

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, 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

Form C-101
Revised March 17, 1999

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ 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
		³ API Number 30- 025-06979
⁴ Property Code 32449	⁵ Property Name E. O. Carson	⁶ Well No. 7

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
C	33	21S	37E		660	North	1980	West	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
⁹ Proposed Pool 1 Tubb Oil & Gas (Pro Gas) 86440					¹⁰ Proposed Pool 2 Eunice (San Andres) 24150				

¹¹ Work Type Code E	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3464
¹⁶ Multiple No	¹⁷ Proposed Depth 6300	¹⁸ Formation Tubb	¹⁹ Contractor Unknown	²⁰ Spud Date May 10, 2004

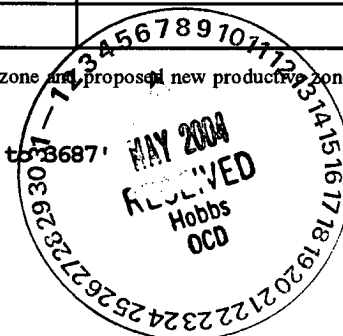
²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	1217'	325	Surface
8 3/4"	7"	24#	3625'	275	1500'
6.34"	5"	15#	6623'	260	2960'

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.

1. Install BOP. Drill out cement plugs at surface to 1270', 2041' to 2500', 3376' to 3687' and 6157' to 6300'.

2. Complete well in Tubb formation.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Re-Entry



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Peyton S. Carnes, Jr.</i>		Approved by: <i>Paul J. [Signature]</i>	
Printed name: Peyton S. Carnes, Jr.		Title: PETROLEUM ENGINEER	
Title: Petroleum Engineer		Approval Date: MAY 11 2004	
Date: 5-5-2004	Phone: (940) 723-2166	Expiration Date:	
		Conditions of Approval:	
		Attached <input type="checkbox"/>	

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 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

API Number 30-025-06979		Pool Code 86440		Pool Name Tubbs Oil & Gas (Pro Gas)	
Property Code 32449		Property Name E. O. Carson			Well Number 7
OGRID No. 019958		Operator Name Stephens & Johnson Operating Co.			Elevation 3464

10 Surface Location

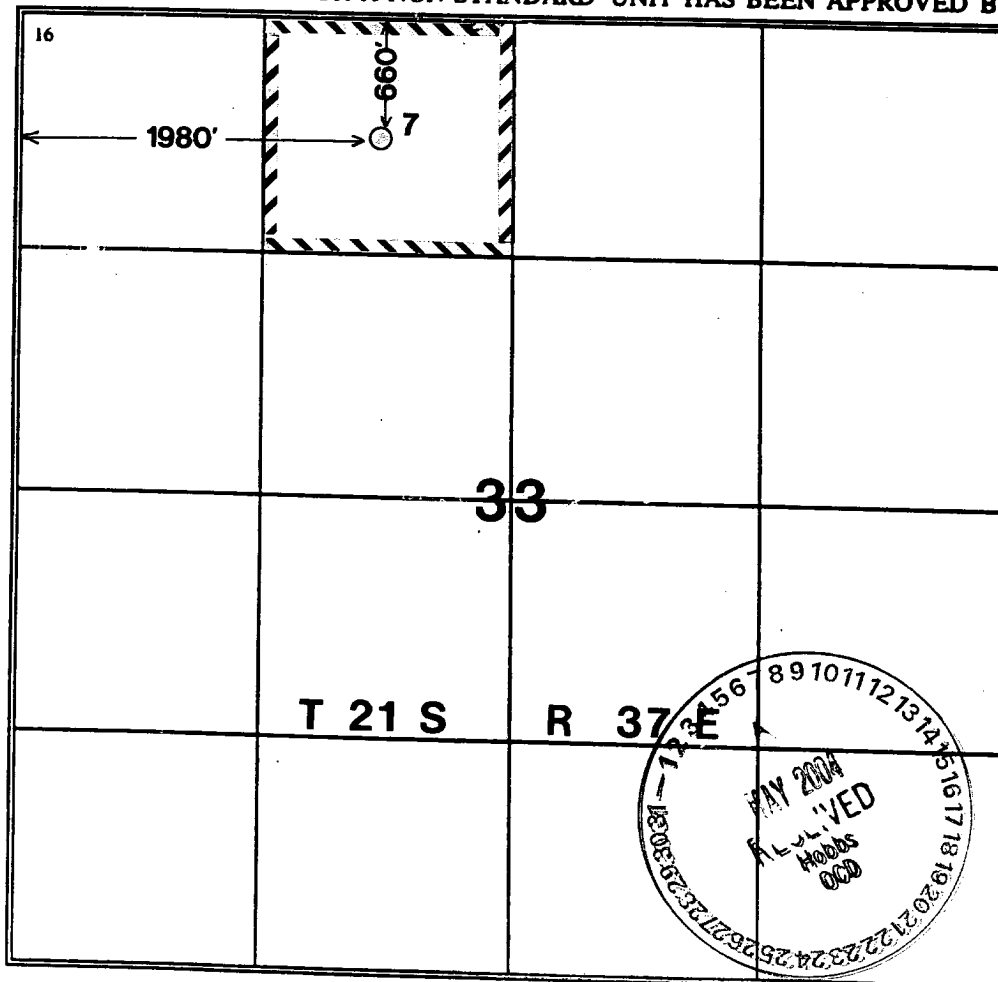
UL or lot no. C	Section 33	Township 21S	Range 37E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line West	County Lea
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

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

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Peyton S. Carnes, Jr.
Printed Name

Petroleum Engineer
Title

May 5, 2004
Date

18 SURVEYOR CERTIFICATION

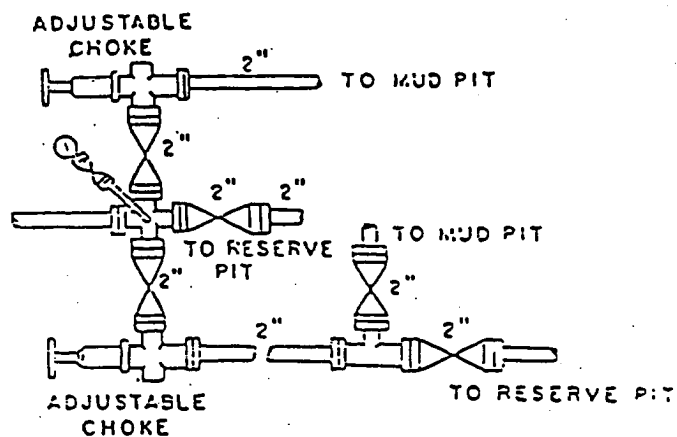
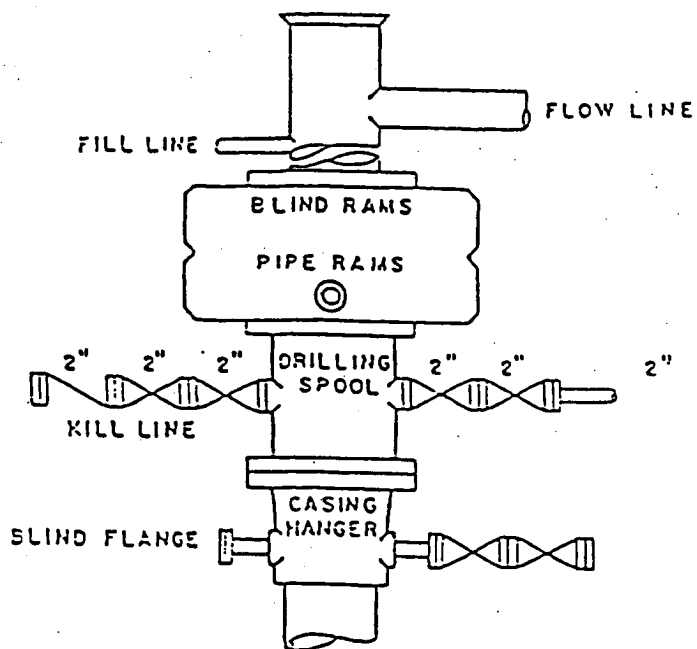
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

1939
Date of Survey

Engineer
Signature and Seal of Professional Surveyor

Certificate Number

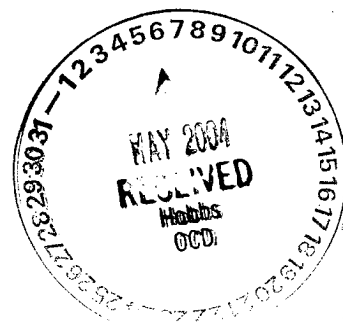
20803 Texas



BOP DIAGRAM
3000# WORKING PRESSURE
RAMS OPERATED DAILY

E.O. CARSON WELL NO. 7
EDDY COUNTY, NEW MEXICO

EXHIBIT NO. 1



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: Stephens & Johnson Operating Co. Telephone: (940) 723-2166 e-mail address: _____

Address: P. O. Box 2249, Wichita Falls, Texas 76307-2249

Facility or well name: E. O. Carson API #: 30-025-06979 U/L or Qtr/Qtr C Sec 33 T 21S R 37E

County: Lea Latitude NA Longitude NA NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Reentry <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Steel Pit <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness _____ mil Clay <input type="checkbox"/> Volume _____ bbl <i>Operator is using steel tanks</i>		Below-grade tank Volume: <u>NA</u> bbl Type of fluid: <u>NA</u> Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	
	<u>50 feet or more, but less than 100 feet</u>	(10 points)	10
	100 feet or more	(0 points)	
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)	
	<u>No</u>	(0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	
	<u>1000 feet or more</u>	(0 points)	0
Ranking Score (Total Points)		10	

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OGD-approved plan ☐.

Date: 5-7-2004

Printed Name/Title: Peyton S. Carnes, Jr.

Signature: [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: 5/7/04

Printed Name/Title: PAUL F. KAUTZ

Signature: [Signature]

PETROLEUM ENGINEER

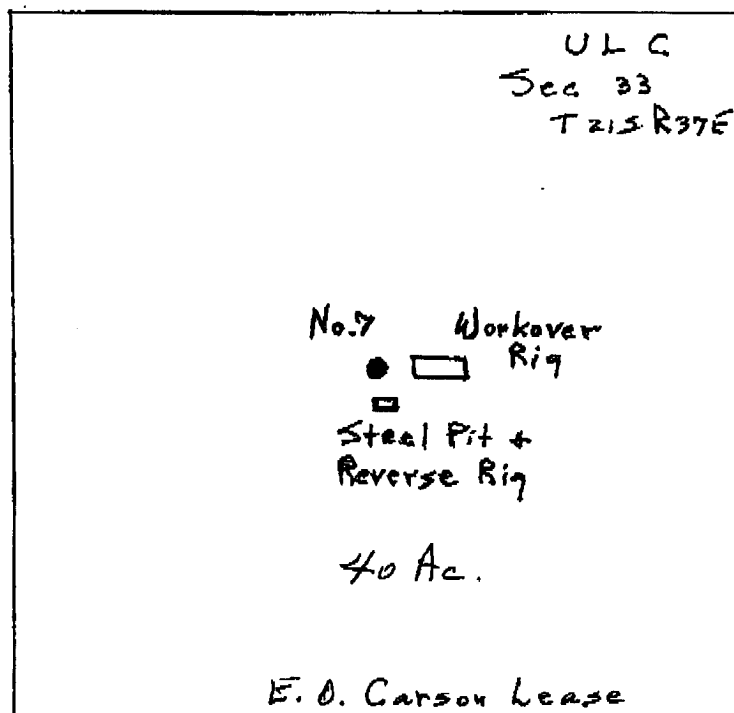


Diagram of Equipment for Reentry
Stephens + Johnson Operating Co.
E. O. Carson Well No. 7
Lea County, New Mexico