

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

FEB 10 2005 Submit to appropriate District Office

RECEIVED

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Stephens & Johnson Operating Co. P.O. Box 2249, Wichita Falls, TX 76307-2249		² OGRID Number 019958
⁴ Property Code 009799	⁵ Property Name East Millman Pool Unit Tract 4	³ API Number 30- 015- 33945
⁹ Proposed Pool 1 Millman Yates-SR-QN-GB-SA, East 46555		⁶ Well No. 17
¹⁰ Proposed Pool 2		

⁷Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
D	13	19S	28E		660	North	513	West	Eddy

⁸Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

Additional Well Location

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3394'
¹⁶ Multiple No	¹⁷ Proposed Depth 2700	¹⁸ Formation San Andres	¹⁹ Contractor United Drilling	²⁰ Spud Date March 1, 2005
Depth to ground water 150' 0 Points		Distance from nearest fresh water well 3000'		Distance from nearest surface water 7 miles
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 mils thick Clay <input type="checkbox"/> Pit Volume 7000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24 lb/ft	300'	200	Surface
7 7/8"	5 1/2"	15.50 lb/ft	2700'	800	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See Attachment

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OGD-approved plan <input type="checkbox"/> . Signature: <i>William M. Kincaid</i>		OIL CONSERVATION DIVISION	
Printed name: William M. Kincaid		Approved by: TIM W. GUM	
Title: Petroleum Engineer		Title: DISTRICT II SUPERVISOR	
E-mail Address: mkincaid@sjoc.net		Approval Date: FEB 10 2005 Expiration Date: FEB 10 2006	
Date: 2-8-05	Phone: (940) 723-2166	Conditions of Approval: Attached <input type="checkbox"/>	

1. Drill 12 1/4" hole to 300'. Set 8 5/8" 24# csg w/approx. 200 sacks of cmt. WOC 18 hrs.
2. Drill 7 7/8" hole to 2700'. Set 5 1/2", 15.50# csg w/approx. 800 sacks of cement.
3. Complete well in Grayburg formation.

BOP: An annular type BOP will be used with a 3,000 psig working pressure and a 6,000 psig test pressure.

Note: This Application for Permit to Drill does not meet the requirement for an H2S Contingency Plan to be submitted.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 46555		3 Pool Name Millman Yates-SR-QN-GB-SA, East	
4 Property Code 009799		5 Property Name EAST MILLMAN UNIT Tract 4			6 Well Number 17
7 OGRID No. 019958		8 Operator Name Stephens & Johnson Operating Company			9 Elevation 3394

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	13	19 S	28 E		660	NORTH	513	WEST	EDDY

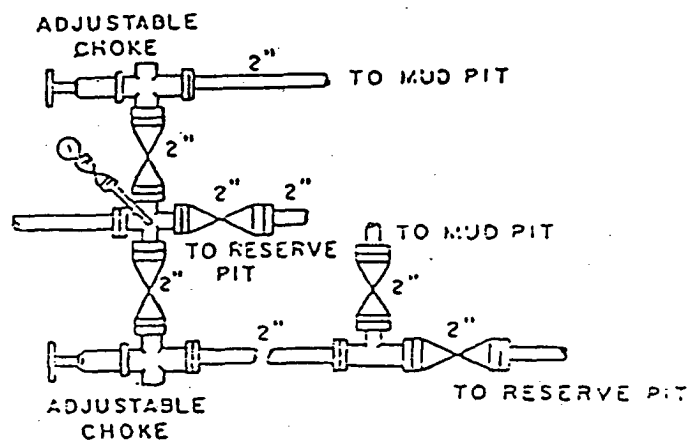
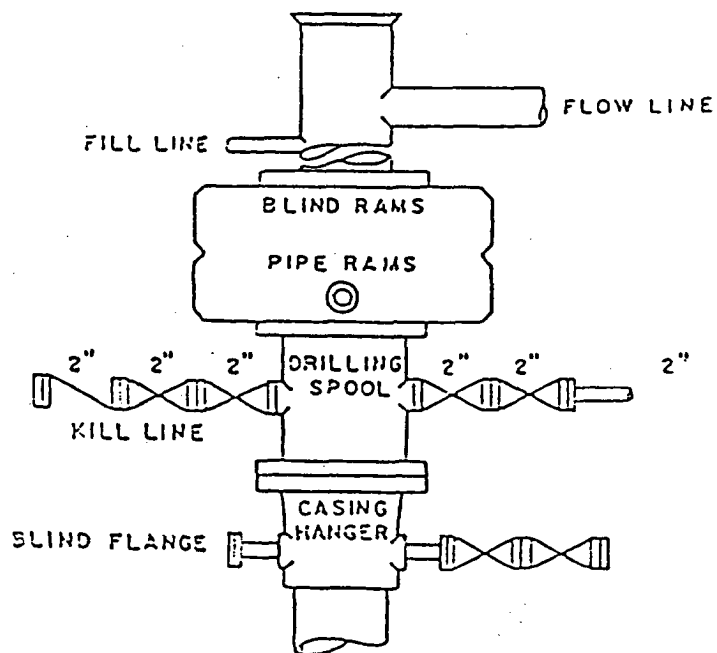
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 4c	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>William M. Kincaid</i></p> <p>Signature William M. Kincaid</p> <p>Printed Name Petroleum Engineer</p> <p>Title 2-8-05</p> <p>Date</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>February 4, 2005</p> <p>Date of Survey</p> <p><i>W. R. PATTON</i></p> <p>Signature and Seal of Professional Surveyor</p> <p><i>W. R. PATTON</i></p> <p>REGISTERED PROFESSIONAL LAND SURVEYOR</p> <p>Certificate Number 8112</p>



BOP DIAGRAM
3000# WORKING PRESSURE
RAMS OPERATED DAILY

EAST MILLMAN POOL UNIT NO. 4-17
EDDY COUNTY, NEW MEXICO

EXHIBIT NO. 1