

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-045-07904
5. Indicate Type of Lease STATE FEE XXX <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. RCVD DEC 4'07
7. Lease Name or Unit Agreement Name Salmon OIL CONS. DIV. DIST. 3
8. Well Number 1
9. OGRID Number
10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs

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.)

1. Type of Well: Oil Well ☐ XXX Gas Well Other

2. Name of Operator McElvain Oil & Gas Properties, Inc
? Gerry THAMES

3. Address of Operator
P.O. Box 5610, Farmington, NM 87499-560

4. Well Location
Unit Letter A : 990 feet from the South line and 990 feet from the East line
Section 30 Township 29 N Range 11W NMPM San Juan County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6829' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Lined Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Operator proposes to plug and abandon this well per the attached procedure. A steel tank pit will used.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE J. M. McKinney TITLE Operations Engineer DATE 12/03/07
Jim McKinney

Type or print name
Telephone No. 303-893-0933, X379

E-mail address: jimm@mcelvain.com

For State Use Only

APPROVED

BY: Henry Villanueva TITLE Deputy Oil & Gas Inspector, District #3 DATE DEC 11 2007

Conditions of Approval (if any):

Give OCT 24 Hr Notice to witness plugging

PLUG AND ABANDONMENT PROCEDURE

November 27, 2007

Salmon #1

Fulcher Kutz Pictured Cliffs

990' FSL, 990' FEL, Section 30, T29N, R11W, San Juan County, New Mexico

API 30-045-07904 / Lat: _____ / Long: _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield,

1. Install and test location rig anchors. Due to location a steel pit will be used. Comply with all NMOCD, BLM, and McElvain safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary.
2. Note: Well may have 1" tubing or no tubing. If it has 1" tubing, TOH and LD. Tally and PU tubing workstring. ND wellhead and NU BOP. Test BOP. Round trip a 5.5" casing scraper or wireline gauge ring to 1455'.
3. **Plug #1 (Pictured Cliffs open hole interval and top, 1455' – 1355')**: TIH and set 5.5" CR at 1455'. Load casing with water and circulate well clean. Pressure test casing to 500#. *If casing does not test, then spot or tag subsequent plugs as appropriate.* Mix 16 sxs Type III cement and spot above CR from 1455' to 1355' to isolate the PC interval. PUH.
4. **Plug #2 (Fruitland top, 983' – 883')**: Mix 16 sxs Type III cement and spot a plug inside the casing to cover the Fruitland top. PUH.
5. **Plug #3 (Kirtland top and 8.625" Surface Casing, 395' – Surface)**: Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 45 sxs Type III cement and spot a balanced plug from 395' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing and the bradenhead annulus.
6. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Salmon #1 Proposed P&A

Fulcher Kutz Pictured Cliffs

990' FSL & 990' FEL, Section 30, T-29-N, R-11-W, San Juan County, NM

Lat: _____ / Long: _____ / API 30-045-07904

Today's Date: 11/27/07

Spud: 8/20/53

Comp: 9/1/53

Elevation: 5375' GL

12.5" Hole

Kirtland @ 345'

Fruitland @ 933'

Pictured Cliffs @ 1455'

7.875" Hole

TD 1547'

TOC @ Surface, circulated per Sundry

8.625" 17#, Casing set @ 131'
Cement with 60 sxs, circulated to surface

Plug #3: 395' – 0'
Type III cement, 45 sxs

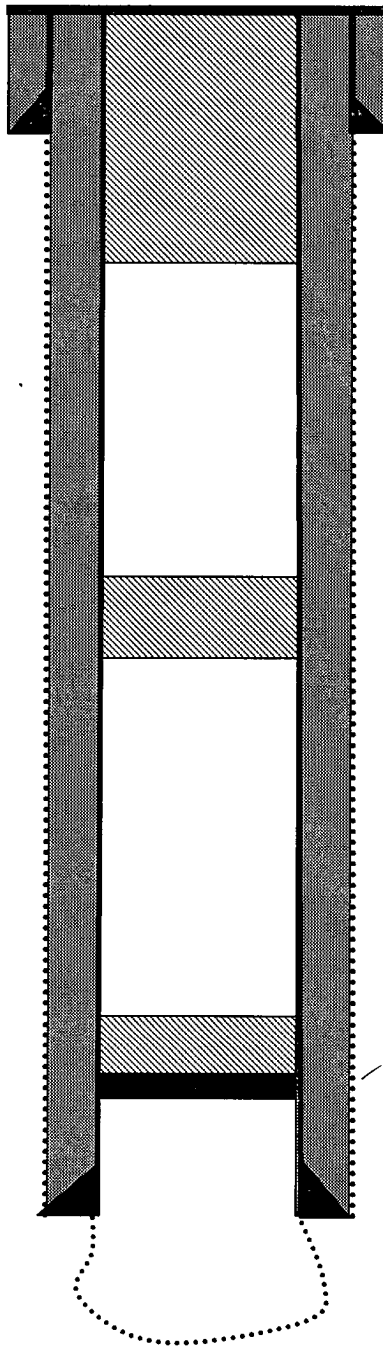
Plug #2: 983' – 883'
Type III cement, 16 sxs

Plug #1: 1455' – 1355'
Type III cement, 16 sxs

Set CR @ 1455'

5.5" 14#, Casing @ 1505'
Cement with 330 sxs
Circulated to surface

Pictured Cliffs Open Hole:
1505' – 1547'



Salmon #1 Current

Fulcher Kutz Pictured Cliffs

990' FSL & 990' FEL, Section 30, T-29-N, R-11-W, San Juan County, NM

Lat: _____ / Long: _____ / API 30-045-07904

Today's Date: 11/27/07

Spud: 8/20/53

Comp: 9/1/53

Elevation: 5375' GL

12.5" Hole

TOC @ Surface, circulated per Sundry

8.625" 17#, Casing set @ 131'
Cement with 60 sxs, circulated to surface

Kirtland @ 345'

Note: May have 1" tubing
in this well. No records
available.

Fruitland @ 933'

Pictured Cliffs @ 1455'

7.875" Hole

5.5" 14#, Casing @ 1505'
Cement with 330 sxs
Circulated to surface

Pictured Cliffs Open Hole:
1505' – 1547'

TD 1547'

DESIGNATION OF AGENT

The undersigned is, on the records of the New Mexico Oil Conservation Division ("NMOCD"), Operator of the Salmon #1 Well, API #3004507904, and the Cassidy #1 Well, API #3004507967 (the "Wells"), located in San Juan County, New Mexico and hereby designates:

Name: McElvain Oil & Gas Properties, Inc.
Address: 1050 17th Street, Suite 1800
Denver, CO 80265-1801

as its agent, with full authority to act on its behalf in complying with the terms of the NMOCD rules and regulations applicable thereto with respect to plugging and abandonment of the Wells

It is understood that this Designation of Agent does not relieve Operator of responsibility for compliance with the terms of any leases or agreements related to the Wells or the oil and gas operating regulations

In case of default on the part of the designated agent, the Operator will make full and prompt compliance with all regulations, lease terms, or orders of the applicable governmental authorities.

This designation is given only to enable the agent herein designated to plug and abandon the Wells. Unless sooner terminated, this designation shall terminate when the designated agent receives from the NMOCD an accepted and approved plugging and abandonment Sundry Notice for the Wells.

EXECUTED this 6th day of December, 2007.

Gerry G. Thames, Operator

Gerry G. Thames

RCVD DEC 11 '07
OIL CONS. DIV.
DIST. 3