

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

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

RECEIVED

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

MAY 18 2005

Submit to appropriate District Office

☐ 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 5	³ API Number 30- 015- 34124
⁹ Proposed Pool 1 Millman Yates-SR-QN-GB-SA, East 46555		⁶ Well No. 7 <i>Q</i>
¹⁰ Proposed Pool 2		

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
M	12	19S	28E		327	South	483	West	Eddy

⁸ Proposed 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 3404'
¹⁶ Multiple No	¹⁷ Proposed Depth 2700	¹⁸ Formation San Andres	¹⁹ Contractor United Drilling	²⁰ Spud Date June 8, 2005
Depth to ground water 150'		Distance from nearest fresh water well 2100'		Distance from nearest surface water 7 miles
Rit: 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"/>				

²¹ Proposed 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 ☒ a general permit ☐, or an (attached) alternative OCD approved plan ☐
Signature: *William M. Kincaid*

Printed name: William M. Kincaid
Title: Petroleum Engineer
E-mail Address: mkincaid@sjoc.net
Date: 5-17-05

Phone: (940) 723-2166

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

Title:

DISTRICT II SUPERVISOR

Approval MAY 19 2005

Expiration Date: MAY 19 2006

Conditions of Approval:

Attached ☐

Sal

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
1680 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

* API Number		* Pool Code	* Pool Name
		46555	Millman Yates-SR-QN-GB-SA, East
* Property Code	* Property Name		* Well Number
009799	EAST MILLMAN UNIT TRACT 5		7
* OGRID No.	* Operator Name		* Elevation
019958	Stephens & Johnson Operating Co.		3404

¹⁰ Surface Location

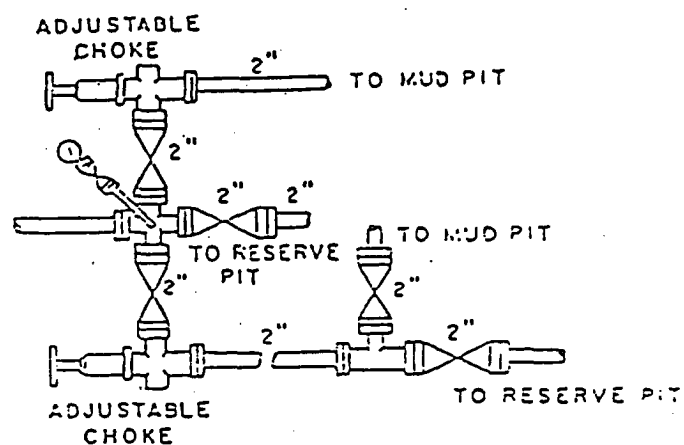
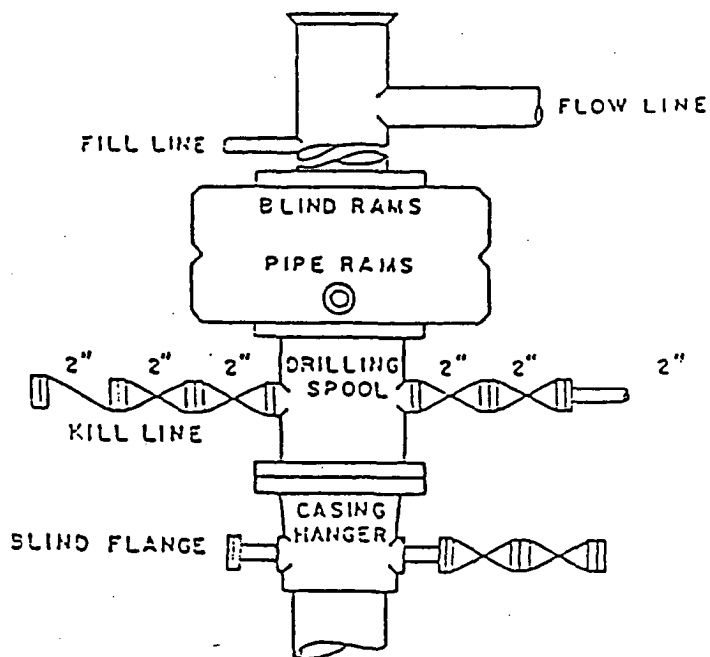
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	19 S	28 E		327	South	483	West	Eddy

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		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			
40									

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

<div data-bbox="89 1010 113 1029" data-label="Text">16</div> <div data-bbox="89 1833 199 1927" data-label="Text"> <p>483'</p> <p>327'</p> </div>				<div data-bbox="1077 1001 1562 1035" data-label="Section-Header">¹⁷ OPERATOR CERTIFICATION</div> <div data-bbox="1077 1039 1562 1089" data-label="Text"> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> </div> <div data-bbox="1077 1142 1536 1247" data-label="Text"> <p><i>William M. Kincaid</i></p> </div> <div data-bbox="1077 1247 1172 1266" data-label="Text">Signature</div> <div data-bbox="1133 1270 1438 1302" data-label="Text">William M. Kincaid</div> <div data-bbox="1077 1302 1212 1323" data-label="Text">Printed Name</div> <div data-bbox="1133 1331 1438 1360" data-label="Text">Petroleum Engineer</div> <div data-bbox="1077 1360 1129 1381" data-label="Text">Title</div> <div data-bbox="1133 1390 1260 1419" data-label="Text">5-17-05</div> <div data-bbox="1077 1419 1129 1440" data-label="Text">Date</div>	
					<div data-bbox="1077 1470 1562 1505" data-label="Section-Header">¹⁸ SURVEYOR CERTIFICATION</div> <div data-bbox="1077 1514 1562 1614" data-label="Text"> <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> </div> <div data-bbox="1077 1621 1323 1654" data-label="Text">May 12, 2005</div> <div data-bbox="1077 1659 1217 1682" data-label="Text">Date of Survey</div> <div data-bbox="1217 1667 1460 1696" data-label="Text">P. R. Patton</div> <div data-bbox="1077 1694 1460 1717" data-label="Text">Signature and Seal of Professional Surveyor:</div> <div data-bbox="1077 1717 1387 1974" data-label="Image"> </div> <div data-bbox="1077 1892 1250 1915" data-label="Text">Certificate Number</div> <div data-bbox="1410 1896 1500 1925" data-label="Text">8112</div>



BOP DIAGRAM
3000# WORKING PRESSURE
RAMS OPERATED DAILY

EAST MILLMAN POOL UNIT NO. 5-7
EDDY COUNTY, NEW MEXICO

EXHIBIT NO. 1