

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  
MILMOO ARTESIA

WELL API NO.

See Attached List

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.  
648

7. Lease Name or Unit Agreement Name:  
East Millman Unit

8. Well Number  
See List

9. OGRID Number  
019958

10. Pool name or Wildcat  
Millman Yates-SR-QN-GB-SA-East

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 ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Stephens & Johnson Operating Co.

3. Address of Operator  
P.O. Box 2249, Wichita Falls, TX 76307-2249

4. Well Location  
Unit Letter \_\_\_\_\_ feet from the \_\_\_\_\_ line and \_\_\_\_\_ feet from the \_\_\_\_\_ line

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

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 Wade 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

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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 P Supervisor

Date

Mar 18 - 2013

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