

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

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 type="checkbox"/> Gas Well <input type="checkbox"/> Other Water Injection <input type="checkbox"/>	WELL API NO. 30-015-02247
2. Name of Operator Stephens & Johnson Operating Co ✓	5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator P O Box 2249, Wichita Falls, TX 76307	6. State Oil & Gas Lease No. State 648
4. Well Location Unit Letter <u>M</u> : <u>660</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>W East</u> line Section <u>14</u> Township <u>19S</u> Range <u>28E</u> NMPM County <u>Eddy</u>	7. Lease Name or Unit Agreement Name: East Millman Unit ✓
	8. Well Number 145 ✓
	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.) 3443' DF; 3341' 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: ☐

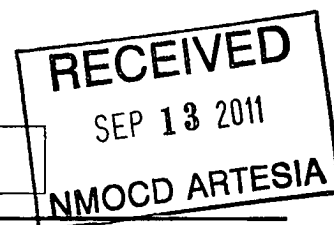
**Notify OCD 24 hrs. prior
to any work done.**

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 9/14/2011

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 9/15/2011

Conditions of Approval (if any):

is complete by 12/15, 2011

STEPHENS & JOHNSON OPERATING CO.
EAST MILLMAN UNIT WELL NO. 145
API NO. 30-015-02247
EDDY COUNTY, NEW MEXICO

Well Data:

Total Depth: 2500'
PBSD: 2498'
Surface Csg: 10 3/4" csg set @ 300', cement w/75 sx, TOC at surface
Prod. Csg: 4 1/2" 11.6# set @ 2500', cement w/325 sx, TOC calculated to be @ 1392'
Perfs: 1724' - 1730', 1784' - 1793'
CIBP @ 1815'
Perfs: 1830' - 1845', 1863' - 1878'
CIBP @ 1905'
Perfs: 2032' - 2080'

Proposed Plug and Abandonment Procedure

1. Set CIBP on wireline at 1650'. TIH w/tbg and tag CIBP at 1650'. Circulate hole w/9.5 #/gal. mud. Pump 25 sx cement plug on top of CIBP at 1650'. TOH w/tbg.
2. Perforate 4 squeeze holes at 950'.
3. TIH w/pkr and tbg. Set pkr at 700'. Pump 100 sx cement plug, squeezing approximately 86 sx outside 4 1/2" csg through squeeze holes at 950' leaving 14 sx inside 4 1/2" csg from 750' to 950'.
4. WOC 3 hrs. Unset pkr and tag cmt plug at 750'.
5. Confirm location of suspected csg leak from 350'-360' w/tbg and pkr. TOH w/tbg and pkr.
6. Establish circulation down 4 1/2" csg out csg leak at 350'-360' and back to surface. Pump 200 sx cmt and circulate cmt back to surface leaving 4 1/2" csg full of cmt from 0' to 360'.
7. Cut off wellhead and install P&A marker.

Perf. 5 Sguz.

* 10 3/4" csg. csg shoe plug. 250' - 350' - WOC Tag

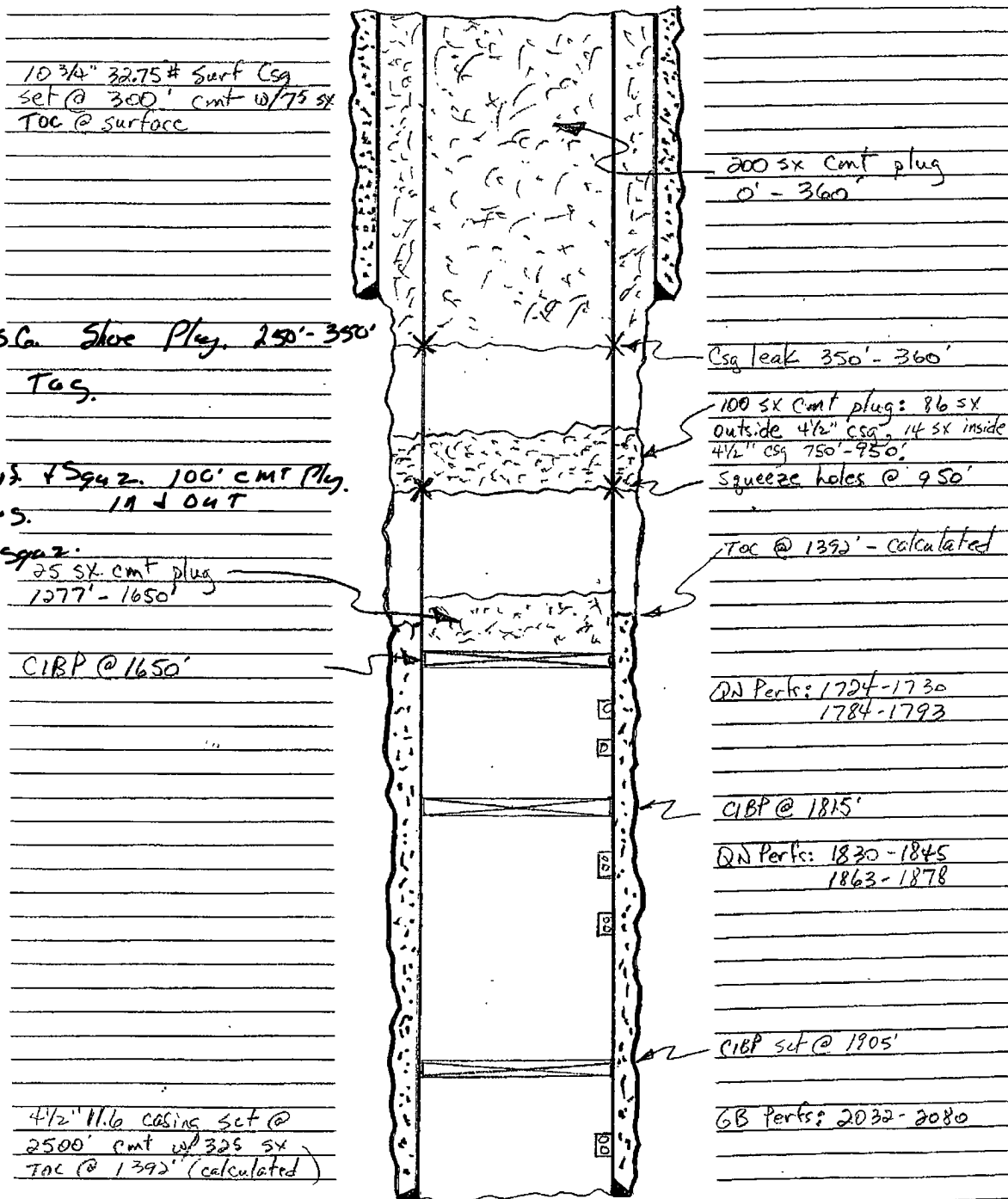
T. Salt 425' - Perf. & Sguz. 100' cmt Plug In & Out - Tag

B. Salt 575' - Perf. & Sguz. 100' cmt Plug. In & Out - WOC Tag

Stephens + Johnson Operating Co.
 East Millman Unit No. Millman Yates-SR-QN-GB-SA September, 2011
 WELL 145 FIELD East DATE

— Proposed Plug and Abandonment —

KB ELEVATION _____ DF ELEVATION 3443' GL ELEVATION 3441'
 PERMANENT WELL BORE DATA DATA ON THIS COMPLETION



* - 10 3/4. csg. Shore Plug. 250' - 350'
 woc TOS.

T. Salt. 425' Perf. & Sg. 2. 100' CMT Plug.
 woc TOS. 1A & OUT

B. Salt. 575' perf. & Sg. 2.
 100' CMT Plug.
 1A & OUT.
 woc TOS.

25 SX CMT plug
 1277' - 1650'

CIBP @ 1650'

4 1/2" 11.6 casing set @
 2500' cmt w/ 325 SX
 TOC @ 1392' (calculated)

PBTD - 2498'
 TD - 2500'

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Stephens & Johnson Operating Co.

Well Name & Number East Millman # 145

API #: 30-015-02247

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. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. 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 in place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. 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.
6. 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.
7. 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: 9/15/2011