

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7 If Unit or CA Agreement, Name and No. NM71065X-WSLU	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8 Lease Name and Well No. <i>11264</i> WEST SQUARE LAKE UNIT 12-9	
2 Name of Operator THOMPSON, J. CLEO <i>11181</i>		9. API Well No. 30-015- <i>36367</i>	
3a. Address P.O. BOX 12577 ODESSA, TX 79768		10 Field and Pool, or Exploratory GRAYBURG - SAN ANDRES	
3b. Phone No (include area code) (432)550-8887		11. Sec., T. R. M. or Blk and Survey or Area UL: O Sec: 26 Twn: 16S Rng: 30E	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <i>1157.4</i> FSL & <i>1395.6</i> FEL At proposed prod. zone		12 County or Parish EDDY	
14 Distance in miles and direction from nearest town or post office 5 MILES NORTH OF LOCO HILLS, NM		13 State NM	
15 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any)	16 No. of acres in lease 3320	17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19 Proposed Depth 4000	20. BLM/BIA Bond No. on file <i>NM 0348</i>	
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 3793' GL	2.2 Approximate date work will start* 10/01/2007	2.3 Estimated duration 1 WEEK	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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| 1 Well plat certified by a registered surveyor. | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2 A Drilling Plan. | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the authorized officer |

25 Signature <i>J E Stevens</i>	Name (Printed/Typed) JIM STEVENS	Date <i>10/18/07</i> 07/19/2007
Title OPERATIONS MANAGER		
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed)	Date MAY 29 2008
Title FOR FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 8 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

*(Instructions on page 2)

Roswell Controlled Water Basin

NOTE: New Pit Rule
NMAC 19-15-17**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****Approval Subject to General Requirements
& Special Stipulations Attached**