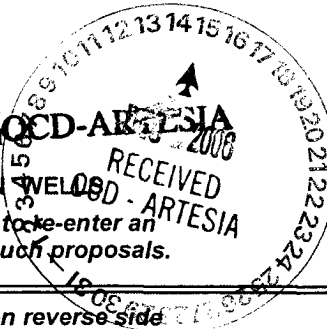


Form 3160-3  
(April 2006)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*



FORM APPROVED  
OMB NO. 1004-0137  
Expires March 31, 2007

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Stephens & Johnson Operating Co.

3a. Address

P.O. Box 2249 Wichita Falls TX 76307-2249

3b. Phone No. (include area code)

(940) 723-2166

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 13, T19S, R28E  
2240 FNL, 800 FEL

5. Lease Serial No.

LC-069107

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA/Agreement, Name and/or No.

East Millman Pool Unit  
8910169240

8. Well Name and No.

Tract 6 Well No 7

9. API Well No.

30-015-34889

10. Field and Pool, or Exploratory Area

Millman (Yates-SR-QN-GB-SA)  
East

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

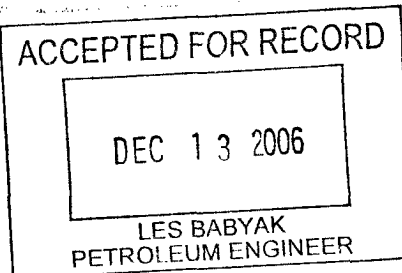
- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- |   |   |  |  |
|---|---|--|--|
| <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                |
| <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                |
| <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <u>Drill</u> |
| <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <u>and Complete</u>                                    |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |  |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

SEE ATTACHED



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

William M. Kincaid

Title

Petroleum Engineer

Date 11-20-06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EAST MILLMAN 6-7      FORM 3160-5  
EDDY COUNTY, NM

1. Spudded 12 1/4" hole 7:30 pm 10-9-06. Drilled to 295' KB and ran 6 jts 8 5/8" 24#/ft surface csg and cemented w/175 sx of cement. Cement did not circulate. Run 1" pipe between 8 5/8" and 12 1/4" surface hole and tag cmt @ 86'. Cement w/125 sx. Circulate 25 sx to pit. WOC - 18 hrs. Pressure test BOP and 8 5/8" surface casing to 1,000 psig for 30 minutes. Held OK.
2. Drilled 7 7/8" hole to 2705' KB. Ran 67 jts 5 1/2", 15.50#/ft csg, set @ 2695' KB. Cemented w/900 sx of cement. Plug down @ 10:15 am 10-16-06. Cement did not circulate. Cement bond log showed top of cement to be at 220' KB from surface.
3. Test 5 1/2" production casing to 1,500 psig for 30 minutes. Held OK. Perforated Grayburg formation one shot at each of the following depths: 2431', 2434', 2437', 2440', 2443', 2513', 2516', 2519', 2522', 2525', 2596', 2599', 2602', 2605', 2608', 2611', 2614', 2633', 2636', 2639', 2642' and 2645'.
4. On 10-24-06 acidized perforations w/3,000 gals 15% NEFE.
5. On 10-25-06 sand fraced perforations w/103,500 gals 10 lb brine water, 20,000 lbs of BJ LiteProp 125, and 5,000 lbs Super LC 16/30 sand.