

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  
May 27, 2004

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

WELL API NO. 30-045-31373
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. I-149-IND-9108
7. Lease Name or Unit Agreement Name <b>Navajo</b>
8. Well Number <b>1R</b>
9. OGRID Number 37581
10. Pool name or Wildcat Basin Fruitland Coal and W. Kutz PC

4. Well Location Unit Letter <u>L</u> : <u>1654</u> feet from the <u>South</u> line and <u>815</u> feet from the <u>West</u> line Section <u>3</u> Township <u>26N</u> Range <u>11W</u> NMPM San Juan County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6338' GR

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 L : 1654 feet from the South line and 815 feet from the West line  
Section 3 Township 26N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6338' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Downhole Commingle

☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER:

RCVD MAY 26 '09  
OIL CONS. DIV.  
DIST. 3

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 Basin Fruitland Coal (71629) pool with the West Kutz Pictured Cliffs (79680) in the subject well. Both pools are on the list of pre-approved pools in NMOC Rule 19.15.12.11.B.2.

TEPC, et.al and ConocoPhillips are the only working interest owners in this well and the Navajo Nation is the only royalty owner. Both ConocoPhillips and the BLM have approved of the down hole commingling. All wellbore fluids are compatible and commingling will not reduce the value of the production.

The perforated interval in the Fruitland Coal is 1558' - 1766' and the Pictured Cliffs perforated interval is 1800' - 1879'. The Pictured Cliffs was completed a year ago (see attached production curve) and was producing approximately 50 MCFD at the time of the Fruitland Coal re-completion. TEPC proposes to allocate 50 MCFD to the Pictured Cliffs and recalculate the PC contribution on a quarterly basis using the current decline rate of 12.1%. Everything over that rate will be allocated to the Fruitland Coal. The well will not produce any liquid hydrocarbons. The Btu values of the Pictured Cliffs and Fruitland Coal are very similar in this area so no Btu adjustment will be necessary.

*DMC 3151A2*

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Paul C. Thompson TITLE President DATE 5/26/09

Type or print name Paul C. Thompson, P.E. E-mail address: paul@walsheng.net Telephone No. 505.327.4892

**For State Use Only**

APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE JUN 10 2009

Conditions of Approval (if any):

*88*

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-045-31373</b>	<sup>2</sup> Pool Code <b>71629</b>	<sup>3</sup> Pool Name <b>Basin Fruitland Coal</b>
<sup>4</sup> Property Code <b>7818</b>	<sup>5</sup> Property Name <b>Navajo</b>	<sup>6</sup> Well Number <b>#1R</b>
<sup>7</sup> OGRID No. <b>037581</b>	<sup>8</sup> Operator Name <b>Thompson Engineering and Production Corp.</b>	<sup>9</sup> Elevation <b>6338' GR</b>

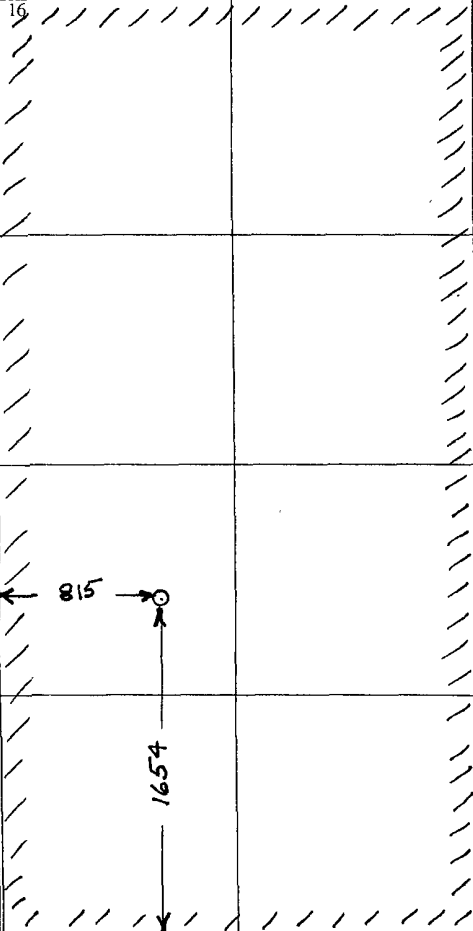
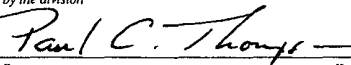
<sup>10</sup> Surface Location

UL or lot no. <b>L</b>	Section <b>3</b>	Township <b>26N</b>	Range <b>11W</b>	Lot Idn	Feet from the <b>1664</b>	North/South line <b>South</b>	Feet from the <b>815</b>	East/West line <b>West</b>	County <b>San Juan</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <b>W/2 320 acres</b>	<sup>13</sup> Joint or Infill <b>Y</b>	<sup>14</sup> Consolidation Code <b>Comm Agreement Pending</b>	<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.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>  Signature Date <b>5/19/09</b>  Paul C. Thompson, P.E. Printed Name
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <i>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</i> 1 - 7 - 2003 Date of Survey Signature and Seal of Professional Surveyor  By Gerald Huddelston Original on file  #6844 Certificate Number

# Rate/Time Graph

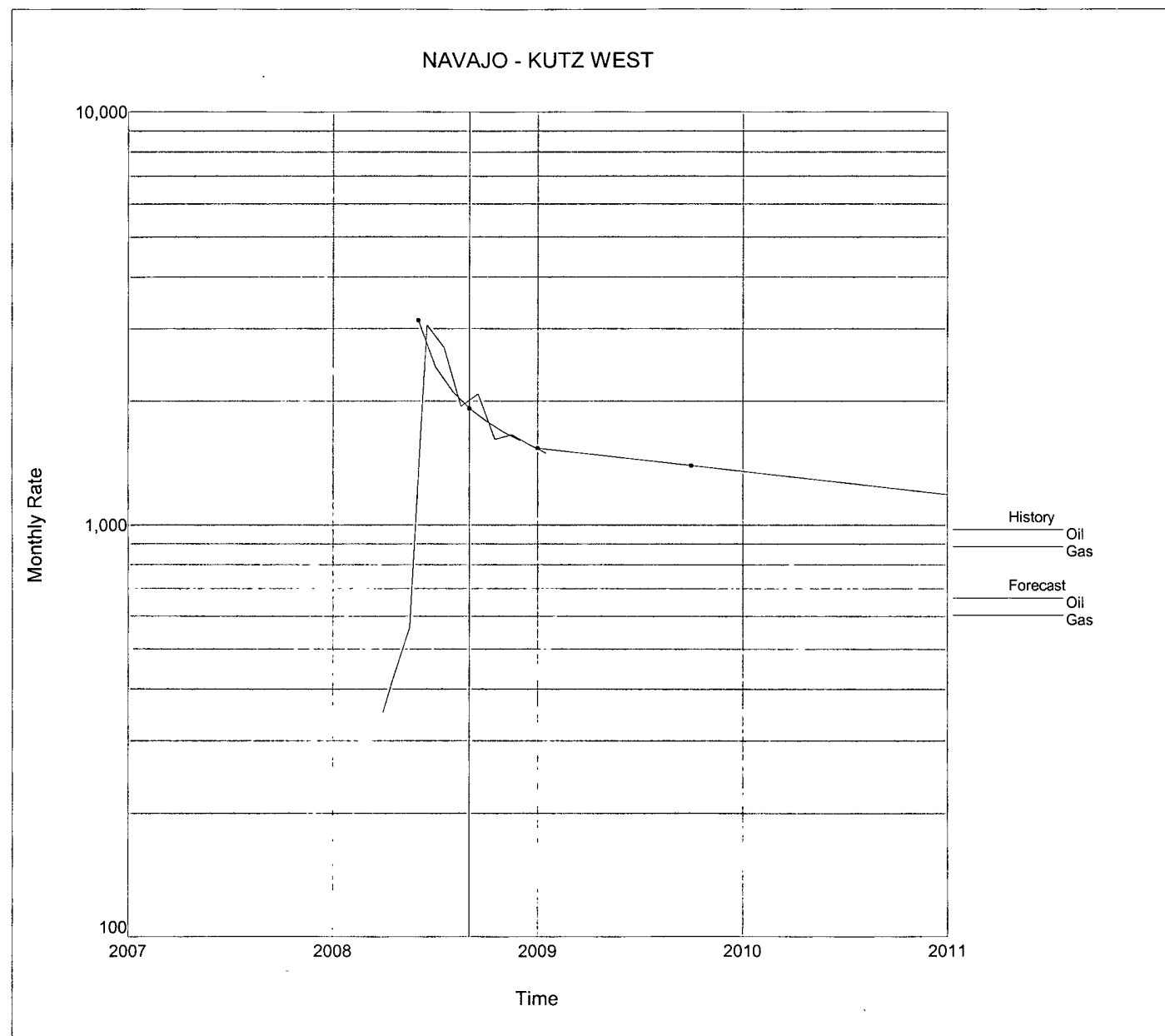
Project: C:\Program Files\IHS Energy\PowerTools v9.0\Projects\Navajo#1R.mdb

Date: 5/21/2009

Time: 5:57 PM

Lease Name: NAVAJO (1R)  
County, ST: SAN JUAN, NM  
Location: 3L 26N 11W SE NW SW

Operator: THOMPSON ENGINEERING & PRODUCTION CORP  
Field Name: KUTZ WEST



## Gas Curve:

Segment 1: 6/1/2008 - 1/1/2009

Start Rate: 3,140 mcf

End Rate: 1,537 mcf

Decline: 99.2558

Hyp Exponent: 3.271935

Goodness of Fit: 1.000000

Fit Grade: 1

Segment 2: 1/1/2009 - 10/1/2009

Start Rate: 1,537 mcf

End Rate: 1,395 mcf

Decline: 12.1433

Hyp Exponent: 0.000000

Goodness of Fit: 1.000000

Fit Grade: 1

## Water Curve:

Segment 1: 11/1/2003 - 2/1/2009

Start Rate: 133 bbl

End Rate: 375 bbl

Decline: -21.8609

Hyp Exponent: 0.000000

Goodness of Fit: 0.823695

Fit Grade: 3