State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary

David R. Catanach, Division Director Oil Conservation Division



Tony Delfin Deputy Cabinet Secretary

July 5, 2016

Certified Mail Return Receipt#: 7015 0640 0007 1331 3544

Tony Cooper McElvain Energy, Inc. 1050 17th Street Suite 2500 Denver, CO 80265-0265

Re: Well Name Scott B #1, UL D Sec 5 Twn 26N Rge 6W, API # 30-039-06719

Dear Mr. Cooper:

The 2016 Bradenhead test on the above well indicates a failure. In order to comply with Rule 19.15.16.11, prevent waste and protect fresh water, you are hereby directed to initiate remedial activity before **September 28, 2016**. Initial Surface Casing psi was 37. Initial Production Casing psi was 69.

The Gas analysis and wellbore schematic have been received. Gas analysis show same gas on bradenhead and production casing.

Reference: RBDMS MPK1617636005 on future correspondence for this issue.

Notify the Aztec OCD 24 hours before work is initiated.

If you have any questions, please call me at 505-334-6178, ext. 116.

Sincerely yours,

Brandon Powell

Deputy Oil and Gas Inspector

Brandon Fourell

District III - Aztec

CC: Well File

BLM Farmington Field Office