

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

C195  
BAM  
8/2/01

3456789

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

|   |                |                            |
|---|----------------|----------------------------|
| Operator Name and Address.<br>Stephens & Johnson Operating Co.<br>P.O. Box 2249<br>Wichita Falls, TX 76307-2249 |                | OGRID Number<br>019958     |
| Property Name<br>East Millman Pool Unit Tract 7   |                | API Number<br>30-015-31677 |
| Property Code<br>009799   | Well No.<br>13 |                            |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L             | 13      | 19S      | 28E   |         | 2176          | South            | 777           | EAST<br>West   | Eddy   |

8 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 |
|---|---------|----------|-------|---------|-----------------|------------------|---------------|----------------|--------|
| Proposed Pool 1<br>Millman QN-GB-SA, East |         |          |       |         | Proposed Pool 2 |                  |               |                |        |

|                     |                        |                         |                               |                                |
|---------------------|------------------------|-------------------------|-------------------------------|--------------------------------|
| Work Type Code<br>N | Well Type Code<br>O    | Cable/Rotary<br>R       | Lease Type Code<br>S          | Ground Level Elevation<br>3382 |
| Multiple<br>No      | Proposed Depth<br>2700 | Formation<br>San Andres | Contractor<br>United Drilling | Spud Date<br>June 1, 2001      |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|------------------|---------------|-----------------|---------------|
| 12 1/4"   | 8 5/8"      | 24 lb/ft         | 400'          | 360             | Surface       |
| 7 7/8"    | 5 1/2"      | 15.50 lb/ft      | 2700'         | 900             | Surface       |
|           |             |                  |               |                 |               |
|           |             |                  |               |                 |               |
|           |             |                  |               |                 |               |

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

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

William M. Kincaid

Printed name:

William M. Kincaid

Title:

Petroleum Engineer

Date:

3-30-2001

Phone:

940-723-2166

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM

Title:

DISTRICT IV SUPERVISOR

Approval Date:

APR 08 2001

Expiration Date:

APR 08 2002

Conditions of Approval:

Attached ☐

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

program. Attach additional sheets if necessary.

23

The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.

- 1 Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
- 2 Operator's name and address
- 3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.
- 4 Property code. If this is a new property the OCD will assign the number and fill it in.
- 5 Property name that used to be called 'well name'
- 6 The number of this well on the property.
- 7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.
- 8 The proposed bottom hole location of this well at TD
- 9 and 10 The proposed pool(s) to which this well is being drilled.
- 11 Work type code from the following table:
 

|   |              |
|---|--------------|
| N | New well     |
| E | Re-entry     |
| D | Drill deeper |
| P | Plugback     |
| A | Add a zone   |
- 12 Well type code from the following table:
 

|   |                       |
|---|-----------------------|
| O | Single oil completion |
| G | Single gas completion |
| M | Multiple completion   |
| I | Injection well        |
| S | SWD well              |
| W | Water supply well     |
| C | Carbon dioxide well   |
- 13 Cable or rotary drilling code
 

|   |                             |
|---|-----------------------------|
| C | Propose to cable tool drill |
| R | Propose to rotary drill     |
- 14 Lease type code from the following table:
 

|   |         |
|---|---------|
| S | State   |
| P | Private |
- 15 Ground level elevation above sea level
- 16 Intend to multiple complete? Yes or No
- 17 Proposed total depth of this well
- 18 Geologic formation at TD
- 19 Name of the intended drilling company if known.
- 20 Anticipated spud date.
- 21 Proposed hole size ID inches; proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement
- 22 Brief description of the proposed drilling program and BOP

District I  
PO Box 1988, Hobbs, NM 88241-1988  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Bravo Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                           |  |   |  |                                       |                     |
|---------------------------|--|---|--|---------------------------------------|---------------------|
| 1 API Number              |  | 2 Pool Code<br>46-555                                   |  | 3 Pool Name<br>Millman QN-GB-SA, East |                     |
| 4 Property Code<br>009799 |  | 5 Property Name<br>East Millman Unit Tract 7            |  |                                       | 6 Well Number<br>13 |
| 7 OGRID No.<br>019958     |  | 8 Operator Name<br>Stephens & Johnson Operating Company |  |                                       | 9 Elevation<br>3382 |

10 Surface Location

|                    |               |                  |               |         |                       |                           |                      |                        |                |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot no.<br>L | Section<br>13 | Township<br>19 S | Range<br>28 E | Lot Idn | Feet from the<br>2176 | North/South line<br>South | Feet from the<br>777 | East/West line<br>West | County<br>Eddy |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|

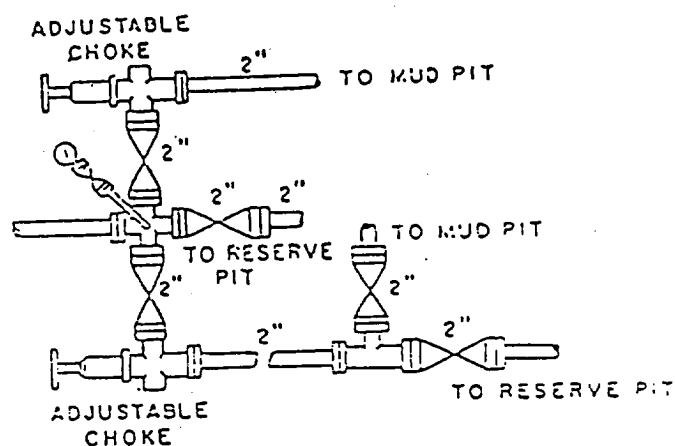
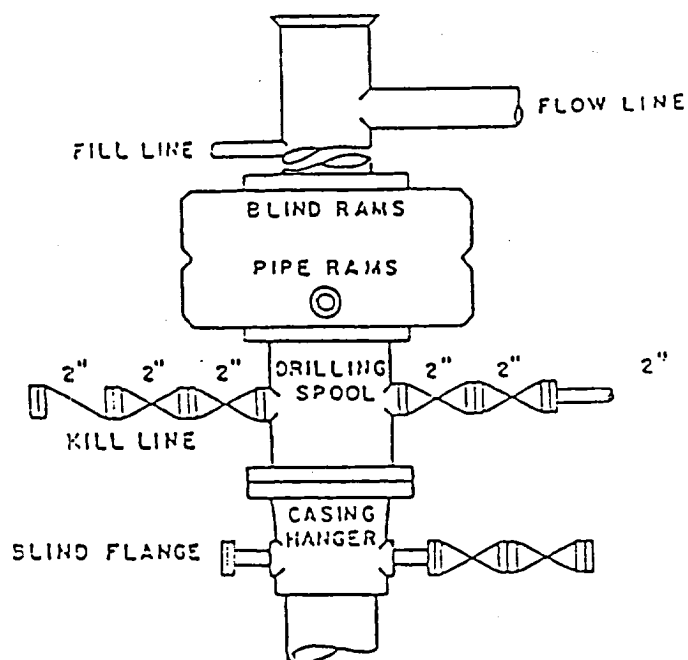
11 Bottom Hole Location If Different From Surface

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

|                    |                    |                       |              |
|--------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 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

|           |  |  |  |  |  |
|-----------|--|--|--|--|--|
| <p>16</p> |  |  |  | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>William M. Kincaid</i></p> <p>Signature</p> <p>William M. Kincaid</p> <p>Printed Name</p> <p>Petroleum Engineer</p> <p>Title</p> <p>March 30, 2001</p> <p>Date</p>  |  |
|           |  |  |  | <p>18 SURVEYOR CERTIFICATION</p> <p>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 and correct to the best of my belief.</p> <p>March 22, 2001</p> <p>Date of Survey</p> <p>R. Patton</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>R. Patton</i></p> <p>Certificate Number</p> <p>8112</p> |  |
|           |  |  |  | <p>RECEIVED<br/>OCD ARTESIA</p>  |  |



**BOP DIAGRAM**  
**3000# WORKING PRESSURE**  
**RAMS OPERATED DAILY**

**EAST MILLMAN POOL UNIT NO. 7-13**  
**EDDY COUNTY, NEW MEXICO**

**EXHIBIT NO. 1**