

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil & Gas
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88206-9107
FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

| | | |
|---|--|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator Stephens & Johnson Operating Co. | | 7. If Unit or CA/Agreement, Name and/or No. 8910169240 East Millman Unit |
| 3a. Address PO Box 2249, Wichita Falls, TX 76307 | 3b. Phone No. (include area code) (940) 723-2166 | 8. Well Name and No. East Millman Unit No. 6-5 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Unit Letter A:330 feet from the FNL line and 330 feet from the FEL line; Section 13 Township 19S Range 28E | | 9. API Well No. 30-015-02233 |
| | | 10. Field and Pool, or Exploratory Area Millman QN-GB-SA, East |
| | | 11. County or Parish, State Eddy County, New Mexico |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|---|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input checked="" type="checkbox"/> Temporarily Abandon | |
| | <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 site is ready for final inspection.)

We request that this well be classified as Temporarily Abandoned. The East Millman Unit is an active waterflood project with an on going infill drilling program and plans for conversion of existing wells to additional water injection wells. This well has beneficial use as a producing well or a future water injection well subsequent to the infill drilling program which will be completed over the next 3 years. Depending upon the success of the infill drilling program, well No. 6-5 will be reactivated as a producer or converted to a water injection well sometime during the next 3 years.

A casing integrity test as per the attached procedure will be performed during the week of March 11, 2002.

Accepted for record - NMOCD

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| 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) William M. Kincaid | Title Petroleum Engineer |
| Signature <i>William M. Kincaid</i> | Date February 22, 2002 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------------------------------|-------------------------|
| Approved by (ORIG. SGD) JOE G. LARA | Title Production Engineer | Date 3/8/2002 |
| 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 CFO |

Title 18 U.S.C. Section 1001, 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.

Stephens & Johnson Operating Co.
East Millman Pool Unit No. 6-5
Eddy County, New Mexico

2-22-2002

Well Data

Surface Casing: 8 5/8", set @ 270' w/50 sx cmt
Production Casing: 4 1/2", 9.5 lb/ft, set @ 2235'
w/160 sx cmt. TOC @ 1535'

Perforations: Queen 1740-1744'
1770-1776'
1939-1945'
Grayburg 2106-2112'
2150-2156'

CIBP: Set at 1595'. Production casing is filled
with corrosion inhibited fluid.

Casing Integrity Test Procedure

1. Pressure casing to 300 psig and hold for 30 minutes.

500
