

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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		RECEIVED NOV 2 3 2005 BUD-ARTESIA	5. Lease Serial No. NM22634
2. Name of Operator Stephens & Johnson Operating Co.			6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 2249 Wichita Falls TX 76307-2249	3b. Phone No. (include area code) (940) 723-2166		7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310' FSL, 330' FEL, Sec 22, T26S, R29E			8. Well Name and No. Mobil '22' Federal #2
			9. API Well No. 30-015-25105
			10. Field and Pool, or Exploratory Area Brushy Draw -Delaware
			11. County or Parish, State Eddy NM

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 checked="" type="checkbox"/> Production (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 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 final site is ready for final inspection.)

This well is currently shut-in. Stephens & Johnson Operating Co. plans to return this well to active status as a flowing producing well. In July 1999 this well was plugged back from the Williamson Sand and completed in the Upper Cherry Canyon from 3807' to 3838'. It is not economical to pump this well, however it will flow water to the surface with a trace of oil. More water is needed for our waterflood operations into the Williamson Sand on the Mobil '22' Federal lease. Therefore, it is planned to equip this well to flow back to our tank battery. Please see attached well data and procedure to return this well to an active flowing well status.

Accepted For Record Only! Approval
Subject To Returning Well To Continuous
Production And Keeping Well On Continuous
Production!

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) William M. Kincaid	Title Petroleum Engineer
<i>William M. Kincaid</i>	Date 11-8-05

ACCEPTED FOR RECORD		THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by DAVID E. CLARK	Title SCDJ	Date NOV 12 2005	Office NMOC
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant has legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.			
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.			
PETROLEUM ENGINEER			

STEPHENS & JOHNSON OPERATING CO.
MOBIL "22" FEDERAL NO. 2
BRUSHY DRAW - DELAWARE FIELD
EDDY COUNTY, NEW MEXICO

Well Data:

Completion Date: 12-17-1984
Elevation: 2904.7' GL 2912' KB
Total Depth: 6048'
Surface Csg.: 8 5/8", 23# set @ 428'. Cemented w/256 sx.
Prod. Csg.: 5 1/2", 15.50# set @ 6048'. Cemented with 325 sx of
Light Weight III and 350 sx Light Weight V (Top of
cmt @ 2800' by Temperature Survey)
Perforations: Upper Cherry Canyon - 3807'-3838' KB
CIBP set @ 4950' w/40' cmt on top
Williamson Sand 5004'-5068'
Note: There is no tubing or rods in this well.

Recommended Procedure:

1. TIH w/pkr and 2 7/8" tubing and set pkr at approx. 3750'.
2. Pressure test csg-tbg annulus to 500 psi for 30 min.
3. If casing pressure tests OK, unset pkr and circulate pkr fluid containing a corrosion inhibitor to fill up the csg-tbg annulus. Reset pkr @ 3750'.
4. Tie wellhead into flowline and allow well to flow to tank battery.