State of New Mexico

Form C-101 Permit 117796

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

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

1. Operate STEPHENS	2. OGRID Number 19958		
	BOX 2249 FALLS , TX 76307	3. API Number 30-015-38046	
4. Property Code	5. Property Name	6. Well No.	
306216	EAST MILLMAN UNIT	234	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	14	198	28E	I	2224	S	660	E	EDDY

8. Pool Information

MILLMAN; YATES-SR-QN-GB-SA, EAST 46555

Additional Well Information

9. Work Type New Well			ary 12. Lease Type State	13. Ground Level Elevation 3397		
14. Multiple N	2 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		ion 17. Contractor	18. Spud Date 8/16/2010		
Depth to Ground	water	Distance from near	est fresh water well	Distance to nearest surface water		
Pit: Liner: Synthetic Closed Loop Syste	mils t	nick Clay Pit Volume:	bbls Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air		

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	300	200	0
Prod	7.875	5.5	15.5	2700	800	0

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

Troposed Blowday Trevention Trogram									
Type	Working Pressure	Test Pressure	Manufacturer						
Annular	3000	6000	Reagan						

of my knowledge and belief.	n given above is true and complete to the best pit will be constructed according to	OIL CONSERVATION DIVISION				
NMOCD guidelines , a genera OCD-approved plan .	l permit , or an (attached) alternative	Approved By: Randy Dade				
Printed Name: Electronically	filed by Devire Crabb	Title: District Supervisor				
Title: Production Analyst		Approved Date: 7/29/2010	Expiration Date: 7/29/2012			
Email Address: dcrabb@sjoo	c.net		0.2 22 1			
Date: 7/22/2010	Phone: 940-716-5376	Conditions of Approval Attached				

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 117796

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	10	3. Pool Name
30-015-38046	46555	MILLMAN;YA	TES-SR-QN-GB-SA, EAST
4. Property Code	5. Prope	rty Name	6. Well No.
306216	EAST MILL	MAN UNIT	234
7. OGRID No.	8. Opera	9. Elevation	
19958	STEPHENS & JO	OHNSON OP CO	3397

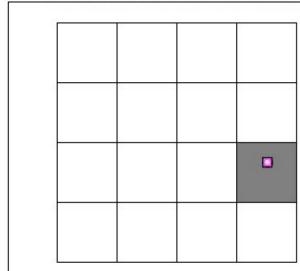
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	14	198	28E	1,44	2224	S	660	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
V.1121.001	cated 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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Devire Crabb Title: Production Analyst Date: 7/22/2010

SURVEYOR CERTIFICATION

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

and correct to the best of my belief. Surveyed By: P.R. Patton

Date of Survey: 7/6/2010 Certificate Number: 8112

Permit Conditions of Approval

Operator: STEPHENS & JOHNSON OP CO , 19958 Well: EAST MILLMAN UNIT #234

API: 30-015-38046

OCD Reviewer	Condition
Artesia	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string