

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**NMOCD - ACOI 140-B**

**IN THE MATTER OF J. CLEO THOMPSON,**

**Respondent.**

**AMENDED  
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 4 of Agreed Compliance Order 140, the Director of the Oil Conservation Division (“OCD”) hereby amends that Order as follows:

**FINDINGS**

1. Agreed Compliance Order 140 (“ACOI 140” or “Order”) requires J. Cleo Thompson (“Operator”) to return the wells identified in Exhibit A to compliance under an agreed schedule, calling for a certain number of wells to be returned to compliance in each six-month period. If Operator meets its goal in a six-month period, the OCD will amend the order for an additional six-month period. The total length of the Order, including the initial period, may not exceed two years.

2. Operator filed a timely compliance report, and met its three-well goal in the first period, returning the following wells identified in Exhibit A to compliance by December 31, 2006:

- |                          |              |
|--------------------------|--------------|
| • Milnesand Unit No. 133 | 30-041-10043 |
| • Milnesand Unit No. 126 | 30-041-10016 |
| • Milnesand Unit No. 125 | 30-041-10015 |

3. Because Operator met its goal for the first period, the OCD amended the Order, extending its terms for a second six-month period, and requiring Operator to return four additional wells from Exhibit A to compliance by June 30, 2007, and file a timely compliance report.

4. Operator filed a timely compliance report for the second period. It exceeded its four-well goal by one well, returning the following wells identified in Exhibit A to compliance by June 30, 2007:

- |                       |              |
|-----------------------|--------------|
| • Milnesand Unit #27  | 30-041-10150 |
| • Milnesand Unit #28  | 30-041-10151 |
| • Milnesand Unit #135 | 30-041-10045 |
| • Milnesand Unit #137 | 30-014-10050 |

J. Cleo Thompson

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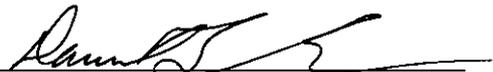
### CONCLUSIONS

1. Operator returned five of the wells identified in Exhibit A to compliance by June 30, 2007, exceeding its goal for the second period by one well.
2. The OCD should amend ACOI 140 to extend its terms through December 30, 2007 and require Operator to return to compliance by that date three wells identified in Exhibit A that are not identified in Findings Paragraph 3, above.

### ORDER

1. Operator shall return to compliance by December 30, 2007 three wells identified in Exhibit A that are not identified in Findings Paragraphs 2 and 4, above, to meet its four-well goal for the third period.
2. Operator shall file a written compliance report identifying the wells returned to compliance in the third period. The report must be mailed or e-mailed to the OCD's Compliance and Enforcement Manager so that it is received by December 30, 2007.
3. The terms of ACOI 140 otherwise remain in effect.

Done at Santa Fe, New Mexico this 29<sup>th</sup> day of June, 2007

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