

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF079186
2. Name of Operator MCELVAIN ENERGY, INC		6. If Indian, Allottee or Tribe Name
Contact: TONY G COOPER E-Mail: TONY.COOPER@MCELVAIN.COM		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 1050 17TH STREET STE 2500 DENVER, CO 80265	3b. Phone No. (include area code) Ph: 303-893-0933 Ext: 331	8. Well Name and No. SCOTT B 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 5 T26N R6W NWNW 1090FNL 1090FWL 36.519745 N Lat, 107.495468 W Lon		9. API Well No. 30-039-06719-00-S1
		10. Field and Pool or Exploratory Area BLANCO MV/ PC
		11. County or Parish, State RIO ARRIBA COUNTY, NM

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"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 recompleat 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 recompleat 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.

The attached document provides detailed information on the proposed plug and abandonment procedure developed for BLM approval.
Please see attached document for details.

**FOR
CONDITIONS OF APPROVAL**

**BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS**

OIL CONS. DIV DIST. 3

MAY 22 2017

14. I hereby certify that the foregoing is true and correct. Electronic Submission #353295 verified by the BLM Well Information System For MCELVAIN ENERGY, INC. sent to the Farmington Committed to AFMSS for processing by ABDELGADIR ELMADANI on 05/17/2017 (17AE0217SE)	
Name (Printed/Typed) JOE KELLOFF	Title VP PRODUCTION & BUSINESS DEV
Signature (Electronic Submission)	Date 10/03/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>AG Elmadani</u> (BLM Approver Not Specified)	Title <u>PE</u>	Date 10/03/2016
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 Farmington		

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD

7

McElvain Energy, Inc.
Scott "B" # 1
September 5, 2016

LOCATION: Unit: "D"

SEC 5 T26S R6W
1090' FNL & 1090' FEL
Rio Arriba, New Mexico

API: 30-039-06719
NM

Lat: *

Long: *

Drilled in 02/15/1952

TD: 3089' **PBTD:** 3089? ' **KB:** **GL:** 6571/6611'

BACKGROUND: Well was found to have high braden head casing pressure.

CURRENT STATUS: SI

PURPOSE: P&A

CASING:

8 5/8", # , @ 477' in 10" hole
Cemented with 150 Sxs.
TOC @ surface ?

5 1/2" (4 1/2" weight), 11.6 # , N? @ 3017' in 7 1/4" hole
Cemented in 1 Stage as follows:

1st. Stage: 450 Sxs. No details per NMOCD web site

TOC @

FORMATION TOPS:

San Jose Fm.
Nacimieto
Ojo Alamo
Kirtland
Fruitland
P.C.

MD.
Surface
1180'
2261'
2502'
2770'
3012'

PERFORATIONS:

Open hole Picture Cliffs : 3017' to 3089'

Notes: Breakdown SNG 150, Frac : 37,800 Gals. Of Crosslinked w/50,000# 10/20 SAND.

Open Hole: Drilled 4 " hole from 3017' to 3089' Cleaned out w/Cable tool (3 7/8" or 4 3/4"???)

TUBING:

ROD STRING:

None

PROCEDURE:

1. Notify: BLM/ **NMOCD 24 Hours before work starts on well.** Comply w/ all Local, State and Federal Laws and rules.
2. PC., FC., Kirtland, Plug # 1 : RIH w/ tubing open ended to 2998' Mix and pump 64 Sx. Of class "G" cement @ 15.5 PPG., 1.18 Yield Bottom of plug 2998' top of plug. Top @ 2452'
3. POOH and lay down 600' of pipe and POOH to 2000'.
4. Wait on cement and then RIH and tag top.
5. Ojo Alamo, Plug # 2 : POOH to 2311' +/- Mix and pump 11 Sxs. Of class "G" @ 15.5 PPG. 1.18 Yield. Bottom of plug 2311' Top 2211'.
6. POOH w/ and lay down 100' of tubing. POOH to 2000'
7. Wait on cement and RIH and tag top.
8. POOH and lay down tubing to 1230'.
9. Nacimiento, Plug # 3: Mix and pump 11 Sxs. Of Class "G" @ 15.5 PPG. 1.18 Yield. Bottom of plug @ 1230' to of Plug @ 1130'.
10. POOH w/ and lay down Tubing.
11. Wait on cement
12. MIRU wire line
13. RIH w/ squeeze gun and tag top of plug @ 1130'
14. POOH to 498' and shoot squeeze hole.
15. RU rig up and break circulation.

McElvain Energy, Inc.
Scott "B" # 1
October 3, 2016

16. Surface Plug 498' to Surface: Mix and pump 190 Sxs. Of Class "G" @ 15.5 PPG. 1.18 Yield, Circulate good cement to surface.
17. Dig out and cut off wellhead, and install P&A Marker.
18. Remove all equipment and Remediate location as per BLM.

Note:

NMOCD: Brandon Powell 505-334-6178 Ext. 116
Weatherford, Mark Clark 505-320-3180
LF Well Service, Noe 505-320-1767
Cave Ent. Jimmy 505-325-3401
NOV/Tuboscope : 505-860-9307
Wilson Service Company(MIT) Brandon 505-947-5940
C&J Trucking, Adam 505-860-0297
Tri Energy Service, Porta John, 505-325-7005
Double S Hot shot, Debbie, 505-334-3850

Notifications:

1. 24 Hrs. in advance of beginning work on well, contact Brandon Powell w/ NMOCD.

McELVAIN ENERGY INC.

1050 17TH STREET, SUITE 2500
DENVER, COLORADO 80265-1801

TELEPHONE 303-893-0933 EXT.331
FAX 303-893-0914
E-MAIL: TONYC@McELVAIN.COM

Oct 21, 2016

Robert Switzer
Environmental Protection Specialist
Farmington Field Office
Bureau of Land Management
6251 College Blvd. Suite A
Farmington, NM 87402

RE: Final Reclamation Plan for Scott B #1 (P & A Well)

Purpose

In accordance with the FFO Bare Soil Reclamation Procedures, McElvain Energy Inc. is submitting this final reclamation plan for the Scott B #1 well site which has recently been plugged and abandoned by McElvain. The purpose of the plan is to set forth guidelines by which final reclamation activities will be conducted to ensure the establishment of the original natural topography and a representative vegetative community to the site.

Onsite Inspection and Site Reclamation

On October 20th, 2016 an onsite inspection was jointly conducted by BLM/FFO and McElvain Energy Inc. representatives. The specific reclamation tasks listed below were requested by the BLM/FFO representative;

- All aboveground surface production equipment and associated infrastructure will be removed and properly disposed of. Most lines will be abandoned in place (subsurface). The 2" underground flow line from the wellhead to the gas sales meter will be permanently removed. All trash will be picked up and properly disposed of.
- Appropriate stormwater and erosion control BMP's will be employed as dictated by site drainage patterns to prevent site erosion and sedimentation run on or run off. Natural drainage patterns will be restored to pre-disturbance conditions.
- The 12' of fill on the west side of the site will be used to fill the cut on the east side of the site.
- The site will be re-contoured to blend in with the natural contour of the area
- The site will be ripped and seeded with a seed mixture representative of the Badlands vegetation community

- The entry to the location will be blocked with a dirt berm and a fence.
- The 35 bbl. pit tank will be removed and the ground surface under the tank will be visually checked for signs of contamination. If contamination is discovered, a five spot composite sample will be taken and tested to BLM specifications.

Site Revegetation and Weed Control

- The surface of the well pad and operational area will be conditioned as previously described and the Badlands seed mixture will be disk drilled into the soil. The seed application rates for the Badlands seed mixture are outlined in Table 1:

Table 1 – Badlands Vegetation Community Application Rate Table

SPECIES	LBS/PER ACRE
Shadscale	2
Winterfat	2
Alkali Sacaton	.25
Sand Drop Seed	.5
Blue Grama	2
Siberian Wheatgrass	3
Narrowleaf Penstemon	.25

Once the required vegetation percent cover has been achieved, a Final Abandonment Notice (FAN) will be submitted in the form of a Sundry to the BLM/FFO for concurrence on final reclamation approval.

Respectfully Submitted,

Tony G. Cooper
Sr. EHS Specialist
McElvain Energy Inc.
303-893-0933 x331

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: Scott B#1

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 5647750.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.