J. CLEO THOMPSON & JAMES CLEO THOMPSON, JR., L.P. WEST TEXAS DIVISION OFFICE P.O. BOX 12577

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.

Rest regards

Im Stevens, Operations Manager

Case No. 12811 J. Cleo Thompson Exhibit #1

L & R WELL SERVICE, INC.

WORK TICKET

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

			DATE.	///	24/00	2
COMPANY_ J. Cleo The	lmosou	ORDER OR CONTRACT NO.	<u> an</u>	rad	or Pa	ndo
EASE_Tract 98		WELI. NO. # 1				
	L DESCRIPTION			HRS.	RATE	TOTAL
Drove to locat	ion. Rig	up: Sto	urted	<u> </u>	 	
to pull tubi	ng out of	'hole,cou	ne_			
out of hole	and shut a	down. 1	:00 A	Ims	0 5:3	Opin
	<u> </u>	· h 4		/		
	Double Derci	CRIV MU	1	4/2	1 1	562.50
	Tbg. Tongs	<u> </u>				100,00
	Dipe Wiper				20.00	20.00
	· · · · · · · · · · · · · · · · · · ·	 				
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
						
	· · · · · · · · · · · · · · · · · · ·					
						
			`			
%g" 34" 76" 1		HELPER S	lvoida	or Cu	ueto	HRS. 41/2
		HELPER $\overline{\mathcal{I}}$			_	
UBS		HELPER				,
2¾" 2½"		HELPEH D	and I		ucon C	HRS
JBING 94		OPERATOR_	arlos	Kal	riguez	ыня. <u> </u>
		Al Ph	2.			

WORK TICKET

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

						DATE		1/25/	00
COMPANY	J.C	leo T	Thomas	son	ORDER OR CONTRACT NO	_am	adio	r Pai	do
LEASE									·
			L DESCRIPTION			A	HRS.	RATE	TOTAL
Drov Wais	Ford Fo	V III	11/1/00	נו לא ל	wellhed Fwellhed	ad a	11		
Wai	ted 1	for dri	IL coll	ars f	or awhi	le.		10.10	20.
cou	IQUT	get.	-			^	ł	!	1
			Deub	de Di	vrickwi	tren	41/2	125.00	562.50
									
									r of a Service
					· · · · · · · · · · · · · · · · · · ·	·			
<u></u>					 				
	······································								
					,				· · · · · · · · · · · · · · · · · · ·
	5%" 34"	7/g"	<u> </u>			¬ 1	á o	1	
RODS									HRS. 4/2
SUBS					HELPER +	^			
	2%"	2 ^{7/8} "				Cal	D	Ar'an	ARS
UBING				· 	OPERATOR_	<u>uric</u>	SDU	cerique	(H fs s
					Ah	Ph	2		

WORK TICKET

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

	DATE	27/0	()
COMPANY CLEO Shamps CM ORDER OR CONTRACT NO. (EASE MOCH 9 WELL NO. 13	<u>Imaa</u>	dor	Pande
WELL DESCRIPTION	HRS.	RATE	TOTAL
Orque crew to location. Con in			
hale with the Desting Illen	_		
10 Otands also changed out 380)		
tubin- collars Dutid tubing to		J	
LOCK Asi. Held Okay. Full out of he	24		
with tubing wint back in w	17/1		
10'14" drill bit + 6 3'/2" cleill collars		<u> </u>	<u> </u>
Tagged bottom at 2748. Shut wel	lin.	ļ	
Antil- down 6:00 am. to 5:00 pm			
<u> </u>			
1			
Quible arrickulm	60/11	125.00	1375.01
Jubing Jenas		100 W	100.00
J			·
		:	
4			
5/6. 3/4. 1.	0	30 C	da 11
DDS HELPER XXII	WULL	1 L L L L L L L L L L L L L L L L L L L	THRS
HELPER_RW	nen	Lelo	_HRS
1BS	no/170	Chan	Ou
2%" 27%" HELPER CYC	A VIVIX		OKIRS.
BING OPERATOR CO.	uos (Kodrig	KHB52
		0	σ
11 D'	7		
ILM PA	h		

WORK TICKET

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

	DATE /	28/0	<u>0</u>
COMPANY ORDER OR CONTRACT NO.	•	-	
EASE STROT 98 WILL NO. 13			
WELL DESCRIPTION	HRS.	RATE	TOTAL
Drove to location. Went in use	th/_	-	
3 Atanaci, lay agun 1 joint &ig	19CO/	ļ	
0+ 274X 0 x111100 0 000 0 V 410 x1	11-10	 	
3753: Pull out of hole with tu	bur		
Stand drill collars in olarick			
Shut well in Shut Olows 6.00a	m 14.30	ρm	
			the second second
Louble Derrick win	ticn/U/S	125.CC	1312.50
Tubing Tengo		100.00	100.00
			
			·
5%" 3/4" 1" 1"	1	0 1	
DDS HELPER AL	luador	. Cuet	Gras 10/2
HELPER KAI	non!	Illo	HRS
HELPER AU	maro	Chaco	HRS.
21/8" 21/8"	ulas R	Odrion	mg (
BING SU TOPERATOR LE		J	3
A.D.	7		

WORK TICKET

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

DA	те <u> //</u>	11/29/00			
COMPANY	<u>1 ma</u>	dor f	Pando		
WELL DESCRIPTION	HRS.	RATE	TOTAL		
Drove to location. Raninhole with	h				
6'18" shoe, drill collars and than			-		
Tagged bottom at 2753 drill 10'. Pulled out of the hele and laid do) (()	 	<u> </u>		
drill collars and shoe Ranin	1011				
the hole with that Flance well					
up. Rig down and dean locati	on.		,		
6:00am to 5:00 pm Double Derrickwinen	1,,	125 00	10 77 5		
Tha. Tongs	1	100,00	1375.00		
Pipe Wiper	/	20,00	20.00		
	 				
HELPER Salva	nan	Velo	HRS.		
HELPER GUM					
JBING 89 OPERATOR CONT	osko	drigue	PAS. (
Alon III	2.		Min		