

Submit 1 Copy To Appropriate District  
Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103

Revised August 1, 2011

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

RECEIVED  
MAR 14 2013  
NM OOD ARTESIA

|   |
|---|
| WELL API NO.<br>See Attached List   |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.<br>648   |
| 7. Lease Name or Unit Agreement Name:<br>East Millman Unit  |
| 8. Well Number<br>See List  |
| 9. OGRID Number<br>019958   |
| 10. Pool name or Wildcat<br>Millman Yates-SR-QN-GB-SA, East   |

|  |  |
|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(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<br>Stephens & Johnson Operating Co.  |  |
| 3. Address of Operator<br>P.O. Box 2249, Wichita Falls, TX 76307-2249  |  |
| 4. Well Location<br>Unit Letter _____: _____ feet from the _____ line and _____ feet from the _____ line<br>Section _____ Township _____ Range _____ NMPM _____ County _____                           |  |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)   |  |

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐ OTHER: Exception to No Flare Rule 19.15.18.12 ☒

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.

The gas production from the East Millman Unit is being sold to DCP Midstream, LP who has notified us that we will be put on a rolling curtailment cycle where the gas production will need to be flared for 2 weeks followed by 6 weeks of normal production and sale of gas. This curtailment cycle will be for an indefinite period of time and will start March 15, 2013. Stephens & Johnson Operating Co. plans to install a treating facility so that we can treat the gas and not be curtailed. We estimate that it will take 3 to 6 months to install the necessary treating equipment. Attached is a list of the producing wells that are affected and a form C-129 Application for Exception to No Flare Rule 19.15.18.12

Spud Date:

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

3/13/2013

Type or print name William M. Kincaid

E-mail address:

mkincaid@sjoc.net

PHONE (940) 723-2166

For State Use Only

APPROVED BY

*J R Dade*

TITLE

*Dist H. Spewer*

DATE

3/18/2013

Conditions of Approval (if any):

**STEPHENS & JOHNSON OPERATING CO.**  
**EAST MILLMAN UNIT**  
**MILLMAN, YATES-SR-QN-GB-SA, EAST FIELD**  
**EDDY COUNTY, NEW MEXICO**

| Property Name     | Well No. | API No. |       | Well Type | Well Status | Location |     |     |     |
|-------------------|----------|---------|-------|-----------|-------------|----------|-----|-----|-----|
|                   |          |         |       |           |             | UL       | Sec | Twp | Rge |
| East Millman Unit | 144      | 30015   | 02246 | PROD      | ACT         | L        | 14  | 19S | 28E |
| East Millman Unit | 146      | 30015   | 02248 | PROD      | SI          | F        | 14  | 19S | 28E |
| East Millman Unit | 150      | 30015   | 02257 | PROD      | ACT         | P        | 15  | 19S | 28E |
| East Millman Unit | 154      | 30015   | 02288 | PROD      | ACT         | B        | 22  | 19S | 28E |
| East Millman Unit | 155      | 30015   | 02215 | PROD      | ACT         | N        | 11  | 19S | 28E |
| East Millman Unit | 157      | 30015   | 02260 | PROD      | ACT         | H        | 15  | 19S | 28E |
| East Millman Unit | 159      | 30015   | 02253 | PROD      | ACT         | D        | 14  | 19S | 28E |
| East Millman Unit | 165      | 30015   | 02262 | PROD      | ACT         | J        | 15  | 19S | 28E |
| East Millman Unit | 167      | 30015   | 02291 | PROD      | ACT         | A        | 22  | 19S | 28E |
| East Millman Unit | 183      | 30015   | 02242 | PROD      | ACT         | N        | 14  | 19S | 28E |
| East Millman Unit | 185      | 30015   | 02244 | PROD      | ACT         | H        | 14  | 19S | 28E |
| East Millman Unit | 191      | 30015   | 27297 | PROD      | SI          | A        | 22  | 19S | 28E |
| East Millman Unit | 192      | 30015   | 27296 | PROD      | ACT         | N        | 14  | 19S | 28E |
| East Millman Unit | 193      | 30015   | 27299 | PROD      | ACT         | M        | 14  | 19S | 28E |
| East Millman Unit | 194      | 30015   | 27300 | PROD      | ACT         | K        | 14  | 19S | 28E |
| East Millman Unit | 195      | 30015   | 27301 | PROD      | ACT         | K        | 14  | 19S | 28E |
| East Millman Unit | 196      | 30015   | 27302 | PROD      | ACT         | L        | 14  | 19S | 28E |
| East Millman Unit | 197      | 30015   | 27298 | PROD      | ACT         | F        | 14  | 19S | 28E |
| East Millman Unit | 198      | 30015   | 27303 | PROD      | ACT         | K        | 14  | 19S | 28E |
| East Millman Unit | 199      | 30015   | 27304 | PROD      | ACT         | E        | 14  | 19S | 28E |
| East Millman Unit | 202      | 30015   | 22188 | PROD      | ACT         | H        | 22  | 19S | 28E |
| East Millman Unit | 203      | 30015   | 27348 | PROD      | ACT         | B        | 22  | 19S | 28E |
| East Millman Unit | 206      | 30015   | 27351 | PROD      | ACT         | G        | 14  | 19S | 28E |
| East Millman Unit | 207      | 30015   | 27466 | PROD      | ACT         | I        | 14  | 19S | 28E |
| East Millman Unit | 209      | 30015   | 27468 | PROD      | ACT         | H        | 22  | 19S | 28E |
| East Millman Unit | 210      | 30015   | 27481 | PROD      | ACT         | D        | 23  | 19S | 28E |
| East Millman Unit | 211      | 30015   | 27527 | PROD      | ACT         | O        | 14  | 19S | 28E |
| East Millman Unit | 218      | 30015   | 22089 | PROD      | ACT         | O        | 14  | 19S | 28E |
| East Millman Unit | 220      | 30015   | 27723 | PROD      | ACT         | C        | 23  | 19S | 28E |
| East Millman Unit | 221      | 30015   | 27724 | PROD      | ACT         | E        | 23  | 19S | 28E |
| East Millman Unit | 222      | 30015   | 27765 | PROD      | ACT         | H        | 22  | 19S | 28E |
| East Millman Unit | 223      | 30015   | 27766 | PROD      | ACT         | O        | 14  | 19S | 28E |
| East Millman Unit | 224      | 30015   | 27725 | PROD      | ACT         | G        | 22  | 19S | 28E |
| East Millman Unit | 225      | 30015   | 28104 | PROD      | ACT         | P        | 14  | 19S | 28E |
| East Millman Unit | 226      | 30015   | 33667 | PROD      | ACT         | I        | 14  | 19S | 28E |
| East Millman Unit | 229      | 30015   | 34762 | PROD      | ACT         | C        | 14  | 19S | 28E |
| East Millman Unit | 230      | 30015   | 34763 | PROD      | ACT         | C        | 14  | 19S | 28E |
| East Millman Unit | 231      | 30015   | 34859 | PROD      | ACT         | C        | 14  | 19S | 28E |
| East Millman Unit | 232      | 30015   | 34860 | PROD      | ACT         | H        | 15  | 19S | 28E |
| East Millman Unit | 233      | 30015   | 38045 | PROD      | ACT         | P        | 14  | 19S | 28E |
| East Millman Unit | 234      | 30015   | 38046 | PROD      | ACT         | I        | 14  | 19S | 28E |
| East Millman Unit | 235      | 30015   | 38048 | PROD      | ACT         | H        | 14  | 19S | 28E |
| East Millman Unit | 236      | 30015   | 38047 | PROD      | ACT         | A        | 14  | 19S | 28E |
| East Millman Unit | 237      | 30015   | 39033 | PROD      | ACT         | B        | 14  | 19S | 28E |
| East Millman Unit | 238      | 30015   | 39034 | PROD      | ACT         | H        | 14  | 19S | 28E |
| East Millman Unit | 239      | 30015   | 39211 | PROD      | ACT         | J        | 14  | 19S | 28E |
| East Millman Unit | 240      | 30015   | 39212 | PROD      | ACT         | G        | 14  | 19S | 28E |
| East Millman Unit | 241      | 30015   | 39960 | PROD      | ACT         | B        | 14  | 19S | 28E |
| East Millman Unit | 242      | 30015   | 39961 | PROD      | ACT         | A        | 14  | 19S | 28E |
| East Millman Unit | 244      | 30015   | 40405 | PROD      | ACT         | F        | 14  | 19S | 28E |
| East Millman Unit | 245      | 30015   | 40406 | PROD      | ACT         | K        | 14  | 19S | 28E |
| East Millman Unit | 301      | 30015   | 28457 | PROD      | ACT         | M        | 11  | 19S | 28E |
| East Millman Unit | 729      | 30015   | 34849 | PROD      | ACT         | C        | 14  | 19S | 28E |

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Energy Minerals and Natural Resources  
Oil Conservation Division  
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Santa Fe, NM 87505

RECEIVED

MAR 14 2013

REC'D ARTESIA

Form C-129  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

NFO Permit No. \_\_\_\_\_

(For Division Use Only)

## APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant Stephens & Johnson Operating Company,  
whose address is P O Box 2249, Wichita Falls, Texas 76307-2249,  
hereby requests an exception to Rule 19.15.18.12 for \_\_\_\_\_ days or until  
September 30, Yr 2013, for the following described tank battery (or LACT):  
Name of Lease East Millman Unit Name of Pool Millman Yates-SR-QN-GB-SA East  
Location of Battery: Unit Letter P Section 15 Township 19S Range 28E  
Number of wells producing into battery 51
- B. Based upon oil production of Gas Production is measured barrels per day, the estimated \* volume  
of gas to be flared is 390 MCF/day MCF; Value \$3,000.00 per day.
- C. Name and location of nearest gas gathering facility:  
DCP Midstream, LP - Artesia Plant
- D. Distance ----- Estimated cost of connection Already connected
- E. This exception is requested for the following reasons: DCP has put us on a rolling curtailment cycle.  
We will need to flare our gas for two weeks and then be able to produce and sale our gas for 6 weeks.  
We plan to install a treating facility to treat the gas so we will not be curtailed and have to flare our  
gas. The installation of the necessary equipment will take 3 to 6 months to complete.

### OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature

William M. Kincaid

Printed Name

& Title William M. Kincaid - Petroleum Engineer

E-mail Address mkincaid@sjoc.net

Date 3/13/2013 Telephone No. (940) 723-2166

### OIL CONSERVATION DIVISION

Approved Until

Sept 30 - 2013

By

LR Wade

Title

Dist # Supervisor

Date

Mar 18 - 2013

\* Gas-Oil ratio test may be required to verify estimated gas volume.