

12.24.08 DATE IN	SUSPENSE	D Brooks ENGINEER	12.24.08 LOGGED IN	NSL E, SW TYPE	PKAA 0835954374 APP NO.
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RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



API 30-025-39024
E.O. Carson
Stephens & Johnson
019958

ADMINISTRATIVE APPLICATION CHECKLIST

5922-A

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bob Gilmore Bob Gilmore Engineer 12-22-08
Print or Type Name Signature Title Date
BGILMORE@SOL.NM e-mail Address

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
June 16, 2008

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

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		² OGRID Number 019958
		³ API Number 30- 25-39024
⁴ Property Code 32449	⁵ Property Name E O Carson	⁶ Well No. 27
⁹ Proposed Pool 1 Tubb Oil & Gas (Pro Gas) (86440)		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. F	Section 33	Township 21S	Range 37E	Lot. Idn	Feet from the 2050	North/South Line North	Feet from the 1553	East/West line West	County Lea
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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
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Additional Well Location

¹¹ Work Type Code A	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3456.60
¹⁶ Multiple No	¹⁷ Proposed Depth 6335	¹⁸ Formation Tubb	¹⁹ Contractor Faith Drilling	²⁰ Spud Date 11-8-08

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	1218	550	0
7 7/8	5 1/2	17	6334	1550	0

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.

- Well drilled to 6335' and csg. set @ 6334' on 11-24-08.
- Changed plans to complete Tubb formation instead of Grayburg formation after drilling and logging well. Will apply for Administration approval to simultaneous produce with E. O. Carson No. 7.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Bob Gilmore)).

Title:
Petroleum Engineer

E-mail Address: bgilmore@sjoc.net

Date:
12-22-08

Phone:
940-723-2166

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

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 Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39024	² Pool Code 86440	³ Pool Name Tubb Oil & Gas (Pro Gas)
⁴ Property Code 32449	⁵ Property Name E. O. Carson Lease	⁶ Well Number 27
⁷ OGRID No. 019958	⁸ Operator Name Stephens & Johnson Operating Company	⁹ Elevation 3456.60

¹⁰ Surface Location

11. or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
F	33	21S	37E		2050	North	1553	West	Lea

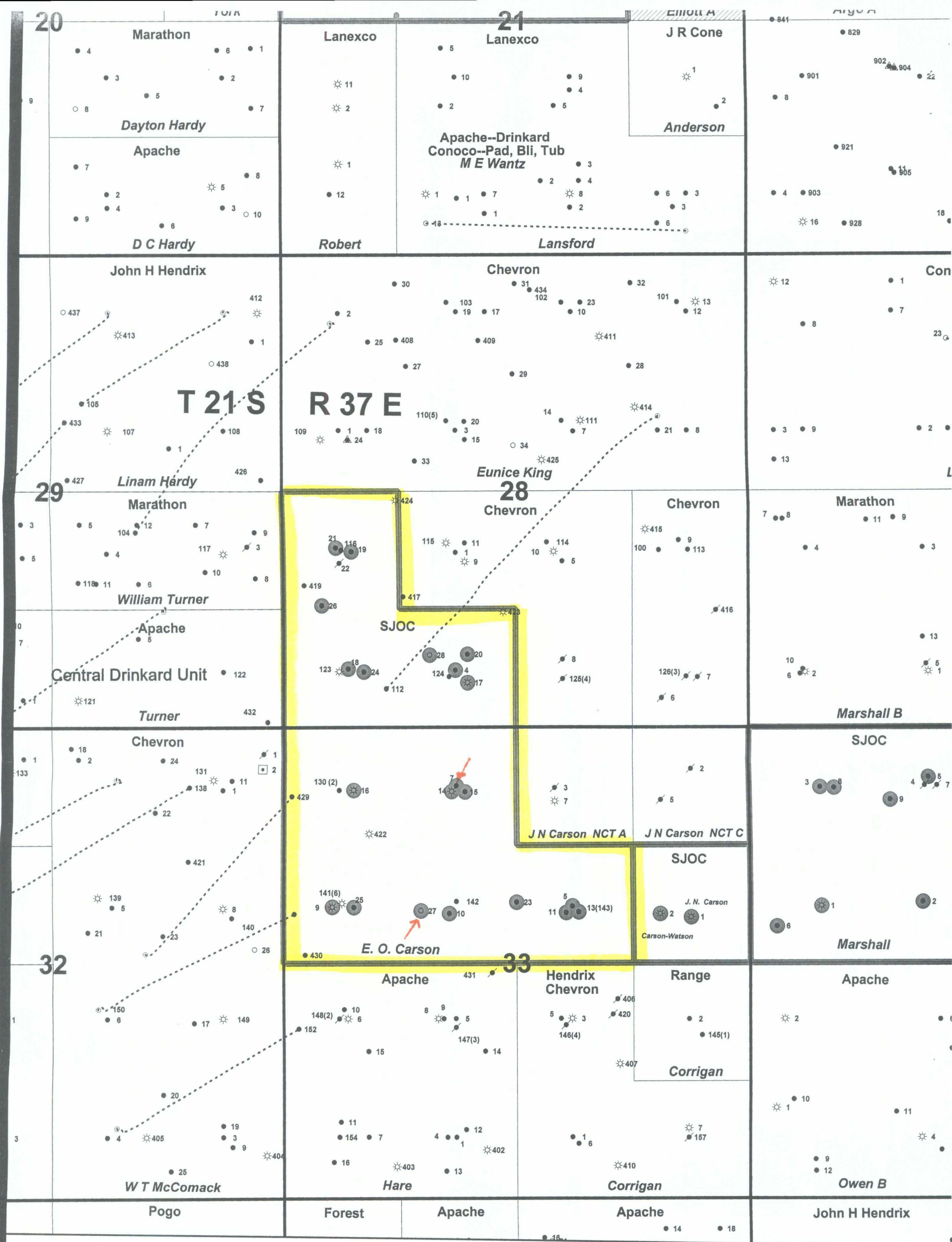
¹¹ Bottom Hole Location If Different From Surface

11. or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or otherwise owned interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the court.
	Signature: <i>Bob Gilmore</i> Date: 12-22-08 Printed Name: Bob Gilmore
	¹⁸ SURVEYOR CERTIFICATION 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 knowledge.
	Date of Survey: 10-28-07 Signature and Seal of Registered Surveyor: <i>William M. Hicks III</i> Certificate Number: 12243

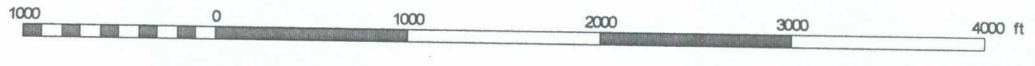


LEGEND

- Gas Well
- Water Injection Well
- Location
- Oil Well
- Abandoned Oil Well
- Water Disposal Well
- Water Supply Well

STEPHENS & JOHNSON OPERATING CO.
EUNICE AREA
LEA COUNTY, NEW MEXICO

As of October 3, 2008



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, January 22, 2009 5:10 PM
To: 'bgilmore@sjoc.net'
Subject: E.O. Carson Well No. 27

Dear Mr. Gilmore

I am processing your request for non-standard location approval in the Tubb Gas Pool for the referenced well. Approval will be issued in the next couple of days.

It would appear that approval of simultaneous dedication of the No. 27 and the No. 7 wells is not required. Based on the production data submitted, it seems that both are gas wells. The special pool rules for the Tubb Oil and Gas Pool specifically allow dedication of a gas unit to more than one gas well provided total production from the unit does not exceed the applicable allowable. See the last sentence of Rule 28.B

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, January 22, 2009 5:35 PM
To: 'bgilmore@sjoc.net'
Subject: E.O. Carson Well No. 27

Dear Mr. Gilmore

Upon further review of this application, it seems that notice should have been sent to the operator or owners in the SW/4 of Section 33. The well is 590 feet from the south unit boundary, and I read the Special Pool Rules for the Tubb Gas Pool as requiring that wells be 660 feet from a unit outer boundary. On this basis, this well encroaches toward the SW/4 of Section 33.

Please send the necessary notice or notices, and provide us with proof of notice.

Thanks
David K. Brooks
Legal Examiner
505-476-3450

811 Sixth Street, Suite 300

RECEIVED
Post Office Box 2249

WICHITA FALLS, TEXAS
76307-2249

2008 DEC 24 PM 2 13

December 22, 2008

New Mexico Oil Conservation Division
Attn: Mr. Mark Fesmire
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Stephens & Johnson Operating Co.
API-30-025-39024
E. O. Carson No. 27
Request for Non-Standard Location
& Simultaneous Dedication
Sec. 33, T21S R37E
Unit Letter F
Lea County, New Mexico

Dear Mr. Fesmire:

Stephens & Johnson Operating Co. request administrative approval of a non-standard location and simultaneous dedication of acreage for our E. O. Carson No. 27 well located at 2050 feet from the north line and 1553 feet from the west line of Section 33, T21S, R37E in Lea County, New Mexico.

The No. 27 well had been approved for a non-standard location in the Penrose-Skelly-Greyburg Field under Order NSL-5922 and has been drilled and casing set to a depth of 6334 feet. After drilling and setting casing on the well, Stephens & Johnson Operating Co. plans to complete the well in the Tubb Oil & Gas (Pro Gas) Field (Pool Code 86440) which is spaced for 160 acres instead of the Penrose-Skelly-Greyburg Field. The non-standard location is needed since the well is located 233 feet from a unit line. The well is located 590 feet from the south line and 1553 feet from the west line of the E. O. Carson lease. The E. O. Carson lease consists of 320 acres located in the Sections 28 and 33, T21S R37E in Lea County, New Mexico and has common royalty and working interest ownerships. There are no adversely affected interest owners and no one has been notified of this application.

Furthermore, a simultaneous dedication of acreage is requested for the No. 27 well. Stephens & Johnson Operating Co. hereby requests that the 160 acres proration unit of E. O. Carson No. 7 (API-30-025-06928) be simultaneous dedicated with E. O. Carson NO. 27. The E. O. Carson No. 7 was reentered in May 2004 and completed in the Tubb Oil & Gas (Pro Gas) Field with an initial potential of 2 barrels of oil and 136 MCF with an estimated bottom hole pressure of 250 psi. Current production for this well is @ 1 1/2 barrels of oil and 120 MCF of gas after being frac stimulated. Due to the E. O. Carson No. 7 low production and low bottom hole pressure, it is requested that its acreage be simultaneous dedicated and shared with the E. O. Carson No. 27. The acreage shared has common royalty and working interest ownerships. There are not adversely affected interest owners and no one has to be notified of this application.

Please contact me if you have any questions or need additional information on this request. I can be reached at 940-723-2166 or by email at bgilmore@sjoc.net. Thank you for your consideration of this matter.

Sincerely,

STEPHENS & JOHNSON OPERATING CO.

A handwritten signature in black ink, appearing to read "Bob Gilmore", written in a cursive style.

Bob Gilmore

BG/np

NOTIFICATION LIST

Application of Stephens & Johnson Operating Co. for Administrative Approval of a Non-Standard Location and Simultaneous Dedication of Acreage

E. O. Carson No. 27
API-30-025-39024
2050' FNL & 1553' FWL
Section 33, T21S, R37E
Unit Letter F
Lea County, New Mexico

E. O. Carson No. 7
API-30-025-06979
660' FNL & 1980' FWL
Section 33, T21S, R37E
Unit Letter C
Lea County, New Mexico

Offset Operators, Working Interest Owners

1. Stephens & Johnson Operating Co.
P O Box 2249
Wichita Falls, TX 76307-2249

Brooks, David K., EMNRD

From: Bob Gilmore [BGilmore@sjoc.net]
Sent: Friday, January 23, 2009 2:57 PM
To: Brooks, David K., EMNRD
Subject: RE: E.O. Carson Well No. 27
Attachments: _0123153355_001.pdf; _0123155423_001.pdf

David

Please find attached our notice to Apache Corporation for the E O Carson No.27 for our Non-Standard location. We faxed the notice to them today and also mailed a hard copy. We had to drill the well 590' off our line due to having to drill in between two pipelines running through the property. I'm including a copy of my fax confirmation with the notice sent. We are sending the hard copy by UPS and should get confirmation of their receipt Monday.

Apache Corporation is the only one that needs to be notified based on our records. Do I need to furnish you with hard copies of this notice or amend my application for any reason? Please let me know how to proceed with this. Thank you for all of you help on this application.

Bob Gilmore
bgilmore@sjoc.net
940-723-2166

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, January 22, 2009 6:35 PM
To: Bob Gilmore
Subject: E.O. Carson Well No. 27

Dear Mr. Gilmore

Upon further review of this application, it seems that notice should have been sent to the operator or owners in the SW/4 of Section 33. The well is 590 feet from the south unit boundary, and I read the Special Pool Rules for the Tubb Gas Pool as requiring that wells be 660 feet from a unit outer boundary. On this basis, this well encroaches toward the SW/4 of Section 33.

Please send the necessary notice or notices, and provide us with proof of notice.

Thanks
David K. Brooks
Legal Examiner
505-476-3450

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

WorkCentre 7345 Transmission Report

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9407238113

Date/Time: 01/23/2009:03:26PM

Page: 1 (Last Page)

Local Name: Stephens Engineering
Logo:

Document has been sent
Document Size: 8 5X11"SEF

WATERFLOODING

811 5th Street, Suite 300
76301-2609

Telephone (940) 723-2166

VALUATIONS



RESERVOIR STUDIES

Post Office Box 2249
76307-2249

FAX (940) 723-0113

STEPHENS & JOHNSON OPERATING CO.

WICHITA FALLS, TEXAS

DATE: 1-22-09

PLEASE DELIVER THE FOLLOWING PAGES TO:

Name: Apache Corp
Company: _____
Dept: Auriferous Lea County NM
FAX Number: (915) 491-4854

FROM:

Name: Rob Gilman

FAX Number: (940) 723-8113

Number of Pages including cover page: 8

Should completion not be made, please contact Cheryl or Nelda (940) 723-2166

Remarks: Notices for Abn-Standard Location
Lea County, NM
Please see this notice is delivered to
correct person within your office. I am
assuming it is Kevin Mayne

Thanks
Rob Gilman

Total Pages Scanned: 8 Total Pages Sent : 8

No.	Doc.	Remote Station	Start Time	Duration	Pages	Mode	Contents	Status
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Note:

RE: Resend MB: Send to Mailbox
PG: Polling RB: Relay Broadcast
SA: Send Again EN: Engaged

BC: Broadcast
RS: Relay Send
AS: Auto Send

MP: Multi Polling
BF: Box Fax Forward
TM: Terminated

RV: Remote Service
CP: Completed

WATERFLOODING

VALUATIONS

RESERVOIR STUDIES

811 Sixth Street, Suite 300
76301-2509



Post Office Box 2249
76307-2249

Telephone (940) 723-2166

FAX (940) 723-8113

STEPHENS & JOHNSON OPERATING CO.

WICHITA FALLS, TEXAS

DATE: 1-22-09

PLEASE DELIVER THE FOLLOWING PAGES TO:

Name: Apache Corp

Company: _____

Dept: Production Lea County NM

FAX Number: (918) 491-4854

FROM:

Name: Bob Gilman

FAX Number: (940) 723-8113

Number of Pages including cover page: 8

Should completion not be made, please contact Cheryl or Nelda (940) 723-2166

Remarks: Notice for Non-Standard Location
Lea County, NM

Please see this notice is delivered to
correct person within your office. I am
assuming it is Kevin Mayes.

Thanks
Bob Gilman

Telephone (940) 723-2166

STEPHENS & JOHNSON OPERATING CO.

FAX (940) 723-8113

811 Sixth Street, Suite 300

Post Office Box 2249

WICHITA FALLS, TEXAS
76307-2249

January 23, 2009

Apache Corporation
6120 S Yale, Suite 1500
Tulsa, OK 74136-4224

Re: Stephens & Johnson Operating Co.
E. O. Carson No. 27
API No. 30-025-39024
Request for Non-Standard Location
Sec. 33, T21S R 37E
Unit Letter F
Lea County, New Mexico

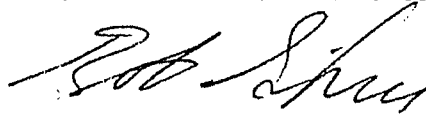
To Whom It May Concern:

Please find attached a copy of Stephens & Johnson Operating Co.'s application for a Non-Standard Location for our E. O. Carson No. 27 located in Sec. 33, T21S R 37E in Lea County, New Mexico. As an offset owner to this well, you are hereby notified by this letter. The non-standard location is needed due to the well being located 590' from our lease line and 233' from a unit line. The well is to be completed into the Tubb Oil & Gas (Pro Gas) Field (Pool Code 86440) of which is require that wells be 660' from a unit outer boundary line.

Please contact us if you need additional information at 940-723-2166.

Sincerely,

STEPHENS & JOHNSON OPERATING CO.



Bob Gilmore

BG/np

Telephone (940) 723-2166

STEPHENS & JOHNSON OPERATING CO.

FAX (940) 723-8113

811 Sixth Street, Suite 300

Post Office Box 2249

WICHITA FALLS, TEXAS
76307-2249

December 22, 2008

New Mexico Oil Conservation Division
Attn: Mr. Mark Fesmire
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Stephens & Johnson Operating Co.
API-30-025-39024
E. O. Carson No. 27
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& Simultaneous Dedication
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Unit Letter F
Lea County, New Mexico

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Lea County, New Mexico

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P O Box 2249
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6120 S Yale, Suite 1500
Tulsa, OK 74136-4224

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Please contact me if you have any questions or need additional information on this request. I can be reached at 940-723-2166 or by email at bgilmore@sjoc.net. Thank you for your consideration of this matter.

Sincerely,

STEPHENS & JOHNSON OPERATING CO.

A handwritten signature in dark ink, appearing to read 'Bob Gilmore', is written over the typed name.

Bob Gilmore

BG/np

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

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 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
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 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

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[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U S Bureau of Land Management - Commissioner of Public Lands, State Land Office

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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bob Gilmore
 Print or Type Name

Bob Gilmore
 Signature

Engineer
 Title

12-22-08
 Date

BGILMORE@SOL.NM
 e-mail Address

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
June 16, 2008

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

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F	33	21S	37E		2050	North	1553	West	Lea

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 A	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3456.60
¹⁶ Multiple No	¹⁷ Proposed Depth 6335	¹⁸ Formation Tubb	¹⁹ Contractor Faith Drilling	²⁰ Spud Date 11-8-08

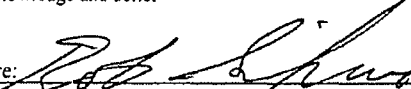
²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	8 5/8	24	1218	550	0
7 7/8	5 1/2	17	6334	1550	0

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.

- Well drilled to 6335' and csg. set @ 6334' on 11-24-08.
- Changed plans to complete Tubb formation instead of Grayburg formation after drilling and logging well. Will apply for Administration approval to simultaneous produce with E. O. Carson No. 7.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: 

Printed name: Bob Gilmore))

Title: Petroleum Engineer

E-mail Address: bgilmore@sjoc.net

Date: 12-22-08

Phone: 940-723-2166

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Hondo Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-025-39024	² Pool Code 86440	³ Pool Name Tubb Oil & Gas (Pro Gas)
⁴ Property Code 32449	⁵ Property Name E. O. Carson Lease	
⁶ OGRID No. 019958	⁷ Operator Name Stephens & Johnson Operating Company	
		⁸ Well Number 27
		⁹ Elevation 3456.60

10 Surface Location

11 or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
F	33	21S	37E		2050	North	1553	West	Lea

11 Bottom Hole Location If Different From Surface

11 or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

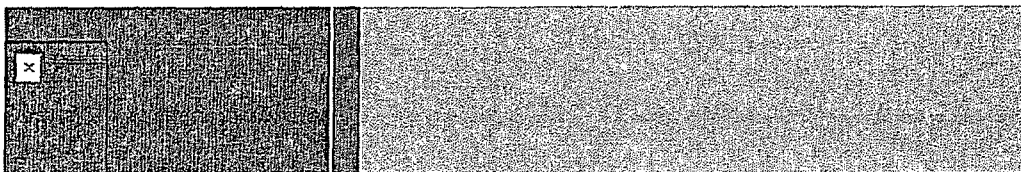
¹² Dedicated Acres 1.60	¹³ Joint or Bufile	¹⁴ Consolidation Code	¹⁵ Order No.
---------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this information was obtained from a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill the well on the location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary production agreement or a compulsory production order heretofore entered by the court. Signature: <u>Bob Gilmore</u> Date: <u>12-22-08</u> Printed Name: <u>Bob Gilmore</u>
	18 SURVEYOR CERTIFICATION 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 knowledge. Date of Survey: <u>10-28-07</u> Signature and Seal of Registered Surveyor: <u>William M. Hicks</u> Certificate Number: <u>12243</u>

Bob Gilmore

From: UPS Quantum View [auto-notify@ups.com]
Sent: Friday, January 23, 2009 3:49 PM
To: Bob Gilmore
Subject: UPS Ship Notification, Tracking Number 1Z7806800192414191



This message was sent to you at the request of Stephens Engineering to notify you that the electronic shipment information below has been transmitted to UPS. The physical package(s) may or may not have actually been tendered to UPS for shipment. To verify the actual transit status of your shipment, click on the tracking link below or contact Stephens Engineering directly.

Important Delivery Information

Scheduled Delivery: 26-January-2009

Shipment Detail

Ship To:

Apache Corporation
6120 S. Yale
Suite 1500
Tulsa
OK
741364224
US

Number of Packages 1

UPS Service: NEXT DAY AIR

Shipment Type: Letter

Tracking Number: 1Z7806800192414191

Click here to track if UPS has received your shipment or visit
http://www.ups.com/WebTracking/track?loc=en_US on the Internet.

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, January 26, 2009 9:27 AM
To: 'Bob Gilmore'
Subject: RE: E.O. Carson Well No. 27

Dear Mr. Gilmore

Thanks for the prompt response.

I believe nothing further is required. The notice period is 20 days. So this will be ripe for issuance on February 12.

David K. Brooks
Legal Examiner

From: Bob Gilmore [mailto:BGilmore@sjoc.net]
Sent: Friday, January 23, 2009 2:57 PM
To: Brooks, David K., EMNRD
Subject: RE: E.O. Carson Well No. 27

David

Please find attached our notice to Apache Corporation for the E O Carson No.27 for our Non-Standard location. We faxed the notice to them today and also mailed a hard copy. We had to drill the well 590' off our line due to having to drill in between two pipelines running through the property. I'm including a copy of my fax confirmation with the notice sent. We are sending the hard copy by UPS and should get confirmation of their receipt Monday.

Apache Corporation is the only one that needs to be notified based on our records. Do I need to furnish you with hard copies of this notice or amend my application for any reason? Please let me know how to proceed with this. Thank you for all of you help on this application.

Bob Gilmore
bgilmore@sjoc.net
940-723-2166

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, January 22, 2009 6:35 PM
To: Bob Gilmore
Subject: E.O. Carson Well No. 27

Dear Mr. Gilmore

Upon further review of this application, it seems that notice should have been sent to the operator or owners in the SW/4 of Section 33. The well is 590 feet from the south unit boundary, and I read the Special Pool Rules for the Tubb Gas Pool as requiring that wells be 660 feet from a unit outer boundary. On this basis, this well encroaches toward the SW/4 of Section 33.

Please send the necessary notice or notices, and provide us with proof of notice.

Thanks
David K. Brooks

Brooks, David K., EMNRD

From: Bob Gilmore [BGilmore@sjoc.net]
Sent: Tuesday, January 27, 2009 2:52 PM
To: Brooks, David K., EMNRD
Subject: RE: E.O. Carson Well No. 27
Attachments: _0127141043_001.pdf

David

Please find a waiver letter signed by Apache concerning the E O Carson no.27 . I don't know if that will speed up the process or not. Thanks for all of you help.

Bob Gilmore
bgilmore@sjoc.net
940-723-2166

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, January 26, 2009 10:27 AM
To: Bob Gilmore
Subject: RE: E.O. Carson Well No. 27

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David K. Brooks
Legal Examiner

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To: Bob Gilmore
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Please send the necessary notice or notices, and provide us with proof of notice.

Thanks
David K. Brooks
Legal Examiner
505-476-3450

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This inbound email has been scanned by the MessageLabs Email Security System.

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This inbound email has been scanned by the MessageLabs Email Security System.

6120 S. YALE / SUITE 1500 / TULSA, OKLAHOMA 74136



Central Region Land Department
(918) 491-4900
(918) 491-4854 (FAX)

January 27, 2009

Stephens & Johnson Operating Co.
P. O. Box 2249
Wichita falls, Texas 76307-2249

Attn: Mr. Bob Gilmore

Re: Approval of Non-Standard Well Location
E. O. Carson No. 27
API No. 30-036-39024
Section 33, T-21-S, R-37-E, NMPM
Lea County, New Mexico

Gentlemen:

Apache Corporation (Apache) hereby agrees not to protest, or cause to be protested, Stephens & Johnson Operating Co.'s (Stephens & Johnson) application for an unorthodox well location for its E. O. Carson No. 27 well to be drilled in the SE/4NW/4 Section 33, Unit Letter F, T21S, R37E, Lea County, New Mexico subject to the following:

1. In the event Stephens & Johnson drills the captioned well, Stephens & Johnson agrees to a one time waiver of objection to the first well(a well drilled to test the Blinebry, Tubb formations), that Apache drills on an adjoining spacing unit located in the SW/4 Section 33, T-21-S, R-37-E, Lea County, New Mexico. Said well to cover a similar distance that Stephen & Johnson's has requested for its Non-Standard location anywhere along the common lease boundary line between Apache's lease in SW/4 Section 33 and Stephens & Johnson's lease in NW/4 Section 33
2. Stephens & Johnson agrees to furnish Apache with a copy of all open hole electric logs including drilling reports in its well located in Unit Letter F or SE/4NW/4 Section 33. Said information shall be furnished to Bob Curtis whose phone number is (918) 491-4924 and email address is bob.curtis@apachecorp.com. Likewise, Apache agrees to furnish Stephens & Johnson the same information in the first well drilled by Apache.
3. This one time waiver of objection by Stephens & Johnson will expire if Apache has not drilled a well offsetting Stephens & Johnson's well one (1) year after Stephen & Johnson's well is completed (as noted in the OCD form C-104).

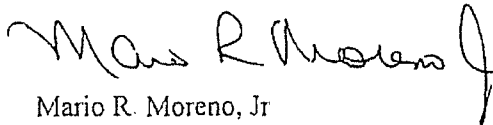
Page 2 – Stephens & Johnson Operating Inc.
January 27, 2009

If the foregoing meets with your approval, please so indicate in the space provided below and return one (1) copy of this letter to the undersigned as soon as reasonably possible.

Should you have any questions or comments, please do not hesitate calling me at (918) 491-4963.

Yours truly,

APACHE CORPORATION



Mario R. Moreno, Jr
Senior Land Advisor

ACCEPTED AND AGREED TO THIS 27 day of January, 2009

Stephens & Johnson Operating Co.

By: 

Title: Executive