

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., 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 and Natural Resources

SEP 21 2009

Form C-103
June 19, 2008

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

WELL API NO. 30-015-02209
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 648
7. Lease Name or Unit Agreement Name: State 648 AC811
8. Well Number 174
9. OGRID Number 019958
10. Pool name or Wildcat Artesia QN-GB-SA
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3550' KB; 3543' GR

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.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Water Injection	7. Lease Name or Unit Agreement Name: State 648 AC811
2. Name of Operator Stephens & Johnson Operating Co	8. Well Number 174
3. Address of Operator P O Box 2249, Wichita Falls, TX 76307	9. OGRID Number 019958
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>10</u> Township <u>19S</u> Range <u>28E</u> NMPM County <u>Eddy</u>	10. Pool name or Wildcat Artesia QN-GB-SA
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3550' KB; 3543' GR	

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached Proposed Plug & Abandonment procedure

**Notify OCD 24 hrs. prior
To any work done.**

Approval Granted providing work
is complete by 12/24/09

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 9-17-2009
Type or print name William M. Kincaid E-mail address: mkincaid@sjoc.net PHONE 940-723-2166

For State Use Only

APPROVED BY [Signature] TITLE DATE 9/24/09
Conditions of Approval (if any):

STEPHENS & JOHNSON OPERATING CO.
STATE 648 AC811 WELL NO. 174
API NO. 30-015-02209
EDDY COUNTY, NEW MEXICO

Well Data:

Total Depth: 2200'
PBTD: 2092'
Surface Csg: 7" csg set @ 390', cement w/75 sx, TOC estimated to be @ surface
Prod. Csg: 4 1/2" 11.6# set @ 2199', cement w/125 sx, TOC calculated to be @ 1520' (assume 8" hole)
Perfs: 2014'-2072'

Note: CIBP set @ 1975'

Proposed Plug and Abandonment Procedure

1. TIH w/tbg to CIBP @ 1975' and circulate hole w/9.5 #/gal mud.
2. Pump 25 sx cement on top of CIBP @ 1975'. TOH w/tbg.
3. Cut off 4 1/2" csg @ 1500' and TOH w/csg.
4. TIH w/tbg to 1500' and pump 50 sx cement plug. Wait 3 hours and tag cement (est. TOC @ 1400').
5. Set bottom of tbg @ 500' and pump 100 sx cement plug. Wait 3 hours and tag cement (est. TOC @ 300').
6. Spot a 10 sx cement plug at the surface. Cut off wellhead and install P&A marker. 60' minimum.

(X) - Required Formation To be Isolated.

YATES - 100' cmt (824'-724') woc TAG