

OCD-ARTESIA

ATS-08-131
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

0091

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		JUN 02 2008		5	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		OCD-ARTESIA		<input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	
2 Name of Operator THOMPSON, J. CLEO				7. If Unit or CA Agreement, Name and No. West Square Lake Unit, No. 11264	
3a. Address P.O. BOX 12577 ODESSA, TX 79768		3b. Phone No(include area code) (432)550-8887		8. Lease Name and Well No. WEST SQUARE LAKE UNIT 5-18	
4 Location of Well (Report location clearly and in accordance with the State Permit Application) At surface 1470.7' FNL & 2630' FWL, UL: F At proposed prod zone <i>see attached SW dated 1-29-07</i>				9. API Well No. 30-015-36366	
14. Distance in miles and direction from nearest town or post office* 5 MILES NORTH OF LOCO HILLS, NM				10. Field and Pool, or Exploratory GRAYBURG - SAN ANDRES	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. 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 NM 0348 - per J. Stevens 10-29-07	
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 3798' GL		22 Approximate date work will start* 10/01/2007		23 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 Stevens</i>	Name (Printed/Typed) JIM STEVENS	Date 10/23/07
Title OPERATIONS MANAGER		
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed) /s/ Don Peterson	Date MAY 29 2008
Title 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 18 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)

NOTE: New Pit Rule
NMAC 19-15-17**ROSWELL CONTROLLED WATER 1****SEE ATTACHED FOR
CONDITIONS OF APPROVAL****APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED**

**LEASE RESPONSIBILITY STATEMENT:
WEST SQUARE LAKE UNIT NO. 5-18**

J. CLEO THOMPSON and JAMES CLEO THOMPSON, JR., L.P. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof.



J. E. Stevens
Operations Manager