OMB No. 1004-0137 Expires March 31, 2007

6. IfIndian, Allotee or Tribe Name

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

ADDITION FOR DEDMIT TO DOLL OR DEENTED

| J. | Lease | Seriai | INO | | | |
|---------|-------|--------|-----|--|--|--|
| NM02427 | | | | | | |

| APPLICATION FOR PERMIT TO | | | | |
|--|--------------------------------|-------------|--|-------------------------|
| la. Type of work X DRILL REEN | JUN-0-2 2000 OCD-ARTES | IA | 7 If Unit or CA Agree West Square Lake U 8. Lease Name and W | Init, No. 11264 |
| lb Type of Well: X Oil Well Gas Well Other | X Single Zone Multi | ple Zone | WEST SQUARE LA | |
| 2 Name of Operator | | | 9 API Well No. | |
| THOMPSON, J. CLEO ///8/ | | | 30-015-363 | 65 |
| 3a. Address P.O. BOX 12577 ODESSA, TX 79768 | 3b Phone No(include area code) | | 10 Field and Pool, or Exploratory | |
| | (432)550-8887 | | GRAYBURG - SAN | I ANDRES |
| 4. Location of Well (Report location clearly and in accord | iance vary profession from | X 2. | 11. Sec., T. R. M. or Bl | k. and Survey or Are |
| At surface 1 358.41 FSL & 2623.8 FEL, UL: J | | 7 | UL: J Sec: 34 Twn | :165 Kng: 30E |
| Atproposed prod. zone pur attack 15N | | | | |
| 14. Distance in miles and direction from nearest town or post office | | | 12 County or Parish | 13 State |
| 5 MILES NORTH OF LOCO HILLS, NM | | | EDDY | NM |
| 15. Distance from proposed* | 16. No. of acres in lease | 17 Spa | cing Unit dedicated to thi | s well |
| location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) | 3320 | 40 | | |
| 18 Distance from proposed location* to nearest well, drilling, completed, | 19. Proposed Depth | 20 BLM | 20 BLM/BIA Bond No. on file | |
| to nearest well, drilling, completed, applied for, on this lease, ft. 933.1' | 4000' | 1 | 100348 | L |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 2.2. Approximate date work wi | | will start* | 2.3 Estimated duration | |
| 3734' GL | 10/01/2007 | | 1 WEEK | |
| | 24. Attachments | | | |
| The following, completed in accordance with the requiren | nents of Onshore Oil and Gas (| Order No. | 1, shall be attached to this | form: |
| 1. Well plat certified by a registered surveyor. | | | tions unless covered by an o | existing bond on file (|
| 2 A Dulling Plan | Item 20 above | ;) | | |

- 2. A Drilling Plan.
- 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)
- see
- 5 Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

| Title FORFIELD MANAGER | CARLSBAD FIELD OFFICE | | | |
|---|----------------------------------|-------------------|--|--|
| Approved by(Signature) /s/ Don Peterson | Name(Printed/Typed) Don Peterson | Date MAY 2 9 2008 | | |
| Title OPERATIONS MANAGER | | | | |
| 12 Jums | JIM STEVENS | Date 10/23/07 | | |
| 25 Signature | Name(Printed/Typed) | Date 10/23/10- | | |

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 I 8U.S C. Section 1001 and Title 43 USC 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 NOTE: New Pit Rule NMAC 19-15-17

SEE ATTACHED FUR CONDITIONS OF APPROVAL

ROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS **ATTACHED**

LEASE RESPONSIBLITY STATEMENT: WEST SQUARE LAKE UNIT NO. 13-5

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