



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401



IN REPLY REFER TO:
3162.7-3
CA #NMNM99491

February 22, 2007

CERTIFIED-RETURN RECEIPT REQUESTED 7005 3110 0001 9727 6241

Paul C. Thompson
President
Thompson Engineering & Production Corp.
7415 E. Main
Farmington, New Mexico 87402

Dear Mr. Thompson:

Reference is made to your application dated October 2, 2006 requesting approval for surface commingling and off-lease measurement for the Thomas # 1, # 1E, and # 100 wells, located in Section 30, T29N R11W. The basis for the request is to utilize an existing compressor and one half mile of flowline, which should maximize production and extend the economic life of the wells.

Approval is hereby granted for surface commingling as requested in your application. All wells will maintain an allocation meter on location and meet the requirements as set by Onshore Order # 5. The CDP meter shall also follow the requirements as set by Onshore Order # 5 and must be calibrated quarterly. Any new wells added to the gathering system must be applied for separately.

Approval of this surface commingling and off-lease measurement process will be monitored on a continual basis by BLM to evaluate the benefits for royalty determination. This office reserves the right to rescind this approval should future evaluations indicate that royalties would be reduced or production accountability compromised.

If you have any questions regarding the above, contact me at (505) 599-8975.

Nancy R. Gibson
Production Accountability Technician

Cc: NMOCD Santa Fe

NMOCD