

Submit 1 Copy To Appropriate District Office  
 District I - (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II - (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III - (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV - (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised August 1, 2011

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

RECEIVED  
 APR 14 2013  
 NM OOD ARTESIA

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. See Attached List
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Stephens & Johnson Operating Co.		6. State Oil & Gas Lease No. 648
3. Address of Operator P.O. Box 2249, Wichita Falls, TX 76307-2249		7. Lease Name or Unit Agreement Name: East Millman Unit
4. Well Location Unit Letter _____ feet from the _____ line and _____ feet from the _____ line Section _____ Township _____ Range _____ NMPM _____ County _____		8. Well Number See List
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 019958
10. Pool name or Wildcat Millman Yates-SR-QN-GB-SA, East		

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPL   
 DOWNHOLE COMMINGLE

SUBSEQUENT REPORT OF:

- REMEDIATION WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  P AND A   
 CASING/CEMENT JOB

OTHER:  OTHER: Exception to No Flare Rule 19.15.18.12

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC.. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The gas production from the East Millman Unit is being sold to DCP Midstream, LP who has notified us that we will be put on a rolling curtailment cycle where the gas production will need to be flared for 2 weeks followed by 6 weeks of normal production and sale of gas. This curtailment cycle will be for an indefinite period of time and will start March 15, 2013. Stephens & Johnson Operating Co. plans to install a treating facility so that we can treat the gas and not be curtailed. We estimate that it will take 3 to 6 months to install the necessary treating equipment. Attached is a list of the producing wells that are affected and a form C-129 Application for Exception to No Flare Rule 19.15.18.12

Spud Date:

Rig Release Date:

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

SIGNATURE William M. Kincaid TITLE Petroleum Engineer DATE 3/13/2013  
 Type or print name William M. Kincaid E-mail address: mkincaid@sjoc.net PHONE (940) 723-2166

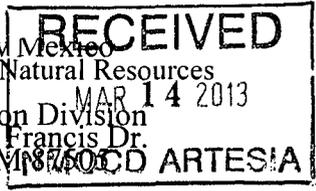
For State Use Only  
 APPROVED BY J R Wade TITLE Dist. P. Supervisor DATE 3/18/2013  
 Conditions of Approval (if any):

**STEPHENS & JOHNSON OPERATING CO.  
EAST MILLMAN UNIT  
MILLMAN, YATES-SR-QN-GB-SA, EAST FIELD  
EDDY COUNTY, NEW MEXICO**

Property Name	Well No.	API No.		Well Type	Well Status	Location			
						UL	Sec	Twp	Rge
East Millman Unit	144	30015	02246	PROD	ACT	L	14	19S	28E
East Millman Unit	146	30015	02248	PROD	SI	F	14	19S	28E
East Millman Unit	150	30015	02257	PROD	ACT	P	15	19S	28E
East Millman Unit	154	30015	02288	PROD	ACT	B	22	19S	28E
East Millman Unit	155	30015	02215	PROD	ACT	N	11	19S	28E
East Millman Unit	157	30015	02260	PROD	ACT	H	15	19S	28E
East Millman Unit	159	30015	02253	PROD	ACT	D	14	19S	28E
East Millman Unit	165	30015	02262	PROD	ACT	J	15	19S	28E
East Millman Unit	167	30015	02291	PROD	ACT	A	22	19S	28E
East Millman Unit	183	30015	02242	PROD	ACT	N	14	19S	28E
East Millman Unit	185	30015	02244	PROD	ACT	H	14	19S	28E
East Millman Unit	191	30015	27297	PROD	SI	A	22	19S	28E
East Millman Unit	192	30015	27296	PROD	ACT	N	14	19S	28E
East Millman Unit	193	30015	27299	PROD	ACT	M	14	19S	28E
East Millman Unit	194	30015	27300	PROD	ACT	K	14	19S	28E
East Millman Unit	195	30015	27301	PROD	ACT	K	14	19S	28E
East Millman Unit	196	30015	27302	PROD	ACT	L	14	19S	28E
East Millman Unit	197	30015	27298	PROD	ACT	F	14	19S	28E
East Millman Unit	198	30015	27303	PROD	ACT	K	14	19S	28E
East Millman Unit	199	30015	27304	PROD	ACT	E	14	19S	28E
East Millman Unit	202	30015	22188	PROD	ACT	H	22	19S	28E
East Millman Unit	203	30015	27348	PROD	ACT	B	22	19S	28E
East Millman Unit	206	30015	27351	PROD	ACT	G	14	19S	28E
East Millman Unit	207	30015	27466	PROD	ACT	I	14	19S	28E
East Millman Unit	209	30015	27468	PROD	ACT	H	22	19S	28E
East Millman Unit	210	30015	27481	PROD	ACT	D	23	19S	28E
East Millman Unit	211	30015	27527	PROD	ACT	O	14	19S	28E
East Millman Unit	218	30015	22089	PROD	ACT	O	14	19S	28E
East Millman Unit	220	30015	27723	PROD	ACT	C	23	19S	28E
East Millman Unit	221	30015	27724	PROD	ACT	E	23	19S	28E
East Millman Unit	222	30015	27765	PROD	ACT	H	22	19S	28E
East Millman Unit	223	30015	27766	PROD	ACT	O	14	19S	28E
East Millman Unit	224	30015	27725	PROD	ACT	G	22	19S	28E
East Millman Unit	225	30015	28104	PROD	ACT	P	14	19S	28E
East Millman Unit	226	30015	33667	PROD	ACT	I	14	19S	28E
East Millman Unit	229	30015	34762	PROD	ACT	C	14	19S	28E
East Millman Unit	230	30015	34763	PROD	ACT	C	14	19S	28E
East Millman Unit	231	30015	34859	PROD	ACT	C	14	19S	28E
East Millman Unit	232	30015	34860	PROD	ACT	H	15	19S	28E
East Millman Unit	233	30015	38045	PROD	ACT	P	14	19S	28E
East Millman Unit	234	30015	38046	PROD	ACT	I	14	19S	28E
East Millman Unit	235	30015	38048	PROD	ACT	H	14	19S	28E
East Millman Unit	236	30015	38047	PROD	ACT	A	14	19S	28E
East Millman Unit	237	30015	39033	PROD	ACT	B	14	19S	28E
East Millman Unit	238	30015	39034	PROD	ACT	H	14	19S	28E
East Millman Unit	239	30015	39211	PROD	ACT	J	14	19S	28E
East Millman Unit	240	30015	39212	PROD	ACT	G	14	19S	28E
East Millman Unit	241	30015	39960	PROD	ACT	B	14	19S	28E
East Millman Unit	242	30015	39961	PROD	ACT	A	14	19S	28E
East Millman Unit	244	30015	40405	PROD	ACT	F	14	19S	28E
East Millman Unit	245	30015	40406	PROD	ACT	K	14	19S	28E
East Millman Unit	301	30015	28457	PROD	ACT	M	11	19S	28E
East Millman Unit	729	30015	34849	PROD	ACT	C	14	19S	28E

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Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505



Form C-129  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

NFO Permit No. \_\_\_\_\_  
(For Division Use Only)

### APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant Stephens & Johnson Operating Company,  
whose address is P O Box 2249, Wichita Falls, Texas 76307-2249,  
hereby requests an exception to Rule 19.15.18.12 for \_\_\_\_\_ days or until  
September 30, Yr 2013, for the following described tank battery (or LACT):  
Name of Lease East Millman Unit Name of Pool Millman Yates-SR-ON-GB-SA East  
Location of Battery: Unit Letter P Section 15 Township 19S Range 28E  
Number of wells producing into battery 51
- B. Based upon oil production of Gas Production is measured barrels per day, the estimated \* volume  
of gas to be flared is 390 MCF/day MCF; Value \$3,000.00 per day.
- C. Name and location of nearest gas gathering facility:  
DCP Midstream, LP - Artesia Plant
- D. Distance ----- Estimated cost of connection Already connected
- E. This exception is requested for the following reasons: DCP has put us on a rolling curtailment cycle.  
We will need to flare our gas for two weeks and then be able to produce and sale our gas for 6 weeks.  
We plan to install a treating facility to treat the gas so we will not be curtailed and have to flare our  
gas. The installation of the necessary equipment will take 3 to 6 months to complete.

#### OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation  
Division have been complied with and that the information given above  
is true and complete to the best of my knowledge and belief.

Signature William M. Kincaid

Printed Name

& Title William M. Kincaid - Petroleum Engineer

E-mail Address mkincaid@sjoc.net

Date 3/13/2013 Telephone No. (940) 723-2166

#### OIL CONSERVATION DIVISION

Approved Until Sept 30 - 2013

By LR Wade

Title Dist # Supervisor

Date Mar 18 - 2013

\* Gas-Oil ratio test may be required to verify estimated gas volume.