

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. 30-015-29934
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. OG-272-1
7. Lease Name or Unit Agreement Name 8910169240 East Millman Pool Unit Tract 5
8. Well No. 5
9. Pool name or Wildcat Millman QN-GB-SA, East
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3391' GR 3397' KB

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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	2. Name of Operator Stephens & Johnson Operating Co.
3. Address of Operator P. O. Box 2249, Wichita Falls, Texas 76307-2249	4. Well Location Unit Letter <u>N</u> : <u>1118</u> Feet From The <u>South</u> Line and <u>2363</u> Feet From The <u>West</u> Line Section <u>12</u> Township <u>19S</u> Range <u>28E</u> NMPM <u>Eddy</u> County

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input 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.
- Spudded 12 1/4" hole 4:45 PM 11-24-97. Drilled to 427' 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.
 - Drilled 7 7/8" hole to 2640'. Ran 68 jts. 5 1/2", 15.50#/ft. casing, set @ 2620' KB. Cemented with 900 sx. of cement. Cement circulated to surface, plug down @ 5:15 AM 12-2-97.
 - Perforated Grayburg formation one shot at each of the following depths: 2333, 2335, 2343, 2346, 2349, 2373, 2381, 2421, 2427, 2435, 2441, 2459, 2462, 2465, 2481, 2484, 2487, 2499, 2505, 2509, 2514.
 - On 12-12-97 sand fraced perforations w/43,160 gals. SFG-3000 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 12-23-97
TYPE OR PRINT NAME William M. Kincaid TELEPHONE NO. (940) 723-2166

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY TIM W. GUM TITLE DISTRICT II SUPERVISOR DATE 2-17-98
CONDITIONS OF APPROVAL, IF ANY: