Form C-103 Submit 1 Copy To Appropriate District State of New Mexico Office Energy, Minerals and Natural Resources October 13, 2009 District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 30-015-38045 District II OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. District III STATE X FEE \square 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 District IV 6. State Oil & Gas Lease No. 1220 S. St. Francis Dr., Santa Fe, NM 648 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name: (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A East Millman Unit DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number 1. Type of Well: Oil Well X Gas Well Other 2. Name of Operator 9. OGRID Number Stephens & Johnson Operating Co 19958 3. Address of Operator 10. Pool name or Wildcat P 0 Box 2249, Wichita Falls, TX 76307 Millman-Yates-SR-QN-GB-SA East 4. Well Location 919 South 752 East Unit Letter ___ feet from the line and feet from the Section Township 19S Range 28E **NMPM** County Eddy 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3399' KB; 3387' GR 12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK PLUG AND ABANDON . REMEDIAL WORK ALTERING CASING . **CHANGE PLANS TEMPORARILY ABANDON** COMMENCE DRILLING OPNS. P AND A PULL OR ALTER CASING MULTIPLE COMPL CASING/CEMENT JOB DOWNHOLE COMMINGLE OTHER: OTHER: X Completion 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC.. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. October 4, 2010: Pressure tested 5 1/2" 15.50 #/ft csg to 1500 psi for 30 minutes held OK. Perforated one shot at each of the following depths: 2222, 2225, 2228, 2231, 2234, 2269, 2272, 2275, 2278, 2281, 2284, 2287, 2290, 2311, 2313, 2319, 2321, 2323, 2383, 2385, 2387, 2441, 2443, 2445, 2447, 2468, 2470, 2472. October 5, 2010: Acidized perforations with 2500 gals 15% NEFE acid. November 13, 2010: Frac perforations with 150,000 gals 10# Brine water, 1000 lbs 20/40 se lbs 14/30 LiteProp 125C. DEC 30 2010 December 1, 2010: Hung well on production. NMOCD ARTESIA Spud Date: Rig Release Date: I hereby certify that the information above is true and complete to the best of my knowledge and belief. Petroleum Engineer 12/27/2010 TITLE... __ DATE ___ mkincaid@sjoc.net Type or print name William M. Kincaid PHONE 940-723-2166 E-mail address: For State Use Only TITLE FIRD SUPPRISOR DATE 1-3-1)

Conditions of Approval (if any): y to include the detail-soize wt., gld., # of its. in hole.

APPROVED BY