

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.

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)

1450' FNL and 790' FEL Section 23, T27N, R12W

5. Lease Serial No.

NM 002691

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Tonkin Federal #1E

9. API Well No.

30-045-26028

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal

11. County or Parish, State

San Juan County, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☒ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or 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.)

Completed the Basin Fruitland Coal according to the attached treatment reports.

2006 MAY 10 AM 5 48
RECEIVED
070 FARMINGTON NM

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

Name (Printed/Typed)

Paul C. Thompson, P.E.

Title

President

Signature

Date

May 8, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

ACCEPTED FOR RECORD

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

MAY 19 2006

FARMINGTON FIELD 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.

(Instructions on reverse)

RECEIVED

FRACTURE TREATMENT REPORT

Operator: Thompson Engineering Well Name: Tonkin #1E
Date: 27-Apr-06
Field: Basin Fruitland Coal Location: 23/27N12W County: San Juan State: NM
Stimulation Company: Key Energy & Blue Jet Supervisor: Paul Thompson

Stage #: 1/2 Lower Coal

Sand on location: Design: 60,000# Weight ticket: 80,880# Size/type: 20/40 Brady

Fluid on location : No. of Tanks: 2 Strap: 20 Amount: 800 Usable: 720

Perforations:
Depth: 1505' - 1518' Total Holes: 52 PBTD: 2302' KB
Shots per foot: 4 spf EHD: 0.36" Cement top

Breakdown:
Acid: 350 gal of 15% HCl Loaded hole with 18 bbls
Balls: None No obvious break.
Pressure: 1400 psi Rate: 10 BPM

Stimulation:
ATP: 1700 psi AIR: 23 BPM
MTP: 1950 psi MIR: 26 BPM

	Sand Stage	Pressure	Rate	BHTP	Foam Quality
ISIP: 880	pad	1950	25	2114	72.0
5 min: 822	.5 ppg	1907	26.0	2088	70.0
10 min: 789	1 ppg	1775	25.4	2047	70.0
15 min: 773	2 ppg	1600	25.5	1839	70.0
	3 ppg	1460	20.4	1766	71.0
	4 ppg	1396	19.5	1736	66.0

Job Complete at: 1330 hrs. Date: 4/27/2006 Start flow back: 1815 hrs.
Total Fluid Pumped: 288 bbls
Total Sand Pumped: 60,000 # Total Sand on Formation: 60,000#
Total Nitrogen Pumped: 317,037 SCF

Notes:

All frac fluid was produced water with biocide and contained 20#/1000 gal guar gel, crosslinker, surfactant, foamer, enzyme and encapsulated breakers (Aqua-Safe X20). Dropped the injection rate from 25 to 20 BPM during the 3 ppg stage due to a declining Nolte plot. The Nolte stabilized at 20 BPM.

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Field: Basin Fruitland Coal Location: 23/27N12W County: San Juan State: NM
Stimulation Company: Key Energy & Blue Jet Supervisor: Paul Thompson

Stage #: 2-Feb Upper Coal

Sand on location: Design: 20,000# Weight ticket: 80,880# Size/type: 20/40 Brady

Fluid on location : No. of Tanks: 2 Strap: 10 Amount: 400 Usable: 360

Perforations:
Depth: 1460' - 1464' Total Holes: 12 PBTD: 1485' KB
Shots per foot: 3 spf EHD: 0.36" Frac Plug

Breakdown:
Acid: None
Balls: None
Pressure: Rate:

Stimulation:
ATP: AIR:
MTP: 4000 psi MIR:

	Sand Stage	Pressure	Rate	BHTP	Foam Quality
ISIP: _____	pad				
5 min: _____	.5 ppg				
10 min: _____	1 ppg				
15 min: _____	2 ppg				
	3 ppg				
	4 ppg				

Job Complete at: 1700 hrs. Date: 4/27/2006 Start flow back: _____
Total Fluid Pumped: 26 bbls
Total Sand Pumped: Total Sand on Formation: _____
Total Nitrogen Pumped: _____

Notes:

Could not get perf guns past 1330'. Installed the flow back manifold and flowed the well to the pit through a 1/4" choke for 20 min. Perf'd the second stage with no problem. Could not break down the perms, even at 4000 psi. Surged the well back but still could not break down the formation. Rigged down and released the frac crew and abandoned the second stage.