San Juan County            )  
                                      ) ss  
State of New Mexico        )

The following instrument was acknowledged before me this 20<sup>th</sup> day of August 1997 by Paul C. Thompson.

  
Notary Public

My Commission Expires:

July 31, 2001



**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892CERTIFIED - RETURN RECEIPT

August 7, 1997

Mr. Mickey O'Hare  
Maralex Resources, Inc.  
P.O. Box 338  
Ignacio, Colorado 81137

Re: Non-Standard Spacing Unit  
Downhole Commingling  
Thompson Engineering  
Blancett #2R  
790' FSL and 830' FEL  
Sec. 13, T30N, R12W  
San Juan County, NM  
Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Mr. O'Hare,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an offset operator you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

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.  
President

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892CERTIFIED- RETURN RECEIPT

August 7, 1997

Mr. Norman Gilbreath  
P.O. Box 208  
Aztec, New Mexico 87410Re: Non-Standard Spacing Unit  
Downhole Commingling  
Thompson Engineering  
Blancett #2R  
790' FSL and 830' FEL  
Sec 13 T30N R12W  
San Juan County, NM  
Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Mr. Gilbreath,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an offset operator you are being notified of this application pursuant to NMOCD rules.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

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.  
President  
Thompson Engineering

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892CERTIFIED- RETURN RECEIPT

August 7, 1997

Mr. James Strickler  
Burlington Resources, Inc.  
3535 E. 30th Street  
Farmington, New Mexico 87402

Re: Non-Standard Spacing Unit  
Downhole Commingling  
Thompson Engineering  
Blancett #2R  
790' FSL and 830' FEL  
Sec 13 T30N R12W  
San Juan County, NM  
Basin Fruitland Coal and Aztec Pictured Cliffs

Dear Mr. Strickler,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval. As an offset operator you are being notified of this application pursuant to NMOCD rules.

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Sincerely,

Paul C. Thompson, P.E.  
President





**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Paul C. or Leslie W. Thompson  
7415 E. Main  
Farmington, New Mexico 87402

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. & Mrs. Thompson,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

*Paul C. Thompson*  
Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Amoco Production Company  
P.O. Box 21868  
Tulsa, Oklahoma 74121

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Four Star Oil & Gas Company  
Attn: Controllers  
P.O. Box 201665  
Houston, Texas 77216

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Carl Noel  
General Delivery  
Farmington New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Noel,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Gerorge E. Coleman  
1800 McDonald Road  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Coleman,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.



**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Tom P. Schell  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Schell,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

*Paul C. Thompson*  
Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Tom P. & Lola P. Schell  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. & Mrs. Schell,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.



**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Max Coll, Inc.  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4882

August 7, 1997

Ms. Yvona Stephens  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Ms. Stephens,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Rose H. & Edward N. Aument  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. & Mrs. Aument,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Elbert R. & Shirley Stotts  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. & Mrs. Stotts,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Frank & Mavis Lillywhite  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. & Mrs. Lillywhite,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.



ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping

7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892



August 7, 1997

Bailey E. & Irma Gower  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. & Mrs. Gower,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

The Denver & Rio Grande  
P.O. Box 209711  
Houston, Texas 77216

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Tidewater Oil Company  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.



**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Monsanto Chemical Co.  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Rodney P. Calvin  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Calvin,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Weldon C. Julander  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Julander,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. J.R. Stephens  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Stephens,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Western Distributing Co.  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Ms. Dawn G. Bleakley  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Ms. Bleakley,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Anthony F. Zarlengo  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Zarlengo,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. L.G. Krieger  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Krieger,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

*Paul C. Thompson*  
Paul C. Thompson, P.E.



**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Northwest Production Co.  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

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Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

El Paso Natural Gas Company  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

  
Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Conoco, Inc.  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

Blancett #2R  
Commingling Application

Working, Overriding, and Royalty Interests

Pictured Cliffs

Owner	Working Interest	Net Revenue Interest
Coleman Oil and Gas	0.61773	0.49246
Paul Thompson	0.07000	0.05581
Amoco	0.03500	0.02925
George E. Coleman	0.10000	0.07972
Four Star Oil and Gas	0.04792	0.04180
El Paso (Non-consent)	0.00473	0.00394
Conoco (Non-consent)	0.00800	0.00680
Carl Noel, et. al.	0.11662	0.10204
Richard Blancett		0.02767
Kenneth Blancett		0.02767
Cecil Cast		0.00536
Jim Young		0.00180
Elliot Riggs		0.08354
Amoco, et. al.		0.00575
Four Star, et. al.		0.00754
Conoco, et. al.		0.00199
Martha L.R. Wright		0.00042
D.E. and Virginia McCoy		0.00141
Norman Gilbreath		0.02503
	-----	-----
	1.00	1.000

# **Fruitland Coal**

<b>Owner</b>	<b>Working Interest</b>	<b>Net Revenue Interest</b>
Coleman Oil and Gas	0.34835	0.30478
Paul Thompson	0.02938	0.02537
Amoco	0.05624	0.04683
George E. Coleman	0.10085	0.08181
Four Star Oil and Gas	0.10696	0.08952
El Paso (Non-consent)	0.02513	0.01102
Conoco (Non-consent)	0.02678	0.02497
Elliot Riggs	0.30631	0.30631
Richard Blancett		0.01171
Kenneth Blancett		0.01171
Cecil Cast		0.00213
Amoco, et. al.		0.00575
Four Star, et. al.		0.00754
Conoco, et. al.		0.00199
Martha L.R. Wright		0.00677
D.E. & Virginia McCoy		0.00071
Tom P. Schell		0.00387
Tom P. & Lola P. Schell		0.00387
Max Coll Inc.		0.00310
Yvona Stephens		0.00141
Rose & Edward N. Aument		0.00717
Elbert R. & Shirly Stotts		0.00041
Frank S. & Mavis Lillywhite		0.00482
Bailey E. & Irma Gower		0.00199
Rio Grande		0.00106
E.B. Reidhead		0.00198
Tidewater Oil Co.		0.03350
Monsanto Chemical Co.		0.00416
Rodney P. Calvin		0.00154
Weldon C. Julander		0.00154
J.R. Stephens		0.00069
Western Distributing		0.00075
Dawn Bleakley		0.00255
Anthony F. Zarlengo		0.00102
L.G. Krieger		0.00051
Northwest Production		0.00042
	-----	-----
	1.00	1.00000

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 1, 1997

Mr. Richard Blancett  
278 Road 3000  
Aztec, New Mexico 87410

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Blancett,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico, within 20 days from the receipt of this notice. A copy of any remarks to the undersigned would be appreciated.

Please feel free to call or write me at the letterhead address, if you have any questions.

Sincerely,

Paul C. Thompson, P.E.

**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 1, 1997

Mr. Kenneth Blancett  
303 Road 3000  
Aztec, New Mexico 87410

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Blancett,

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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Cecil Cast  
P.O. Box 57  
Elephant Butte, New Mexico 87935

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Cast,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. James Young  
P.O. Box 92  
Aztec, New Mexico 87410

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Young,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Elliott A. Riggs  
P.O. Box 711  
Farmington, New Mexico 87499

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Riggs,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Paul C. Thompson, P.E.



---

**WALSH****ENGINEERING & PRODUCTION CORP.**Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

---

August 7, 1997

Amoco Production Company  
Gower Royalty  
P.O. Box 21868  
Tulsa, Oklahoma 74121

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

To Whom It May Concern:

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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

---

August 7, 1997

Amoco Production Company  
Reidhead Royalty  
P.O. Box 21868  
Tulsa, Oklahoma 74121

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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Four Star Oil & Gas Company  
Reidhead Royalty  
Attn: Controllers  
P.O. Box 201665  
Houston, Texas 77216

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. E.B. Reidhead  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Reidhead,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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**WALSH**

ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Amoco Production Company  
Wright Royalty  
P.O. Box 21868  
Tulsa, Oklahoma 74121

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Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Four Star Oil & Gas Company  
Wright Royalty  
Attn: Controllers  
P.O. Box 845896  
Dallas, Texas 75284

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Blancett #2R  
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Section 13, T30N, R12W  
San Juan County, New Mexico

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Sincerely,

*Paul C. Thompson*  
Paul C. Thompson, P.E.



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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Ms. Martha L.R. Wright  
Conoco Royalty  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Ms. Wright,

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Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

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General Delivery  
Farmington, New Mexico 87401

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Section 13, T30N, R12W  
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Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

---

August 7, 1997

The Denver & Rio Grande  
El Paso & Conoco Royalty  
P.O. Box 209711  
Houston, Texas 77216

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

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Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Four Star Oil & Gas Company  
Rio Grande Royalty  
Attn: Controllers  
P.O. Box 845896  
Dallas, Texas 75284

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Blancett #2R  
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Paul C. Thompson, P.E.

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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

D.E. & Virginia McCoy  
General Delivery  
Farmington, New Mexico 87401

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. & Mrs. McCoy,

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Paul C. Thompson, P.E.

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ENGINEERING &amp; PRODUCTION CORP.

Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Mr. Norman Gilbreath  
P.O. Box 208  
Aztec, New Mexico 87410

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

Dear Mr. Gilbreath,

Thompson Engineering proposes to complete the above described well in the Fruitland Coal formation and downhole commingle the production from the Fruitland Coal with the existing Pictured Cliffs production. The east half of Section 13, T30N, R12W is being dedicated to the Fruitland formation. As a working interest, royalty, or overriding royalty owner in this proposed drill block, you are being notified of this project pursuant to New Mexico Oil and Gas Conservation Division regulations.

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Paul C. Thompson, P.E.

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Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Amoco Production Company  
Stephens Royalty  
P.O. Box 21868  
Tulsa, Oklahoma 74121

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Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

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Petroleum Engineering Consulting  
Lease Management  
Contract Pumping7415 East Main  
Farmington, New Mexico 87402  
(505) 327-4892

August 7, 1997

Coleman Oil & Gas Inc.  
P.O. Drawer 3337  
Farmington, New Mexico 87499

RE: Thompson Engineering  
Blancett #2R  
790' FSL & 830' FEL  
Section 13, T30N, R12W  
San Juan County, New Mexico

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Paul C. Thompson, P.E.





Blancett #2R  
Commingling Application

Allocation Formula

The Aztec Pictured Cliffs was completed in November of 1995. Production from the well has steadily declined to the point that the well is only marginally economic. The decline curve is attached. The decline rate on the Pictured Cliffs formation has been calculated at 38.8% per year.

The Fruitland Coal has not been completed so there is insufficient data to determine a stabilized flow rate or decline curve.

Thompson proposes to allocate the production from the commingled well according to the following formula:

$$Q_{Ftc} = Q_{Total} - (Q_{Pci} * e^{(-D*t)})$$

where:

$Q_{Ftc}$  = Production allocated to the Fruitland Coal

$Q_{Total}$  = Total measured production from the well

$Q_{Pci}$  = Last Pictured Cliffs rate prior to commingling

$D$  = Exponential decline rate (0.3233/mo.) =  
38.8%/year

$t$  = time since commingling began in months.

Both zones are expected to have very similar bottom hole pressures (approximately 350 psig from the Pictured Cliffs and the Fruitland Coal) so cross flow will not be a factor. Both zones will produce some amount of water. Neither zone is fluid sensitive and the fluids from the two zones are compatible. A copy of the gas analysis from the Pictured Cliffs is attached.

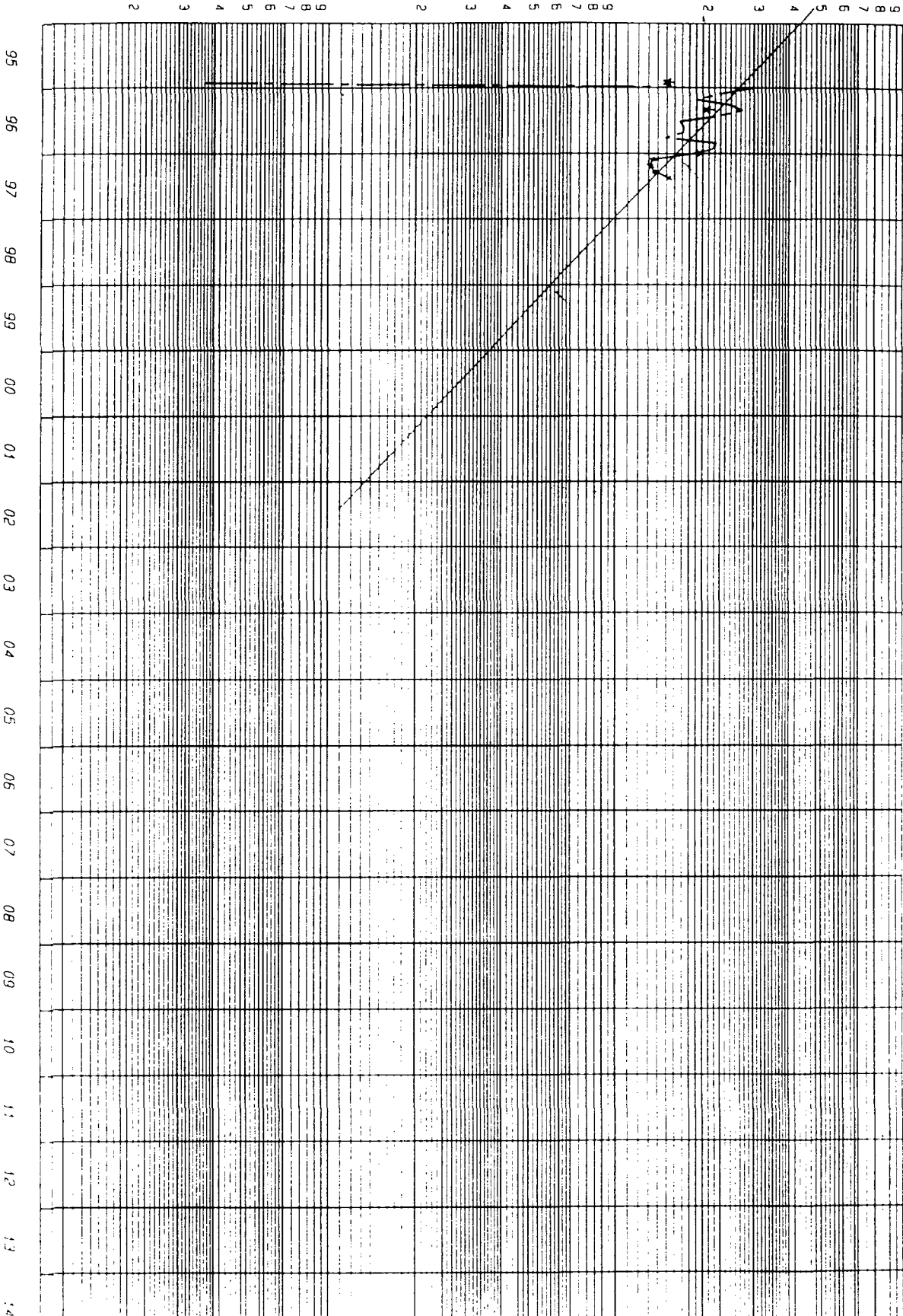


Lease: BLANCETT

2R

Dwights

Retrieval Code 251.045.04529281/1286



F P Date 11-95

County SAN JUAN  
Field AZTEC (PICTURED CLIFFS) PC  
Reservoir PICTURED CLIFFS  
Operator THOMPSON ENGR & PROD CO  
Oil Cum 0 Gas Cum 25667  
Location 13P 30N 12W

Date 06 06 97

★ GAS (MCF/MO)

DWIGHTS ENERGYDATA, INC.  
GAS WELL HISTORY  
NEW MEXICO GAS NORTHWEST

File: BLANCET.DMP

RUN DATE: 06/06/97

DATA CURRENT THRU: 11/96

(#251,045,0452928171280 )

OPERATOR (#182142)	WELL NAME	WELL #
THOMPSON ENGR & PROD CO	BLANCETT	2R

LOCATION	STATE	DIST	COUNTY (#045)	LEASE #
13P 30N 12W	NM	004	SAN JUAN	0

API #	FIELD (#8003474)	RESERVOIR
30-045-2928100	AZTEC (PICTURED CLIFFS) PC	PICTURED CLIFFS

TOTAL DEPTH	UPPER PERF	LOWER PERF	GAS GATH	LIQ GATH	GAS GRAV	LIQ GRAV	TEMP GRAD	N-FACTOR
	1804	1852	ELNAT				1.700	

COMP DATE	1ST PROD DATE	LAST PROD DATE	STATUS DATE	STATUS
9511	9511	9611		INA

CUM THRU LPD GAS/MCF	GAS CUM SINCE DATE
25667	FPDAT

DWIGHTS ENERGYDATA, INC.  
THOMPSON ENGR & PROD CO  
BLANCETT

File: BLANCET.DMP

RUN DATE: 06/06/97

DATA CURRENT THRU: 11/96  
(#251,045,0452928171280 )

\*\*\* GAS TEST INFORMATION \*\*\*

TEST DATE	CUM TO TEST	WHSIP	BHP	BHP/Z	T POTENTIAL	WH FLOW	BBLS/DAY WATER	BBLS/DAY COND
--------------	-------------	-------	-----	-------	-------------	---------	-------------------	------------------

\*\*\*\*\* NO TESTS \*\*\*\*\*

DWIGHTS ENERGYDATA, INC.  
THOMPSON ENGR & PROD CO  
BLANCETT

File: BLANCET.DMP

RUN DATE: 06/06/97  
DATA CURRENT THRU: 11/96  
(#251,045,0452928171280 )

\*\*\* ANNUAL PRODUCTION HISTORY \*\*\*

----- YEAR -----	----- GAS/MCF -----	----- COND/BBLs -----	----- WATER/BBLs -----
1995	3018	0	0
1996	22649	0	2726

DWIGHTS ENERGYDATA, INC.  
 THOMPSON ENGR & PROD CO  
 BLANCETT

File: BLANCET.DMP

RUN DATE: 06/06/97  
 DATA CURRENT THRU: 11/96  
 (#251,045,0452928171280 )

\*\*\* MONTHLY PRODUCTION HISTORY \*\*\*

MONTH	GAS MCF	CUM GAS MCF	COND BBLs	CUM COND BBLs	WATER BBLs	DAYS ON
NOV	37	37	0	0	0	-
DEC	2981	3018	0	0	0	31
1995	3018	3018	0	0	0	
JAN	2313	5331	0	0	0	31
FEB	1897	7228	0	0	0	29
MAR	2463	9691	0	0	0	31
APR	2731	12422	0	0	0	30
MAY	2267	14689	0	0	640	31
JUN	1670	16359	0	0	240	30
JUL	1715	18074	0	0	166	31
AUG	1712	19786	0	0	400	31
SEP	1488	21274	0	0	160	28
OCT	2214	23488	0	0	720	29
NOV	2179	25667	0	0	400	30
1996	22649	25667	0	0	2726	
DEC	1931					31
JAN 1997	1320					31
FEB	1309					28
MAR	1305					31
APR	1525					30



EL PASO NATURAL GAS COMPANY  
VOLUME ACCOUNTING DEPARTMENT  
MEASUREMENT DIVISION  
POST OFFICE BOX 1492  
EL PASO, TEXAS 79978  
PHONE: (915) 541-2595  
CHROMATOGRAPHIC GAS ANALYSIS REPORT

DATE 8/09/96

MAILEE  
26756

THOMPSON ENGINEERING & PRODUCT  
CORPORATION  
7415 EAST MAIN STREET  
FARMINGTON, NM 87402-5180

METER NUMBER 97978 - BLANCETT #2R  
OPERATOR 0523 - THOMPSON ENGINEERING & PROD

ANALYSIS DATE 6/24/96 TYPE CODE 2 - ACTUAL  
SAMPLE DATE 6/20/96 H2S GRAINS 0  
EFFECTIVE DATE 7/01/96 LOCATION D - DANIELS FM  
EFFECTIVE FOR 6 MONTHS

COMPONENTS	NORMALIZED MOL %	GPM
CO2	.76	.000
H2S	.00	.000
N2	.25	.000
METHANE	90.34	.000
ETHANE	4.86	1.300
PROPANE	1.94	.535
ISO-BUTANE	.36	.118
NORM-BUTANE	.53	.167
ISO-PENTANE	.20	.073
NORM-PENTANE	.14	.051
HEXANE PLUS	<u>.62</u>	<u>.271</u>
	100.00	2.515

SPECIFIC GRAVITY .642

MIXTURE HEATING VALUE  
(BTU @ 14.73 DRY) 1127

RATIO OF SPECIFIC HEATS .000

NO TEST SECURED FOR H2S CONTENT