

Submit 1 Copy to Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

| | |
|--|---|
| Gas well | WELL API NO. 30-045-34241 |
| 2. Name of Operator MCELVAIN ENERGY INC | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 3. Address of Operator 1050 17 TH Street Ste 2500 DENVER CO 80265 | 6. State Oil & Gas Lease No. |
| 4. Well Location Unit Letter <u>C</u> : <u>705</u> feet from the <u>N</u> line and <u>1315</u> feet from the <u>W</u> line Section <u>1</u> Township <u>29N</u> Range <u>13W</u> NMPM County <u>SAN JUAN</u> | 7. Lease Name or Unit Agreement Name HUTCHINSON |
| | 8. Well Number <u>2</u> |
| | 9. OGRID Number 22044 |
| | 10. Pool name or Wildcat BASIN FRUITLAND |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|--|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input checked="" type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please withdraw the Notice of Intent Sundry requesting permission to P&A the Hutchinson #2 well. McElvain Energy, Inc. is currently in the process of negotiating a purchase and sale agreement for this well.

I have attached a copy of the initial NOI Sundry that was submitted requesting P&A.

Thanks

OIL CONS. DIV DIST. 3
JUL 31 2017

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tony Cooper TITLE Regulatory Mgr DATE 7-31-07
Type or print name Tony Cooper E-mail address: Tony@McElvain.com PHONE: 303 962 6489
For State Use Only
APPROVED BY: [Signature] TITLE GEOLOGIST DISTRICT #3 DATE 7/31/2017
Conditions of Approval (if any): IV

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Form C-103
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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|--|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-045-34241 |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator MCELVAIN ENERGY INC. | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 1050 17 TH ST SUITE 2500 DENVER CO 80265 | | 7. Lease Name or Unit Agreement Name HUTCHINSON |
| 4. Well Location Unit Letter <u>C</u> : <u>705</u> feet from the <u>N</u> line and <u>1315</u> feet from the <u>W</u> line Section <u>1</u> Township <u>29N</u> Range <u>13W</u> NMPM <u>SAN JUAN</u> County | | 8. Well Number <u>2</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5587' GL | | 9. OGRID Number <u>22044</u> |
| | | 10. Pool name or Wildcat Basin Fruitland |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|--|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input checked="" type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see attached P&A procedure

OIL CONS. DIV DIST. 3

MAR 02 2017

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tony Cooper TITLE Sr EHS Specialist DATE 2-21-17
Type or print name Tony Cooper E-mail address: tonyc@mcelvain.com PHONE: 303-501-0004
For State Use Only
APPROVED BY: Sundry withdrawn by Operator DATE 2-21-17
Conditions of Approval (if any): AV



Wellbore Diagram

Hutchison #2
API #: 3004534241
San Juan, New Mexico

8-5/8" 24# @ 300 ft

Plug 4
294 ft - Surface
294 feet
85 sks of Class G

Plug 3
725 ft - 575 ft
150 feet
35 sks of Class G
Squeeze 14 sks

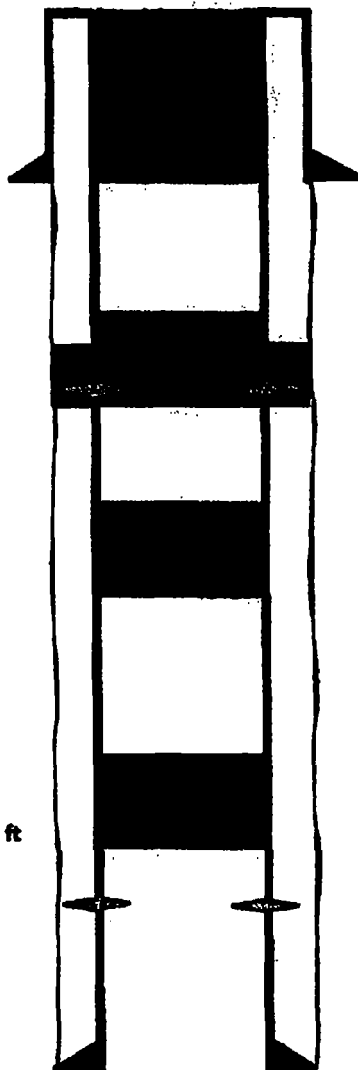
Plug 2
1095 ft - 945 ft
150 feet
21 sks of Class G

Plug 1
1468 ft - 1418 ft
50 feet
7 sks of Class G

Perforations
1542 ft - 1518 ft

Retainer Set at 1468 ft

5.5" 15.5# J-55 @ 1716 ft



McElvain Energy Inc.

Plug And Abandonment Procedure

Hutchison #2

705' FNL & 1315' FEL, Section 1, T29N, R13W

San Juan County, NM / API 30-045-34241

- 1. Hold pre-job safety meeting. Comply with all NMOCD, BLM safety and environmental regulations. Test rig anchors prior to moving in rig if not rigged to base beam.**
- 2. Check casing, tubing, and bradenhead pressures.**
- 3. Remove existing piping on casing valve. RU blow lines from casing valves and begin blowing down casing pressure. Kill well as necessary. Ensure well is dead or on a vacuum.**
- 4. L/D rods per pertinent rod tally:**
 - **22' 1-1/4" Polish Rod**
 - **2' 3/4" Pony**
 - **8' 3/4" Pony**
 - **1450' (58) 3/4" Guided Rods**
 - **100' (4) 1-1/4" K-Bars**
 - **3' 3/4" Pony**
 - **8' 2-1/2" x 1-1/2" x 14' RWAC Pump**
 - **Total = 1589'**
- 5. ND wellhead and NU BOP. Function test BOP.**
- 6. TOH and tally 2-7/8" tubing string per pertinent pipe tally:**
 - **1583' 50 jts of 2-7/8", 6.5#, J-55 Tubing**

- 1.10' 1.78" ID Seat Nipple
- 32.70' 1 jt 2-3/8", 4.7#, N-80 Tubing
- 0.45' 1 Notched Collar
- 1625.25' Total Tubing String

7. P/U 5-1/2" bit or casing scraper on 2-7/8" workstring and round trip as deep as possible above top perforation at 1518':

8. P/U 5-1/2" CR, RIH and set CR at +/- 1468'. Pressure test tubing to 1000 psi. Sting out of CR. Load hole, and pressure test casing to 800 psi. If casing does not test, then spot or tag subsequent plugs as appropriate. POOH w/ tubing.

9. Rig up to pump cement down tubing. Pump water to establish rate down tubing.

NOTE: All Plugs Include 100% excess outside casing and 50% Excess inside casing

9. Plug 1 (Fruitland Perforations and Formation Top 1468'-1418', 7 Sacks Class G Cement)

Mix 7 sx Class G cement and spot a balanced plug inside casing to cover Fruitland Perforations and formation top.

10. Plug 2 (Kirtland Formation Top 1095'-945', 21 Sacks Class G Cement)

Mix 21 sx Class G cement and spot a balanced plug inside casing to cover Kirtland formation top.

11. Plug 3 (Ojo Alamo Formation Top 725'-575', 35 Sacks Class G Cement)

RIH and perforate 3 squeeze holes at 675'. Establish injection rate into squeeze holes. RIH with 5-1/2" CR and set at 625'. Mix 35 sx Class G cement. Squeeze 14 sx outside casing leaving 21 sx inside casing to cover Ojo Alamo formation top.

12. Plug 4 (Surface, surface-294', 85 Sacks of Class G Cement)

Attempt to pressure test the bradenhead annulus to 300 psi; note the volume to load. If BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 85 sx cement and spot a balanced plug from 294' to surface, circulate good cement out of casing valve. TOH and LD tubing. Shut well in and WOC. If BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 294' and the annulus from the squeeze holes to surface. Shut in well and WOC.

13. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and restore location per BLM stipulations.