

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
P.O. Box 1980
Hobbs, NM 88241

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

5. Lease Designation and Serial No.

LC-060978

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

MILNESAND UNIT

8. Well Name and No.

Milnesand (San Andres) Unit #27

9. API Well No.

30-041-10150

10. Field and Pool, or Exploratory Area

MILNESAND (SAN ANDRES)

11. County or Parish, Stat

SUBMIT IN TRIPLICATE

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
A.C.T. Operating Company

3. Address and Telephone No.
301 N. Colorado, Ste 323 Midland, TX 79701 915-683-4640

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter: I 1720' F SOUTH L and 660' F EAST L (Surface) Sec. 19-8S-35E

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

TYPE OF SUBMISSION

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

TYPE OF ACTION

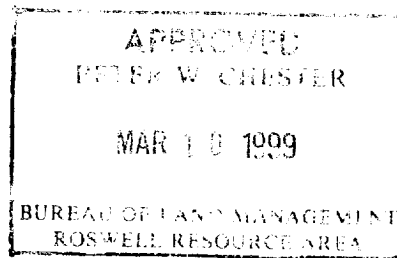
- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Reply to BLM on TA/SI
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If Well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

MSU #27 was shut in 6/94 due to parted rods. After a geological review, it was determined that the P1 is flooded out in this area and the P1 dominates the flow capacity of a I three San Andres zones (P1-3). It is planned to shut off the P1, thereby enabling us to pump the other zones. Current oil prices have dropped so dramatically we cannot justify the job at this time. We request the BLM allow us to suspend operations until such time we get some economic relief. A 33 page engineering assessment by M.C. Watson, P.E. (NM Lic#11031) was presented to the Roswell BLM office on October 22, 1997. The report details the potential of the Milnesand Unit. The field has tremendous potential of recovering more than the 7,000,000 BO to date of the estimated 75,000,000 BO originally in place. It will not be economical to abandon and re-enter or re-drill wells in the unit, therefore abandonment would mean permanent loss of reserves and revenue to all concerned.

APPROVED FOR — MONTH PERIOD
ENDING MAR 10 2000



14. I hereby certify that the foregoing is true and correct

Signed [Signature]

Title

VP

Date

11-20-98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any

GWW