

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

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division

1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

¹ Operator Name and Address Stephens & Johnson Operating Co. P.O. Box 2249 Wichita Falls, Texas 76307-2249		² OGRID Number 019958
⁴ Property Code 009808	⁵ Property Name Weatherly	³ API Number 025-38799 30- to be assigned
⁹ Proposed Pool 1 Penrose-Skelly-Grayburg (50350)		¹⁰ Proposed Pool 2 Hare-San Andres (78080)

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
D	21	21S	37E		704	North	470	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

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3467.01
¹⁶ Multiple	¹⁷ Proposed Depth 4400	¹⁸ Formation San Andres	¹⁹ Contractor Faith Drilling	²⁰ Spud Date 2-20-08
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit Liner Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method				
Closed-Loop System <input checked="" 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	1250	550	surface
7 7/8	5 1/2	17	4400	700	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.

Permit Expires 2 Years From Approval Date Unless Drilling Underway 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 <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OGD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>Bob Gilmore</i>		Approved by: <i>Chris Williams</i>	
Printed name: Bob Gilmore		Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
Title: Petroleum Engineer		Approval Date: MAR 10 2008 Expiration Date:	
E-mail Address: bgilmore@sjoc.net			
Date: 1-18-08	Phone: (940) 723-2166	Conditions of Approval: Attached <input type="checkbox"/>	

OGRID: 019958
PROPERTY CODE: 009808
WELL NAME: WEATHERLY 12

1. Drill 12 1/4" surface hole to 1250'. Set 8 5/8", 24 lb. csg.
2. Install BOP and drill 7 7/8" hole to TD @ 4400'
3. Run 5 1/2", 17 lb. csg. to TD.
4. Complete well in Grayburg formation.

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-38799		² Pool Code 50350	³ Pool Name Penrose-Skelly-Grayburg
⁴ Property Code 009809	⁵ Property Name Weatherly Lease		⁶ Well Number 12
⁷ OGRID No. 019958	⁸ Operator Name Stephens & Johnson Operating Company		⁹ Elevation 3467.01

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
D	21	21S	37E		704	NORTH	470	WEST	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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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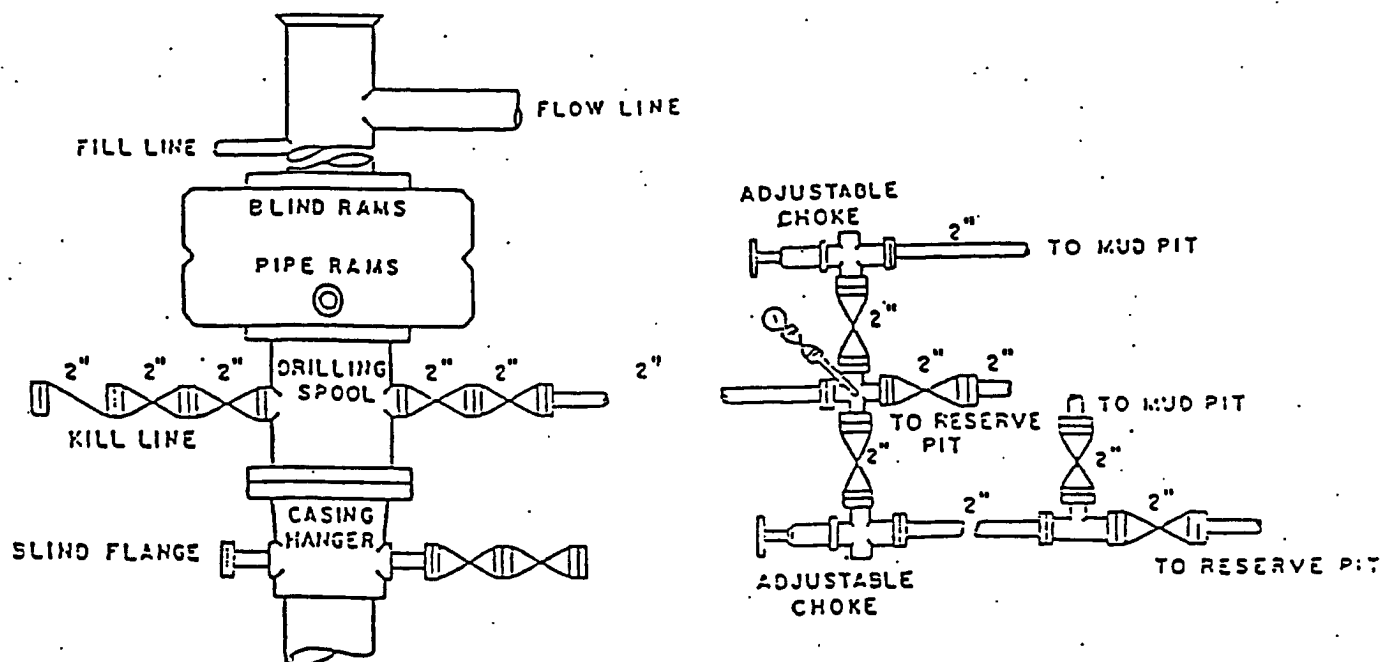
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Bob Gilmore</i> 1-18-08 Signature Date</p> <p>Bob Gilmore Printed Name</p>	
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10-28-07 Date of Survey</p> <p><i>William M. Hicks III</i> Signature and Seal of Professional Surveyor</p> <p>12348 Certificate Number</p>

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JAN 22 2008

HOBBS OCD



BOP DIAGRAM

**3000# WORKING PRESSURE
RAMS OPERATED DAILY**

**WEATHERLY WELL NO.12
LEA COUNTY, NEW MEXICO**

EXHIBIT NO. 1