

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. 30-015-02236
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-7668
7. Lease Name or Unit Agreement Name East Millman Pool Unit
8. Well No. Tract 7 Well No. 3
9. Pool name or Wildcat Millman QN-GB-SA, East
10. Elevation (Show whether DF, RKB, RT, GR, etc.)

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 <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER Water Injection	
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 <u>K</u> : <u>1980</u> Feet From The <u>South</u> Line and <u>1980</u> Feet From The <u>West</u> Line Section <u>13</u> Township <u>19S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:		
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <u>Casing Integrity</u> <input checked="" type="checkbox"/>	

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.

The East Millman Pool Unit Tract 7 well No. 3 failed a Mechanical Integrity Test on January 27, 2000. A re-test was performed on July 19, 2000 as follows:

07/19/00: TOOH w/48 jts 2 3/8" tbg and 2" x 4 1/2" nickel coated AD-1 packer. Redressed packer. RIH w/packer and tbg, testing tbg to 6,000 psig. Circulated corrosion inhibited fluid in csg-tbg annulus. Set packer @ 1567'. Tested csg-tbg annulus to 320 psig. Lost 30 psig in 30 minutes. See attached chart.

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 7-24-00

TYPE OR PRINT NAME William M. Kincaid TELEPHONE NO. (940) 723-2166

(This space for State Use)

APPROVED BY Maureen Stillfield TITLE Field Rep. II DATE 8/29/2000

CONDITIONS OF APPROVAL, IF ANY:

