

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., 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 and Natural Resources

Form C-103  
 Revised June 10, 2003

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-039-23137
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Lindreth
8. Well Number #24M
9. OGRID Number 37581
10. Pool name or Wildcat Largo Gallup & Basin Dakota

**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.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Thompson Engineering and Production Corp.

3. Address of Operator  
 7415 E. Main St., Farmington, NM 87402

4. Well Location  
 Unit Letter K : 1700' feet from the South line and 1580' feet from the West line  
 Section 4 Township 26N Range 7W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 6574' GR

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- OTHER: Down Hole Commingle
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPLETION

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING TEST AND CEMENT JOB
- OTHER:
- ALTERING CASING
- PLUG AND ABANDONMENT

OIL CONS. DIV. DIST. 3  
 OCT 24 2016

TR

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Thompson engineering and Production Corp, seeks administrative approval to down hole commingle the gas production from the Largo Gallup (80000) pool with the Basin Dakota (71599) in the subject well. Both pools are on the list of pre-approved pools in NMOCD Rule 11363.

All of the interests in both pools are identical. All wellbore fluids are compatible and commingling will not reduce the value of the production. The BLM Office was also notified of this application.

The perforated interval in the Gallup is 6381 - 6658 and the Dakota perforated interval is 7185 - 7273'. TEPC proposes to allocate the oil and gas production between the two pools on a fixed percentage based on the June 2016 actual production (see attached). 56% of the gas and 60% of the oil will be allocated to the Gallup and 44% of the gas and 40% of the oil will be allocated to the Dakota.

DHC#3961AZ

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 10/20/16

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net Telephone No. (505) 327-4892

(This space for State use)

APPROVED BY [Signature] TITLE GEOLOGIST DISTRICT #3 DATE 10/31/2016  
 Conditions of approval, if any: AV

le

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

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

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lindreth #24M Lease Well No. K sec. 4, T26N, R7W Unit Letter-Section-Township-Range San Juan County

OGRID No. 37581 Property Code API No. 30-039-23137 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Largo Gallup		Basin Dakota
Pool Code	80000		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6381 - 6658		7185 - 7273
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
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)	400 psi (est.)		400 psi (est.)
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1.21 MMBtu/Mcf		1.21 MMBtu/Mcf
Producing, Shut-In or New Zone	Producing		Producing
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: June 2016 Rates: 619 MCF & 6.0 BO	Date: Rates:	Date: June 2016 Rates: 488 MCFD & 4.0 BO
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 60 % Gas 56 %	Oil % Gas %	Oil 40 % Gas 44 %

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: Rule 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 10/20/16

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

E-MAIL ADDRESS paul@walsheng.net

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

5. Lease Serial No.  
**USA SF 079161**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
**Lindreth #24M**

9. API Well No.  
**30-039-23137**

10. Field and Pool, or Exploratory Area  
**Basin Dakota & Largo Gallup**

11. County or Parish, State  
**Rio Arriba County, NM**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
**Thompson Engineering and Production Corp.**

3a. Address  
**7415 E. Main, Farmington, NM, 87402**

3b. Phone No. (include area code)  
**505-327-4892**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**1700' FSL & 1580' FWL, Section 4, T26N, R7W**

**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 <u>Downhole</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Commingle</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Thompson engineering and Production Corp. has requested administrative approval from the NMOCD to downhole commingle the production from the Basin Dakota (71599) pool and the Largo Gallup (80000) pool in the subject well. All of the interests in both pools are identical and the fluids from both zones are compatible. Based on the actual June 2016 production, TEPC proposes to allocate 60% of the oil production and 56% of the gas production to the Gallup and 40% of the oil production and 44% of the gas production to the Dakota.

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

Name (Printed/Typed) <b>Paul C. Thompson, P.E.</b>	Title <b>President</b>
Signature <i>Paul C. Thompson</i>	Date <b>October 21, 2016</b>

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

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

# Rate/Time Graph

Project: C:\Users\Paul\Documents\IHS\PowerTools\Projects v9.3\QEP.mdb

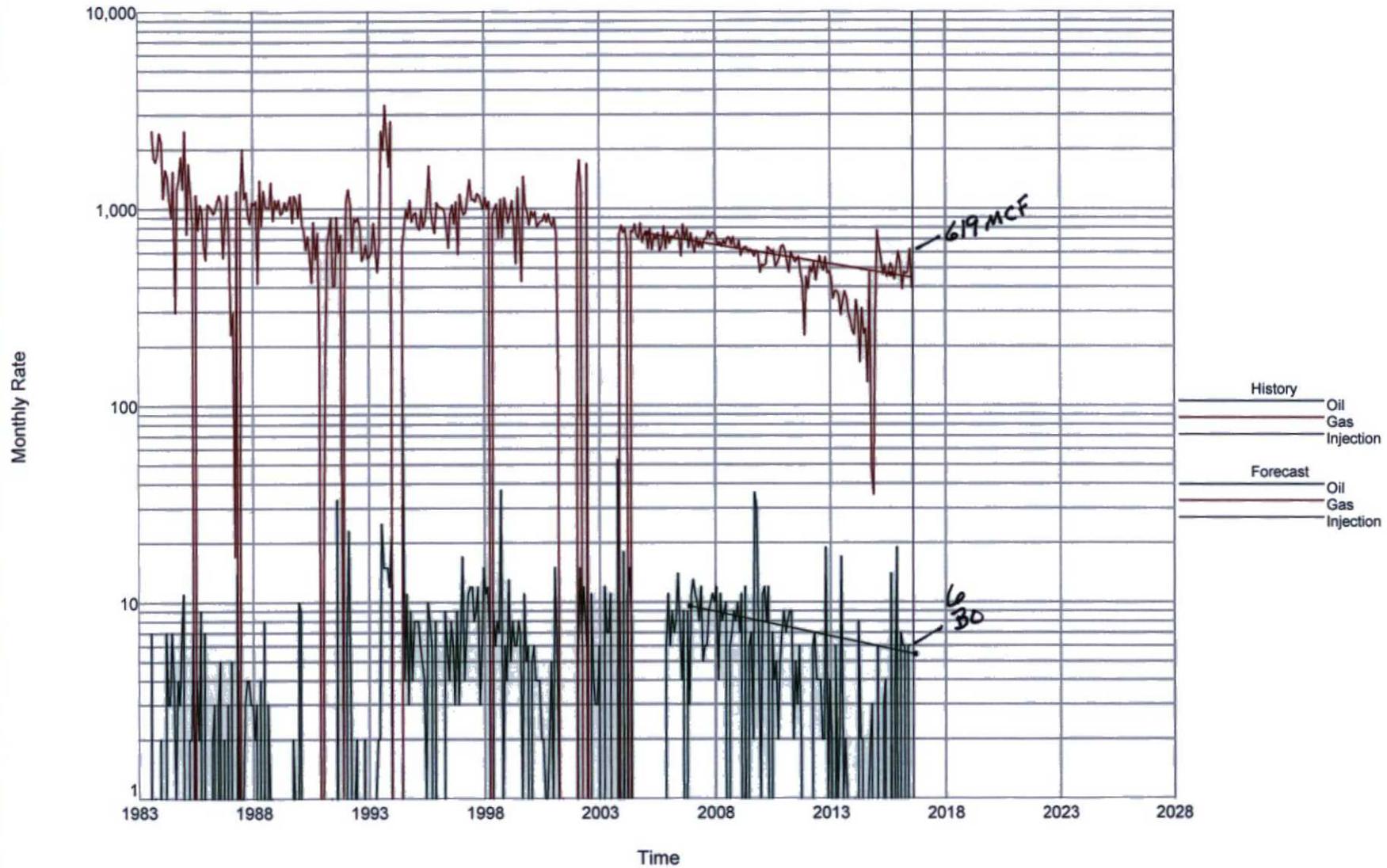
Date: 10/20/2016

Time: 10:34 AM

Lease Name: LINDRITH (24M)  
County, ST: RIO ARBA, NM  
Location: N26 W7 4 SW NE SW

Operator: ENCANA OIL & GAS (USA) INCORPORATED  
Field Name: LARGO

### LINDRITH - LARGO



# Rate/Time Graph

Project: C:\Users\Paul\Documents\IHS\PowerTools\Projects v9.3\QEP.mdb

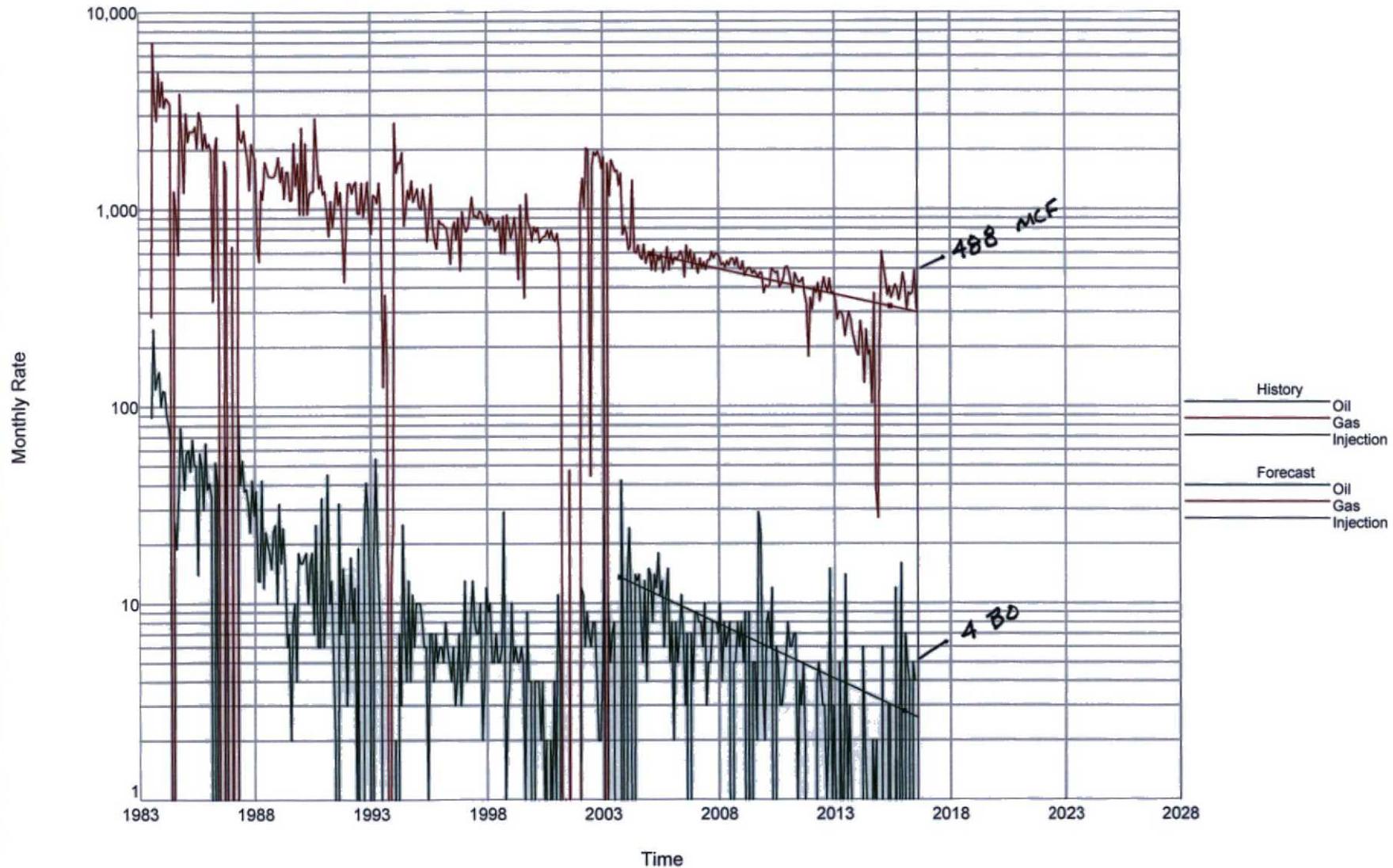
Date: 10/20/2016

Time: 10:34 AM

Lease Name: LINDRITH (24M)  
County, ST: RIO ARBA, NM  
Location: N26 W7 4 SW NE SW

Operator: ENCANA OIL & GAS (USA) INCORPORATED  
Field Name: BASIN

### LINDRITH - BASIN



**Configuration Record For LINDRITH #24M GL ( 94731-01)**

BTU	1,213
N2	0.5257
Gravity	0.7046
CO2	1.0461
Pipe Size	4.0260
Orifice	0.5000
Pressure Base	14.73
Atmospheric Pressure	11.60
Contract Hour	7