

J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR., L.P.
WEST TEXAS DIVISION OFFICE
P.O. BOX 12577
ODESSA, TEXAS 79768
915/366/8886

RECEIVED

JUL 8 2003

Oil Conservation Division

Florene Davidson, Commission Secretary
Oil Conservation Commission
1220 S. St. Francis Drive
Santa Fe, NM 87505

July 7, 2003

Re: Case 12811 and Order No. R-11934

Dear Ms. Davidson,

Enclosed are the exhibits and detailed statement involving Case No. 12811.

The reason for contesting this case is based on the fact that the information in Order No. R-11934 was incorrect regarding the status of the two wells the State claims are inactive. Indeed, these wells were reactivated some time back as is documented on the attached state and federal forms and the status of the wells have been witnessed by both OCD and BLM representatives. Additionally, these wells were reported on Form C-115 and copies of those forms are also enclosed. Therefore we are specifically challenging finding number 92(a), 93, and 94 of Order No. 11934

When the first order came out in March 2002 that indicated these wells were inactive we contacted the local Artesia office and brought to their attention that all our wells were active. The Artesia office responded that it was a clerical oversight on their part and since our wells were active that no further action was required by J. Cleo Thompson. Therefore, we were quite surprised to receive your June 2nd letter where a fine was also being imposed.

What should have happened was that we should have been included under finding number 6 of Case 12811 with those operators that had satisfied the Division's Artesia district office and were dismissed from the case. Therefore, I am requesting that J. Cleo Thompson be dismissed from this case and that no fine be imposed. The attached documentation will substantiate that we have spent much time, effort, and money (over \$70,000 on one well) complying with the regulations.

West Square Lake Unit Well 9 #13 (API 30-015-04081)

The first attempt at re-activating started on 11/24/00 and ending on 11/29/00 after unsuccessfully drilling on metal junk in the hole (Exhibit 1). We then rigged up on the well on 1/14/02 and successfully recovered the junk from the hole, cleaned out the well to TD and ran new 4 ½" casing and cemented it to surface. The well had tubing and rods run and started active production on 2/05/02 (Exhibit 2). A Sundry Notice dated Feb 8, 2002 was sent to the BLM reporting that the well had been returned to active production status (Exhibit 3). However the date reported for active production of 11/16/2000 was in error as the actual date was 2/05/02. A copy of the C-115 for February 2002 is presented as Exhibit 4 indicating that the well was active.

West Square Lake Unit Well 5 #8 (API 30-015-04004)

Work to repair this well began on 11/17/00 and continued through 11/22/00 (Exhibit 5) when the well was successfully pressure tested and witnessed by Kathy Queen of the BLM as evidenced by the Sundry Notice to the BLM (Exhibit 6) and pressure chart (Exhibit 7). The next day 11/23/00 the well was put back on active injection. Additional evidence that the well was put back in service is shown on the Sundry notice sent to the OCD (Exhibit 8) and copy of the C-115 (Exhibit 9).

We appreciate your prompt attention to this matter. If it is possible to dismiss the case against us administratively that would also be very appreciated.

Best regards,



Jim Stevens, Operations Manager

L & R WELL SERVICE, INC.

WORK TICKET

POST OFFICE BOX 1457
ARTESIA, NEW MEXICO 88211-1457
(505) 748-3835

10203

DATE 11/27/00

COMPANY A. Cleo Thompson ORDER OR CONTRACT NO. Amador Pando
LEASE Tract 9 well WELL NO. 13

WELL DESCRIPTION	HRS.	RATE	TOTAL
Draw crew to location. Go in hole with the testing string 10 stands also changed out 38 of tubing-collars. Set test tubing to 1000 psi. Held okay. Pull out of hole with tubing. Went back in with 6'1/4" drill bit & 6'3/2" drill collar. Tagged bottom at 2748. Shut well in shut-down 6:00 am. to 5:00 pm.			
Double Derrick w/ men	11	125.00	1375.00
Tubing Jongs	1	100.00	100.00

	5/8"	3/4"	7/8"	1"
JDS				
IBS				
	2 3/8"		2 7/8"	
3ING	88			

HELPER Salvador Cueto 11 HRS
HELPER Ramon Velo 7 HRS
HELPER Humero Chacon 7 HRS
OPERATOR Carlos Rodriguez 1 HRS

#1

AP 2

L & R WELL SERVICE, INC.

WORK TICKET

POST OFFICE BOX 1457
ARTESIA, NEW MEXICO 88211-1457
(505) 748-3835

10205

DATE 11/28/00

COMPANY J. Cleo Thompson ORDER OR CONTRACT NO. Amador Pando
LEASE Tract 90 Well WELL NO. 13

WELL DESCRIPTION	HRS.	RATE	TOTAL
Drove to location. Went in with 3 stands, lay down 1 joint. Rigged up derrick. Started drilling at 2748 drilling approx 1/4" to 2753. Pull out of hole with tubing stand drill collars in derrick. Shut well in shut down. 6:00am - 4:30pm			
Double Derrick w/ 10 1/2" tubing Tengs	1	125.00	125.00
		100.00	100.00

	5/8"	3/4"	7/8"	1"
OBS				
IBS				
	2 3/8"		2 7/8"	
BING	89			

HELPER Salvador Cueto HRS. 10 1/2
HELPER Ramon Vello HRS. 7
HELPER Humaro Chacon HRS. 7
OPERATOR Carlos Rodriguez HRS. 7

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