

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  
NOV 13 2006  
OIL CONSERVATION DIVISION  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised June 10, 2003

|   |
|---|
| WELL API NO.<br>30-045-33931  |
| 5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No.  |
| 7. Lease Name or Unit Agreement Name<br>Thomas  |
| 8. Well Number<br>#100  |
| 9. OGRID Number<br>037581   |
| 10. Pool name or Wildcat<br>Basin Fruitland Coal & Fulcher Kutz PC                                  |

|   |  |
|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(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:<br>Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other  |  |
| 2. Name of Operator<br>THOMPSON ENGINEERING AND PRODUCTION CORP.  |  |
| 3. Address of Operator<br>c/o Walsh Engineering, 7415 E. Main St., Farmington, NM 87402   |  |
| 4. Well Location<br>Unit Letter <u>L</u> : <u>1980'</u> feet from the <u>South</u> line and <u>985'</u> feet from the <u>West</u> line<br>Section <u>30</u> Township <u>29N</u> Range <u>11W</u> NMPM San Juan County |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>5376' GR  |  |

|  |  |
|--|--|
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data   |  |
| NOTICE OF INTENTION TO:<br>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/><br>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/><br>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/><br>OTHER: Down Hole Commingle <input type="checkbox"/> | SUBSEQUENT REPORT OF:<br>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/><br>COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/><br>CASING TEST AND CEMENT JOB <input type="checkbox"/><br>OTHER: <input type="checkbox"/> |

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 seeks administrative approval to down hole commingle the gas production from the Basin Fruitland Coal (71629) pool with the Fulcher Kutz Pictured Cliffs (77200) pool in the subject well. Both pools are on the list of pre-approved pools in NMOCD Rule 11363.

The produced fluids from the commingled zones are compatible and commingling will not reduce the value of the production. The Fruitland Coal will be completed from 1163' to 1432' and the Pictured Cliffs will be perforated from 1443' to 1538'.

The interests in the two pools are not the same. All interest owners of this application have been notified of this application by certified mail - copies attached.

Production will be allocated between the pools based on the average ultimate reserves calculated for each pool from the existing wells in the nine adjacent sections. Based on the data attached, the average reserves calculated for a Fruitland Coal well are 835,404 MCF and 757,515 MCF for a Pictured Cliffs well. Using these averages, 52.4% of the production will be allocated to the Fruitland Coal and 47.6% will be allocated to the Pictured Cliffs.

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 11/7/06

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 DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE 12/1/06  
Conditions of approval, if any:

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

District II  
PO Drawer 00, 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 0-100 NOV21'06  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DIST. 3

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                    |  |                            |   |
|------------------------------------|--|----------------------------|---|
| *API Number<br><b>30-045-33931</b> |  | *Pool Code<br><b>77200</b> | *Pool Name<br><b>FULCHER KUTZ PICTURED CLIFFS</b> |
| *Property Code<br><b>20579</b>     | *Property Name<br><b>THOMAS</b>  |                            | *Well Number<br><b>100</b>                        |
| *GRID No<br><b>37581</b>           | *Operator Name<br><b>THOMPSON ENGINEERING &amp; PRODUCTION CORPORATION</b> |                            | *Elevation<br><b>5376</b>                         |

10 Surface Location

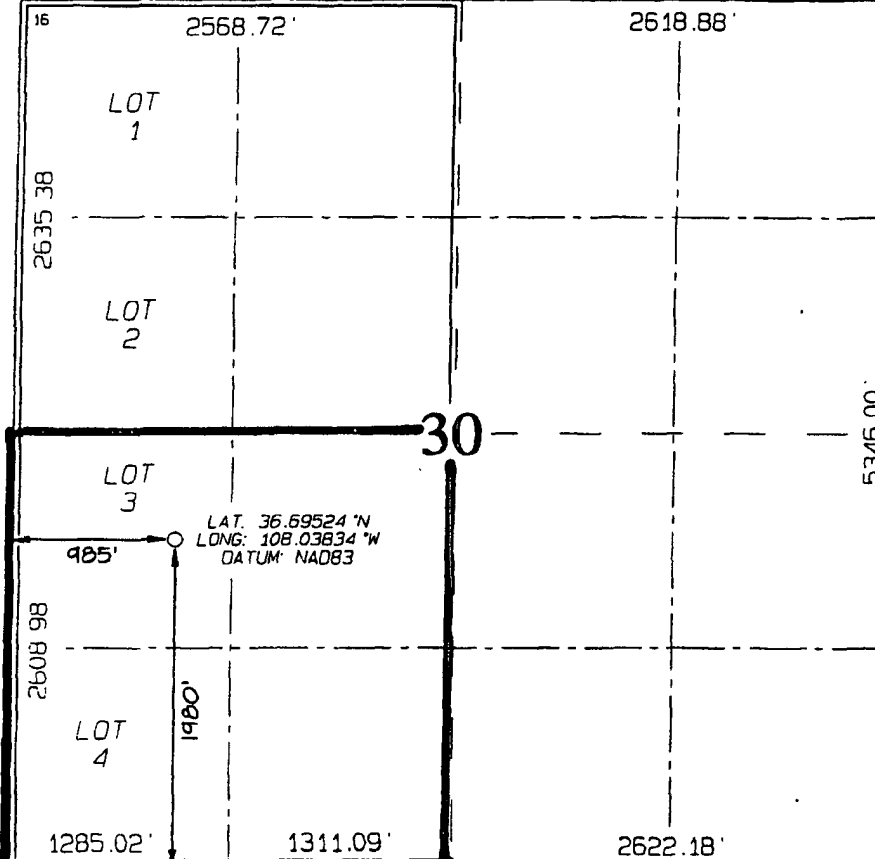
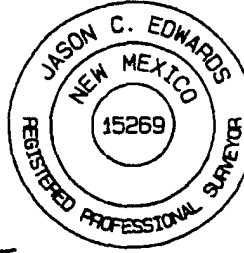
| UL or lot no | Section | Township | Range | Lot 10n | Feet from the | North/South line | Feet from the | East/West line | County   |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| L            | 30      | 29N      | 11W   |         | 1980          | SOUTH            | 985           | WEST           | SAN JUAN |

11 Bottom Hole Location If Different From Surface

| UL or lot no | Section | Township | Range | Lot 10n | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|              |         |          |       |         |               |                  |               |                |        |

|   |                                |                                     |              |
|---|--------------------------------|-------------------------------------|--------------|
| 12 Dedicated Acres<br><b>SW/4 158 ACRES</b> | 13 Joint or Infill<br><b>Y</b> | 14 Consolidation Code<br><b>Com</b> | 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

|   |   |
|---|---|
|  | <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><br/>Signature</p> <p><b>PAUL C. THOMPSON</b><br/>Printed Name</p> <p><b>PRESIDENT</b><br/>Title</p> <p><b>9/13/06</b><br/>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>Survey Date: <b>SEPTEMBER 12, 2006</b></p> <p>Signature and Seal of Professional Surveyor</p> <p></p> <p><b>JASON C. EDWARDS</b><br/>Certificate Number 15269</p> |

**Fruitland Coal and Pictured Cliffs Offsets**

**DIST. 3**

**FRUITLAND COAL OFFSETS**

| WELL NAME                     | OPERATOR                    | LOCATION     | ULTIMATE<br>RESERVE<br>MCF |
|-------------------------------|-----------------------------|--------------|----------------------------|
| CRAWFORD 29-12-24 #102        | SYNERGY OPERATING LLC       | 24 T29N R12W | 356,262                    |
| CRAWFORD 29-12-24 #103        | SYNERGY OPERATING LLC       | 24 T29N R12W | 51,902                     |
| FEDERAL #1                    | SYNERGY OPERATING LLC       | 24 T29N R12W | 85,636                     |
| FEDERAL #101                  | SYNERGY OPERATING LLC       | 25 T29N R12W | 159,059                    |
| GALLEGOS CANYON UNIT #93      | BP AMERICA PROD. CO.        | 36 T29N R12W | 599,800                    |
| GALLEGOS CANYON UNIT COM #568 | BP AMERICA PROD. CO.        | 36 T29N R12W | 3,760,957                  |
| HARTMAN #2                    | THOMPSON ENGR. & PROD CORP. | 31 T29N R11W | 834,209                    |
| WHITE 29 11 19 # 106          | SYNERGY OPERATING LLC       | 19 T29N R11W | Insuff. Data               |
| TOTAL                         |                             |              | 5,847,825                  |
| AVG. MCF/WELL                 |                             |              | 835,404                    |

**PICTURED CLIFFS OFFSETS**

| WELL NAME                 | OPERATOR                       | LOCATION     | ULTIMATE<br>RESERVE<br>MCF |
|---------------------------|--------------------------------|--------------|----------------------------|
| CASSIDY #1                | GERRY THAMES                   | 19 T29N R11W | 1,188,906                  |
| COOPER S #1               | AZTEC OIL & GAS COMPANY        | 29 T29N R11W | 163,948                    |
| COZZENS #2                | SOUTHLAND ROYALTY COMPANY      | 19 T29N R11W | 1,183,425                  |
| COZZENS #2R               | BURLINGTON RESOURCES O&G CO LP | 19 T29N R11W | 465,642                    |
| COZZENS #3                | SOUTHLAND ROYALTY COMPANY      | 20 T29N R11W | 615,912                    |
| COZZENS #3R               | BURLINGTON RESOURCES O&G CO LP | 20 T29N R11W | 296,889                    |
| COZZENS #4                | BURLINGTON RESOURCES O&G CO LP | 20 T29N R11W | 1,442,385                  |
| COZZENS #5                | BURLINGTON RESOURCES O&G CO LP | 19 T29N R11W | 416,729                    |
| CRAWFORD 1                | KEYES B H & KEYES M N T A      | 30 T29N R11W | 238,623                    |
| DALLABETTA #1             | BURLINGTON RESOURCES O&G CO LP | 20 T29N R11W | 2,159,403                  |
| DELO #6                   | GENERAL MINERALS CORPORATION   | 20 T29N R11W | 175,940                    |
| FAVERINO #1               | SOUTHLAND ROYALTY COMPANY      | 20 T29N R11W | 455,756                    |
| FEDERAL #1                | SYNERGY OPERATING LLC          | 24 T29N R12W | 241,068                    |
| GALLEGOS CANYON UNIT #518 | BP AMERICA PRODUCTION CO.      | 25 T29N R12W | 60,506                     |
| GALLEGOS CANYON UNIT #521 | BP AMERICA PRODUCTION CO.      | 36 T29N R12W | 1,705,689                  |
| GALLEGOS CANYON UNIT #528 | BP AMERICA PRODUCTION CO.      | 36 T29N R12W | 1,329,030                  |
| GALLEGOS CANYON UNIT #529 | BP AMERICA PRODUCTION CO.      | 36 T29N R12W | 2,195,632                  |
| HARTMAN #1Z               | THOMPSON ENGR. & PROD CORP.    | 31 T29N R11W | 198,836                    |
| HARTMAN #2                | THOMPSON ENGR. & PROD CORP.    | 31 T29N R11W | 182,853                    |
| MANGUM SRC #1             | BURLINGTON RESOURCES O&G CO LP | 29 T29N R11W | 2,244,182                  |
| MAXEY #1                  | MANANA GAS INCORPORATED        | 24 T29N R12W | 201,656                    |
| MAXEY #1J                 | MANANA GAS INCORPORATED        | 24 T29N R12W | 212,344                    |
| MCDANIEL #1               | SOUTHLAND ROYALTY COMPANY      | 19 T29N R11W | 1,487,971                  |
| SALMON #1                 | GERRY THAMES                   | 30 T29N R11W | 510,671                    |
| SUMMIT B #3               | SOUTHERN UNION PROD. CO.       | 20 T29N R11W | 196,227                    |
| SUMMIT VILES B #6         | AZTEC OIL & GAS COMPANY        | 29 T29N R11W | 80,392                     |
| VILES #1                  | CHENAULT ROBERT D              | 30 T29N R11W | 802,302                    |
| TOTAL                     |                                |              | 20,452,917                 |
| AVG. MCF/WELL             |                                |              | 757,515                    |

**Allocation %**

|                                       |           |       |
|---------------------------------------|-----------|-------|
| Average Fruitland Coal Reserves MCF/  | 835,404   | 52.4  |
| Average Pictured Cliffs Reserves MCF/ | 757,515   | 47.6  |
| Total                                 | 1,592,919 | 100.0 |