[redacted]nch Dr., Hobbs, NM 88240
[redacted]II
[redacted]W. Grand Avenue, Artesia, NM 88210
[redacted]istrict III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
MAY 27 2005
OCD-ARTESIA

Form C-101
March 4, 2004

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[1] Operator Name and Address	[2] OGRID Number
J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR., L.P. P.O. Box 12577 Odessa, TX 79765-2577	11181
	[3] API Number 30- 015-34127

[4] Property Code	[5] Property Name	[6] Well No.
34849	Montura Fed Com	001

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	22-S	26-E	N	990	S	1751	W	EDDY

[8] Proposed Bottom Hole Location If Different Fror

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line

[9] Proposed Pool 1	[10] Proposed Pool 2
Happy Valley (Morrow) 00078060	

CEMENT TO COVER ALL OIL, GAS AND WATER BEARING ZONES **

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	22-S	26-E	N	1035	S	1751	W	EDDY

Depth to ground water	Distance from nearest fresh water well	Distance from nearest surface water

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
New well	Gas	Rotary	S	3404

[16] Multiple	[17] Proposed Depth	[18] Formation	[19] Contractor	[20] Spud Date
N	11,600'	Morrow		7/1/05

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48	500	400	0
12.25	9.625	36	2,500	1,200	0
7.875	5.5	17	11,700	725	8,000' ***
***Plus any oil-bearing zones above 8,000'					

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill to 500'. Set 13 3/8 casing & cement to surface.
Drill to 2,500'. Set with fresh water and native solids; set 9 5/8 casing & cement to surface.
Drill to TD with 8 ¾ bit and set 5 ½ 17# N-80 & P-110 casing.
An optional 7" casing string may be set if hole problems are encountered.

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐

Signature: Kenneth C. Dickeson

Printed name: Kenneth C. Dickeson

Title: Agent

E-mail Address: jctwest@nts-online.net (Operator's e-mail)

Date: 5/18/05

Phone: (432) 550-8887 (Operators' phone)

OIL CONSERVATION DIVISION

Approved by: TIM W. GUM

Title: DISTRICT II SUPERVISOR

Approval Date: JUN 01 2005

Expiration Date: JUN 01 2006

Conditions of Approval:

Attached ☐

NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE & INTERMEDIATE CASING

Dr., Hobbs, NM 88240
venue, Artesia, NM 88210
Road, Aztec, NM 87410
ıcis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

.or: J. CLEO THOMPSON Telephone: (432) 550-8887 e-mail address: jctwest@nts-online.net
:ess: P.O. BOX 12577, ODESSA, TX 79765-2577
.acility or well name: MONTURA FED COM API #: 30-015-34127 ~~TBD~~ U/L or Qtr/Qtr N Sec 15 T 22-S R 26-E
County: EDDY Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☐ Private ☐ Indian ☐

Pit
Type: Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐
.ined X Unlined ☐
.iner type: Synthetic ☒ Thickness 12 mil Clay ☐
Pit Volume 12,000 bbl

Below-grade tank
Volume: _____ bbl Type of fluid: _____
Construction material: _____
Double-walled, with leak detection? Yes ☐ If not, explain why not.

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OCD ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) 150 FT.	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No	(0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	(0 points)
	Ranking Score (Total Points)	0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite ☐ If offsite, name of facility_____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface_____ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**
Date: 5/16/2005
Printed Name/Title J.E. STEVENS, OPERATIONS MANAGER Signature J E Stevens

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: JUN 01 2005
Printed Name/Title _____ Signature _____

[redacted]bbs, NM 88240

[redacted]r DD, Artesia, NM 88210

[redacted]ICT III
0 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised May 17, 2002

Instructions on back

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name

[4] Property Code	[5] Property Name	[6] Well Number
	Montura Federal Com	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
11181	J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR., L.P.	3404'

[10] Surface Location

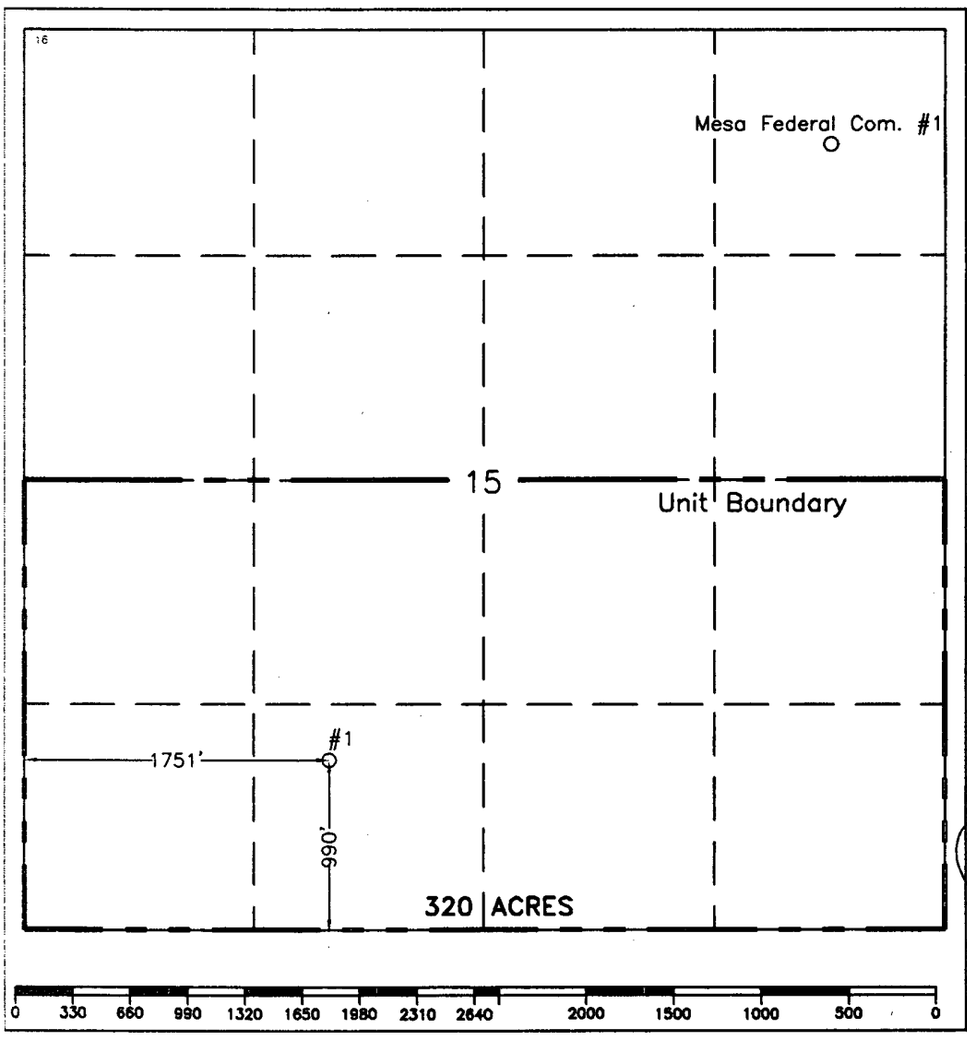
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County
N	15	22-S	26-E		990'	South	1751'	West	Eddy

[11] 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	[7] County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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.



[17] OPERATOR CERTIFICATION

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

Signature: J E Stevens

Printed Name: Jim Stevens

Position: Operations Manager

Company: J. Cleo Thompson & James Cleo Thompson JR., L.P.

Date: April 7, 2005

[18] SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed: April 4, 2005

Signature & Seal of Professional Surveyor

Certificate No. 7254 John S. Piper

Sheet 1 of 1

○ = Staked Location • = Producing Well = Injection Well ◇ = Water Supply Well ✦ = Plugged & Abandon Well

◎ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found /4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates	
Northing 504851.73	Easting 556685.83
Latitude 32°23'16.427"	Longitude 104°17'00.997"

Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.999909	Carlsbad.cr5

Drawing File	Revised	Field Book
Carlsbad.Dwg	5/25/05 by G.M.R.	Eddy #8, Pg. 54

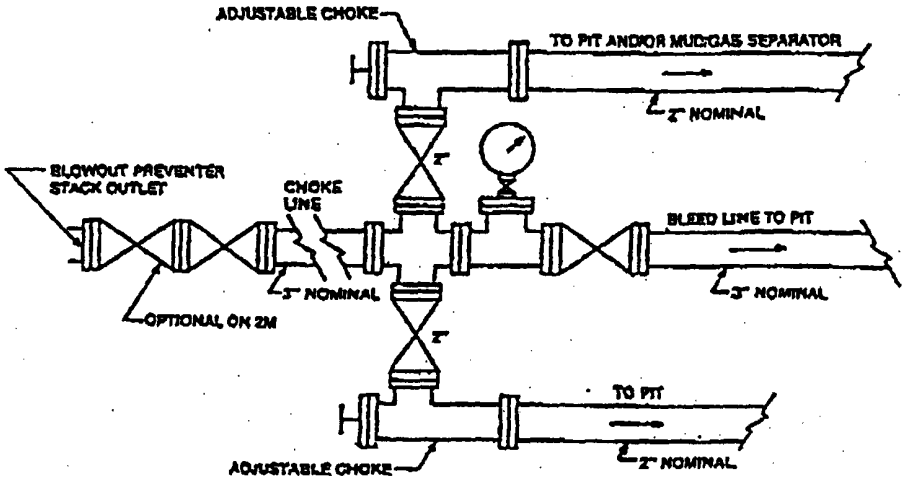


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

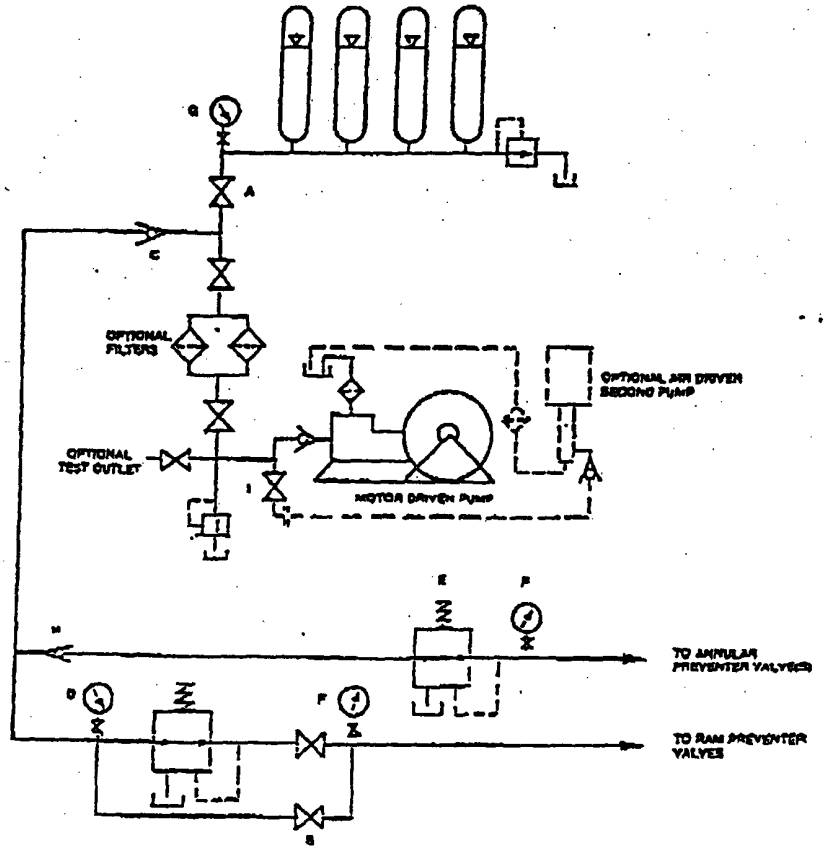


FIGURE K4-1. The schematic sketch of an accumulator system shows required and optional components.

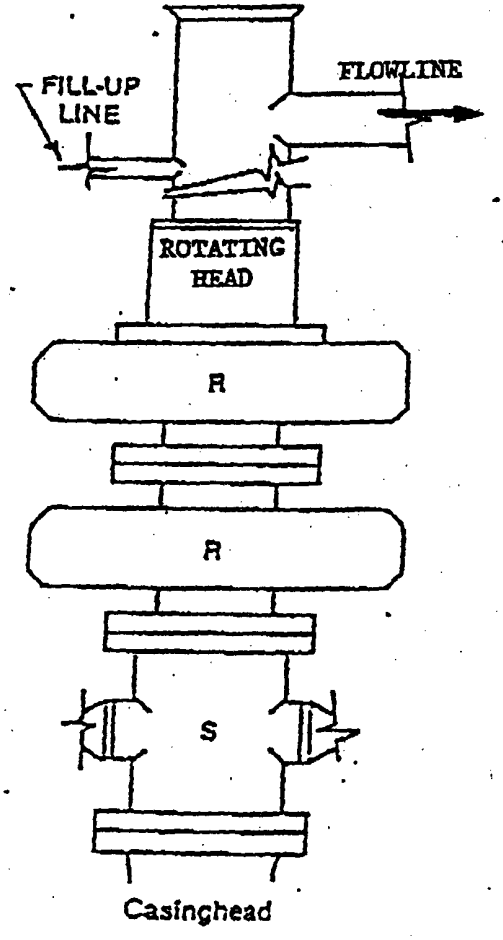


FIGURE K1-1. Recommended IADC Class 2 BOP stack, 2000 psi WP. Either SRd (left) or SA (right) arrangement is acceptable and drilling spool is optional.

Master Marketing & Safety
P.O. Box 69338
Odessa, Texas 79769

H2S CONTINGENCY PLAN

J. Cleo Thompson
Montura Fed Com #1
Section 15, Township 22 South, Range 26 East
Eddie County, NM

TABLE OF CONTENTS

SCOPE

This plan establishes **J. Cleo Thompson** guidelines for all company and contract employees whose duties may involve exposure to hydrogen sulfide gas (H_2S) on the **Montura Fed Com #1 location. This lease is located 900 feet from the south line, 1751 feet from the west line in Section 15 of Township 22, Range 26 East, unit Letter N of Eddy County, New Mexico**. This plan also establishes procedure for isolation of the work site and evacuating the public on the condition that:

A. There is a release of H_2S that encompasses the radius of exposure (ROE) in this plan and ,

B. There are persons and/or roads within the ROE and,

C. There is the endangerment of human or animal life within the ROE.

** There are no homes located within one (1) mile either direction of this particular location**

OBJECTIVE

The objective of the *J. Cleo Thompson Company* is to:

A. Prevent any and all accidents, and to prevent the uncontrolled release of H_2S into the atmosphere and,

B. Provide proper evacuation procedures to cope with emergencies and,

C. Provide immediate and adequate medical attention should an injury occur.

It should be noted that J. Cleo Thompson does not expect there top be any release of H_2S into the atmosphere but has taken the necessary steps to react properly to and control any hazards encountered on any of our facilities.

GENERAL EMERGENCY ACTION

In the event of an emergency, the following action should be initiated,

1. All personnel shall immediately evacuate to an up-wind and up-hill "*safe breathing*" area.

2. Those who must enter the hazard area must wear positive pressure self-contained breathing apparatus and must use other appropriate safety equipment as outlined on page 10.

3. Isolate the well, if possible.

4. Use the "Buddy System" at all times.

5. Account for all personnel and take appropriate action as necessary for personnel safety.

6. Display the appropriate color warning flag to describe the type of emergency.

7. Contact ***J. Cleo Thompson*** personnel at the earliest time available according to the emergency call out list on Page 4.

The ***J. Cleo Thompson*** supervisor will assess the situation and assign duties to various persons to bring the situation under control. Notification of local emergency response agencies and residents will be assigned by the ***J. Cleo Thompson*** supervisor. Media inquiries are to be referred to:

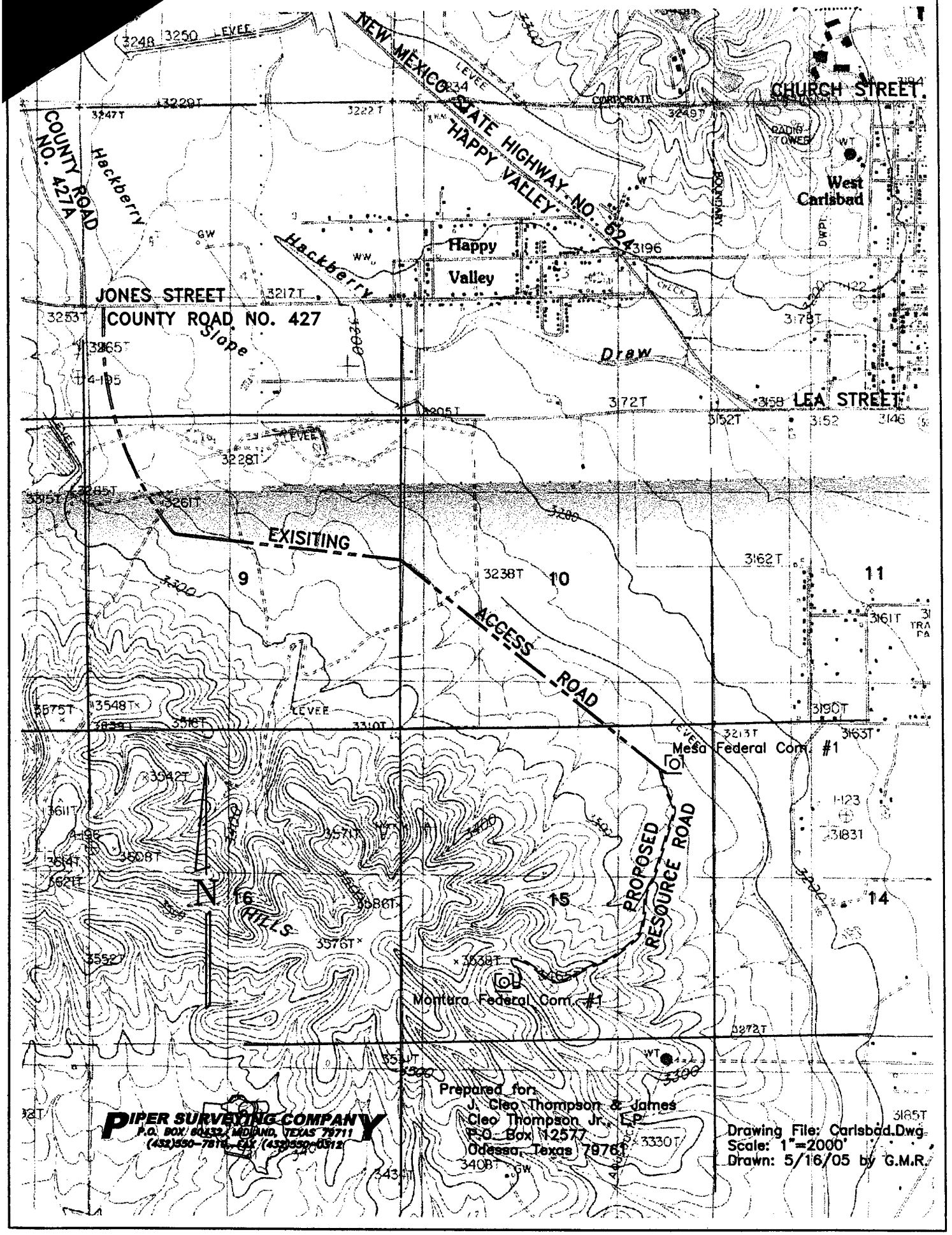
J. Cleo Thompson
325 North St. Paul, Suite 4300
Dallas, Texas 75201

J. Cleo Thompson
Emergency Call Out Numbers

NAME	OFFICE NUMBER	CELLULAR NUMBER	HOME NUMBER
Johnny Holder Drilling Foreman	(432) 550-8887	(432) 556-9325	(432) 363-8054
Jim Stevens Operations Manger	(432) 550-8887	(432) 664-2917	(432) 563-5504
Amador Pando Production Foreman	(505) 677-2396	(505) 746-7324	(505) 677-2396
Gary Moreau Pumper	(505) 677-2396	(505) 631-5643	

Emergency Notification Numbers
Eddy, County

Organization or Agency	Phone Number
New Mexico State Police	(505) 885-3137
Eddy County Sheriff's Department	(505) 887-7551
Emergency Medical Service (Ambulance)	911
Eddy County Emergency Management	(505) 887-9511
State Emergency Response Center (SERC) Max Johnson (Chairman)	(505) 476-9620
Carlsbad Fire Department	911 or (505) 885-3125
Oil Conservation Division (District II)	(505) 748-1283
National Response Center (NRC)	(800) 424-8802
Chemtrec	(800) 424-9300
Omega Safety	(432) 563-3721
Krisha Marker Mike Lipsey Terry Wells Terry Wells	(432) 425-8262 (432) 528-9112 (432) 967-1346 (432) 230-5499



Prepared for:
J. Cleo Thompson & James Cleo Thompson Jr., L.P.
P.O. Box 12577
Odessa, Texas 79761

PIPER SURVEYING COMPANY
P.O. BOX 60132, MIDLAND, TEXAS 79711
(432)550-7818, FAX (432)550-0512

Drawing File: Carlsbad.Dwg
Scale: 1"=2000'
Drawn: 5/16/05 by G.M.R.

EMERGENCY PROCEDURES FOR UNCONTROLLABLE RELEASE OF HYDROGEN SULFIDE GAS (H_2S)

1. Secure and don self-contained breathing apparatus.

2. Remove all personnel to up-wind and up-hill "safe breathing" zone.

3. Contact all concerned employees and immediate supervisor for instructions.

4. Take steps to protect and/or remove the general public to an upwind area away from the source of H_2S.

5. Deny entry to unnecessary personnel.

6. Notify necessary public safety personnel:

    a. State Police if on or near a **state road**
    b. Sheriff's Department if on or near a **county road**

(for assistance in the evacuation of the general public and to help maintain roadblocks)

7. Contact the Oil Conservation Division. (OCD)

8. While attempting to control the release, maintain tight security and safety procedures

9. Use the "Buddy System" when entering any hazardous area.

The responsibility of this plan is with the *J. Cleo Thompson* supervisor(s) who shall be in complete command during the emergency.

IGNITION PROCEDURES FOR UNCONTROLLABLE WELL CONDITIONS

The decision to ignite the well is the decision of the company supervisor(s). This decision should be made only as a last resort and in a situation where it is determined that:

- Human life and/or property are endangered
- There is no hope of controlling the blowout under the prevailing conditions at the well.

INSTRUCTIONS FOR IGNITING THE RELEASE

1. Two personnel are required for the ignition operation. They **must** wear positive pressure self-contained breathing apparatus and a D-ring style full body safety harness with a non-flammable safety rope attached. **(Must be an OSHA approved body harness)**

2. One (safety) person will test the atmosphere for explosive gases with an approved Triple-range (H_2S, O_2, LFL) monitor. The other person (company supervisor) is responsible for igniting the well.

3. Primary method of ignition shall be with the 25mm flare gun with range of approximately 500 feet.

4. Ignite up-wind and do not approach any closer than is warranted.

5. Select a safe ignition site which offers ultimate egress.

6. Before activating flare gun, check for presence of combustible gas.

7. After ignition, continue emergency action and procedure as before.

8. All unassigned personnel will limit their actions to those directed by the company supervisor.

After the well is ignited, burning H_2S will produce SO_2, which is also highly toxic. **Do not assume the area is safe after the well is ignited.**

A **NO SMOKING POLICY** shall be strictly enforced on location at all times.

EMERGENCY EQUIPMENT REQUIREMENTS

1. Respiratory Protection

- **Rescue Units (SCBA's) :** One (1) unit shall be placed at each briefing area and 2 shall be stored in the safety trailer.
- **Work/Escape Units:** Four (4) units shall be stored on the rig floor connected to the safety trailer with sufficient hose to allow workers to adequately perform duties with minimal restriction.
- **Emergency Escape Units:** Four (4) units shall be stored in the top dog house for emergency evacuation purposes.

2. Signs and Flags

- **One (1) Condition Sign shall be placed at location entrance with the following language:**

DANGER
H_2S

POTENTIAL DANGER (Green)

MODERATE DANGER (Yellow)

[redacted]

- **Condition Flags shall be displayed at the sign in one of the following designations:**

Green / normal conditions **Yellow / potential danger** **Red/ danger, H_2S Present**

3. **Briefing Area:** Two (2) briefing areas, designated by signs, shall be located perpendicular to each other and be easily visible and readily accessible.

4. **Windsocks:** Two (2) windsocks shall be strategically placed where they are easily visible from all points.

5. Hydrogen Sulfide Detectors and Alarms:

- One (1) stationary H_2S monitor with three sensors shall be located on the rig in the top dog house. The H_2S monitor shall be calibrated to alarm at 10PPM for the low alarm (visual alarm) and 15 PPM for the high alarm (audible alarm). Calibrations shall be checked every 30 days or as needed. The sensors shall be located as follows:

#1 – Rig floor

#2 – Bell Nipple

#3 – Flow line or where the well bore fluid is discharged

- A gas sampling pump, with detector tubes capable of measuring H_2S gas, shall be located in the safety trailer.

6. Additional Rescue Equipment

- One Hundred Feet (100') of 5/8" OSHA approved rope.
- Two (2) OSHA approved full body harness
- One (1) Stretcher

7. Fire Extinguishers:

- One (1) 20#, Class ABC fire extinguisher shall be located in the safety trailer.

8. Communication:

- Cellular Phones/Mobile Phones or two- way radios shall be available via the vehicles on location and on the rig floor.

TOXIC EFFECTS OF HYDROGEN SULFIDE

Hydrogen sulfide (H_2S) is extremely toxic. The acceptable ceiling concentration for an eight (8) hour exposure is 10 PPM, which is .001% by volume. Hydrogen sulfide (H_2S) is colorless. Hydrogen Sulfide (H_2S) is heavier than air, the specific gravity is equal to 1.19 which is 20% heavier than ambient temp air which is 1.00. Hydrogen sulfide (H_2S) can form an explosive mixture with air between 4.3% and 46.0%. By volume hydrogen sulfide (H_2S) is as toxic as hydrogen cyanide and is between 5-6 times more toxic than carbon monoxide.

TOXICITY OF VARIOUS GASES

Common Name	*Chemical Formula*	*Specific Gravity*	*Threshold Limit*[1]	*Hazardous Limit*[2]	*Lethal Concentration*[3]
Hydrogen Cyanide	HCN	0.94	10 PPM	150 PPM/Hr	300 PPM
Hydrogen Sulfide	H_2S	1.189	10 PPM[4] 15 PPM[5]	100 PPM/Hr	600 PPM
Sulfur Dioxide	SO_2	2.21	2 PPM	N/A	100 PPM
Chlorine	CL_2	2.45	1 PPM	4 PPM/Hr	1000 PPM
Carbon Monoxide	CO	0.97	50 PPM	400 PPM/Hr	1000 PPM
Carbon Dioxide	CO_2	1.52	5000 PPM	5%	10%
Methane	CH_4	0.55	90,000 PPM	Combustible @ 5%	N/A

(1) Threshold limit – Concentration at which it is believed that all workers may be repeatedly exposed, day after day with out adverse effects also referred to as Time Weighted Average (TWA).
(2) Hazardous limit – Concentration that may cause death
(3) Lethal concentration – Concentrations that will cause death with short-term exposure
(4) Threshold limit – 10PPM – NIOSH guide to chemical hazards
(5) Short- term threshold limit – Concentration higher than Threshold limit with limits placed on time one can be exposed. Exposure time is limited to 15 minutes followed by one (1) hour in fresh air. This cycle can be repeated for (4) times during a normal eight (8) hour work day.

PHYSICAL EFFECTS OF HYDROGEN SULFIDE (H_2S)

(Concentrations are calculated @ 15.00 psia and 60 degrees F.)

Concentrations		Physical Effects
0.001%	10 PPM	Obvious & unpleasant odor. Safe for an eight (8) hour exposure
0.005%	50 PPM	Can cause some flu-like symptoms and can cause pneumonia.
0.01%	100 PPM	IDLH[1]. Kills the sense of smell in 3 to 15 minutes. May irritate eyes and throat.
0.02%	200 PPM	Kills the sense of smell rapidly. Severely irritates eyes and throat. Severe flu-like symptoms after 4 or more hours may cause lung damage and/or death.
0.06%	600 PPM	Loss of consciousness quickly, death will result if not rescued promptly.

(1) Immediately dangerous to life or health

TOXICITY OF HYDROGEN SULFIDE

H_2S Per Cent (PPM)	0 - 2 Minutes	0 - 15 Minutes	15 - 30 Minutes	30 Minutes to 1 Hour	1 - 4 Hours	4 - 8 Hours	8 - 48 Hours
0.005 (50 ppm) 0.010 (100 ppm)				Mild Conjunctivitis; Respiratory Tract Irritation			
0.010 (100 ppm) 0.015 (150 ppm)		Coughing; Irritation of Eyes; Loss of Sense of Smell	Disturbed Respiration; Pain in Eyes; Sleepiness	Throat	Salivation & Mucous Discharge; Sharp Pain in Eyes; Coughing	Increased Symptoms*	Hemorrhage & Death *
0.015 (150 ppm) 0.020 (200 ppm)		Loss of Sense of Smell	Throat & Eye Irritation	Throat & Eye Irritation	Difficult Breathing; Blurred Vision; Light & Shy	Serious Irritating Effects	Hemorrhage & Death *
0-025 (250 ppm) 0.035 (350 ppm)	Irritation of Eyes; Loss of Sense of Smell	Irritation of Eyes	Painful Secretion of Tears; Weariness	Light & Shy; Nasal Catarrh; Pain in Eyes; Difficult Breathing	Hemorrhage & Death		
0-035 (350 ppm)		Irritation of Eyes; Loss of Sense of Smell	Difficult Respiration Coughing; Irritation of Eyes	Increased Irritation of Eyes & Nasal Tract; Dull Pain Head; Weariness; Light & Shy	Dizziness Weakness; Increased Irritation; Death	Death *	
0.050 (500 ppm)	Coughing Collapse & Unconsciousness	Respiratory Disturbances; Irritation of Eyes; Collapse	Serious Eye Irritation; Palpitation of Heart; Few Cases of Death*	Severe Pain in Eyes and Head Dizziness; Trembling of Extremities; Great Weakness & Death *			
0.060 (600 ppm) 0.070 (700 ppm) 0.080 (800 ppm) 0.100 (1000 ppm) 1.150 (1500 ppm)	Collapse * Unconsciousness Death *	Collapse * Unconsciousness Death *					

* Data secured from experiments of dogs, which have susceptibility similar to men/women. **PPM parts per million

THE USE OF SELF-CONTAINED BREATHING AIR EQUIPMENT

SCBA should be worn when:

- Working near the top or on top of any tank.
- Disconnecting any line where H_2S can reasonably be expected.
- Sampling air in the area to determine if toxic concentrations of H_2S exist.
- Working in areas where over 10 PPM of H_2S has been detected.
- At any time there is a doubt as to the H_2S level in the area to be entered.

Air quality testing shall be continuous throughout the entire operation if a container is breeched or in a hazardous location.

All personnel shall be trained in the use of SCBA prior to working in a potentially hazardous location.

Facial hair and standard eyeglasses are not allowed with SCBA use.

Contact lenses are never allowed with the use of SCBA.

The SCBA shall be inspected monthly.

After each use, the SCBA shall be cleaned, disinfected, serviced, inspected and refilled to proper specifications.

RESCUE & FIRST AID FOR VICTIMS OF HYDROGEN SULFIDE (H2S) POISONING

Do not panic!

Remain calm and think with your head and not your heart.

Don breathing apparatus.

Protect yourself, then remove victim to fresh air as quickly as possible. When evacuating: walk not run, upwind and uphill from the source or crosswind to achieve upwind.

Notify emergency response personnel

Provide artificial respiration and /or CPR, as necessary.

Remove all contaminated clothing to avoid further exposure.

A minimum of two (2) personnel on location shall be trained in CPR and First Aid.

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

June1, 2005
J. Cleo Thompson & James Cleo Thompson, Jr., L.P.
P.O. Box 12577
Odessa, TX 79765-2577
Attn: Mr. Kenneth C. Dickeson

Re: J. Cleo Thompson & James Cleo Thompson, Jr. L.P.: Montura Federal Com. # 1, located in Unit N of Section 15, Township 22 South, Range 26 East, Eddy County, New Mexico, NMPM API # 30-015-34127

Dear Mr. Dickeson or To Whom It May Concern:

In regards with conditions for approval (in part) for the above captioned well, the New Mexico Oil Conservation Division (NMOCD) will require the following:
This is for J. Cleo Thompson & James Cleo Thompson, Jr., L.P. to take samples from the flow line of the drilling mud every 100 'in order to determine the chloride levels starting at surface down through the intermediate casing point which is projected to be @ 2500'.
In addition, the drilling of the Capitan Reef is to be drilled with fresh water mud as noted in your APD.
The results of this data are to be submitted to the NMOCD in Artesia.
Please call our office if you have any questions regarding this matter.

Respectfully yours,

Bryan G. Arrant
PES

CC: Well File

DICKESON
Oil and Gas Properties

P.O. Box 10152
Midland, Texas 79702
432-682-4002
432-684-4741 Fax

May 18, 2005

Mr. Bryan Arrant
NMOCD
1301 W. Grand Ave.
Artesia, NM 88210

RE: C-101 for **MONTURA FED COM #1**
J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR., LP
EDDY COUNTY, NEW MEXICO

Dear Mr. Arrant:

To complete the requirements for the subject-drilling permit, I submit the following:

- *Agreements:* We agree to function test the BOP's daily.
- *Location:* The well is located in a rural area. (The closest home is approximately one mile from the location.)
- *Requirements:* The H_2S Contingency Plan includes the emergency phone numbers for our company and the local residents are listed above. (This should therefore meet your requirement for an emergency notification list.)
- *Attachments:* Attached is a detailed map of the area and a signed C-102.

Please process our application and contact us if there is anything else you may need.

Very truly yours,

Kenneth C. Dickeson
Consulting Landman

Enclosures

tlnmocd