

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District 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

Form C-101

May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

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

Operator Name and Address THOMPSON, J. CLEO P.O. BOX 12577 ODESSA, TX 79768-2577		OGRID Number 11181
Property Code 32551	Property Name MESA ARRIBA	API Number 30-015-35062
Proposed Pool 1 HAPPY VALLEY (BONE SPRING) EAST 97541		Well No. 4
Proposed Pool 2		

Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	10	22-S	26-E		1664'	NORTH	1650'	EAST	EDDY

Proposed 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

Additional Well Information				
Work Type Code N	Well Type Code Oil	Cable/Rotary ROTARY	Lease Type Code P	Ground Level Elevation 3186'
Multiple NO	Proposed Depth 6500	Formation BONE SPRINGS	Contractor JW DRILING	Spud Date 07/27/2006
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input checked="" type="checkbox"/> milst thick Clay <input type="checkbox"/>		Pit Volume: _____ bbls		Drilling Method: _____
Closed-Loop System <input type="checkbox"/>		Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48	500	500	SURFACE
12 1/4	8 5/8	32	2500	1200	SURFACE
7 7/8	5 1/2	17	6500	1200	2000'

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 CSG AND CEMENT TO SURFACE

DRILL TO 2500', SET WITH FRESH WATER AND NATIVE SOLIDS; SET 9 5/8 CSG AND CEMENT TO SURFACE

DRILL TO TD WITH 7 7/8 BIT AND SET 5 1/2 17# J-55.

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

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

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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: JIM STEVENS <i>Jim Stevens</i>		Approved by: BRYAN G. ARRANT	
Title: OPERATIONS MANAGER		Title: DISTRICT II GEOLOGIST	
E-mail Address: jctwest@ems-online.net		Approval Date: AUG 07 2006 Expiration Date: AUG 07 2007	
Date: 07/10/2006	Phone: (432)550-8887	Conditions of Approval Attached <input type="checkbox"/>	

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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
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

APN Number		Pool Code		Pool Name	
		97541		Happy Valley; Bear Springs	
Property Code		Property Name		Well Number	
		MESA ARRIBA		4	
OGPSD No.		Operator Name		Elevation	
11181		J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR., LP.		3195'	
Surface Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
G	10	22-S	28-E		1884'
				North/South line	Feet from the
				North	1650'
				East/West line	East
					Eddy
Bottom Hole Location if Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
Dedicated Acres		Joint or Infill		Consolidation Code	
40				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 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 otherwise has an interest in the land including the proposed bottom hole location or has or right to drill the well at the location proposed to a certain site or series of such a well or working interest or to a working party agreement or a customary pooling order heretofore entered by the division.</p> <p><i>Jim Stevens</i> 7/10/06 Signature Date</p> <p>Jim Stevens Printed Name</p>
		<p>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.</p> <p>7/08/06 Date of Survey</p> <p><i>John S. Piper</i> Signature & Seal of Professional Surveyor</p> <p>7254 John S. Piper Certificate No.</p>

○ = Staked Location • = Producing Well ● = Injection Well ◊ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLD B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLD B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates	
Northings 512865.07	Eastings 558557.38
Latitude 32°24'35.716"	Longitude 104°16'39.121"
Zone North American Datum	Combined Grid Factor
East 1983/CORS	0.999909
Drawing File	Coordinate File
Carlsbad.Dwg	Carlsbad.Crd
Field Book	
Eddy #8, Pg. 59	

Monday, August 07, 2006

Mr. Bryan Arrant
NMOCD
Artesia, New Mexico

Re: Mesa Arriba #4
10-22S-26E
Eddy County, New Mexico

On Friday August 4th I had several conversations with Mark Fesmire and Cheryl Oconnor. I explained to them our situation with the Mesa Arriba #4 and the reason for the rushed permit. First, the rig for the Mesa Arriba #4 was moved up from the 16th of August to the 7th of August. Second, we originally had approval to drill the Mesa Arriba #3, but because of leasing constraints we were forced to move the location and resubmit as the Mesa Arriba #4. Also, we have begun working on an ACO so further problems will not be encountered. If you have any questions please feel free to talk with Santa Fe or to give me a call.

Sincerely,



Jeff Bryden
Geologist
J Cleo Thompson
(432) 550-8887

Monday, July 24, 2006

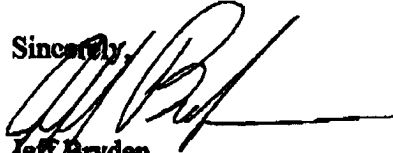
**Mr. Bryan Arrant
NMOCD
Artesia, New Mexico**

**Re: Mesa Arriba #4
10-22S-26E
Eddy County, New Mexico**

The BOP pipe rams will be function tested on a daily basis and the blind rams will be function tested on all trips due to the close proximity of dwellings. This of course will follow the NU and testing of the BOPE. We are also including a H2S contingency plan because of the proximity of dwellings.

We will also take 100 ft. samples of the Capitan Reef from 500 ft to the top of the Delaware (approx. 2300 ft).

Sincerely,



**Jeff Bryden
Geologist
J Cleo Thompson**

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

Form C-144
June 1, 2004

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 ☐

Operator: THOMPSON, J. CLEO Telephone: (432)550-8887 e-mail address: jctwest@nts-online.net				
Address: P.O. BOX 12577 ODESSA, TX 79768-2577				
Facility or well name: MESA ARRIBA #4 API#: 30-015- U/lbr Qtr/Qtr G Sec 10 T 22S R 26E				
County: EDDY Latitude _____ Longitude _____ NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/> Surface Owner Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>				
<table border="1"> <tr> <td> Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 12,000 bbl </td> <td> Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____ </td> </tr> </table>			Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 12,000 bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 12,000 bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____			
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) 150'	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)				

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 you 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.

Additional Comments:

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 ☐.

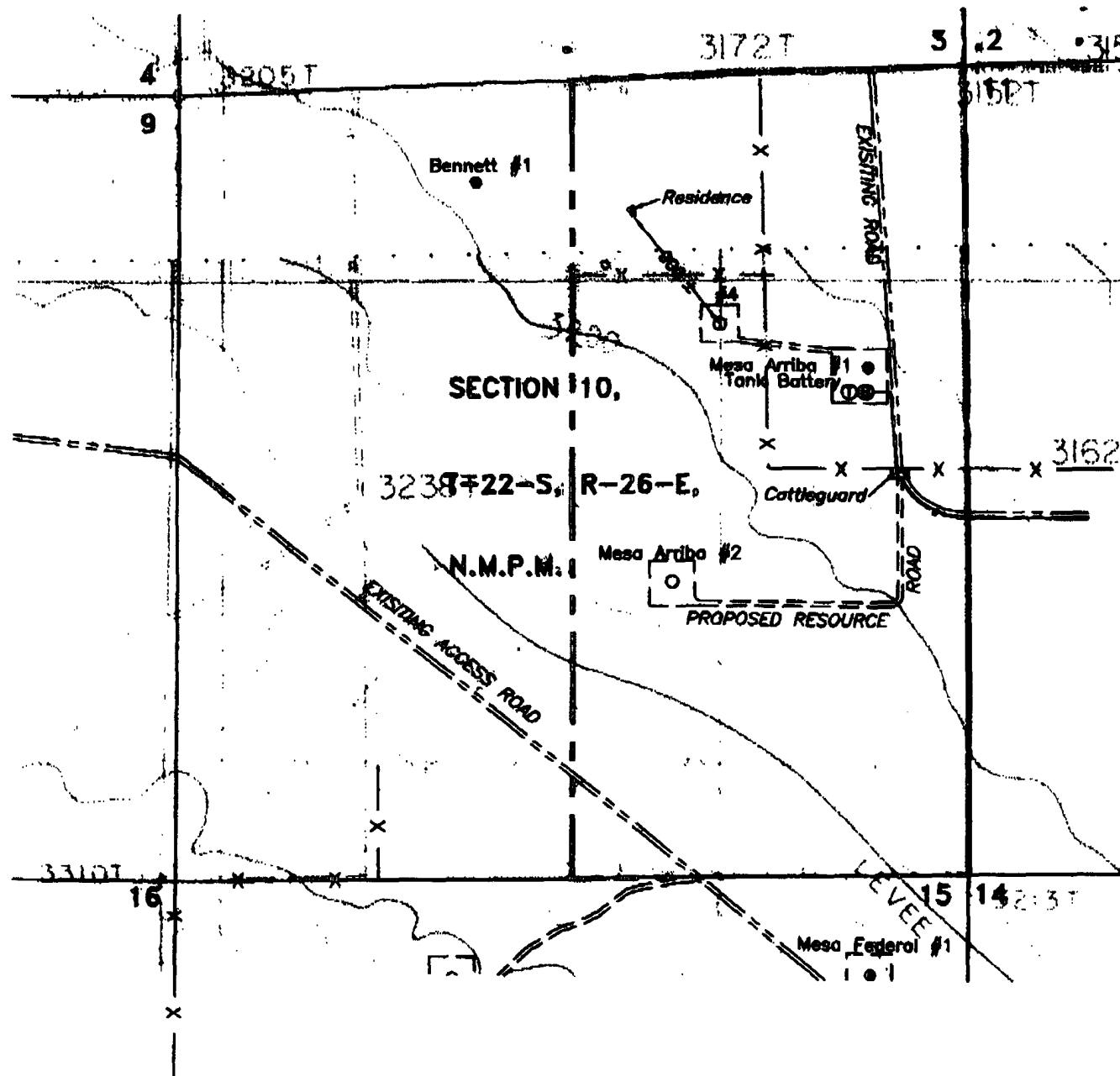
Date: **07/10/2006**

Printed Name/Title **JIM STEVENS OPERATIONS MANAGER** Signature *Jim 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:

Printed Name/Title _____ Signature _____ Date: _____



LEGEND OF SYMBOLS

- Access Road
- Resource Road on Lease
- Resource Road on State Land
- Resource Road on Private Land
- Resource Road on Federal Land
- Proposed Resource Road
- o Staked Well Location
- o Found 1" Iron Pipe with Brass Cap
- o Found 2" or 3" Iron Pipe with Brass Cap
- Unit or Lease Boundary

EXHIBIT "A" ACCESS ROAD MAP

J. Cleo Thompson & James Cleo Thompson, Jr., L.P.

MESA ARRIBA NO. 4
Located 1664' FNL & 1650' FEL, Section 10,
T-22-S, R-26-E. NMPM, Eddy County, NM

Drawn by: Gene M. Rodriguez

Scale: 1" = 1000'

Date: July 10, 2006

Jim Stevens

Checked by: J.S. Piper

Sheet 1 of 1