

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

5. Lease Serial No.
NMSF -079048

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry Other

b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.

Other _____

2. Name of Operator

McElvain Oil & Gas Properties, Inc.

3. Address

1050 17th Street Suite 1800 Denver, CO 80265

3a. Phone No. (include area code)

303-893-0933

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface **2250' FSL & 2050' FEL NW SE Sec 7-T32N-R9W NMPM**

At top prod. interval reported below

At total depth

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
Stateline #1 B

9. API Well No.
30-045-32378

10. Field and Pool, or Exploratory
Blanco Mesaverde/Basin Dakc

11. Sec., T., R., M., on Block and
Survey or Area **7-32N-9W NMPM**

12. County or Parish **San Juan** 13. State
NM

14. Date Spudded

05/16/05

15. Date T.D. Reached

5/26/05

16. Date Completed

☐ D & A ☒ Ready to Prod.

4-26-06

17. Elevations (DF, RKB, RT, GL)*

6958' GL

18. Total Depth: MD **8,483' ± 393'**
TVD

19. Plug Back T.D.: MD **7,992'**
TVD

20. Depth Bridge Plug Set: MD **6,480'**
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CBL, Density-Neutron-Induction Log

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/2"	9 5/8" J-55	36	surface	488'		285sx Type B	60	Surface	
8 3/4"	7" J-55	20	surface	4083'	DV @ 2681'	194sx 65/35Pz	52.5	Stg 1TD to DV	
						210sx65/35pz	64.5	Stg2 DV-995	
6 1/4"	4 1/2" J-55	10.5	Surface	7127'		200sx65/35Pz	70	2690	
	4 1/2" N80	11.6	7127'	8391'		300sx50/50Pz	75		

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8	6182							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Point Lookout	6060	6426	6050-6235	.36	36	Producing
B) Menefee	5744	6059	5715-6002	.32	29	Producing
C) Cliff House	5329	5743	5336-5432	.32	16	Producing
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
6050-6235	1500 gal 15 % HCL, 114,180# 20/40 sand
5715-6002	1500 gal 15% HCL, 6,443 slick wtr & 76,420# 20/40 sand
5336-5432	1000 gal 15% HCL, 53,338 # 20/40 sand
2650 (SQZ Holes)	300 sx Type III (1.41 Yield, 14.5 #) Sqz'd above orig. TOC from 2650 sqz holes to surf. up 4.5"x7" annulus

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Conn. API	Gas Gravity	Production Method
N/A	4/26/06	7.5	→	0	TBD	60	-	-	Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
2"	SI 115	820 SI	→	0	TBD	192	-		

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Conn. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

ACCEPTED FOR RECORD
SI WOPE

JUN 02 2006

FARMINGTON FIELD OFFICE

NMOC

3b. Production - Interval C

ate First roduced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
hole ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

3c. Production - Interval D

ate First roduced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
hole ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

1. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

1. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

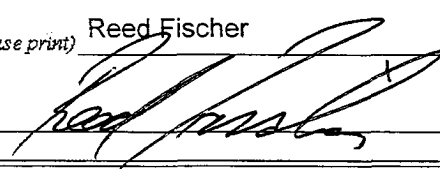
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Cliff House	5329				
Menefee	5744				
Point Lookout	6060				
Mancos	6427				
Gallup	7192				
Greenhorn	8087				
Graneros	8149				
Dakota	8251				

2. Additional remarks (include plugging procedure):

3. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other:

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Reed FischerTitle Operations EngineerSignature Date 5/23/2006

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.