



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 6, 2000

Stephens & Johnson Operating Company
P.O. Box 2249
Wichita Falls, Texas 76307-2249

Attention: William M. Kincaid

RE: C-142 Application for New Well Status
East Millman Pool Unit Well No. 7-12, API No. 30-015-30745

Dear Mr. Kincaid:

Pursuant to Division Rule 34.C.(3), the deadline for filing for the New Well Tax Incentive is within sixty (60) days of completion of the well as a producer, therefore your application is hereby denied.

If you have any questions, please contact me at (505) 827-8183.

Sincerely,

Mark Ashley
Petroleum Engineering Specialist

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
 2040 South Pacheco Street
 Santa Fe, New Mexico 87505
 (505) 827-7131

Form C-142
 Date 06/99

**SUBMIT ORIGINAL
 PLUS 2 COPIES
 TO THE SANTA FE
 OFFICE**

District I - (505) 393-6161
 1625 N. French Dr
 Hobbs, NM 88241-1980
District II - (505) 740-1283
 811 S. First
 Artesia, NM 88210
District III - (505) 334-6177
 1000 Rio Grande Road
 Aztec, NM 87410
District IV - (505) 827-7131

JAN - 3 2000

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address						OGRID Number		
Stephens & Johnson Operating Co. P O Box 2249 Wichita Falls, TX 76307-2249						019958		
Contact Party						Phone		
William M. Kincaid						940-723-2166		
Property Name					Well Number		API Number	
East Millman Pool Unit					7-12		30-15-30745	
UL	Section	Township	Range	Feet From The	North/South Line	Feet From The	East/West Line	County
L	13	19S	28E	1490	South	330	West	Eddy

II. Date/Time Information

Spud Date	Spud Time	Date Completed	Pool
9-30-99	6:30 PM	10-16-99	Millman QN-GB-SA, East

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

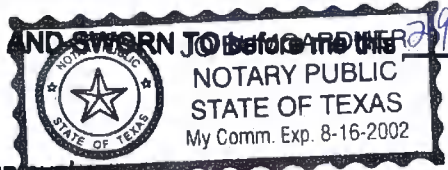
State of Texas)
) ss.
 County of Wichita)

William M. Kincaid being first duly sworn, upon oath states:

1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature William M. Kincaid Title Petroleum Engineer Date 12-29-99

SUBSCRIBED AND SWORN TO before me this 29th day of December, 1999.



JL Bumpgardner
 Notary Public

My Commission Expires: _____

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature	Title	Date

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: _____

NOTICE: The operator must notify all working interest owners of this New Well certification.

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

WELL API NO. 30-15-30745
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No. E-7 668

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 [X] GAS WELL [] OTHER []

2. Name of Operator Stephens & Johnson Operating Co.

3. Address of Operator P. O. Box 2249, Wichita Falls, TX 76307-2249

4. Well Location Unit Letter L : 1490 Feet From The South Line and 330 Feet From The West Line Section 13 Township 19S Range 28E NMPM Eddy County

7. Lease Name or Unit Agreement Name 8910169240 East Millman Pool Unit Tract 7
8. Well No. 12
9. Pool name or Wildcat Millman QN-GB-SA, East

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3378' GR 3385' KB

11. 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 [] OTHER: []
SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [X] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: []

12. 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.
1. Spudded 12 1/4" hole 6:30 PM 9-30-99. Drilled to 426' KB and ran 10 jts 8 5/8" 24#/ft. surface csg and cemented w/260 sx of cement. Cement circulated to surface. WOC 18 hrs.
2. Drilled 7 7/8" hole to 2700'. Ran 69 jts 5 1/2", 15.50#/ft. csg, set @ 2663' KB. Cemented with 800 sx of cement. Plug down @ 10:00 AM 10-6-99.
3. Perforated Grayburg formation one shot at each of the following depths: 2179, 2181, 2183, 2185, 2209, 2211, 2219, 2221, 2227, 2233, 2235, 2308, 2310, 2327, 2329, 2366, 2368, 2386, 2388, 2390, 2392, 2413, 2416.
4. On 10-14-99 sand fraced perforations w/52,000 gals Delta Frac and 152,000 lbs 12/20 sand.

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 10-25-99
TYPE OR PRINT NAME William M. Kincaid TELEPHONE NO. 940-723-2166

(This space for State Use)
APPROVED BY Jim W. [Signature] DISTRICT SUPERVISOR
CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office:
 State Lease - 6 copies
 For Lease - 5 copies
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
 Energy Minerals and Natural Resources Department

Form C-105
 Revised 1-1-89

OIL CONSERVATION DIVISION
 2040 Pacheco St.
 Santa Fe, NM 87505

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL AP NO.
 30-015-30745
 5. Indicate Type of Lease
 STATE FEE
 6. State Oil & Gas Lease No.
 E-7668

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____
 b. Type of Completion:
 NEW WELL WORK OVER DEEPEN FLUD BACK DEEP RESER OTHER _____

7. Lease Name or Unit Agreement Name
 8910169240
 East Millman Pool Unit
 Tract 7

2. Name of Operator
 Stephens & Johnson Operating Co.

8. Well No.
 12

3. Address of Operator
 P.O. Box 2249, Wichita Falls, TX 76307-2249

9. Pool name or Wildcat
 Millman QN-GB-SA, East

4. Well Location
 Unit Letter L : 1490 Feet From The South Line and 330 Feet From The West Line
 Section 13 Township 19S Range 28E NMPM Eddy County

10. Date Spudded 9-30-99	11. Date T.D. Reached 10-5-99	12. Date Compl. (Ready to Prod.) 10-16-99	13. Elevations (DF& RKB, RT, GR, etc.) 3378' GR 3385' KB	14. Elev. Casinghead 3379
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15. Total Depth 2700'	16. Plug Back T.D. 2640'	17. If Multiple Compl. How Many Zones? _____	18. Intervals Drilled By Rotary Tools 0-2700'	Cable Tools _____
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19. Producing Interval(s), of this completion - Top, Bottom, Name
 2179-2416'

20. Was Directional Survey Made
 No

21. Type Electric and Other Logs Run
 Dual Laterolog, MCFL, Density-Neutron, Gamma Ray

22. Was Well Cored
 No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24	423'	12 1/4"	260 sx circ to surf	
5 1/2"	15.50	2663'	7 7/8"	800 sx	

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)
 One shot at each of the following depths: 2179, 2181, 2183, 2185, 2209, 2211, 2219, 2221, 2227, 2233, 2235, 2308, 2310, 2327, 2329, 2366, 2368, 2386, 2388, 2390, 2392, 2413, 2416.

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
2179-2416	2400 gals 15% HCL acid
	152,000 lbs 12/20 sand
	52,000 gals Delta Frac 20

PRODUCTION

28. Date First Production 10-19-99		Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping 2 1/2" x 2" x 16'				Well Status (Prod. or Shut-in) Producing	
Date of Test 10-25-99	Hours Tested 24	Choke Size _____	Prod'n For Test Period _____	Oil - Bbl. 225	Gas - MCF 180	Water - Bbl. 120	Gas - Oil Ratio 800
Flow Tubing Press. _____	Casing Pressure _____	Calculated 24-Hour Rate _____	Oil - Bbl. 225	Gas - MCF 180	Water - Bbl. 120	Oil Gravity - API - (Corr.) 40	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Sold

Test Witnessed By
 Mark Hope

30. List Attachments
 Deviation Survey, Dual Laterolog, MCFL, Density-Neutron Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature William M. Kincaid Printed Name William M. Kincaid Title Petroleum Eng. Date 10-25-99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
 No. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.
 No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology

**STEPHENS & JOHNSON OPERATING CO.
EAST MILLMAN POOL UNIT
EDDY COUNTY, NEW MEXICO**

Working Interest Owners

<u>Interest Owner</u>	<u>Decimal Interest</u>
Peyton S. Carnes, Jr.	0.06119810
Ted H. Smith, Jr.	0.00917970
J & N Property Co., LTD.	0.17367042
Maralo, Inc.	0.13065440
S&J Operating Company	0.31989273
Stephens Partnership Co., LTD.	0.10333808
John A. Yates	0.02570650
SHARBRO Oil Ltd., Co.	0.00934785
S. P. Yates	0.01869570
Lillie M. Yates Estate	0.00934785
Joe L. Johnson III	0.00715499
Nancy Johnson Isom	0.00715499
Benjamin and Jeannie Ralston	0.00715499
Thomas P. Stephens	0.03059900
Susan Locke Stephens Geyer	0.03059910
Katherine P. S. Smethie	0.03059910
Peggy A. Yates Estate	0.02570650
	<u>1.00000000</u>