

Submit 1 Copy To Appropriate District
Office
District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Ave, 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 and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 13, 2009

WELL API NO. 30-015-02254
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. State 648
7. Lease Name or Unit Agreement Name: East Millman Unit
8. Well Number 161
9. OGRID Number 019958
10. Pool name or Wildcat Millman-Yates-SR-QN-GB-SA East
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3399' KB; 3391' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator Stephens & Johnson Operating Co
3. Address of Operator P O Box 2249, Wichita Falls, TX 76307
4. Well Location Unit Letter <u>I</u> : <u>1980</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>14</u> Township <u>19S</u> Range <u>28E</u> NMPM County <u>Eddy</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3399' KB; 3391' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

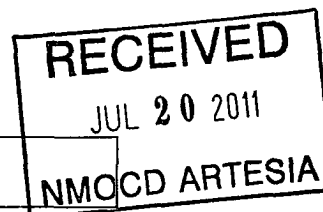
**Notify OCD 24 hrs. prior
To any work done.**

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.

See attached proposed plug and abandonment procedure and wellbore diagram.

*** SEE ATTACHED
CONDITIONS OF
APPROVAL**

Rig Release Date:



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

SIGNATURE William M. Kincaid TITLE Petroleum Engineer DATE 7/18/2011
Type or print name William M. Kincaid E-mail address: mkincaid@sjoc.net PHONE 940-723-2166

For State Use Only

APPROVED BY [Signature] TITLE Approval Granted providing work DATE 7/25/2011
Conditions of Approval (if any): * is complete by 10/25/2011

STEPHENS & JOHNSON OPERATING CO.
EAST MILLMAN UNIT WELL NO. 161
API NO. 30-015-02254
EDDY COUNTY, NEW MEXICO

Well Data:

Total Depth: 2285'
PBTD: 2280'
Surface Csg: 8 5/8" csg set @ 344', cement w/100 sx, TOC at surface
Prod. Csg: 4 1/2" 11.6# set @ 2280', cement w/125 sx, TOC calculated to be @ 1450'
CIBP @ 1700' w/5 sx cement on top
Perfs: 1718' - 1752'
CIBP @ 1991'
Perfs: 2056' - 2228'

Proposed Plug and Abandonment Procedure

1. TIH w/tbg to CIBP @ 1700' and circulate hole w/9.5 #/gal mud. TOH w/tbg.
2. Cut off 4 1/2" csg @ 1400' and TOH w/csg.
3. TIH w/tbg to 1400' and pump 50 sx cement plug. Wait 3 hours and tag cement (est. TOC @ 1300').
4. Set bottom of tbg @ 950' and pump 50 sx cement plug. Wait 3 hours and tag cement (est. TOC @ 850').
5. Set bottom of tbg @ 500' and pump 100 sx cement plug. Wait 3 hours and tag cement (est. TOC @ 300').
6. Spot a 15 sx cement plug from 60' back to surface. Cut off wellhead and install P&A marker.

East Millman Unit No. 161 Millman Yates-SR-QN-GB-SA

July, 2011

WELL

FIELD

East

DATE

Proposed Plug and Abandonment

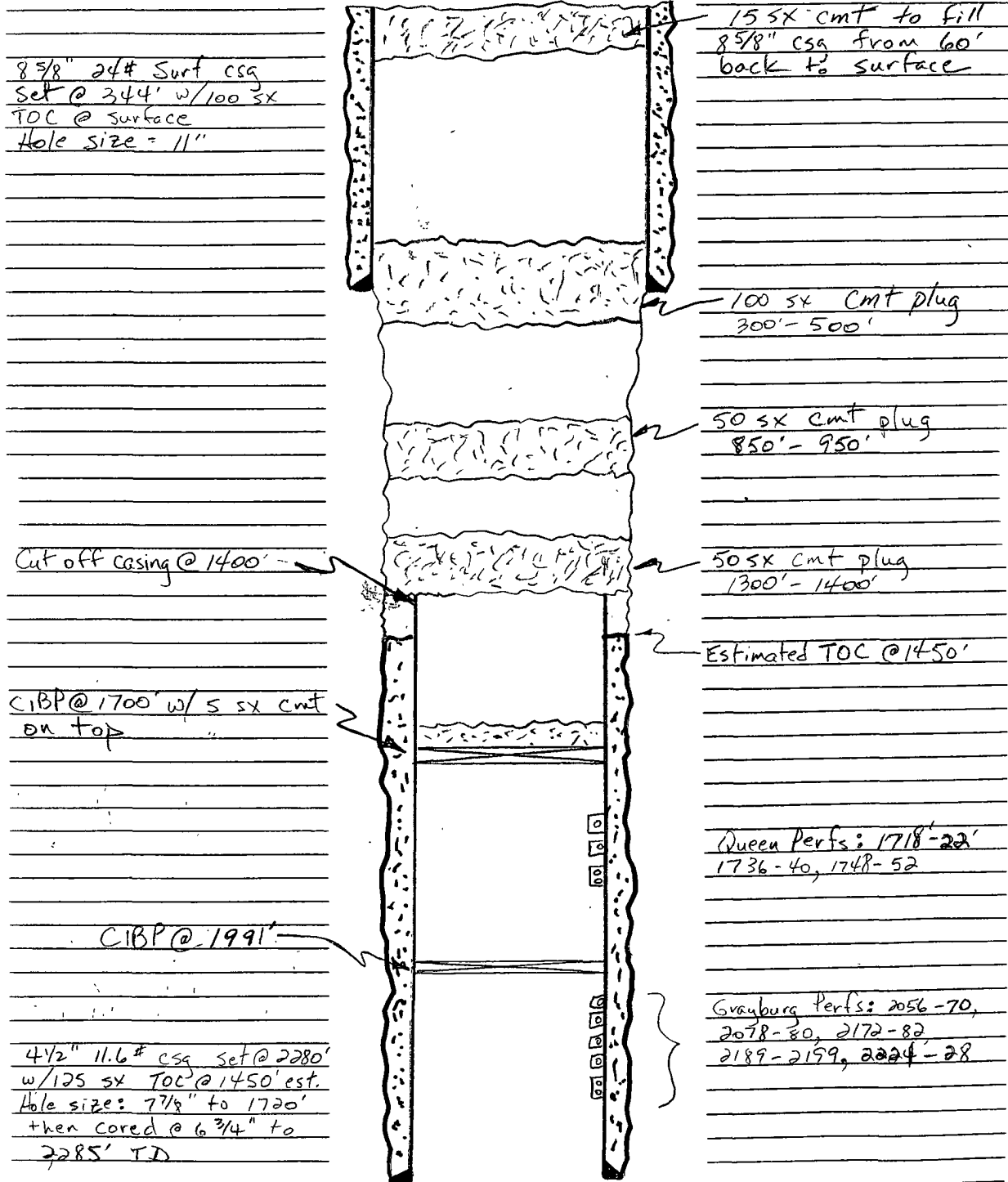
KB ELEVATION 3399'

DF ELEVATION

GL ELEVATION 3391'

PERMANENT WELL BORE DATA

DATA ON THIS COMPLETION



PBTD - 2280'
TD - 2285'

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
1301 W. GRAND AVENUE
ARTESIA, NM 88210
(575)748-1283

* CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator Stephens & Johnson Operating Co.

Well Name & Number East Millman Unit 161

API #: 30-015-02250

1. Produced water will not be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
4. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
5. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
6. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.

DG

Date: 7/25/2011