Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVE

FORM APPROVED OMB No. 1004-0137

NOV 12 211

Expires: October 31, 2014 5. Lease Serial No. NMSF-078212

SUNDRY NOTICES AND REPORTS ON WELLS Armington Field Cifflindian, Allottee or Tribe Name

Do not use this form for proposals to drill or to re-enter an and Managemen. RCVD DEC 2'13 abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and South SUBMIT IN TRIPLICATE - Other instructions on page 2. SW 248 DIST. 3 1. Type of Well 8. Well Name and No. Farnsworth Gas Com B #1E Oil Well Gas Well 2. Name of Operator McElvain Energy, Inc. 9. API Well No 30-045-26872 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 3a. Address 1050 17th St., Suite 2500, Denver, CO 80265 303-893-0933 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 11. County or Parish, State NENE Sec, T30N R13W 1040' FNL & 980' FEL San Juan, NM 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Plug Back ✓ Final Abandonment Notice Convert to Injection 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.) 9/26/2013 MIRU . SICP 20 psi, SITP 20 psi. POOH w/ 122 JTS 2 3/8" Tbg. 9/27/2013 SIBH 180 psi, SICP 70 psi, SICP 0 psi. POOH 184 JTS 2 3/8"TBG: Notified Brandon Poweli @ 12:30 9/24/2013 and the Cement Hotline@ 12:45. 9/30/2013 SIBH 140 psi, SICP 0 psi, SITP 0 psi. Set cmt retainer @ 5897'. Tried to pressure test csg, no test. PLUG #1 5897'- 5687', 16 sks Class B cmt, 15.6# ppg, 18.88 Y. TOC @ 5757'. Test csg - no test. PLUG #2 5134'-4924', 16 sks Class B cmt, 15.6 ppg, 1.18 Y. BLM-Dustin Porch on location. 10/1/2013 SIBH 49 psi, SICP 0 psi, SITP 0 psi. TOC @ 5011'. Attempted pressure test on csg, no test. RU - RIH W/ Wireline-& 3 1/8" gun. Shot 1 ' w/3 JSPF @ 4300'. Set CR @ 4251'. Stung in & established rate 2 BPM @ 400 psi, Circulating up csg @ 4060'. PLUG #3- @4300'-3830', 133 sks Class B, 15.6 ppg, 1.18 Y 156.94 CuFt. - outside & inside: 97 Sks, Outside: 4 Sks, Below:32 Sks above CR. Reversed out w 35 bbls. Pressure test csg to 500 psi, for 5 minutes, test good. BLM Dustin Porch on Location. Called Brandon w/ NMOCD, Discussed Braden Head pressure. Had gas sample tested. 10/2/2013 SICP 0 psi, SITP 0 psi. Miru Blue Jet Wire-line. Run Gas Spectrum Log frm 3816' to surface. TOC @ 3853'. Attemp Pressure test to 800 psi. pressure did not hold. PLUG #4 @3220'-2810' 16 Sks Class B cmt, 15.6 ppg, 18.88 y . Contacted BLM & NMOCD about the pressure on the Braden Head: 10/3/2013 SICP 0 psi, SITP 0 psi. TOC @2857'. Pressure Test to 800 psi. Did not hold. PLUG #5 @2480'- 2270', 16 Sks cmt Class B 15.6ppg, 1.18 Y. TOC @ 2311'. PLUG # 6 @ 1420'-840', 44 Sks Class B cmt 15.6 ppg, 1.18Y. Plug #6 approved by BLM Jim Lavato @13:00 & Charlie Perrin NMOCD 10/04/2013 Pressures Braden @19 psi, SICP 0 psi, SITP 0 psi. Caught gas sample. TOC @ 927'. Steve Mason- BLM & Charlie Perrin NMOCD approved @ 8:50. adding Plug #7. RU & RIH wireline to 650' & Perfed- 1 ft @ 3JSPF w/ 3 1/8"squeeze gun. Pumped and circulated 25 bbls. # 3 BPM & @ 350psi. Cement retainer set @ 609'. Established circ up Braden Head. Pumped 3 BPM @ 500 psi. PLUG #7 650'-400' Cmt inside and outside. 12 Sks; above CR & 4 Sks: below, 48 Sks outside. Blm Dustin Porch on Loc. Plug #7 approved by Jim Lavato - BLM @ 8:50 10/6/2013 Shut well in for buildup. CONTINUE 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Deborah K Powell Title Eng Tech Manager Date 11/11/2013 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by HENGTON FIRELD OFFICE Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would Office entitle the applicant to conduct operations thereon.

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false,

Farnsworth Gas Com B #1E NMSF - 078212 30-045-26872 Page 2 P&A Sundry

- 10/7/2013 TOC @ 456'. Pressure test Held @ 800 psi. Contacted Jim Lavato BLM & Charlie Perrin NMOCD Approved Plug #8 @ 9:45 -cmt inside and outside- perf @ 425'. Set CR @ 415'. RIH w/ 1' x 3 1/8" Squeeze gun. Shot 3 hole @ 430'. Establish circulationw 1/2 bbl & circ 30 bbls @ 300psi. RIH w/ 4.5" CR set @ 415'. Established circ @ 3 BPM @ 500 psi. PLUG #8 @ 430'-365' on outside. 12 bbls cmt. Recovered 2 bbls of cmt. Monitor Braden Head pressure.
- 10/8/2013 SI Braden Head pressure 25 psi, SICP 0 psi. Blue Jet ran GR/CCL/CBL frm 415' to surface.

 TOC @ 390' Received approval to pull 4.5" CR to 300' and Plug well out. Steve Mason BLM & Charlie Perrin NMOCD gave approval. BLM- Dustin Porch on Loc.
- 10/9/2013 Braden Head- open 0 psi, SICP 0 psi. Cut 4 1/2" csg @ 382' POOH. RIH w/ 8 5/8" CR & set @ 300'. PLUG #9 @300' to surface. 126 sks Class B cmt, 15.8 ppg, 1.18 Y. 148.68 CuFt. Pumpwed 33 Sks below CR, 93 sks above, Cement to Surface. Darrell Priddy- BLM on Loc.
- 10/10/2013 Braden Head open & dead. SICP 0 psi. Cut off 8 5/8". TOC 10' dwn. Pumped 40 sks Class B, 15.6 ppg , 1.18 Y. To surface. Installed dry hole marker. Darrell Priddy BLM on Loc.
- 10/11/2013 RDMO P&A spread. Final Report