

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 06 2014

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter and abandon a well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMSF-080536
6. Indian, Allottee or Tribe Name
Mataje

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
McElvain Energy, Inc.

3a. Address
1050 17th St, Suite 2500, Denver, CO 80265

3b. Phone No. (include area code)
303-893-0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1770' FSL 1890' FWL Sec 28 T25N R3W NMPM

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
ORA 6

9. API Well No.
30-039-24958

10. Field and Pool or Exploratory Area
West Lindrith Gallup- Dakota

11. County or Parish, State
Rio Arriba

12. CHECK THE 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 type="checkbox"/> Production (Start/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 checked="" 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 recomple 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.)

McElvain Energy Inc. recently encountered a casing leak in our Ora #6 well, API # 30-039-24958. This well is located in K Section 28, 25N R3W. The leak was found while running a camera to evaluate the condition of the casing after a fishing job involving 2 3/8" tubing and tubing test tools at 2270'. After the fish was retrieved a camera was run on 2/18/2014 to evaluate the casing integrity. Upon review of the camera video on 2/19/2014 it was determined that water was entering the casing between 2195' and 2270'. Within the 2260' to 2270' area the pipe was spilt and collapsed. A casing swedge was run after the fishing job but the pipe would not remain open. We also elected to check the DV tool at 3737' and found that oil appeared to be entering the well bore. We feel that the leaks at 2200' area were caused by the fishing operations and the leak is a very recent occurrence, however the DV tool may have been leaking for some time. On 2/20/2014 and 2/21/2014 110 sx of 20/40 sand were spotted from PBDT at 8081' to 6867' (tagged after spotting sand). Perforations are from 7976' - 88', 7829' - 7840', .34", 1 SPF 21 holes. 6907' - 7016', .34", 1 SPF, 57 holes. After spotting sand and loading hole with 2% KCl water a bond log was run. This will be transmitted to BLM & NMOC.

McElvain Energy is now preparing cost estimates to repair the casing leak and the leaking DV tool with casing patches. This will require AFE approval taking at least 30 days and probably closer to 60 days. We will also investigate plugging procedures in the event that casing repair cannot be justified economically.

RCVD MAR 13 '14
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Deborah Powell

Title Eng Tech Manager

Signature

Deborah Powell

Date 03/05/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason

Title

Date MAR 07 2014

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 entitle the applicant to conduct operations thereon.

Office

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

(Instructions on page 2)

NMOC