

DATE IN 3/31/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 4/1/08	TYPE NSL	APP NO PKUR0809256236
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



J Cleo Thompson
 Gainer 22 #1

ADMINISTRATIVE APPLICATION CHECKLIST

5823

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] ☒ Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] ☐ Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] ☐ Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] ☐ Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

RECEIVED
 2008 MAR 31 PM 4 48

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 P.O. Box 1056
 Santa Fe, New Mexico 87504

James Bruce
 Signature

Attorney for Applicant
 Title

jamesbruc@aol.com
 e-mail Address

3/31/08

Date

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

March 31, 2008

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), J. Cleo Thompson & James Cleo Thompson, Jr., L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Gainer 22 Well No. 1
<u>Location:</u>	1677.9 feet FSL & 1697.8 feet FWL
<u>Well Unit:</u>	N½SW¼ of Section 22, Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico

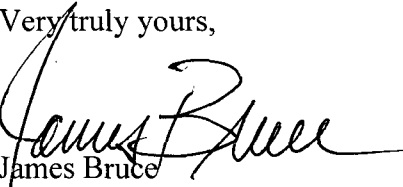
The well will be drilled to a depth sufficient to test the Devonian formation (South Crossroads-Devonian Pool). An APD with a Form C-102 for the well is attached as Exhibit A. Under Order No. R-2284 (attached as Exhibit B), the pool is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section line.

The well's location is based upon geological/geophysical reasons. An isopach of the Devonian is attached as Exhibit C. Devonian wells must be located high on structure, and the proposed location ensures the highest structural position, while moving away from a dry hole to the northeast. The proposed location will ensure the best chance to drill a commercial well, and will prevent waste.

A Midland Map Co. plat is attached as Exhibit D. The N½S½ of Section 22 is a single fee tract, in which applicant is the sole lessee. The offsetting S½S½ of Section 22 is a single federal tract, in which applicant is the sole lessee. Exhibit E. The only affected offset is the Bureau of Land Management, which has been notified of this application. Exhibit F.

Please contact me if you need any further information.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned above the printed name "James Bruce".

James Bruce

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

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

Form C-101
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address THOMPSON, J. CLEO P.O. BOX 12577 ODESSA, TX 79768		⁴ OGRID Number 11181
		⁷ API Number 30 025-
² Property Code 36973	³ Property Name Gainer 22	⁶ Well No. 001
⁸ Proposed Pool 1 CROSSROADS DEVONIAN SOUTH		⁹ Proposed Pool 2

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
K	22	10S	36E		1677.9'	SOUTH	1697.8'	WEST	LEA

8 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

¹⁰ Work Type Code N	¹¹ Well Type Code G	¹² Cable/Rotary R	¹³ Lease Type Code P	¹⁴ Ground Level Elevation 4010'
¹⁵ Multiple N	¹⁶ Proposed Depth 12850	¹⁷ Formation DEVONIAN	¹⁸ Contractor FORSTER	¹⁹ Spud Date 04/01/2008
Depth to Groundwater 75'		Distance from nearest fresh water well > 1 MILE		Distance from nearest surface water > 1 MILE
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mil thick Clay <input type="checkbox"/> Pit Volume 9000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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	500	SURFACE
11	8.625	32	5100	1000	SURFACE
7.875	5.5	17	12850	2200	4000

²⁰ 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.
1. DRILL 17-1/2" TO 500'. SET 13-3/8" CSG. CEMENT TO SURFACE WITH 425 SXS.
2. DRILL 11" HOLE TO 5100'. SET 8-5/8" CSG. CEMENT TO SURFACE WITH 1,000 SXS. NU 5000 PSI BOP DOUBLE RAM STACK WITH 3000 PSI ANNULAR PREVENTER
3. DRILL 7-7/8" HOLE TO 12,850'. SET 5-1/2" CSG. CEMENT FROM TD TO 8000'. CEMENT FROM 7000' INTO INT. CSG. WITH CEMENTATION TOOL. (DV TOOL OR FORMATION PACKER)

²¹ 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 ☐.

OIL CONSERVATION DIVISION

Approved by:

Printed name: JIM STEVENS

Title:

Title: OPERATIONS MANAGER

Approval Date:

Expiration Date:

E-mail Address: jstevens@jcleo.com

Date: 02/08/2008

Phone: (432)550-8887

Conditions of Approval Attached ☐

EXHIBIT

A

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210

DISTRICT III
1000 Via Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease-4 copies
Fee Lease-3 copies

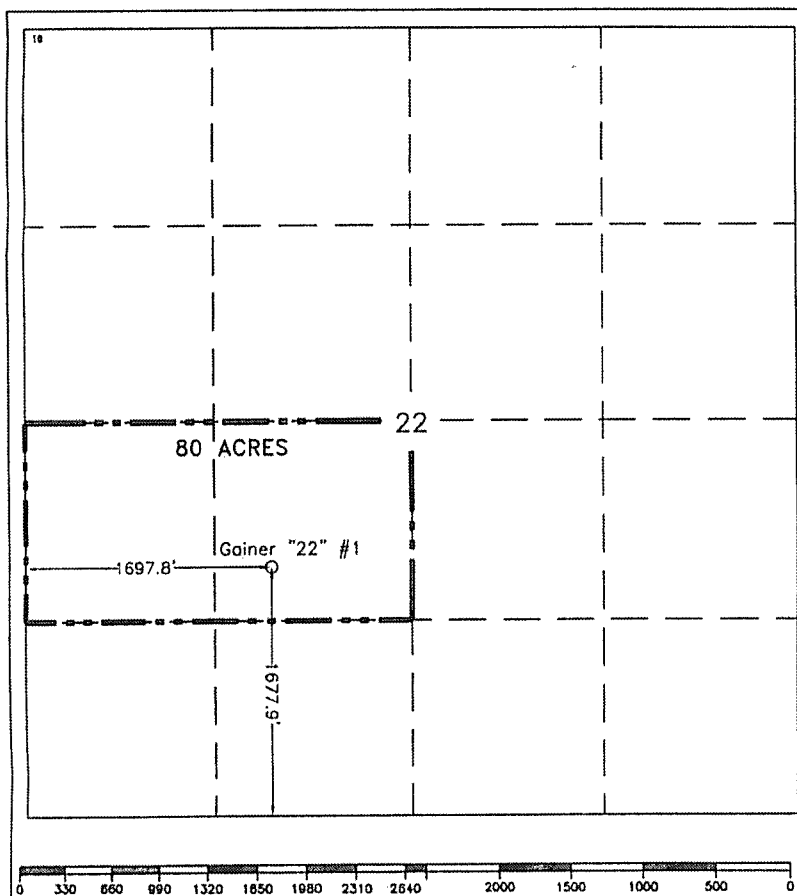
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-		2 Pool Code 13560		3 Pool Name Crossroads Devonian South				
4 Property Code 36973		5 Property Name GAINER "22"			6 Well Number 1			
7 GRID No. 11181		8 Operator Name J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR., L.P.			9 Elevation 4010'			
10 Surface Location								
UL or lot no. K	Section 22	Township 10-S	Range 36-E	Lot 10 Feet from the 1677.9'	North/South line South Feet from the 1697.8'	East/West line West	7 County Lea	
11 Bottom Hole Location If Different From Surface								
UL or lot no.	Section	Township	Range	Lot 10	Feet from the	North/South line	East/West line	7 County
12 Dedicated Acres 80		13 Joint or Infill		14 Consolidation Code		15 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.

	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 unleased 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.
	Signature _____ Date _____ Jim Stevens Printed Name
	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.
	2/7/08 Date of Survey Signature & Seal of Professional Surveyor: _____ Certificate No. 7254

○ = Staked Location * = Producing Well ⚡ = Injection Well ◇ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 885712.64 (1927 NAD= 885648.00)		Easting 872627.31 (1927 NAD= 831452.00)	
Latitude 33°25'47.960"		Longitude 103°14'50.823"	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.999843101	Crossroads83E.crd
Drawing File		Field Book	
CrossRoads.Dwg		Lea# 24, Pg. 35	

LYBROOK-GALLUP POOL
Rio Arriba County, New Mexico

Order No. R-2267-A, Abolishing the Temporary Operating Rules Adopted in Order No. R-2267, August 1, 1962, for the Lybrook-Gallup Pool, Rio Arriba County, New Mexico, September 8, 1964.

Application of Val R. Reese & Associates, Inc. for the Creation of a New Oil Pool and for Special Pool Rules, Rio Arriba County, New Mexico.

CASE NO. 2575
Order No. R-2267-B

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on August 5, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2267, dated June 21, 1962, temporary Special Rules and Regulations were promulgated for the Lybrook-Gallup Oil Pool, Rio Arriba County, New Mexico, establishing 320-acre gas proration units and 80-acre oil proration units for a one-year period.

(3) That by Order No. R-2267-A, dated August 16, 1963, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period.

(4) That pursuant to the provisions of Order No. R-2267-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the Lybrook-Gallup Oil Pool should not be developed on 160-acre gas proration units and 40-acre oil proration units.

(5) That the evidence concerning the reservoir characteristics of the Lybrook-Gallup Oil Pool and the effectiveness of the temporary Special Rules and Regulations promulgated by Order No. R-2267 does not establish that said pool can be efficiently and economically drained and developed on 320-acre gas proration units and 80-acre oil proration units.

(6) That to afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas and oil in the pool, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Lybrook-Gallup Oil Pool should be developed on 160-acre gas units and 40-acre oil units.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Lybrook-Gallup Pool are hereby ab

(2) That entry of such necessary.

DONE at S: above designated.

EXHIBIT

B

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SOUTH CROSSROADS-DEVONIAN POOL
Lea County, New Mexico

Order No. R-2284, Adopting Operating Rules for the South Crossroads-Devonian Pool, Lea County, New Mexico, August 1, 1962.

Application of Hill & Meeker for Special Rules and Regulations for the South Crossroads-Devonian Pool, Lea County, New Mexico.

CASE NO. 2594
Order No. R-2284

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on June 28, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly adopted by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of July, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Hill & Meeker, seeks the promulgation of special rules and regulations for the South Crossroads-Devonian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units.

(3) That the evidence presented at the hearing of this case establishes that the South Crossroads-Devonian Pool can be efficiently and economically drained and developed on 80-acre proration units.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the South Crossroads-Devonian Pool are hereby promulgated as follows, effective August 1, 1962.

**SPECIAL RULES AND REGULATIONS
FOR THE**

SOUTH CROSSROADS-DEVONIAN POOL

RULE 1. Each well completed or recompleted in the South Crossroads-Devonian Pool or in the Devonian formation within one mile of the South Crossroads-Devonian Pool, and not nearer to nor within the limits of another designated Devonian oil pool, shall be spaced, drilled, operated and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the South Crossroads-Devonian Pool shall be located on a unit containing approximately 80 acres, which consists of any two contiguous quarter-quarter sections of a single governmental quarter section. For purposes of these Rules, a unit consisting of between 79 and 81 surface contiguous acres shall be considered a standard unit.

RULE 3. Each well projected to or completed in the South Crossroads-Devonian Pool shall be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the 80-acre unit.

RULE 4. For good cause shown, the Secretary-Director may grant an exception to Rule 2 without notice and hearing where an application has been filed in due form, and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

(SOUTH CROSSROADS-DEVONIAN POOL—Cont'd.)

(1) The non-standard unit is to consist of a single quarter-quarter section or lot.

(2) The non-standard unit consists of not more than 81 acres.

(3) The entire non-standard unit may reasonably be presumed to be productive of oil from said pool.

(4) The applicant presents written consent in the form of waivers from all offset operators.

(5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the offset operators were notified of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of 30 days, no such operator has entered an objection to the formation of the non-standard unit.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the South Crossroads-Devonian Pool shall be assigned an 80-acre proportional factor of 7.75 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from said wells in any proportion.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

FOUR LAKES-PENNSYLVANIAN POOL
Lea County, New Mexico

Order No. R-2326, Adopting Operating Rules for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico, October 1, 1962.

Application of Humble Oil & Refining Company for an order establishing special rules and regulations for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico.

CASE NO 2632
Order No. R-2326

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on September 11, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of October, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Humble Oil & Refining Company, seeks the promulgation of special rules and regulations for the

Four Lakes-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units therein.

(3) That the evidence establishes that the Four Lakes-Pennsylvanian Pool can be efficiently and economically drained and developed on 80-acre proration units.

(4) That the evidence establishes that 80-acre proration units will prevent the drilling of unnecessary wells, prevent reduced recovery which might result from the drilling of too few wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Four Lakes-Pennsylvanian Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS

FOR THE FOUR LAKES-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Four Lakes-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Four Lakes-Pennsylvanian Pool, and not nearer to or within the limits of another designated Pennsylvanian pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations herein-after set forth.

RULE 2. Each well completed or recompleted in the Four Lakes-Pennsylvanian Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Four Lakes-Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

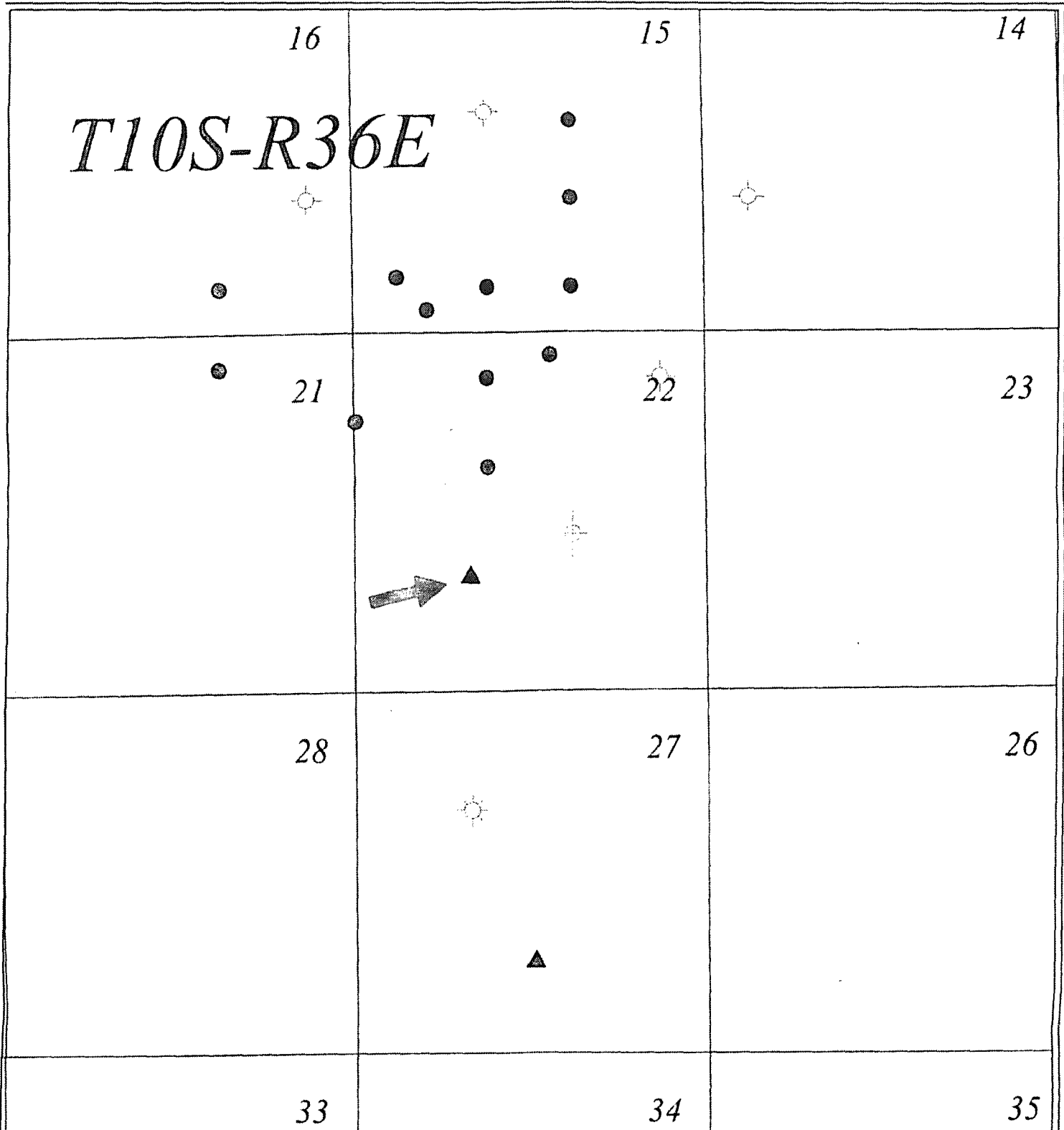
RULE 4. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either quarter-quarter section or lot in the 80-acre unit. Any subsequent additional well on the 80-acre unit shall be located within 150 feet of the center of the other quarter-quarter section or lot in the unit.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Four Lakes-Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 5.67 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

(2) That the Special Rules and Regulations herein promulgated shall become effective October 1, 1962; provided, however, that no well shall receive an 80-acre allowable prior to the date of filing with the Hobbs office of the Commission Form C-128 showing thereon 80 acres dedicated to said well. Form C-128 shall be accompanied by Form C-116, Gas-Oil Ratio Test Report, substantiating the ability of the well to produce the allowable requested.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



J. CLEO THOMPSON

Gainer 22-1

Base Map

Sec 22 T10S-R36E

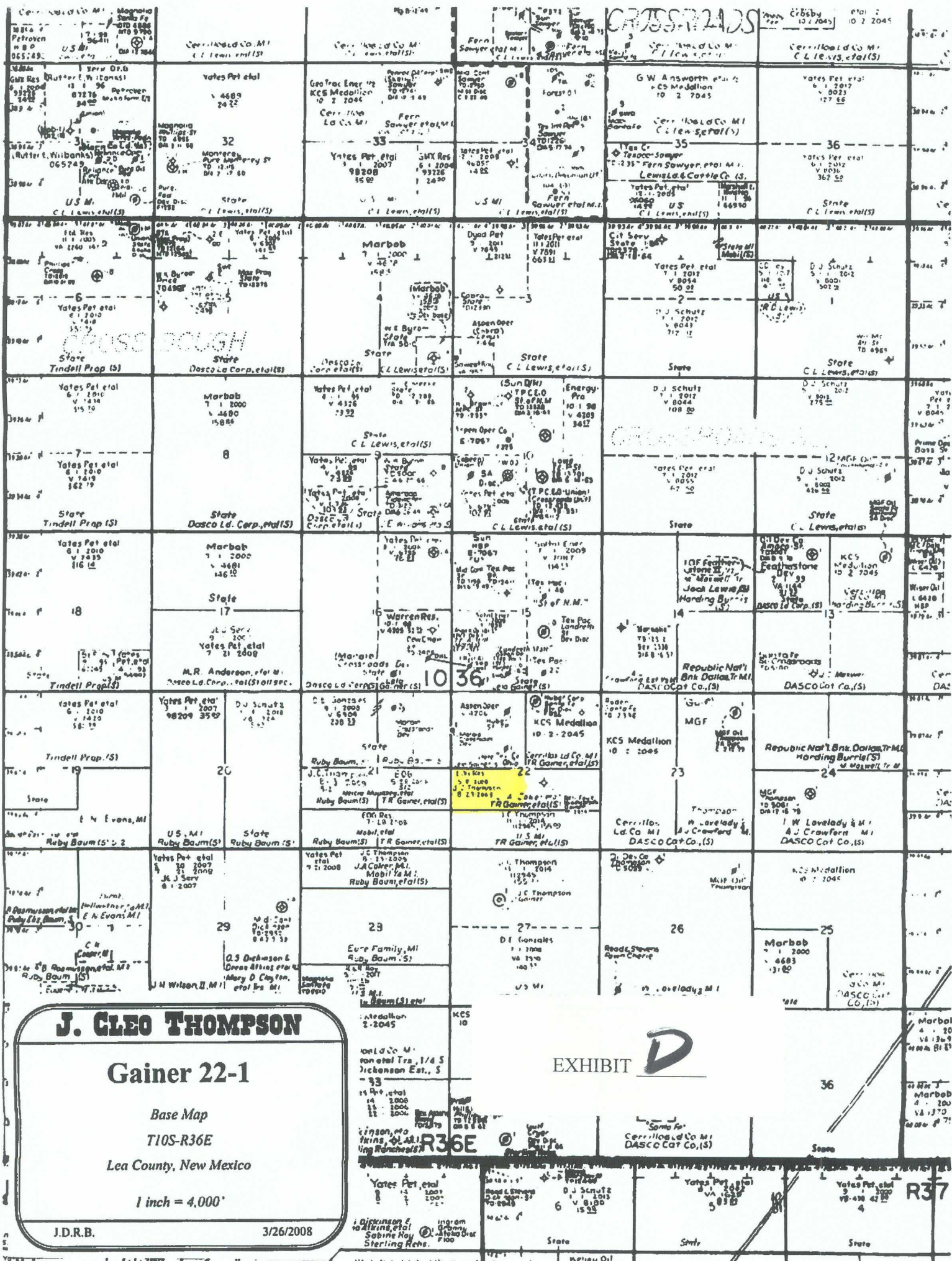
Lea County, New Mexico

1 inch = 2,000'

J.D.R.R.

3/26/2008





J. CLEO THOMPSON

Gainer 22-1

Base Map

T10S-R36E

Lea County, New Mexico

1 inch = 4,000'

J.D.R.B.

3/26/2008

EXHIBIT

D

R36E

R37

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

RunDate/Time: 03/30/08 01:22 PM

Page 1 of 1

01 12-22-1987;101STAT1330;30USC181 ET SE
Case Type 312021: O&G LSE COMP PD -1987
Commodity 459: OIL & GAS L
Case Disposition: AUTHORIZED

Total Acres
480.000

Serial Number
NMNM-- - 112945

Name & Address				Serial Number: NMNM-- - 112945	
				Int Rel % Interest	
THOMPSON J CLEO & J CLEO JR LP	325 N SAINT PAUL #4300	DALLAS TX 75201	LESSEE	100.00000000	

				Serial Number: NMNM-- - 112945			
Mer Twp	Rng	Sec	STyp SNr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23 0100S	0360E	022	ALIQ	S2S2;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT
23 0100S	0360E	027	ALIQ	N2;	CARLSBAD FO	LEA	BUREAU OF LAND MGMT

				Serial Number: NMNM-- - 112945	
				Pending Office	
Act Date	Code	Action	Action Remarks		
10/19/2004	387	CASE ESTABLISHED	200410074;		
10/20/2004	191	SALE HELD			
10/20/2004	267	BID RECEIVED	\$74400.00;		
12/16/2004	237	LEASE ISSUED			
12/16/2004	974	AUTOMATED RECORD VERIF	BTM		
01/01/2005	496	FUND CODE	05;145003		
01/01/2005	530	RLTY RATE - 12 1/2%			
01/01/2005	868	EFFECTIVE DATE			
02/22/2005	963	CASE MICROFILMED			
12/31/2014	763	EXPIRES			

Line Nr		Remarks	Serial Number: NMNM-- - 112945
02	STIPULATIONS ATTACHED TO LEASE:		
03	SENM-S-19 PLAYAS AND ALKALI LAKES		
04	(SEC. 22: NESESW)		
05	(SEC. 27: NWSENE)		
06	SENM-S-25 VISUAL RESOURCE MANAGEMENT		
07	NM-11-LN SPECIAL CULTURAL RESOURCE		

EXHIBIT **E**

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

March 31, 2007

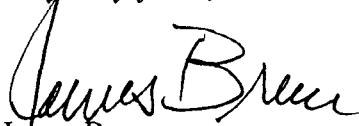
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201

Ladies and gentlemen:

Enclosed is a copy of an application for an unorthodox oil well location, filed with the New Mexico Oil Conservation Division by J. Cleo Thompson & James Cleo Thompson, Jr., L.P., regarding a well in the N½SW¼ of Section 22, Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico. If you object to the application, you must notify the Division in writing by April 21, 2008. The Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

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

EXHIBIT

F