

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural ResourcesOil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505Form C-101
Revised March 17, 1999Submit 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 - 025-06872 |
| ⁴ Property Code 32449 | ⁵ Property Name E. O. Carson | ⁶ Well No. 18 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot ldn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| M | 28 | 21S | 37E | | 660 | South | 760 | West | Lea |

⁸ Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot ldn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

⁹ Proposed Pool 1**Penrose-Skelly- Grayburg**¹⁰ Proposed Pool 2**<50350>**

| | | | | |
|--|---|---|--|---|
| ¹¹ Work Type Code E | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3462 |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 3950 | ¹⁸ Formation Lower Grayburg & San Andres | ¹⁹ Contractor Unknown | ²⁰ Spud Date Sept 15, 2003 |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|----------------|-------------------|--------------------|---------------|-----------------|----------------|
| 17 1/4" | 13 3/8" OD | 48# | 320' | 300 | Surface |
| 11" | 8 5/8" OD | 36# | 2853' | 1300 | Surface |
| 7 3/4" | 5 1/2" OD | 17# | 8175' | 980 | 1830' |
| | | | | | |
| | | | | | |

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 and at 270' to 370', 1700' to 2000', 2600' to 2900', 3575' to 3800' and CIBP @ 3800'. CO to 3950'. Set CIBP @ 3940'.
2. Set cement retainer @ 3825' on tubing and squeeze perforations 3838' to 3854' & 3878'-3903' w/200 sks cement.
3. Complete well in the Grayburg formation.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.Signature: *Peyton S. Carnes, Jr.*Printed name: **Peyton S. Carnes, Jr.**Title: **Petroleum Engineer**Date: **8-28-2003**Phone: **(940) 723-2166**

OIL CONSERVATION DIVISION

Approved by: *Peyton S. Carnes, Jr.*Title: **PETROLEUM ENGINEER**

Approval Date:

Expiration Date:

Conditions of Approval:

SEP 03 2003

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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

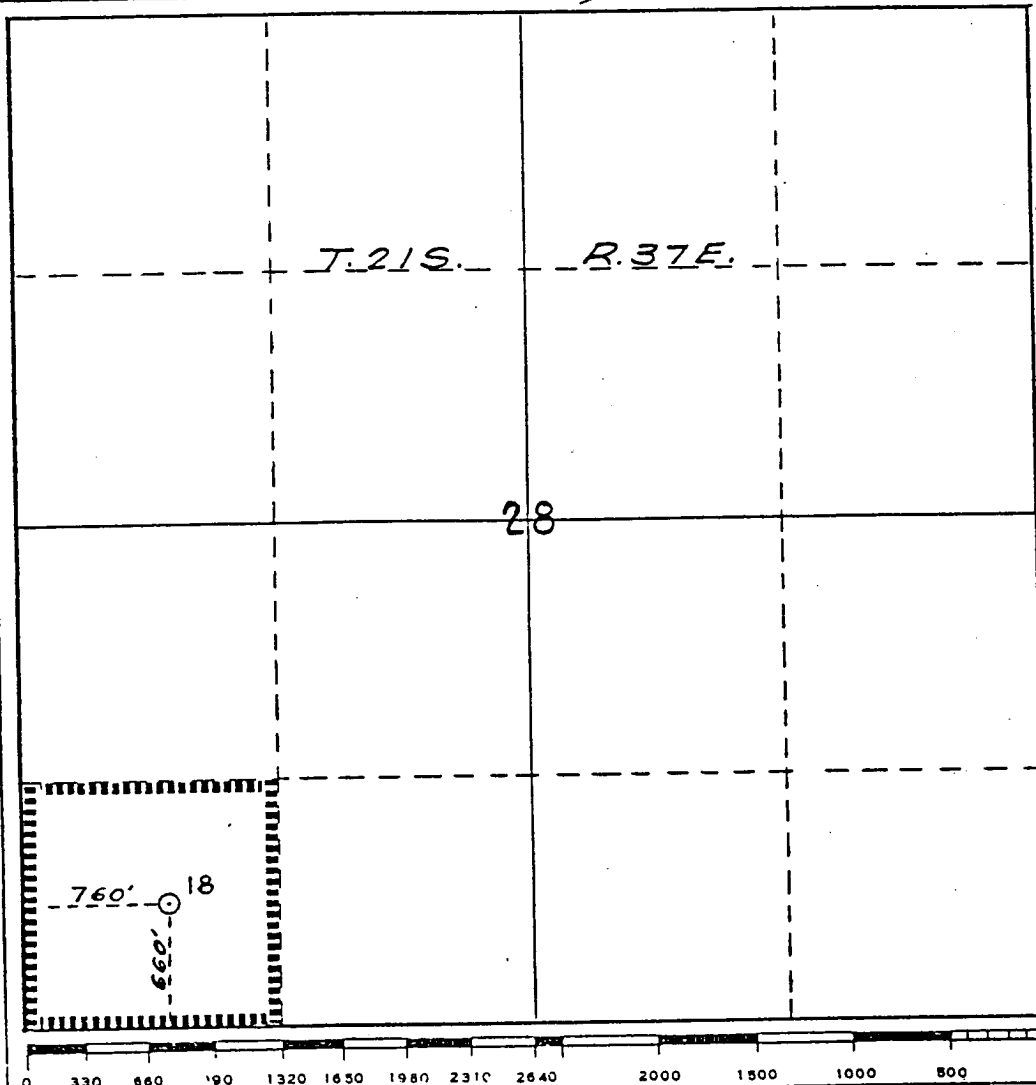
| | | | | | |
|--|--|-------------------------|--|---------------------------------------|-----------------------|
| Operator Stephens & Johnson Operating Co. Mobil Oil Corporation | | | Lease E. O. Carson | | Well No. 18 |
| Unit Letter M | Section 28 | Township 21-S | Range 37-E | County Lea | |
| Actual Footage Location of Well: 760 feet from the West line and 660 feet from the South line | | | | | |
| Ground Level Elev. 3462 | Producing Formation Grayburg | | Pool Penrose-Skelly-Grayburg | Dedicated Acreage: 40 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Peyton S. Carnes, Jr.
Name **Peyton S. Carnes, Jr.**
A. D. Bond

Position **Petroleum Engineer**
Production Staff Assistant

Company **Stephens & Johnson Operating Co.**
Mobil Oil Corporation

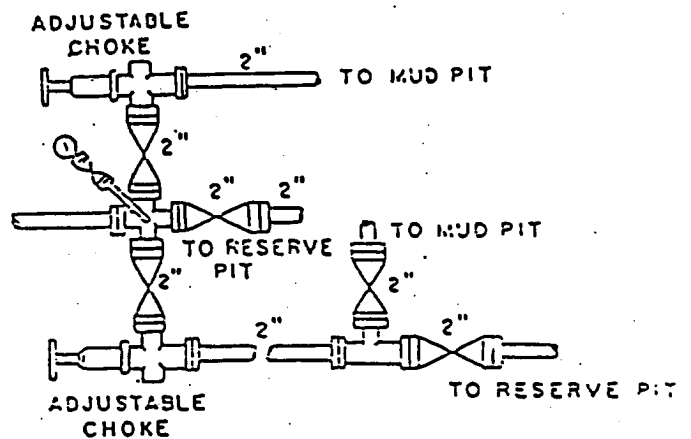
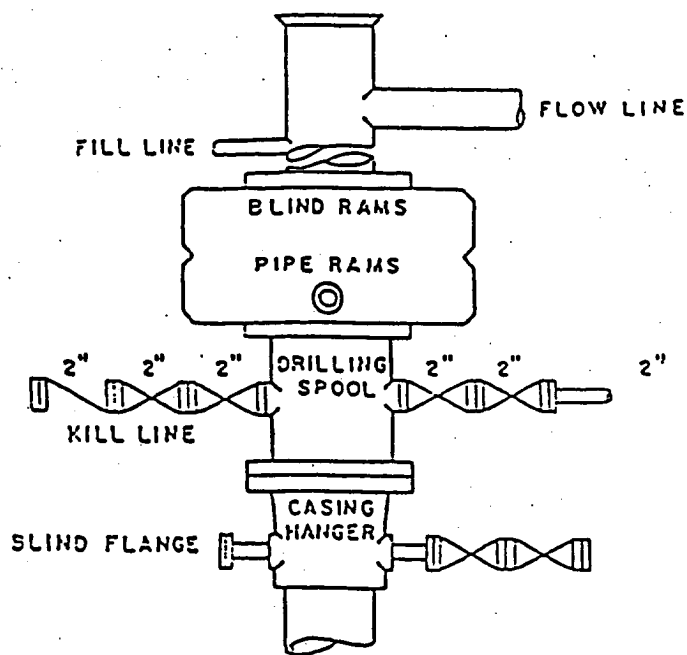
Date **August 28, 2003**
August 2, 1972

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 knowledge and belief.

Date Surveyed
1948

Registered Professional Engineer
and/or Land Surveyor

Certificate No.
20803 Texas



BOP DIAGRAM

**3000# WORKING PRESSURE
RAMS OPERATED DAILY**

**E.O. CARSON WELL NO. 18
EDDY COUNTY, NEW MEXICO**

EXHIBIT NO. 1