

8/27/08 DATE IN	SUSPENSE	Brooks ENGINEER	8/28/08 LOGGED IN	NSL TYPE	PKUR0824130367 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



Stephens & Johnson
OP CO
EO Carson #27
5922

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

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 Belmore
Print or Type Name

[Signature]
Signature

Engineer
Title

8-26-08
Date

BGBELMORE@STOC.NM
e-mail Address

RECEIVED
2008 AUG 27 PM 3 29

811 Sixth Street, Suite 300

Post Office Box 2249

WICHITA FALLS, TEXAS
76307-2249

August 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.
E. O. Carson No. 27
Request for Non-Standard Location
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 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 well will be a producer in the Penrose-Skelly-Greyburg Field (Pool Code 50350) which is an oil pool spaced on 40 acres. 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 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

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

Offset Operators, Working Interest Owners

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

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 87501

RECEIVED

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

Submit to appropriate District Office

Oil Conservation Division

1220 S. St. Francis Dr.

Santa Fe, NM 87505

☐ 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, Texas 76307-2249		² OGRID Number 019958
⁴ Property Code 009809 32449	⁵ Property Name E. O. Carson	³ API Number 30-025-39024
⁹ Proposed Pool 1 Penrose-Skelly-Grayburg (50350)		¹⁰ Proposed Pool 2

Surface Location

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

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 P	¹⁵ Ground Level Elevation 3456.60
¹⁶ Multiple No	¹⁷ Proposed Depth 6400	¹⁸ Formation Tubb	¹⁹ Contractor Faith Drilling	²⁰ Spud Date 8-1-08
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method:				
Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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	1250	550	Surface
7 7/8	5 1/2	17	6400	1000	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.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

See Attachment

*See additional info
needed on closed loop
attachments. U*

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 <input type="checkbox"/> or general permit <input type="checkbox"/> , or an (attached) alternative OCD approved plan <input type="checkbox"/> . Signature: <i>Bob Gilmore</i>		OIL CONSERVATION DIVISION	
Printed name: Bob Gilmore		Approved by: <i>Chris Williams</i>	
Title: Petroleum Engineer		Title: OCD DISTRICT SUPERVISOR/GENERAL MANAGER	
E-mail Address: bgilmore@sjoc.net		Approval Date: JUL 16 2008 Expiration Date:	
Date: 6-11-08	Phone: (940) 723-2166	CONDITIONS OF APPROVAL: Intent to drill ONLY -- CANNOT produce until the Non-Standard Location has been approved by OCD Santa Fe office	

District I
1122 N. French Dr., Hobbs, NM 88240
District II
1201 W. Grand Avenue, Lordsburg, NM 88306
District III
1100 Rio Grande Blvd., 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 Level - 4 Copies
File Level - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-025-39024	*Pool Code 50350	*Pool Name Penrose-Skelly-Grayburg
*Property Code 000809-32449	*Property Name E. O. Carson Lease	
*UGRID No. 019958	*Operator Name Stephens & Johnson Operating Company	*Well Number 27
		*Elevation 3456.60

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
1	33	21S	37E		2050	NORTH	1553	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 10n	Feet from the	North/South line	Feet from the	East/West line	County
*Drill Hole Acres 40		*Unit or Tract		*Consolidation Code		*Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-stakeholder unit has been approved by the division.

	<p>11 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief, and that this information reflects a unitary interest in the oil and gas property in the tract including the proposed bottom hole location or log is right to drill that well at the location proposed to be drilled with a view to the oil and gas interest in the tract, and that the information is true and correct to the best of my knowledge and belief.</p> <p><i>Bob Gilman</i> 6-11-08 Signature Date Bob Gilman Operator Name</p>
	<p>12 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of a duly licensed surveyor made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.</p> <p>WILLIAM M. HICKS NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 12345</p>