

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

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

RECEIVED

FEB 13 2006

Submit to appropriate District Office

OCC-ARTESIA

☐ 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, TX 76307-2249		² OGRID Number 019958
⁴ Property Code 35454 009799	⁵ Property Name East Millman Pool Unit Tract 2	³ API Number 30- 015- 34628
⁹ Proposed Pool 1 Millman Yates-SR-QN-GB-SA, East 46555		⁶ Well No. 3
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
J	12	19S	28E		1857	South	2317	East	Eddy

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 0	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3391'
¹⁶ Multiple No	¹⁷ Proposed Depth 2700	¹⁸ Formation San Andres	¹⁹ Contractor United Drilling	²⁰ Spud Date March 1, 2006
Depth to ground water 150'		Distance from nearest fresh water well 2800'		Distance from nearest surface water 2000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 7000 bbls Drilling Method: Closed-Loop System <input 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 lb/ft	300'	200	Surface
7 7/8"	5 1/2"	15.50 lb/ft	2700'	800	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.

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 ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐
Signature: *William M. Kincaid*

Printed name: William M. Kincaid

Title: Petroleum Engineer

E-mail Address: mkincaid@sjoc.net

Date:
2-6-06

Phone:
(940) 723-2166

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

FEB 17 2006

Expiration Date: FEB 17 2007

Conditions of Approval:
Attached ☐

1. Drill 12 1/4" hole to 300'. Set 8 5/8" 24# csg w/approx. 200 sacks of cmt. WOC 18 hrs.
2. Drill 7 7/8" hole to 2700'. Set 5 1/2", 15.50# csg w/approx. 800 sacks of cement.
3. Complete well in Grayburg formation.

BOP: An annular type BOP will be used with a 3,000 psig working pressure and a 6,000 psig test pressure.

Note: This Application for Permit to Drill does not meet the requirement for an H2S Contingency Plan to be submitted.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1600 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

AFT Number		Pool Code	Pool Name
		46555	Millman Yates-SR-QN-GB-SA, East
Property Code	Property Name		Well Number
009799	EAST MILLMAN UNIT Tract 2		3
OGRID No.	Operator Name		Elevation
019958	Stephens & Johnson Operating Co.		3391

¹⁰ Surface Location

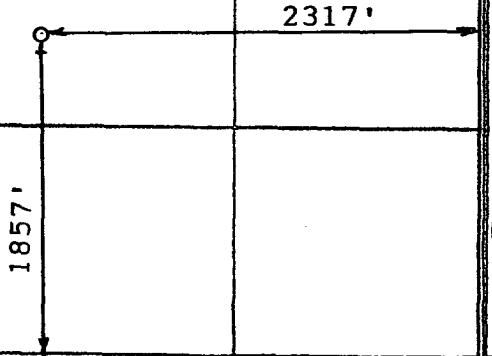
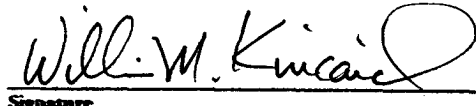
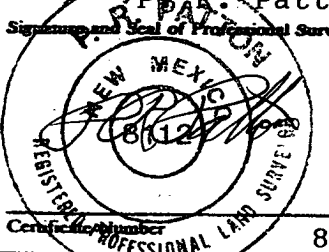
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	12	19 S	28 E		1857	SOUTH	2317	EAST	Eddy

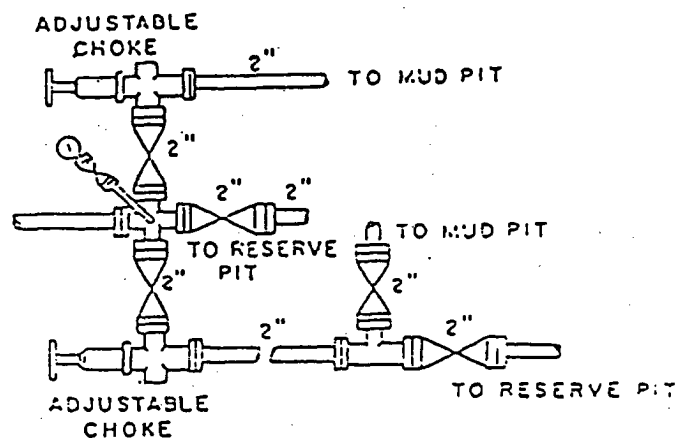
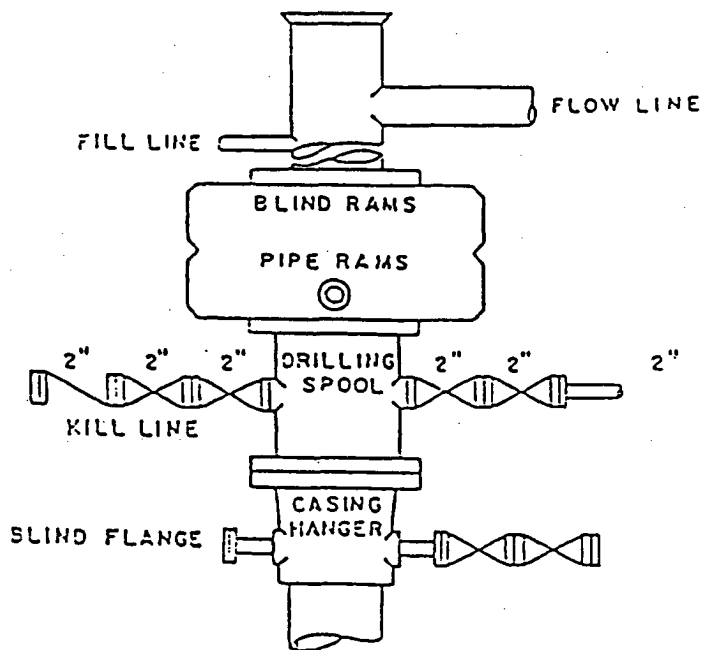
¹¹ Bottom Hole Location If Different From Surface

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

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					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature William M. Kincaid Printed Name Petroleum Engineer Title 2-6-06 Date
				¹⁸ 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. January 26, 2006 Date of Survey P. R. Patton Signature and Seal of Professional Surveyor:  Certificate Number 8112	



BOP DIAGRAM
3000# WORKING PRESSURE
RAMS OPERATED DAILY

EAST MILLMAN POOL UNIT NO. 2-3
EDDY COUNTY, NEW MEXICO

EXHIBIT NO. 1