

UNITED STATES
DEPARTMENT OF THE INTERIOR N.M. Oil Cons. Division
BUREAU OF LAND MANAGEMENT P.O. Box 1980
SUNDRY NOTICES AND REPORTS ON WELLS Hobbs, NM 88241

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

Do not use this form for proposals to drill or to deepen or reentry to different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals

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: H 1360' F NORTH L and 90' F EAST L (Surface) Sec. 13-8S-34E

5. Lease Designation and Serial No.

LC-062178

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 #524

9. API Well No.

30-041-20649

10. Field and Pool, or Exploratory Area

MILNESAND (SAN ANDRES)

11. County or Parish, Stat

ROOSEVELT, NM

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

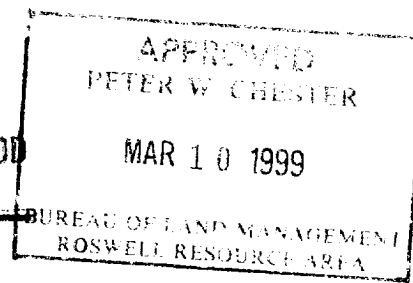
TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Reply to the 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.)

A Mechanical Integrity test was performed on MSU #524 and submitted to the BLM on 12/24/92. The well was TA'd in May 1988 by setting a CIBP at 4525'. The well has not ever been fracture treated since completed in 1982. The well should be fracture treated, however, the treatment is uneconomical at current oil prices. We request an extension of time of the TA until the economic environment improves. 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 recovered 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.



SEP 10 1999 -- 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 [Signature] Date 11-20-98

Conditions of approval, if any

LWW

RECEIVED
JUN 25 98
BLM
ROSWELL, NM