

DATE IN <u>1/17/08</u>	SUBPENSE	<u>Brooks</u> ENGINEER	LOGGED IN <u>1/17/08</u>	NSL TYPE	APP NO. <u>PKURO80175.0392</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



Stephens & Johnson O.P.CO.  
 E O Carson #26  
 5781

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  BOR  PPR

- [D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bob Gilmore Bob Gilmore Engineer 1-17-08  
 Print or Type Name Signature Title Date

BGilmore @ SLOC.net  
 e-mail Address

2008 JAN 17 PM 2 04  
 RECEIVED

**STEPHENS & JOHNSON OPERATING CO.**

811 Sixth Street, Suite 300

Post Office Box 2249

WICHITA FALLS, TEXAS  
76307-2249

RECEIVED  
2008 JAN 17 AM 11 38

January 11, 2008

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Stephens & Johnson Operating Co.  
Central Drinkard Unit WSW No. 2  
To Be Renamed E. O. Carson No. 26  
Unit Letter L  
Sec. 28 21S 37E  
Lea County, New Mexico

Dear Mr. Fesmire:

Stephens & Johnson Operating Co. respectfully requests administrative approval of an unorthodox oil well location for the following well:

Central Drinkard Unit WSW No. 2  
To be renamed E. O. Carson No. 26 upon recompletion  
1420' FSL & 400' FWL of Sec. 28 21S 37E  
Unit Letter L, NW/4 SW/4  
Lea County, New Mexico

The proposed well was originally drilled and completed in the San Andres formation for a water supply well for the Central Drinkard Unit operated by Chevron USA. Stephens & Johnson Operating Co. plan to plug back the well into the Penrose-Skelly-Grayburg pool spaced on 40 acres. This well will be the only producing Penrose-Skelly-Grayburg producer in this 40 acres located in Unit Letter L of Sec. 28 21S 37E in Lea County, New Mexico. The well is located 400' off the lease line and will not affect any offset ownership. Upon recompletion the well will be renamed E. O. Carson No. 26 since Stephens & Johnson Operating Co. has no affiliation with the Central Drinkard Unit. There are no adversely affected interest owners for this well and no one has been notified of this request.

Please find attached for your review a platt highlighting the proposed well for recompletion along with our C-101 application which was approved by the District Office. The NW/4 SW/4 and S/2 SW/4 is covered by a single fee lease and has common royalty and working interest ownership. For that reason and the location of this well, there are no adversely affected interest owners.

If you have any questions concerning this request or need additional information, please contact me at (940)723-2166 or email at bgilmore@sjoc.net. Thank you for your consideration of this matter.

Sincerely,

STEPHENS & JOHNSON OPERATING CO.

A handwritten signature in black ink, appearing to read "Bob Gilmore", written in a cursive style.

Bob Gilmore

BG/np  
attachment

NOTIFICATION LIST

Application of Stephens & Johnson Operating Co. for Administrative Approval of an Unorthodox Oil Well Location.

Central Drinkard Unit WSW No. 2  
To be renamed E. O. Carson No. 26 upon recompletion  
1420' FSL & 400' FWL  
Sec. 28 21S 37E, Unit Letter L, NW/4 SW/4  
Lea County, New Mexico

OFFSET OPERATORS, WORKING INTEREST OWNERS

1. Stephens & Johnson Operating Co. Operator/100% WI  
P. O. Box 2249  
Wichita Falls, TX 76307

T 21 S

R 37 E

29

28

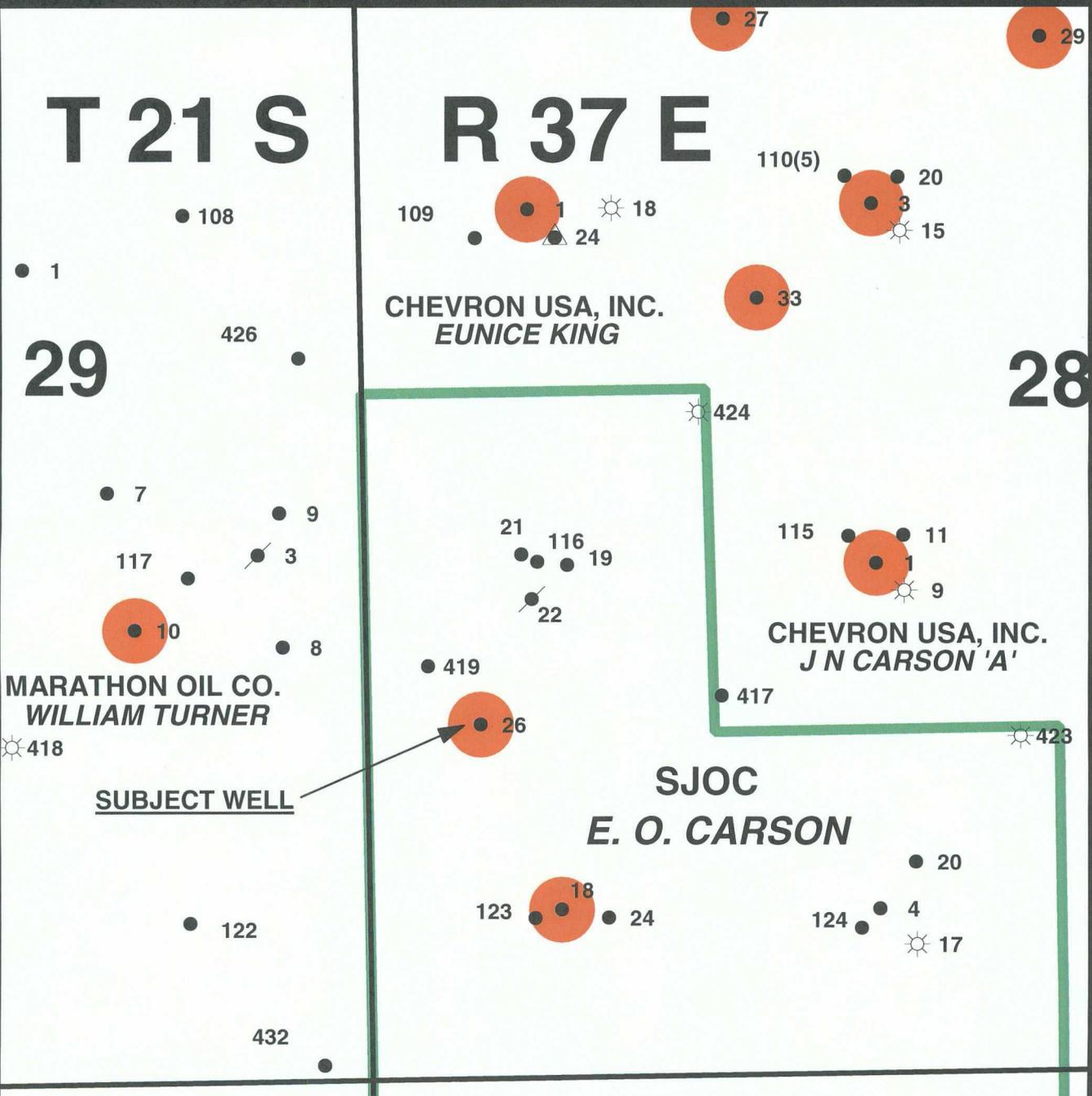
CHEVRON USA, INC.  
EUNICE KING

CHEVRON USA, INC.  
J N CARSON 'A'

SJOC  
E. O. CARSON

MARATHON OIL CO.  
WILLIAM TURNER

SUBJECT WELL



LEGEND

- PRODUCING GAS WELL
- WATER INJECTION WELL
- LOCATION
- PRODUCING OIL WELL
- PLUGGED & ABANDONED
- PENROSE SKELLY PRODUCER

STEPHENS & JOHNSON OPERATING CO.  
 E. O. Carson #26  
 (Formerly Central Drinkard Unit SWD #2)  
 Lea County, New Mexico



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

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

Submit to appropriate District Office

AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Stephens & Johnson Operating Co. P.O. Box 2249 Wichita Falls, Texas 76307-2249		<sup>2</sup> OGRID Number 019958
		<sup>3</sup> API Number 30- 25-24268
<sup>4</sup> Property Code 303170/32449	<sup>5</sup> Property Name Central Drinkard Ut (to be renamed Carson #26)	<sup>6</sup> Well No. 2
<sup>9</sup> Proposed Pool 1 Penrose-Skelly-Grayburg (formerly San Adres)		<sup>10</sup> Proposed Pool 2 Eumont; Yates-7 Rvs Queen

<sup>7</sup> 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	28	21S	37E		1420'	South	400	West	Lea

<sup>8</sup> 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

Additional Well Location

<sup>11</sup> Work Type Code Recompletion	<sup>12</sup> Well Type Code Oil	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code A	<sup>15</sup> Ground Level Elevation 3467
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth 5000	<sup>18</sup> Formation	<sup>19</sup> Contractor NOV 2001 HOBUS SON	<sup>20</sup> Spud Date
Depth to ground water		Distance from nearest fresh water well		
Pit. Liner Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/>		Pit Volume _____ bbls		Drilling Method
Closed-Loop System <input checked="" type="checkbox"/>		Fresh Water <input type="checkbox"/>		Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17	13 3/8	48	1241	920	Surf
12 1/4	9 5/8	32.3, 36, 40	4999	700	2148
9 5/8	7	26	2476	1900	Surf
9 5/8 - 7	5	15.5	3912	620	Surf

<sup>22</sup> 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.

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway  
Plugback

See Attachment

Approval for Recompletion ONLY -- Cannot  
Produce until Non-Standard Location is approved  
In Santa Fe.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines  a general permit , or an (attached) alternative OGD-approved plan

Signature: *Bob Gilmore*

Printed name: Bob Gilmore

Title: Petroleum Engineer

E-mail Address: bgilmore@sjoc.net

Date: Nov. 7, 2007

Phone: 940-723-2166

OIL CONSERVATION DIVISION

Approved by: *Chris Williams*

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date: JAN 03 2008 Expiration Date:

Conditions of Approval:

Attached

Central Drinkard Ut #2

(upon recompletion, well to be renamed E O Carson #26)

Well to be recompleted from San Andres WSW for the Central Drinkard Unit to Penrose-Skelly-Grayburg producer.

1. Set 225 sx cmt plug from 4425'-3900' in 9 5/8" casing due to being unable to set CIBP in well since 7" csg set @ 2476'.
2. Run 5" csg. to top of cmt plug. Cmt 5" csg with 620 sx cmt.
3. Perforate through 5" and 9 5/8" csg in Grayburg formation from 3890-3760'.
4. Acidize and frac treat, if necessary
5. Install pumping equipment and POP.

Please see wellbore data sheet from Chevron Central Drinkard Unit WSW No. 2.

Note: Upon completion, well will be renamed E O Carson Well No. 26.

**WELL DATA SHEET**

FIELD: DRINKARD WELL NAME: CENTRAL DRINKARD UNIT WSW # 2 FORMATION: SAN ANDRES  
 LOC: 1420' FSL & 400' FWL SEC: 28 GL: 3467 CURRENT STATUS: Producing  
 TOWNSHIP: 21S COUNTY: Lea KB to GL: 13 API NO: 30-025-24268  
 RANGE: 37E STATE: NM DF to GL: REFNO: FH0535

Date Completed: 12/72	Initial Production:
Initial Formation: San Andres	12,780 bwpd
PERFS: 4374'-4888'	

Subsequent Workover or Reconditioning:  
 12/72 Acid w/ 12,000 gals 15% NEA in 6 stages. Run Reda pump and put on prod.  
 2/73 Repair Reda cable.  
 7/73 Replace Reda motor.  
 7/73 Repair Reda cable.  
 9/73 Replace Reda motor.  
 3/74 Replace Reda cable.  
 5/74 Replace Reda motor.  
 10/74 Replace pump, motor, and cable.  
 6/75 Replace motor and repair cable.  
 6/76 Replace motor and pump.  
 8/76 Repair transformer and cable.  
 1/77 Replace Reda motor.  
 5/77 Replace Reda pump.  
 10/77 Replace Reda pump.  
 12/77 Replace Reda pump.  
 12/78 9 5/8" csg parted @ 2074'. Ran 7" csg surf to 2476'. Ran Centrif pump and equip.  
 2/80 Replace motor and pump  
 2/81 Repaired pump and motor.  
 1/82 Replace motor and pump.  
 8/82 Acid w/ 6000 gals 15% NEA in 6 stages.  
 9/83 Repair pump.  
 11/87 Sqz w/ 400 ex cmt thru perfs @ 2008', and 550 ex thru perfs @ 1250'. Circ cmt to surface.  
 12/90 Replace pump and motor.

13-3/8" OD csg set @ 1241' w/ 820 ex cmt. Cement circ.

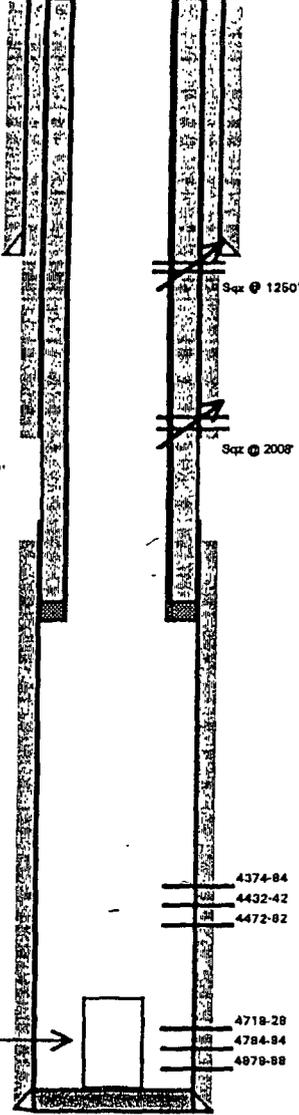
9 5/8" csg parted @ 2047'

7" OD 28# csg set @ 2476' Cmt w/ 1900 ex Cement circ.

9-5/8" OD csg set @ 4999' w/ 700 ex cmt. TSITOC @ 2148'.

REDA pump fish Top @ 4826'

PBTD = 4953'  
 TD = 5000'



FILE: oduws2wb.xls  
 LVT 11/15/93

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised October 12, 2005

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-24268		<sup>2</sup> Pool Code 96221		<sup>3</sup> Pool Name WSW; San Andres (to be recomp to Pen-Skelly-Grayburg)	
<sup>4</sup> Property Code 32449		<sup>5</sup> Property Name Central Drinkard Ut (after recomp will be E O Carson 26)			<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 019958		<sup>8</sup> Operator Name Stephens & Johnson Operating Co.			<sup>9</sup> Elevation 3467 GR

<sup>10</sup> 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	28	21S	37E		1420	South	400	West	Lea

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

16		<sup>17</sup> 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 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	
		Signature <i>Bob Gilmore</i>	Date Nov 27, 2007
18		<sup>18</sup> 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	
		Date of Survey	Signature and Seal of Professional Surveyor
		Certificate Number	

### Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

7 Records Found

Displaying Screen 1 of 1

- | API Number   | ULSTR         | Footages            |                    |
|--|---------------|---------------------|--------------------|
| <input type="radio"/> 3002506867                             | L -28-21S-37E | 1980 FSL & 660 FWL  | <i>Dr</i>          |
| <b>Well Name &amp; Number:</b> CENTRAL DRINKARD UNIT No. 116 |               |                     |                    |
| <b>Operator:</b> CHEVRON U S A INC                           |               |                     |                    |
| <input type="radio"/> 3002506873                             | L -28-21S-37E | 1980 FSL & 760 FWL  | <i>Aline</i>       |
| <b>Well Name &amp; Number:</b> E O CARSON No. 019            |               |                     |                    |
| <b>Operator:</b> STEPHENS & JOHNSON OP CO                    |               |                     |                    |
| <input type="radio"/> 3002506875                             | L -28-21S-37E | 2051 FSL & 589 FWL  | <i>SA</i>          |
| <b>Well Name &amp; Number:</b> E O CARSON No. 021            |               |                     |                    |
| <b>Operator:</b> STEPHENS & JOHNSON OP CO                    |               |                     |                    |
| <input type="radio"/> 3002506876                             | L -28-21S-37E | 1880 FSL & 660 FWL  | <i>[Signature]</i> |
| <b>Well Name &amp; Number:</b> E O CARSON No. 022            |               |                     |                    |
| <b>Operator:</b> MOBIL PRODUCING TEXAS & NEW MEXICO          |               |                     |                    |
| <input type="radio"/> 3002524268                             | L -28-21S-37E | 1420 FSL & 400 FWL  | <i>Dr</i>          |
| <b>Well Name &amp; Number:</b> CENTRAL DRINKARD UNIT No. 002 |               |                     |                    |
| <b>Operator:</b> STEPHENS & JOHNSON OP CO                    |               |                     |                    |
| <input type="radio"/> 3002525549                             | L -28-21S-37E | 2575 FSL & 1305 FWL | <i>Dr</i>          |
| <b>Well Name &amp; Number:</b> CENTRAL DRINKARD UNIT No. 424 |               |                     |                    |
| <b>Operator:</b> CHEVRON U S A INC                           |               |                     |                    |
| <input type="radio"/> 3002525694                             | L -28-21S-37E | 1631 FSL & 260 FWL  | <i>Dr</i>          |
| <b>Well Name &amp; Number:</b> CENTRAL DRINKARD UNIT No. 419 |               |                     |                    |
| <b>Operator:</b> CHEVRON U S A INC                           |               |                     |                    |

7 Records Found

Displaying Screen 1 of 1