

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
 Op. Co.
 Weatherly E #10

ADMINISTRATIVE APPLICATION CHECKLIST

5918

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 **X** 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

RECEIVED
 2008 AUG 22 PM 2 56

[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 _____ 8-21-08
 Print or Type Name Signature Title Date

 Bob Johnson

 Signature Title

 Bob Gilmore @ STOC.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. 10
Request for Non-Standard Location
Sec. 21, T21S R37E
Unit Letter F
Lea County, New Mexico

Dear Mr. Fesmire:

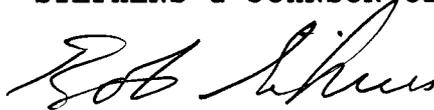
Stephens & Johnson Operating Co. request administrative approval of a non-standard location for our Weatherly No. 10 well located at 1390 feet from the north line and 2441 feet from the west line of Section 21, T21S, R37E in Lea County, New Mexico.

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 70 feet from a unit line. The well is located 1250 feet from the south line and 1519 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 black ink, appearing to read "Bob Gilmore". The signature is written in a cursive style with a large, sweeping initial "B".

Bob Gilmore

BG/np

NOTIFICATION LIST

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

Weatherly No. 10
1390' FNL & 2441' FEL
Section 21, T21S, R37E Unit Letter F
Lea County, New Mexico

Offset Operators, Working Interest Owners

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

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1201 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
Free Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAN

API Number 30-D25-38801		Well Code 22900	Well Name Eunice Blinbry-Tubb Drinkard North
Property Code 009809	Property Name Weatherly Lease		Well Number 10
OGUID No. 019958	Operator Name Stephens & Johnson Operating Company		Elevation 3449.61

Surface Location

UT. or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
F	21	21S	37E		1390	NORTH	2441	WEST	LEA

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

Declared Area 40	Point or Infill	Consolidation Code	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.

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief, and that the representation of the location of the well and the proposed completion is based on the best information available to me at the time of this report. I understand that the completion of this well is subject to the approval of the appropriate regulatory agency and I am not making any representation as to the outcome of such approval.</p> <p>Signature: <i>Bob Schubert</i> Title: <i>Bob Schubert</i></p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plan was plotted from field notes of actual surveys made by me or under my supervision, and that the same are in accordance with the best of my belief.</p> <p>10/20/07 W. M. Hicks Title: <i>William M. Hicks</i> Signature: <i>William M. Hicks</i> Title: <i>REGISTERED PROFESSIONAL SURVEYOR</i> No. <i>12348</i> County: <i>LEA</i></p>

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

Form C-101
May 27, 2004

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

¹ Operator Name and Address Stephens & Johnson Operating Co. P.O. Box 2249 Wichita Falls, Texas 76307-2249		² OGRID Number 019958 ✓
⁴ Property Code 009808	⁵ Property Name Weatherly	³ API Number 30- to be assigned <u>025-38801</u> ⁶ Well No. 10
⁹ Proposed Pool 1 Eunice Blinebry-Tubbs Drinkard North (22900)		¹⁰ Proposed Pool 2

Surface Location

UL or lot no	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
F	21	21S	37E		1390	North	2441	West	Lea

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 3449.61
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"/>				

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

See additional info needed on closed loop Attachments! Refer to API # 30-025-39024 CW 7/16/08

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 NMOC guidelines a general permit , or an (attached) alternative OCD-approved plan .

Signature: *Bob Gilmore*
Printed name: Bob Gilmore
Title: Petroleum Engineer
E-mail Address: bgilmore@sjoc.net
Date: 6-11-08 Phone: (940) 723-2166

OIL CONSERVATION DIVISION

Approved by: *Chris Williams*
Title: **OC DISTRICT SUPERVISOR GENERAL MANAGER**
Approval Date: **JUL 16 2008** Expiration Date: _____

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