PO Box 1980, Hobbs, NM 82241-1980 District [1____

District [1]
611 South First, Artesia, NM 88210
District III

1000 Rio Brazos Rd., Azzec, NM 87410 District IV 2040 South Pacheco, Sansa Fe, NM 87505 Energy, Minerals & Natural Resources Department

Revised October 18, 1994
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Submit to Appropriate District Office

Fee Lease - 6 Copies 7

AMENDED REPORT

CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

| APPLICATION FOR | PERMIT TO DRILL, RE-ENTER, D | EEPEN, PLUGBACK,OR | ADD A ZONE |
|--------------------------------|------------------------------|---------------------------------------|-----------------------|
| | Operator Name and Address. | OCD - ARTYSIA | OGRID Number |
| Stephens & Johnson | operating Co. | · · · · · · · · · · · · · · · · · · · | 19958 |
| P O Box 2249 Wichita Falls, TX | 76307-2249 | 30 - | *API Number 015-30745 |
| Property Code | ³ Property Name | | • Well No |

009799 East Millman Pool Unit Tract 7 12 ⁷ Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 1490' 13 19S 28E 330' L South West Eddy ⁸ Proposed Bottom Hole Location If Different From Surface UL or lot no. Township Section Feet from the North/South line Feet from the East/West line County · * Proposed Pool 1 * Proposed Pool 2 Millman QN-GB-SA, East 46555

| " Work Type Code | Work Type Code Well Type Code | | " Lesse Type Code | ⁸ Ground Level Elevation | |
|------------------|-------------------------------|-------------|-------------------|-------------------------------------|--|
| N | 0 | R | S | 3378' | |
| * Multiple | 17 Proposed Depth | * Formation | * Contractor | * Spud Date | |
| No | 2700 ' | San Andres | United Drilling | Oct. 1, 1999 | |

Minimum WOC time Shrs. 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 1b/ft 400' 360 Surface 7 7/8" 5 1/2" 15.50 1b/ft 2700 900 Surface TD-1 9-3-99

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.

- Drill 12 1/4" hole to 400'. Set 8 5/8" 24# csg with approx. 360 sacks of cmt. WOC 18 hrs.
- 2. Drill 7 7/8" hole to top of San Andres. Set 5 1/2", 15.50# csg with approx. 900 sacks of cement.
- 3. Complete well in Grayburg formation.

| 1) I hereby certify that the information given of my knowledge and belief. | above is true and complete to the best | OIL CONSERVATION DIVISION | | | |
|--|--|-------------------------------------|-------------------------|--|--|
| Signature: William M. 4 | meand | Approved by: | Wi Green BED | | |
| Printed name: William M. Kincaid | | | trut Supervisor | | |
| Petroleum Engineer | | Approval Date: 9-1-99 | Expiration Date: 9-1-00 | | |
| B/26/99 | Phone (940) 723-2166 | Conditions of Approval : . Attached | | | |

District I
PO Box 1988, Hobbs, NM \$8241-1988
District II
PO Drawer DD, Artenia, NM \$8211-0719
District III
1000 Rio Branos Rd., Aziec, NM \$7410
District IV
PO Box 2088, Santa Fe, NM \$7584-2088

State of New Mexico
Energy, Minerals & Natural Resources Dept

OIL CONSERVATION DIMISION RECEIVED PO Box 2088 SOLD ARTESIA

Form C-102
Revised February 10, 1994

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Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| mber | ¹ Pool Cade | ³ Pool Name | | | | |
|---------|--------------------------------------|--------------------------------|-------------------------------|--|--|--|
| | 46-555 | East Millman; Qn-Gb-Sa | | | | |
| | Property Name | | | | | |
| East Mi | East Millman Unit Tract 7 | | | | | |
| | • 0 | * Elevation | | | | |
| Stephen | Stephens & Fohnson Operating Company | | | | | |
| | | 46-555 East Millman Unit Trac | 46-555 East Millman; Qn-Gb-Sa | | | |

10 Surface Location

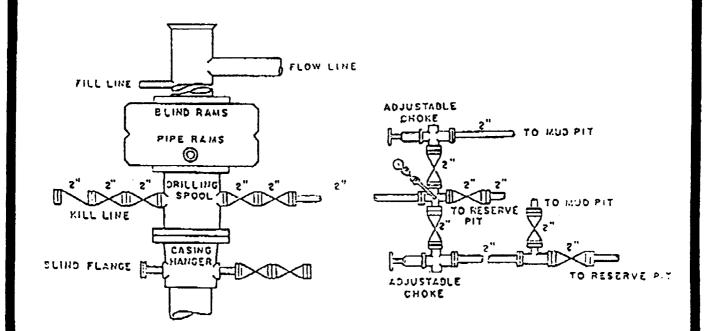
| UL or lot so. Se | 4000 | Towaship | Kange | Lot ida | Foot from the | North/South line | Foot from the | East/West line | County |
|------------------|------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L 1 | 13 | 19 S | 28 E | | 1490 | South | 330 | West | Eddy |

11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Towaship | Range | Lot ida | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------|-----------------------|-------------|--------------|------------|---------------|------------------|---------------|----------------|--------|
| 12 Dedicated Acr | □ ¹³ Joint | or lafil 14 | Consolidatio | a Code " (| Order No. | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | TIE DIVERON |
|----------|------|----|--|
| 16 | | | 17 OPERATOR CERTIFICATION |
| 8 | | | I hereby certify that the information contained herein is |
| | | | true and complete to the best of my knowledge and belief |
| | | ٠. | , , , |
| | | | |
| | | | Will M. Krigar |
| | | | Signature |
| | | | William M. Kincaid |
| | | | Printed Name |
| | | | Petroleum Engineer |
| | | | Title |
| | | | 8-26-99 Date |
| | | | Dag |
| | | | "SURVEYOR CERTIFICATION |
| 1 | | | I hereby certify that the well location shown on this plat |
| | | | was plotted from field notes of actual surveys made by |
| | | | me or under my supervision, and that the same is true |
| ×330 | | | and correct to the best of my helief. |
| \ | | | August 129 1909 |
| | | | Date of Survey P. R. MR atton |
| | | | Signature and Scal of Tolomican's Buryeyer. |
| | | | (amala and |
| | | | |
| 06 | | | Carlo Carlos T |
| 14 | | | 100 |
| | | | 8112 Mares 18 MALL LAND |
| | | | Certificate Number |
| <u> </u> | | | |



BOP DIAGRAM 3000# WORKING PRESSURE RAMS OPERATED DAILY

EAST MILLMAN POOL UNIT NO. 7-12 EDDY COUNTY, NEW MEXICO

EXHIBIT NO. 1