

8/22/08 DATE IN	SUSPENSE	BROOK ENGINEER	8/25/08 LOGGED IN	NSL TYPE	PKV082383255 APP NO.
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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 & Johnsons
O.P.CO.
Weatherly E#9

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 EOR 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

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[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 _____ 8-20-08
 Print or Type Name Signature Title Date

 BGI@NMOC.net
 e-mail Address

Telephone (940) 723-2166

STEPHENS & JOHNSON OPERATING CO.

FAX (940) 723-8113

811 Sixth Street, Suite 300

Post Office Box 2249

WICHITA FALLS, TEXAS
76307-2249

August 20, 2008

New Mexico Oil Conservation Division
Attn: Mr. Mark Fesmire
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Stephens & Johnson Operating Co.
Weatherly No. 9
Request for Non-Standard Location
Sec. 21, T21S R37E
Unit Letter B
Lea County, New Mexico

Dear Mr. Fesmire:

Stephens & Johnson Operating Co. request administrative approval of a non-standard location for our Weatherly No. 9 well located at 1281 feet from the north line and 1831 feet from the east line of Section 21, T21S, R37E in Lea County, New Mexico.

The well will be a producer in the Eunice Blinebry-Tubbs-Drinkard North Field (Pool Code 22900) which is an oil pool spaced on 40 acres. The non-standard location is needed since the well is located 39 feet from a unit line. The well is located 1281 feet from the north line and 511 feet from the east line of the Weatherly lease. The Weatherly lease consists of 240 acres located in the NW/4 and W/2 of NE/4 of Section 21, T21S R37E in Lea County, New Mexico and has common royalty and working interest ownerships. There are no adversely affected interest owners and no one has to be notified of this application.

Please contact me if you have any questions or need additional information on this request. I can be reached at 940-723-2166 or by email at bgilmore@sjoc.net. Thank you for your consideration of this matter.

Sincerely,

STEPHENS & JOHNSON OPERATING CO.

A handwritten signature in cursive script, appearing to read "Bob Gilmore".

Bob Gilmore

BG/np

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JAN 22 2008

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

HOBBS OGD

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-38802		² Pool Code 22900	³ Pool Name Eunice Blinebry-Tubb Drinkard North
⁴ Property Code 009809	⁵ Property Name Weatherly Lease		⁶ Well Number 9
⁷ OGRID No. 019958	⁸ Operator Name Stephens & Johnson Operating Company		⁹ Elevation 3440.60

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	21S	37E		1281	NORTH	1831	EAST	LEA

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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

	¹⁷ OPERATOR CERTIFICATION	
	<i>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.</i>	
	<i>Bob Shurt</i> Signature	1-10-08 Date
	Bob Gilmer Printed Name	
	¹⁸ SURVEYOR CERTIFICATION	
	<i>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.</i>	
	10-28-07 Date of Survey	
	Signature and Seal of Professional Surveyor	
	Certificate Number	

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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

JAN 22 2008

HOBBS

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

¹ Operator Name and Address Stephens & Johnson Operating Co.		² OGRID Number 019958
P.O. Box 2249 Wichita Falls, Texas 76307-2249		³ API Number 30- to be assigned- 025-38802
⁴ Property Code 009808	⁵ Property Name Weatherly	⁶ Well No 9
⁹ Proposed Pool 1 Eunice Blinebry-Tubbs Drinkard North (22900)		¹⁰ Proposed Pool 2

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
25B	21	21S	37E		1281	North	1831	East	Lea

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

Additional Well Location

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3440.60
¹⁶ Multiple	¹⁷ Proposed Depth 6700	¹⁸ Formation Drinkard	¹⁹ Contractor Faith Drilling	²⁰ Spud Date 2-1-08
Depth to ground water 55		Distance from nearest fresh water well >1000		Distance from nearest surface water >1000
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 checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ 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	1250	550	surface
7 7/8	5 1/2	17	6700	1000	surface

²² 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 2 Years From Approval Date Unless Drilling Underway See Attachment

²³ 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 <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Signature: <i>Bob Gilmore</i>	OIL CONSERVATION DIVISION	
Printed name: Bob Gilmore	Approved by: <i>Chris Williams</i>	
Title: Petroleum Engineer	Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
E-mail Address: bgilmore@sjoc.net	Approval Date: MAR 10 2008	Expiration Date:
Date: 1-18-08	Phone: (940) 723-2166	

CONDITIONS OF APPROVAL: Intent to drill ONLY -- CANNOT produce until the Non-Standard Location has been approved by OCD Santa Fe office.

NOTIFICATION LIST

Application of Stephens & Johnson Operating Co. for Administrative Approval of a Non-Standard Location.

Weatherly No. 9
1281 FNL & 1831' FEL
Section 21, T21S, R37E Unit Letter B
Lea County, New Mexico

Offset Operators, Working Interest Owners

1. Stephens & Johnson Operating Co.
P O Box 2249
Wichita Falls, TX 76307-2249