

J. Cleo Thompson & James Cleo Thompson, Jr., L.P. Oil Producers
West Texas Division
P.O. Box 12577
Odessa, Texas 79768
(432)550-8887

RECEIVED

APR 23 2008

HOBBS OCD

BLM Carlsbad Office
Attn: Mr. Wes Ingram

March 12, 2008

30-025-38463

Re: Gainer 27 #1 Notice of Noncompliance

F-27-10s-36e

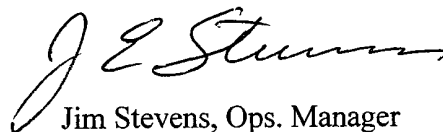
The cement top in this well behind the production casing was first determined by a temperature survey to be at 5432 ft. A subsequent cement bond log was run and the top of cement was found to be the same as the temperature survey. J Cleo Thompson pumped sufficient cement on the primary cement job to tie back into the 8 5/8 intermediate casing, however the cement top did not come up as high as expected.

The well was perforated and is currently testing the Atoka zone at 11864 to 11876 which is the only productive interval we can determine in this well. This zone does not occur productively in very many wells within a 10 mile circle and is therefore somewhat suspect whether it is truly a commercial interval. Our reservoir pressure history, attached, seems to bear out this pessimism since the reservoir pressure has dropped from 4115 to 2515 in only 71 days. At this rate the well will not remain productive much longer and we will soon plug the well.

The reservoir pressures were: 4115 psi on Oct 29, 2007, 3348 psi on Dec 17, 2007 and 2500 psi on Jan 22, 2008.

Therefore we request an exception until Sept 30, 2008 to determine whether the well will remain productive. If we are still productive and economic in September 2008 then we will finish cementing the well in a timely fashion.

Best regards,

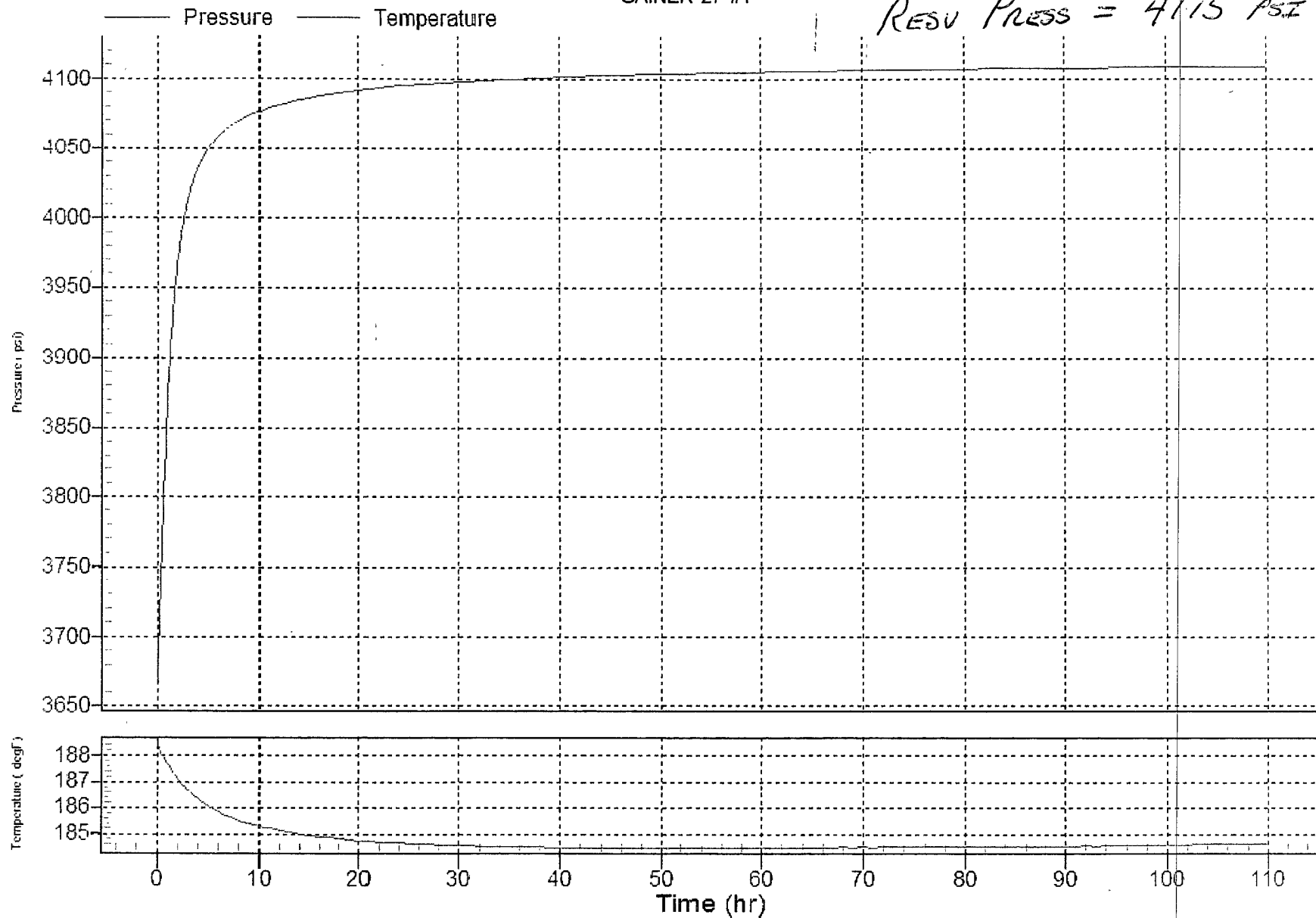

Jim Stevens, Ops. Manager

(3 pressure charts attached)

APPROVED
APR 20 2008
JAMES A. AMOS SUPERVISOR-EPS

J. CLEO THOMPSON
GAINER '27' #1

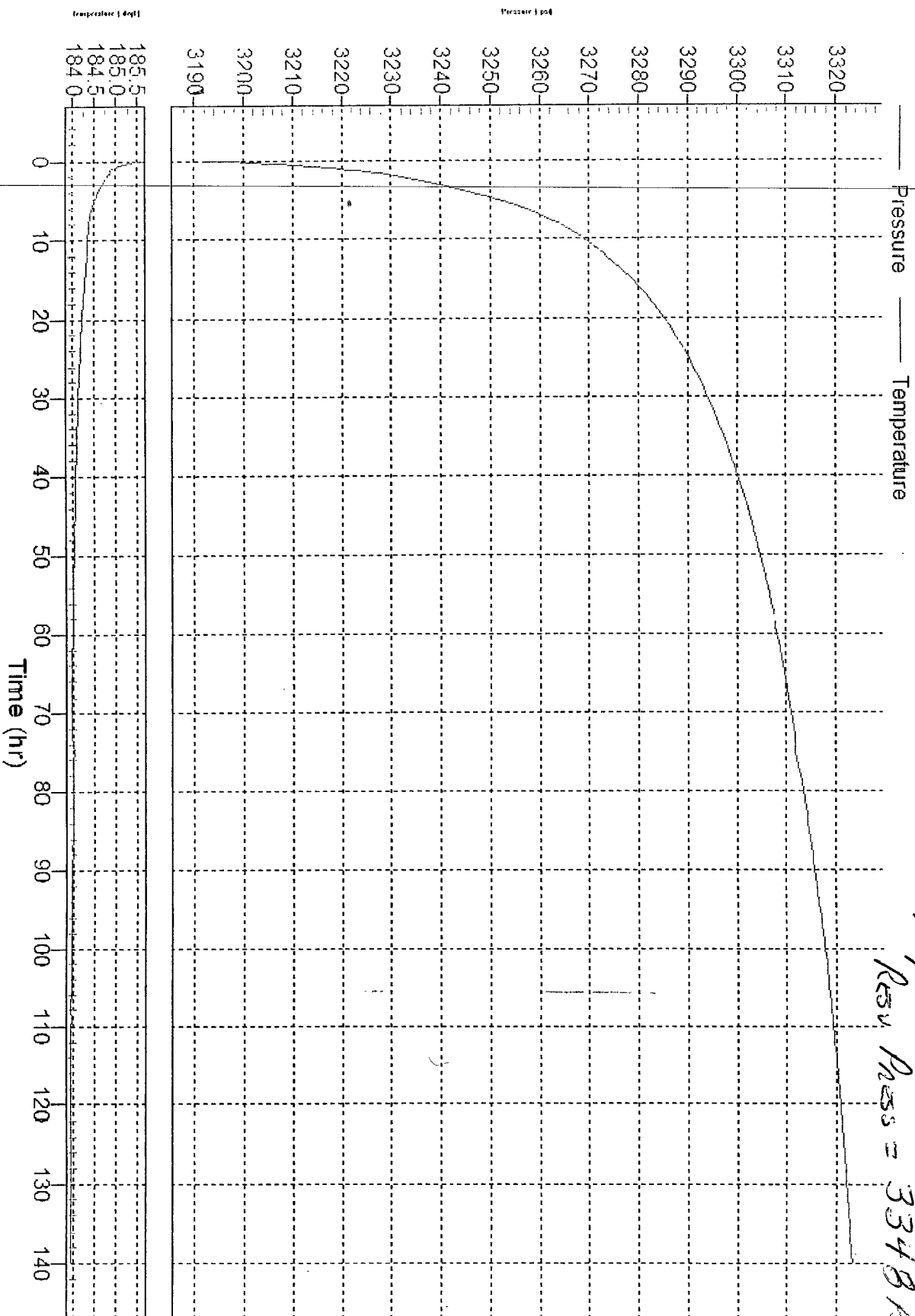
10/24/07 TO 10/29/07
RESV PRESS = 4115 PSI



Pro Well Testing & Wireline, Inc.
P.O. Box 791 Hobbs, NM 88241
(505) 397-3590

J. CLEO THOMPSON OIL CO.
GAINER 27 #1

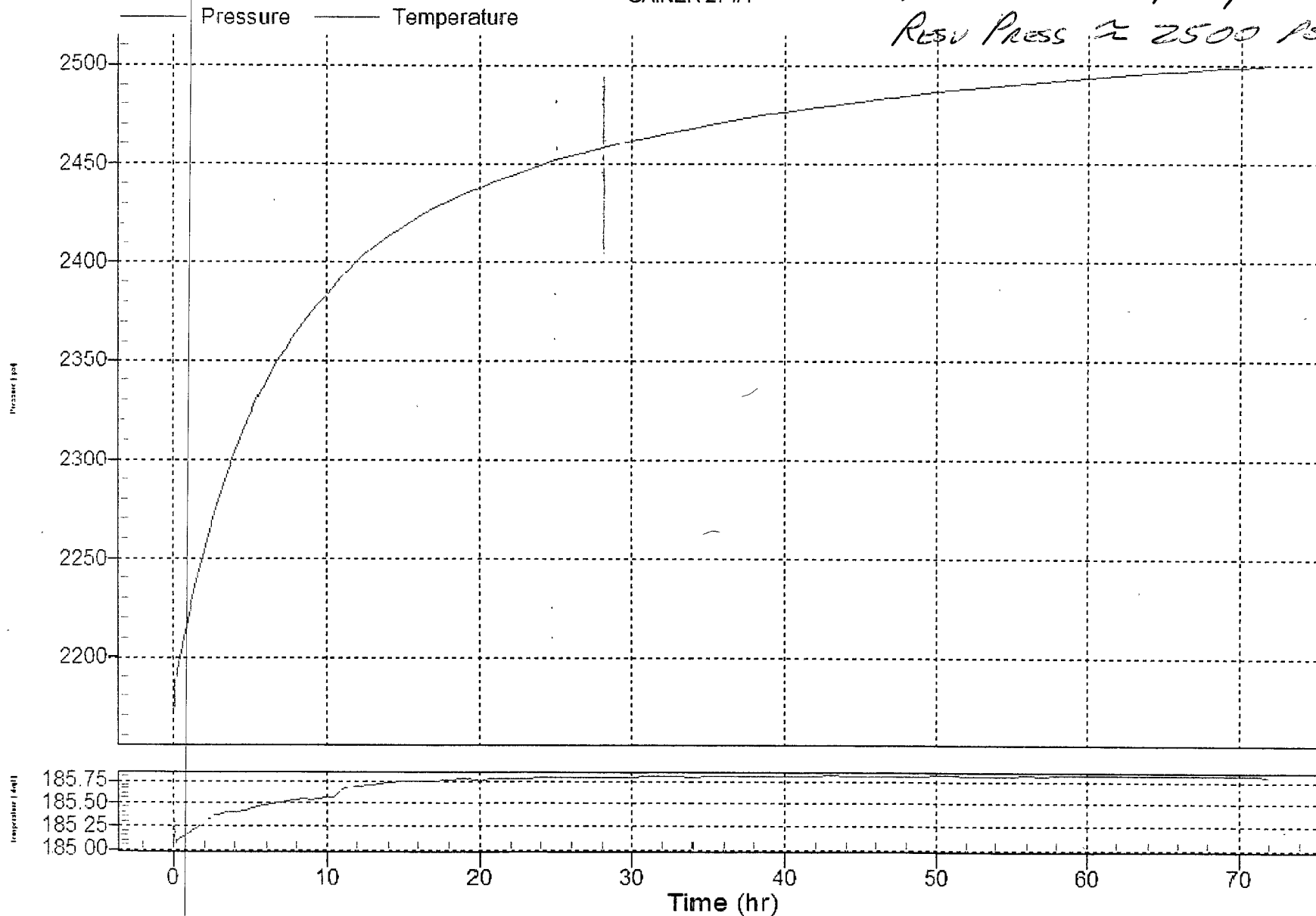
12/11/07 to 12/17/07
Resu Press = 3348 PSI



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GAINER 27 #1

1/20/08 to 1/22/08
Resv Press $\approx$ 2500 PSI



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