

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE		5. Lease Designation and Serial No. NM-0338690
		6. If Indian, Allottee or Tribe Name
		7. If Unit or CA, Agreement Designation
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	8. Well Name and No. Federal 11 #3	
2. Name of Operator Thompson Engineering and Production Corp.	9. API Well No. 30-045-23291	
3. Address and Telephone No. C/O Walsh Engineering & Production Corp. 7415 East Main Farmington, NM 87402 505-327-4892	10. Field and Pool, or Exploratory Area West Kutz PC	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1465' FSL & 1184' FWL, Sec. 11, T28N, R13W	11. County or Parish, State San Juan County, NM.	

CHECK APPROPRIATE BOX(S) 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"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water
	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Thompson Engineering proposes to temporarily abandon the Pictured Cliff zone by setting a retrievable bridge plug at approximately 1635'. The Basin Fruitland Coal will be perforated and foam fraced. If the completion in the Basin Fruitland Coal is successful, the bridge plug will be retrieved the the production will be commingled with the Pictured Cliffs. If the Fruitland Coal completion is not successful, the Fruitland perfs will be squeezed with cement prior to retrieving the bridge plug. All activities will be confined to the existing wellsite.

RECEIVED
OCT 10 1996

OIL CON. DIV.
DATE 8

OCT 10 1996

RECEIVED
OCT 10 1996

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

Signed Paul C. Thompson (Paul C. Thompson) Title President Date 10/1/96

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

APPROVED
10/1/96

Title 18 U.S.C. Section 1001, makes 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

C-104 for plat

NMOCD

for

Ernie Busch

To: Mike Stogner
Subject: WALSH FEDERAL 11 #3 (NSL)
Importance: High

FEDERAL 11 #3
1645' FSL;1184' FEL
I-11-28N-13W
RECOMMEND: APPROVAL AFTER A C-102 IS ADDED TO APPLICATION

OPERATOR: LOUIS DREYFUS NATURAL GAS CORP

ORCID: 025773

MONTH/YEAR 09/96

PAGE 23 OF 28

INJECTION			PRODUCTION			DISPOSITION OF OIL, GAS, AND WATER										
7 POOL NO. AND NAME PROPERTY NO. AND NAME WELL NO. AND U-I-S-T-R API NUMBER	8 C O D E 1	9 VOLUME	10 PRESSURE	11 C O D E 2	12 BBL'S OF OIL/COND- ENSATE PRODUCED	13 BBL'S OF WATER PRODUCED	14 GAS PRODUCED (MCF)	15 DAYS PRODUCED	16 C O D E 3	17 POINT OF DISPOS- ITION	18 GAS BTU OR OIL API GRAV	19 OIL ON HAND AT BEGINNING OF MONTH	20 VOLUME (BBL'S/MCF)	21 TRANS- PORTER ORCID	22 C O D E 4	23 OIL ON HAND AT END OF MONTH
013 I-11-27N-12W 30-045-06556	F				0	0	85	19		G 1194130	1000		46	025244		
										G 1194230	1104		154	025244		
										G 1194330	1085		106	025244		
										G 1194430	1161		2830	025244		
										G 1194530	1153		432	025244		
										G 1194630	1168		584	025244		
										G 1194730	1165		85	025244		
										G 1194930	1005		212	025244		
										G 1195030	1018		843	025773		
										G 1195130	800		5	025773		
										G			53		U	
005965 MUDGE A										G			120		V	
001 K-07-27N-11W 30-045-06553	F				0	0	632	29		M 1194450			12		O	
002 C-18-27N-11W 30-045-06571	F				0	0	93	25		M 1194950			28		O	
003 I-07-27N-11W 30-045-06550	T				0	0	0	0								

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892

October 11, 1996

Mr. William J. LeMay
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Non-Standard Spacing Unit and Unorthodox Location
Thompson Engineering
Federal 11 #3
1465' FSL, 1184' FEL
Section 11, T28N R13W
San Juan County, NM
Basin Fruitland Coal

RECEIVED
OCT 16 1996OIL CON. DIV.
DIST. 3

Dear Mr. LeMay,

This is a request for administrative approval for a Non-Standard Spacing Unit and Unorthodox Location in the Basin Fruitland Coal pool for the referenced well. This request is necessitated by a variation in the legal subdivision of the U.S. Public Land Surveys and for geologic reasons.

The Federal 11 #3 is currently a marginal Pictured Cliffs producer. We plan to set a bridge plug above the Pictured Cliffs perfs and complete the Basin Fruitland Coal formation. If the Fruitland Coal completion is successful, we plan to remove the bridge plug and commingle the production from the two zones.

All of Section 11 is dedicated to the Basin Fruitland Coal formation. Due to a variation in the legal subdivision of the U.S. Public Land Surveys the entire section is only 275.36 acres. The well does meet the set back requirements for a Fruitland Coal well.

The basal coal thins dramatically in the western half of this section. A Fruitland Coal completion in a standard location in the southwest quarter would not, in our opinion, result in an economic well. Please refer to Exhibit 1 which contains copies of the open hole logs for the Federal #2E (SW 11) and the Federal 11 #3 (SE 11).

Besides the economic benefits of utilizing the existing wellbore, we will reduce the surface disturbance since the pad and pipeline facilities are already in place. The surface is owned by Bolack Land and Cattle Company.



Attached is a plat indicating the offset Fruitland Coal operators and existing Fruitland Coal wells (Exhibit 2) and a list of offset operators and their addresses (Exhibit 3).

The offset Fruitland Coal operators are being notified of this application by certified return receipt mail. Copies of these letters are enclosed as Exhibit 4.

Thank you for your consideration and approval of this application. If you have any questions please do not hesitate to call upon me.

Sincerely,

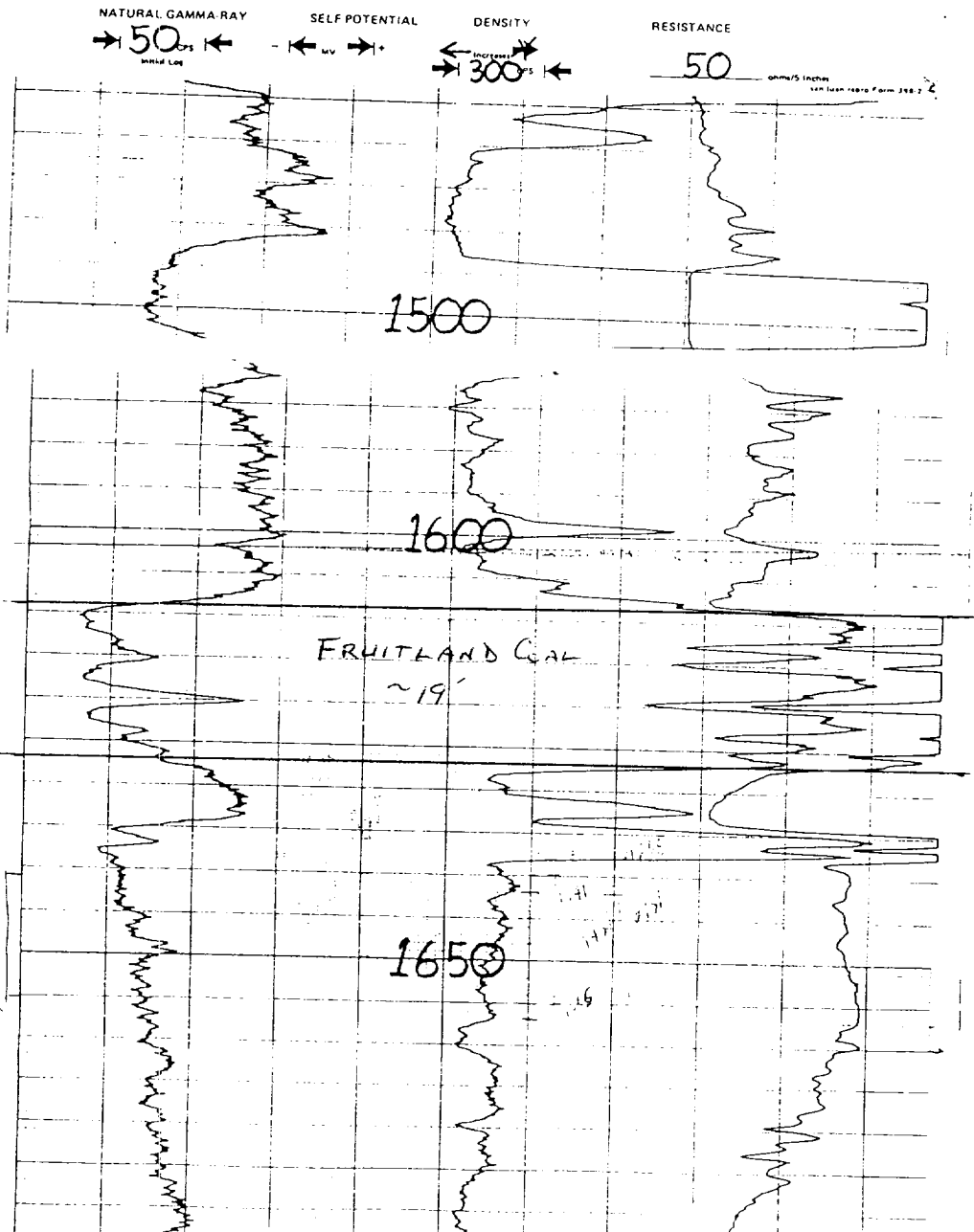
A handwritten signature in cursive script, reading "Paul C. Thompson", located below the word "Sincerely,".

Paul C. Thompson, P.E.
President, Thompson Engineering

cc: Chris Coleman
NMOCD Aztec NM
BLM Farmington NM

EXHIBIT #1

WJ Surveys		Date 4-27-79		T.D. Control 1826		Elev. 115	
Company Ralph Abbott		By 43/8 in 0		To T.D. 1		Time In 0:00	
Bore Hole 3-11		Bit Size 43/8		Casing 10		Time Out 0:00	
Area/Project West Kute Picture Cliffs Gas Project		Mud Mud		I.O. 10		Total 0:00	
County San Juan		State N. Mex.		Resistance		Unit No 115	
Section 11		Township 28N		Range 13W		Location Farmington	
Initial Log		NATURAL GAMMA RAYS		Operator Mr. Abbott		Operator J. Henrie	
T.D. LOGGED 1809		Scale		Scale		Scale	
NATURAL GAMMA 50		CPS/in		CPS/in		CPS/in	
TIME CONSTANT 2		LOGGING SPEED 20		LOGGING SPEED 20		LOGGING SPEED 20	
Gamma Calibration - Probe Date		From 1000		To 1809		Total 809	
Source No 19		Probe No 19		Probe No 19		Probe No 19	
Detector Scin.		Tube & Size 7" x 4		Tube & Size 7" x 4		Tube & Size 7" x 4	
Dead Time		K Factor		K Factor		K Factor	
Water Factor		For Hole Size		For Hole Size		For Hole Size	
Resistance 10 ohms per 1		Inches		Inches		Inches	
S.P.		Mud		Mud		Mud	



Schlumberger

SIMULTANEOUS
COMPENSATED NEUTRON-
FORMATION DENSITY

COUNTY: SAN JUAN, N.M.		FIELD: BASIN DAKOTA	
LOCATION: WELL: FEDERAL COM #2E		COMPANY: CURTIS LITTLE	
WELL: FEDERAL COM #2E		FIELD: BASIN DAKOTA	
COUNTY: SAN JUAN		STATE: NEW MEXICO	
ADDITIONAL NO. 1201551 & 1640' FWL, 14		Other Services: I-SFL	
TEMP: 28 N		RANGE: 13 W	
Permanent Datum: G.L.		Elev: 5955	
Mud Log Measured Depth: K-85		Elev: K.B. 5967	
Drilling Measured Depth: K-85		D.F. 5966	
		G.L. 5955	
<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> OIL CAN D.C. 5 10/11/57 </div>			
Run No.:	ONE		
Depth - Driller:	6427		
Depth - Logger:	16419		
Bottom Log Interval:	16416		
Top Log Interval:	15450		
Counting - Driller:	8 5/8 @ 215		
Counting - Logger:	218		
Bit Size:	97 7/8		
Type Fluid in Hole:	FCM		
Dens. - MFC:	9.2	63	
SpH - Fluid Loss:	7.5	8.8 ml	
Source of Sample:	FLOWLINE		
Rm. @ Mud Temp:	93	@ 68 °F	@ °F
Rm. @ Mud Temp:	153	@ 68 °F	@ °F
Rm. @ Mud Temp:	@	@ °F	@ °F
Source of Sample:	M		
Rm. @ BH Temp:	42	@ 150 °F	@ °F
Circulation Stopped:	2345	12-19	
Log Section Bottom:	0300	12-20	
Mud Rec. Temp:	150	°F	
Equipment Location:	8206	FARM	
Recorded By:	JOHNSON		
Witnessed By:	JOHNSON		

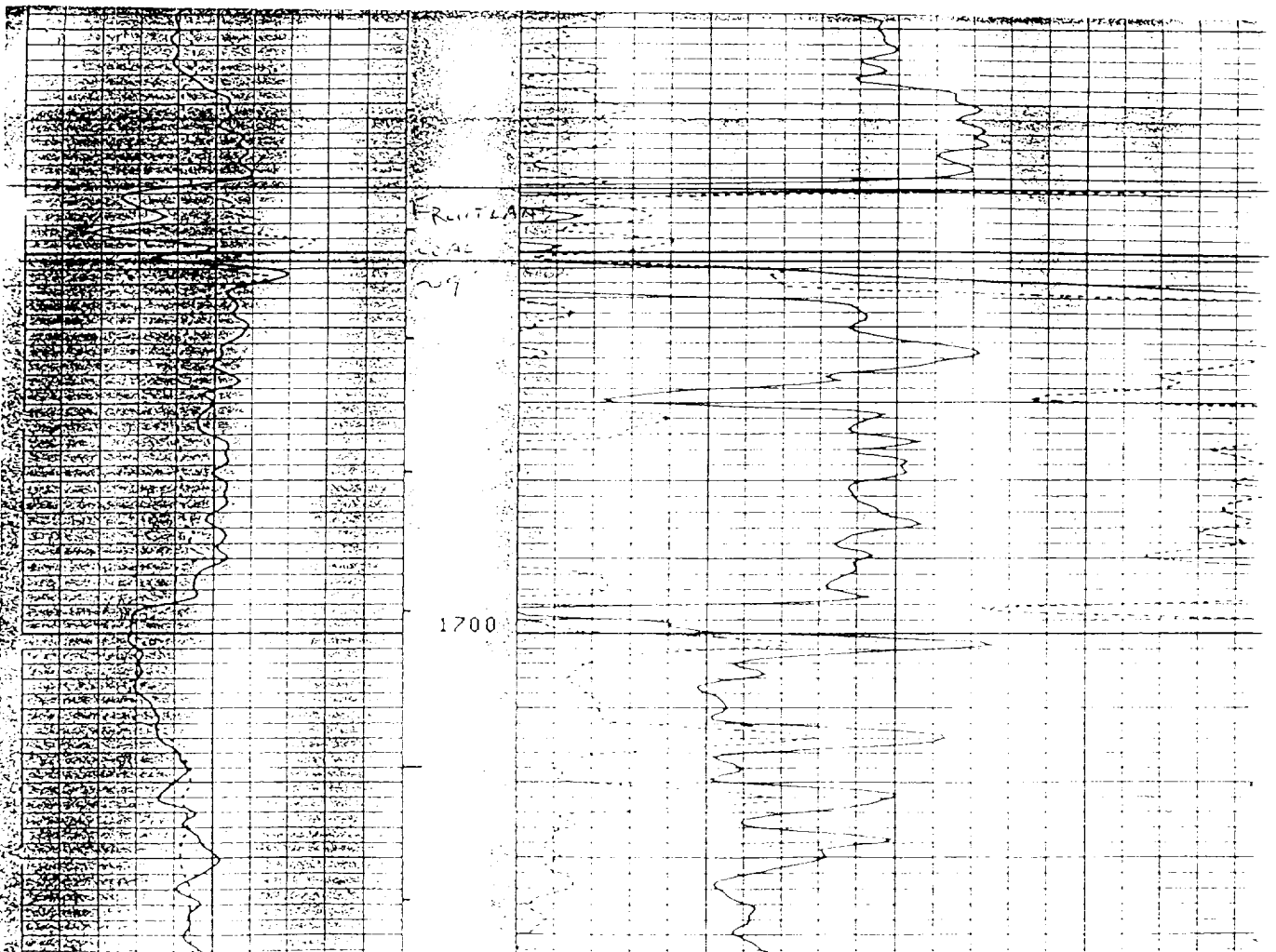


EXHIBIT #2

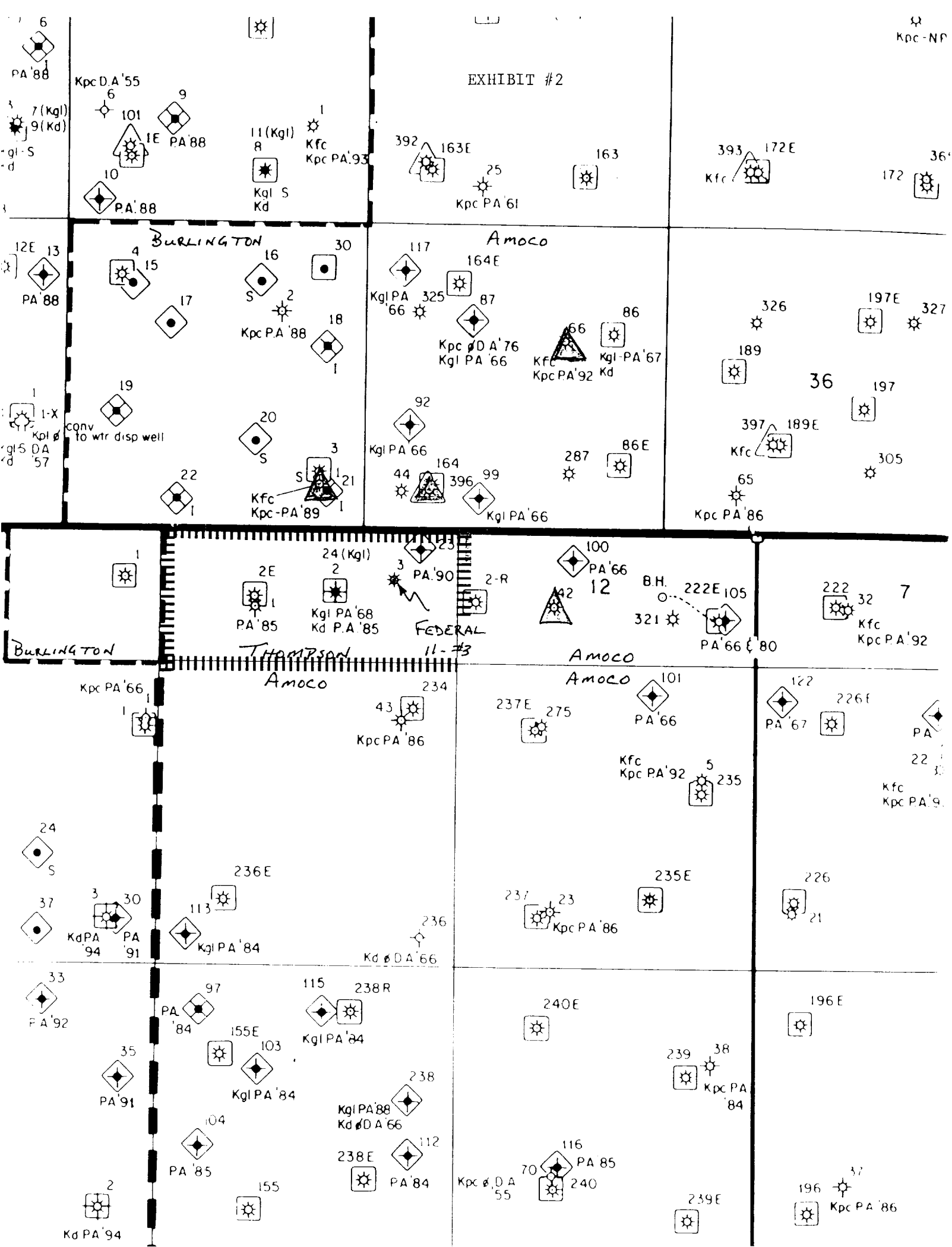


EXHIBIT #3

THOMPSON ENGINEERING & PRODUCTION CORP.

Federal 11 #3

1465' FSL & 1184' FEL

Sec. 11, T28N, R13W

San Juan County, New Mexico

The following property owner has received written notice of the proposed minor facility.

AMOCO PRODUCTION COMPANY
San Juan Operations Center
200 Amoco Court
Farmington, New Mexico 87401

BURLINGTON OIL
3535 E 30th Street
Farmington, New Mexico 87401

I certify that this letter has been mailed to the above property owner.



Paul C. Thompson

San Juan County)
) ss
State of New Mexico)

The following instrument was acknowledged before me this 17th day
of October 1996 by Paul C. Thompson.



Notary Public

My Commission Expires:

July 31, 1997

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892CERTIFIED- RETURN RECEIPT

October 16, 1996

Mr. James Strickler
Burlington Oil
3535 E. 30th Street
Farmington, NM 87401Re: Application for Non-Standard Spacing Unit
and Unorthodox Location
Thompson Engineering
Federal 11 #3
1465' FSL, 1184' FEL, Section 11, T28N R13W
San Juan County, New Mexico
Basin Fruitland Coal

Dear Mr. Sir,

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A copy of any remarks to the undersigned would be appreciated.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,

Paul C. Thompson
President, Thompson Engineering

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892CERTIFIED- RETURN RECEIPT

October 16, 1996

Land Manager
AMOCO Production Company
200 AMOCO Court
Farmington, NM 87401Re: Application for Non-Standard Spacing Unit
and Unorthodox Location
Thompson Engineering
Federal 11 #3
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Sincerely,

Paul C. Thompson
President, Thompson Engineering